Texas Balance of State Continuum of Care

Ranking Policy and Procedure for Continuum of Care Program Funds in the Texas Balance State Continuum of Care

About the Ranking Policy

The Texas Homeless Network (THN) is the Collaborative Applicant and Continuum of Care (CoC) Lead Agency for the Texas Balance of State Continuum of Care (TX BoS CoC). THN facilitates the local application process/competition in the TX BoS CoC for U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program funds. The TX BoS CoC Board of Directors is required to establish priorities for the inclusion of Projects into the Priority Listing as well as establish considerations for especially vulnerable populations.

Overview of Ranking

HUD requires Collaborative Applicants to rank all new reallocated, bonus, DV Bonus, and renewal project applications submitted by project applicants in two tiers. This ranking is done in the CoC's Priority Listing. The purpose of this two-tiered approach is for CoCs to indicate to HUD which projects are prioritized for funding.

Tier 1 is equal to a percentage of the CoC's Annual Renewal Demand (ARD). This amount is updated annually, and described in the Department of Housing and Urban Development (HUD) Notification of Funding Opportunity (NOFO). Tier 1 projects traditionally have been protected from funding cuts.

Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for bonus projects (not including amounts available for DV Bonus projects and before adjustments are made to permanent housing leasing, operating, and rental assistance budget line items based on changes to Fair Market Rent (FMR)) as described in the NOFA. Tier 2 projects have to compete nationally for funding. Projects placed in Tier 2 will be assessed for eligibility and threshold requirements, and funding will be determined using the CoC Application score as well as the factors listed in the NOFA.

Ranking in the TX BoS CoC

The CoC is required to prioritize Tier 1 for the highest-performing projects or promising New Projects and must have a clear and transparent method for determining which projects rank in Tier 1, and which projects rank in Tier 2. The following sections describe past considerations for the ranking process.

Held Harmless Projects

It is inappropriate to score certain projects. The CoC recognizes two types of project that fall into this category, Single-type projects, and First-time Renewal Projects. First-time Renewal

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Projects are those that were funded as part of a prior year's CoC Program competition that are not yet under contract or are in the first operating year during the current CoC Program Competition and do not have 12 months of data to base performance analysis. Single-type projects are the only project of that component type, (RRH, PSH, TH-RRH, SSO-CE) in operation in the CoC. SSO-CE Projects that do not serve the entire geography of the CoC fall into this category. These projects are "held harmless" and ranked at the bottom of Tier 1, in order of their prior year's ranking. If a project that is being held harmless straddles Tier 1 and Tier 2, that is, the inclusion of the requested renewal funds associated with that project in Tier 1 would cause the Tier 1 total to exceed the allowed percentage per the NOFO, all projects held harmless will move up one ranked position, and the lowest scoring renewal project in Tier 1 will drop to Tier 2.

CoC Infrastructure

In FY2018, the Board amended the FY 2018 TX BoS CoC Review, Score, and Ranking Policies and Reallocation Process for HUD Continuum of Care Program Funds to include all CoC Infrastructure at the top of Tier 1 since CoC Infrastructure supports the operation of the CoC and the implementation of CoC Program requirements, like HMIS or Coordinated Entry. To be considered CoC Infrastructure a Project must support the entire Geographic Service Area of the TX BoS CoC.

Ranking Policy

Given the above considerations and historical context, the TX BoS CoC Board adopts the following ranking policy:

Tier 1

- Any CoC-wide Infrastructure Projects, such as HMIS Renewal Project, HMIS Expansion Project, Supportive Services Only – Coordinated Entry (SSO-CE), will be ranked first provided that the proposed project covers the entire Geographic Service Area of the Continuum of Care.

- Renewal Projects, will be placed next in order from highest-scoring to lowest-scoring. Lowest scoring Renewal Projects may drop to Tier 2

- Held Harmless Projects, or projects that are in their first year of operation and do not have at least 12 months' worth of project data, will be ranked at the bottom of Tier 1 based on their prior year's ranked position.

Tier 2

- Remaining Renewal Projects and all New Projects, including the expansion component of Expansion Projects, will be placed in Tier 2 beginning in their ranked order based on the Project's Score.

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Ultimately, projects will be prioritized to best maximize the CoC Consolidated Application's overall score and potential for funding.

Ranking Procedure

Once scoring[1] is complete THN Staff will use the Ranking Policy above, Project scores and an Excel calculator that determines the Tier 1 lower threshold and the mathematical advantage of a given ranking scenario to create several scenarios. These scenarios will be presented for consideration to the Continuum of Care Board of Directors to approve or reject.

The Continuum of Care Board of Directors at a regular, or specially called board meeting will review the proposed rankings, the rationale, and the advantages and disadvantages of each. Once a scenario has been selected, THN will populate the Priority Listing and make it available for public review via the THN website, Social Media, and targeted email campaign no less than 2 days before the Competition deadline or as outlined in the CoC Program NOFO.

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[1] For more information on reallocation, refer to "Review and Scoring Policies and Procedure for Continuum of Care Program Funds in the Texas Balance of State Continuum of Care**".**