2019 Central MN CoC NOFA Ranking Process and Procedures

2019

The Central MN Continuum of Care McKinney-Vento Funding Committee is charged with directing this community's annual HUD CoC Program funding of over $1.3 million to meet federal requirements and local needs in its efforts to address and end homelessness. To accomplish this goal, the Committee sets priorities for new project funding, and ranks renewal and new applications, based on project and CoC performance criteria, as well as local and HUD priorities.

I. HUD McKinney-Vento Application Values

In developing its overall strategy to address and end homelessness, and in particular with respect to ranking of renewal projects and solicitation of new project applications, the CoC and its Scoring and Ranking Committee are committed to upholding and applying the following values:

1. Maintain as much HUD Continuum of Care Program funding in our CoC as possible.
2. Promote our goal to make homelessness rare, brief, and one time in Central MN CoC and address issues of disproportionality
3. Prioritize projects that:
    a. Actively participate in the Continuum of Care and help advance collective goals
    b. Have movement to permanent housing and subsequent stability as the primary focus
    c. Focus on those who are literally homeless (streets, shelter, transitional housing for homeless)
    d. Participate in the HMIS with complete, high quality data;
    e. Demonstrate low barriers to program entry
    f. Perform well against HUD McKinney Continuum of Care goals and positively impact system performance
    g. Consistently meet and exceed operational standards for spending, match, occupancy and reporting.

II. Ranking for Renewal of Existing Projects

As part of the annual NOFA competition process, HUD requires each Continuum of Care to rank order all McKinney-Vento Funded projects (both new and renewal) included in its CoC Consolidated Application using a documented, objective methodology which considers past project performance, and to further divide this ranked list of projects into two Tiers. The purpose of this tiered system is to indicate to HUD the relative funding priority of projects within a CoC, and thus, the priority order in which projects should receive resources should funding fall short of a CoC's Annual Renewal Demand. Tier 1 projects passing an eligibility and threshold review will be conditionally funded by HUD, beginning with those in the highest-scoring CoC nationwide and proceeding to the lowest-scoring CoC; funding order of Tier 1 projects within a CoC thus depends on that CoC's own project evaluation process. Tier 2 projects are competitively funded and subject to evaluation by HUD using a scoring system which factors in a CoC's overall application score, the score awarded the project by the CoC, and the extent to which a project implements a Housing First approach.

To assist the Central MN Continuum of Care in evaluating and ranking applications for both renewal and new project applications, a NOFA Program Scoring Tool has been developed (see Attachment 1). The Scoring Tool is based on the efforts of CoCs, through the Metro Data and Evaluation Committee, to

establish a shared set of criteria on which to base NOFA project evaluations, and builds upon previous scoring tools used by the Suburban Metro and Ramsey County CoCs. While it is intended to serve as a common starting point for CoCs to evaluate NOFA project applications Central CoC amended the Tool based upon Central CoC needs.

A. Scoring Tool Description

The Scoring Tool evaluates renewal projects along three general performance dimensions – Service Model, Operational Performance, and Client Outcome Performance – each of which includes multiple component measures. Each performance measure is in turn based on one or more defined data elements drawn from a specific data source, including individual project applications, annual progress reports (APRs), HMIS, and HUD reports. For each individual measure, the Scoring Tool also defines three ranges of performance – Low, Medium, and High – and identifies for each a number of points awarded to programs whose outcomes fall within that range.

The intent is for each individual measure within the tool to be an objective metric with a defined method of calculation, and which corresponds to one or more data elements from specific reports. This approach reduces variability in assessment between reviewers, as independent reviewers (including projects engaging in self-assessment) using the same, defined data sources should thus be able to reliably arrive at the same value, and the same point score, for a project on any given measure. The overall score of a project is the sum of the points it receives in each of the component performance measures across the four general performance dimensions.

Service Model
> The Scoring Tool's first dimension captures characteristics of a project's Service Model, and consists of two component measures:
> - Low Barrier Program Eligibility - whether projects accept or screen out applicants based on certain characteristics (aligns with HUD NOFA Policy Priorities)
> - Housing First - the extent to which project adopt a Housing First approach (aligns with HUD NOFA Policy Priorities)

Operational Performance
> Operational Performance, the second of the Scoring Tool's three general dimensions, is comprised of four components:
> - Bed Utilization - the extent to which a project's beds inventory is occupied over the course of a given year
> - Funding Management: Unspent Funds - the percentage of a project's previous grant which was spent
> - Funding Management: Drawdowns - the frequency with which a project draws down its funds
> - HMIS Data Quality - the percentage of missing data elements within the project's HMIS client records

Client Outcome Performance
> The Scoring Tool's third dimension, Client Outcome Performance, contains eight components. This dimension also differs from the other two in that, depending on project type, renewals may

not be scored on all eight components. The first two components within Client Outcome Performance apply only to Permanent Supportive Housing (PSH) renewals:

- Chronic Homeless Targeting - the percent of a project's beds dedicated for chronically homeless clients (aligns with HUD NOFA Performance & Strategic Planning Criteria 6a, HUD NOFA Policy Priorities)
- Housing Stability at 6 Months - the percent of entrants who remain in the project after 180 days

The final five components of the Client Outcome Performance Dimension apply to both PSH as well as Rapid Rehousing (RRH) and Transitional Housing (TH) projects:

- Retention/Exits to Permanent Destinations - the percentage of a project's clients who are retained in the project at the time of data collection, or who have exited to permanent destinations in the past year (aligns with HUD System Performance Measures 7b.1, 7b.2)
- Change in Retention/Exits to Permanent Destinations – the percent change in a project's 'Retention/Exits to Permanent Destinations' from CY2017 to CY2018
- Maintain or Increase Employment Income - the percent of eligible adults whose income from employment was maintained or increased relative to employment income at admission (aligns with HUD System Performance Measures 4.1, 4.4)
- Change in Maintain or Increase Employment Income – the percent change in a project's 'Retention/Exits to Permanent Destinations' from CY2017 to CY2018
- Maintain or Increase Total Income - the percent of clients who maintained or increased income from all sources, including employment, when compared to total income at project entry (aligns with HUD System Performance Measures 4.3, 4.6)

Reallocation Bonus

In 2019, bonus points will also be awarded to projects willing to reallocate funds from their grant request to other projects identified by Scoring Committee as priority targets and areas of need for the CoC.

The Scoring Tool provides the CoC Scoring and Ranking Committee an objective point from which to start its ranking process. From this point, the Committee may consider other project characteristics not incorporated in the Scoring Tool, including (but not limited to): project capacity and expected number of individuals served; type and scope of services provided; client subpopulation(s) targeted by the project; extent to which a project meets existing areas of CoC need; changes in project performance over time; project feedback or context provided to the CoC Committee; or other factors it deems relevant, to reorder projects and arrive at the CoC's final project ranking list.

It is also imperative to note that the Scoring Tool is intended to provide a relative, rather than an absolute, ranking of projects. While it is expected that a project's rank will be correlated with its overall performance to some degree, at the same time, a low rank on the Scoring Tool is not necessarily an indicator that a project is performing poorly; similarly, it is possible for a high-ranking project to fall short of expectations in one or more performance areas.

The Scoring Tool, as described above and presented in Attachment 1, was presented to the CoC Committee. At that time, the Committee elected to approve the tool for use in the 2019 NOFA Program Competition ranking process.

B. Scoring Tool Application and Project Ranking Process

Following the submission of preliminary applications by all renewal projects by the deadline of August 19, 2019, the Scoring Committee will use the NOFA Scoring Tool to calculate each project's provisional score. The Scoring Tool will then be applied to these applications to produce a preliminary project ranking for all renewal projects.

This ranking, along with contextual information drawn from projects' applications, APRs, and narrative responses to regarding projects' performance relative to HUD targets for income, receipt of non-cash benefits, and subpopulations served, will be made available to the CoC Scoring Committee. The Committee will then use this information in its meeting during the week of August 26, 2019 to rank order projects, designate which projects fall into the Tier 1 and Tier 2 ranges, and make any reallocation decisions in order to fund new project(s). Results will be provided to the CoC Advisory Committee and Board for a vote on September 3, 2019. Results of this vote will be communicated to new and renewal project applicants on September 4, 2019 via e-mail, and through public posting on the CMHP/Central MN CoC website. At this point, projects rejected by the CoC may appeal the decision to the CoC following the procedure outlined in Section V, below.

IV. Submission and Ranking Process for New Project Proposals

In addition to scoring and ranking renewal projects, the Central MN Continuum of Care McKinney-Vento Scoring Committee will also evaluate, score, and rank new project proposals as part of the 2019 CoC NOFA competition.

A. Scoring Tool Description

As detailed in the New Project Request for Proposal (RFP) release issued by the CoC, new project proposals must meet the following minimum threshold requirements to be considered for funding:

- Project applicants must be a nonprofit organization, state or local government, public housing agency, or instrumentality of a state or local government, without limitation or exclusion
- The population targeted by the project meets current HUD and CoC requirements
- The service model adopted by the project meets current HUD and CoC requirements
- Project Intent to Apply forms are submitted to the CoC Coordinator on or before the **deadline of July 15, 2019**
- Projects have both a plan in place, and the capacity, to participate fully in HMIS and the CoC's Coordinated Entry System
- Applicant organizations have a mission/purpose statement, bylaws to govern operations, an active governing board that includes at least one member who is homeless or formerly homeless (or has a formal plan to recruit such a member), clear policies and procedures to address potential conflicts of interest of board members, and possesses adequate levels of, and expertise in, staffing
- Applicants provide complete financial information which suggests the project is likely to be viable

- Applications include the most recent audited financial and year-to-date financial and management letter, and this letter contains no significant adverse disclosures

Pursuant to the Priority Populations and Activities outlined in Section II, above, for the 2019 CoC Program NOFA competition, the CoC Scoring Committee will limit its consideration of new project applications to either 1.) permanent supportive housing projects for chronic homeless single adults-only households (single individuals 18-plus years of age), 2.) coordinated entry projects for all populations or 3.) rapid re-housing, joint RRH/TH housing, or coordinated entry projects for survivors of domestic violence (DV).

Project applications meeting these requirements will then be evaluated and scored by the CoC Scoring Committee using the New Project Evaluation and Scoring Too1 (see Appendix 2) which considers the following dimensions of a project's application:

- **Innovation and Effectiveness**, including whether the project employs research-based and/or evidence-based practices and has demonstrated experience in using such practices to inform decisionmaking and service provision (4 points possible)
- **Performance Measures**, including whether the project has articulated plans for successfully achieving performance measures (4 points possible)
- **Applicant Experience for Proposed Activities**, including whether the project applicant or partners have past experience providing housing services, have past experience providing housing services to the population targeted by the proposed project, and have demonstrated objective outcomes of past success in this service provision (2 points possible)
- **Employment Services Plan**, including whether the project articulates a plan or partnership to increase employment outcomes for program participants and a plan for increasing participants' income (2 points possible)

B. Scoring Tool Application and Project Ranking Process

Using this tool, each new project proposal will be awarded a total score of 0 to 12 points and ranked by the CoC Scoring Committee. The Committee will then determine whether it wishes to select one or more top-ranking new projects for funding through reallocation and/or propose for funding through HUD bonus funds (if available). Approved new project proposals will be notified by the CoC and must submit a formal Project Application Draft by August 19, 2019. Approved new project proposals will be included in the ranking process occurring in the Committee's meeting during the week of August 28, 2019, during which they will be assigned an overall rank and Tier 1 or Tier 2 designation alongside renewal project applications, as detailed in Section III, above. Results of this ranking process will be communicated to new and renewal project applicants on September 4, 2019 via e-mail, and through public posting on the CMHP/Central MN CoC website. At this point, projects rejected by the CoC may appeal the decision to the CoC following the procedure outlined in Section V, below. Following the conclusion of the appeals process, the final rankings will be presented to the CoC Advisory committee and Governance Board for a formal vote of approval.

V. Appeals Process

Once projects have been notified of the preliminary results of the CoC Funding Committee's ranking process on September 4, 2019, projects who wish to do so will have the opportunity to formally appeal the Committee's decision before the CoC Board/Appeals Committee which is separate from the CoC Scoring Committee conducting the original project ranking. Formal appeals may be made for the following reasons:

- A project's application was not ranked
- A project's application did not receive the full funding amount for which it applied

The following are **not** considered to be eligible grounds for submission of a formal appeal:
- Determination that a project has not met threshold requirements
- Ranking of a project in Tier 2 rather than Tier 1

All appeals eligible under the criteria listed above will be read, reviewed and evaluated by the Board. All notices of appeal must be based on the information submitted as part of a project's draft application by the application due date - no new or additional information will be considered as part of an appeal. Omissions to the application are not eligible grounds for appeal.

A. *Procedure for Appeal*

Appeals must be received in writing, and are due on September 13th by 4:30 PM Central Time. Appeals should be directed to the CoC Coordinator, and must adhere to the following requirements:
- Appeals should be scanned and submitted as an attachment via e-mail
- The Notice of Appeal must include a written statement specifying, in detail, the grounds asserted for the appeal, and must be signed by an individual authorized to represent the sponsor agency. The notice of Appeal must be single-spaced, in 12-point font, and may be no longer than one page
- The appeal must include a copy of the project's application and all accompanying materials as submitted to the CoC Scoring Committee for original review and ranking; no additional information may be added to the original application

B. *Constitution of the Appeals Committee*

A single Appeals Committee shall hear and consider all eligible appeals submitted to the CoC. The Appeals Committee will be comprised of four members, subject to the following constraints:
- Two Appeals Committee members must be voting members drawn from the CoC Board
- Two Appeals Committee members must be members of the Scoring Committee who participated in the original project ranking process
- No member of the Appeal Committee may have a conflict of interest with any of the agencies applying for McKinney-Vento funding, and must sign a conflict of interest statement to this effect

C. *Activity of the Appeals Committee*

The Appeals Committee will convene to consider each eligible appeal placed before it. Applicants will be invited to make a formal, time-limited statement before the Committee regarding their appeal. Following this statement, the Appeals Committee will review and consider only the following materials associated with the appeal:
- The original project application submitted to the CoC Funding Committee for review and ranking
- The project rankings made by the CoC Scoring Committee
- The one-page Notice of Appeal submitted by the applicant
- The statement(s) of the Applicant made before the Appeals Committee during the appeals process

The Appeals Committee's review will extend only to consideration of those specific portions of the project application being appealed. The decision of the Appeals Committee will formally be determined by a simple majority vote. All decisions of the Appeal Committee will be final.

Eligible project applicants that attempted to participate in the CoC planning process and believe they were denied the right to participate in a reasonable manner may make a further appeal directly to HUD. The process for such a direct appeal is outlined in Section X of the FY2019 Continuum of Care Program Competition NOFA.