



## **Madison/Dane County Continuum of Care Local Competition: Application Review, Rating and Ranking Policy and Procedure**

### **Background**

Annually, the U.S. Department of Housing and Urban Development (HUD) holds a national competition for the Continuum of Care (CoC) Program Funds. This competition brings funds into the Madison/Dane County CoC to provide housing and services to households experiencing homelessness. The City of Madison, the Collaborative Applicant for the Madison/Dane County CoC, is the lead agency responsible for completing and submitting the Consolidated Application for funding on behalf of the CoC. The Consolidated Applications consists of the CoC Application, Priority Listing and Project Applications.

New projects may be created through reallocation and/or eligible bonus projects. The amount of bonus funds available to Madison/Dane County will be announced by HUD in the Notice of Funding Opportunity (NOFO).

Through reallocation or bonus funding, CoCs may create new projects as defined in the NOFO that are aligned with the Community Funding Priorities, as approved by the Homeless Services Consortium (HSC) Board of Directors, and that align with HUD's Policy Priorities as determined in the HUD Continuum of Care NOFO.

The HSC Board of Directors (CoC Board) annually reviews and approves all NOFO related policies and procedures, including this Application Review, Rating and Ranking Policy. The HSC Board appoints a Funding Review Committee to review and objectively score all renewal and new project applications. The Funding Review Committee provides recommendations for funding, reallocations and ranking to the HSC Board of Directors who approves the final funding ranking of projects before submission to HUD.

### **Review, Rating and Ranking Policy:**

All HUD CoC Program Renewal and New projects must be reviewed, scored and ranked annually for submission with the HUD CoC Collaborative Application. All projects must be ranked by priority based on performance and must meet threshold requirements in the CoC NOFO.

#### **1. Renewal Projects**

- a. The HSC Board will review the objective Project Performance Scorecard that measures 12 months of performance data.
- b. Renewal projects will be prioritized in project ranking before special renewal and new projects. Special renewal projects are renewal projects that have not yet begun operation or do not yet have a full fiscal year of data to report in the Project Performance Scorecard.
- c. Renewal projects that have a Project Performance Score that meets or exceeds 60% will be prioritized in project ranking before new projects.

- d. Renewal projects that fall below the Project Performance Score of 60% may have special renewal and new projects prioritized above them.
  - e. The HSC Board can rank a project lower than a new project if there are other justifications, according to policies set for in the Review, Rating and Ranking Policies and/or the Reallocation Policies for ranking the project lower (for example, renewal project doesn't have score of 60%).
- 2. New Projects (Bonus and Reallocation) and Special renewals**
- a. All New projects and Special renewals will be ranked lower than Renewal projects. New projects will be ranked lower than Renewal projects who meet or exceed threshold performance of 60%.
- 3. Non-Housing Projects**
- a. The CoC recognizes the need to ensure a functioning Coordinated Entry System and a Homeless Management Information System (HMIS) as required by HUD. Thus, HMIS and Support Services Only (SSO)-Coordinated Entry renewal projects will be ranked in Tier 1 below housing projects. These project applications will not be scored unless the HSC Board of Directors requests new applicants. These projects will be reviewed annually and affirmed as necessary by the HSC Core Committee and the HSC Board of Directors.

## **Procedure**

### **Scoring Instructions and Components:**

The Homeless Services Consortium develops Scoring Instructions for both renewal, special renewal and new projects to measure performance and capacity using objective scoring criteria. The Funding Review Committee appointed by the HSC Board reviews and scores all project applications. Both renewals and new projects are scored according to the following categories:

- Renewal Projects: existing renewing projects that have operated for a full 12-month period
- Special Renewal projects: renewing projects that have not yet begun operation or have begun operating, but do not have a full fiscal year of data; and
- New Projects: bonus or projects created through reallocation

In order to be considered, all projects must pass Threshold Criteria that include: (1) Application materials were received by the deadline, (2) the Project is consistent with the HSC CoC Funding Priorities, Community Plan to Prevent and End Homelessness and the Consolidated Plans for the City of Madison and Dane County, (3) the agency does not have any outstanding HUD monitoring and/or OIG Audit findings, and (4) the Project complies with the CoC Interim Rule ([24 CFR part 578](#)), including, but not limited to accepting referrals from Coordinated Entry, participating in the annual Point in Time Count, Housing Inventory Count, and Core Committee in addition to an active SAMS registration and DUNS number and participation in HMIS (or equivalent HMIS data management system for Victim Service Providers only). The CoC Coordinator will review projects to ensure they meet Threshold Criteria and share findings with the Review Committee.

The Funding Review Committee's primary responsibility is to (1) objectively review, rate, and rank all new and renewal project applications and (2) submit ranking recommendations of projects for Tier1 and Tier 2. The CoC Coordinator will facilitate Funding Review Committee meetings and present recommendations to the HSC Board of Directors for the final ranking decision.

**Renewal Project Scoring Components:**

- Must meet Threshold Criteria
- 65% of average Total Renewal Project Score: 12 month, Annual Performance Scorecard Measurement
- 35% of Project Score: Local Project Application

**Special Renewal Projects OR New Project Scoring Components:**

- Must meet Threshold Criteria
- 100% of Project Score: Project Application

**Project Ranking and Approval:**

The CoC Coordinator presents ranking recommendations to the HSC Board on behalf of the Funding Review Committee. The HSC Board approves the final project priority ranking recommendation and has the discretion to amend the recommendation made by the Funding Review Committee no more than 15 days prior to the application deadline.

**Project Ranking Appeals Process:**

The City of Madison as the Collaborative Applicant must notify project applicants, in writing outside of e-mails, of any rejected project applications no later than 15 days (or by the timeline indicated by HUD in the NOFO) before application deadline to allow any eligible project applicant(s) that attempted to participate in the CoC's planning process and believe they were denied the right to participate in the CoC process in a reasonable manner to appeal the CoC's decision to HUD as a Solo Applicant (see the CoC Program Competition NOFO for more information).

## **Madison/Dane County Continuum of Care Funding Review Committee**

**Purpose:** To provide objective review of all local HUD Continuum of Care grant applications and provide preliminary ranking recommendations to the HSC Board of Directors for voting approval. Funding Review Committee members may also make policy recommendations to the HSC Board regarding Continuum of Care policies and procedures.

### **Composition:**

- **Lived Experience Committee Representation**
- **HSC Board of Directors Representation**
- **Youth Action Board Representation**
- **City of Madison**
- **United Way of Dane County**

The HSC Board of Directors will approve members of the Funding Review Committee. Ideally, between 6 and 8 people will serve on the committee. The CoC Coordinator will serve as a facilitator for the committee.

### **Qualifications for Members**

- A commitment to the fair and sufficient distribution of HUD CoC funding
- Time to participate in the review of applications, agency Q&A session, and committee meetings
- Ability to participate in a fair and equitable process without agency or programmatic preferences
- Ability to participate in a respectful, consensus-driven and problem solving process
- Significant knowledge of issues and services related to solutions to homelessness
- **Individuals who are employees, contractors or board members of service providers that receive or are applicants for HUD CoC funding are not eligible to serve on the Funding Review Committee.**

**Conflict of Interest:** Annually, Funding Review Committee members will be required to complete a Conflict of Interest statement.

## **Madison/Dane County Continuum of Care Reallocation Policy and Procedure**

### **Background**

The U.S Department of Housing and Urban Development (HUD) requires that CoCs carefully evaluate and review all renewal projects and develop a reallocation process for projects funded with CoC funds. Reallocation is an important tool used by CoCs to make strategic improvements in their homeless services system. CoCs can pursue reallocation through the annual CoC NOFO Competition in which funds for new projects are created by repurposing, eliminating or reducing funds from existing renewal projects. Reallocation is important when new resources are not available to create new projects needed in the community.

### **Reallocation Policy**

Reallocation may be self-initiated by a CoC-funded agency (voluntary) or initiated by the HSC Board of Directors (involuntary). CoC funded projects can reallocate all or part of their funding. The reallocation process will be transparent, equitable and data-driven with an emphasis on local needs. All renewal projects are reviewed and ranked annually during the HUD NOFO Competition process, which can include recommendations for reallocation.

### **Reallocation**

During the annual CoC NOFO Competition, a participating CoC agency can choose to fully or partially reallocate funding for an existing renewal project.

Eligible uses of Reallocated Funds:

- The project must meet a Community Funding Priority as approved by the HSC Board of Directors.
- Project applicants may transition an existing renewable component to another component. In this case, the applicant must complete a new project application for the project, not a renewal application.
- Projects may apply for a combination of reallocation and bonus funding (if allowed in the NOFO).
- The project must be eligible under the annual HUD NOFO.

### **Involuntary Reallocation**

CoC-funded projects that do not score at least 60% on the Quarterly Performance Scorecard will be required to participate in a Performance Improvement Plan process. Performance information reviewed by the HSC Board will be evaluated and used to determine project eligibility for renewal or if the project funds will be considered for reallocation. Decisions related to involuntary reallocations will be made in accordance with the CoC Interim Rule which holds each CoC responsible for the performance, fiduciary accountability and system effectiveness of each project included in its annual Collaborative Application process.

Underperforming projects are defined as those which are found during the annual performance review process or during annual monitoring to not meet the following objectives:

1. Project Capacity – Underperforming projects may include those which fail to make effective use of project capacity. This may be through unspent funds, untimely expenditures, or other issues which significantly impact project operations and performance.
2. Financial Management – Underperforming projects may include those with audit findings for which a response is overdue or unsatisfactory, have outstanding funds, show a misuse of funds, or untimely drawdown of funds.
3. Performance Outcomes – Underperforming projects may show poor data quality within HMIS, or score below 60% on the Performance Scorecard.

If reallocation of funds results in loss of assistance or housing stability for households currently being served by the program, the project must develop a transition plan with the guidance of the CoC Coordinator, Coordinated Entry Manager and HSC Board of Directors.

### **Voluntary Reallocation**

Renewal project applicants may choose to voluntarily reallocate project funds to create a new project that is better aligned with HUD and Community Funding Priorities. CoC-funded agencies may also request reallocation if they intend to close, decrease the size of the project or otherwise fund the project from an alternate source. Projects that voluntarily reallocate may submit a new project proposal during the local competition based on the total amount reallocated if the agency has a history of acceptable capacity and performance.

A participating CoC agency may choose to reallocate funding from a renewal project to a project they would administer or they can forfeit the funds and the CoC will make them available in an open competition for new projects.

Please note that new projects will be required to pass threshold requirements and go through review and ranking. New projects are not guaranteed submission with the CoC Collaborative Application.

Projects interested in voluntarily reallocating should notify the CoC Coordinator in writing at [hsc@cityofmadison.com](mailto:hsc@cityofmadison.com) of their intent as soon as possible or by the due date of HUD's Grant Inventory Worksheet (GIW). The GIW will serve as the CoC's tool to identify intent to renew CoC funding.