

Concepts for 2016 McKinney-Vento Rating and Ranking Strategy

HUD anticipates \$1.89 Billion for allocation this year, approximately 10% more than last year. Coupled with a small (\$40 added renewal need from last year) and the normal adjustments for Fair market Rents, the funds available provide a major opportunity to increase the Continuum's resources. While HUD has stated in Webinar broadcasts that they believe they will have enough funds for all renewal needs (totaling over \$5.8 for the Balance of State) Tier 1 and Tier 2 projects they are requiring prioritization of all (new and renewal) projects in two Tiers. They have required that an amount representing 85% of the Continuum's Renewal Need be included in Tier 1 for funding of renewal and/or new projects. A second tier, Tier 2 will contain any new or renewal projects submitted but not included in Tier 1. In addition to the \$5.8 million of renewal need, the Continuum can apply for up to an additional amount of \$870,000 for new Permanent Supportive Housing Projects for Chronic Homeless and for Permanent Housing Rapid Rehousing rental assistance for families.

HUD will select projects based upon the two tiers of projects submitted by the Continuum. Nationally, each project application will have a score consisting of 60% weighted for the Continuum of Care submitting the application, 20% based on where the individual continuum ranks the project on its priority list and 20% based on the type of project and how well it meets selected HUD priorities. They will fund the highest rated project in the National competition first, working their way down through Tier 1 first and then Tier two lists until they run out of funds.

HUD has given strong-rated Continuums an opportunity to obtain substantial new funding, more than any of the last 6 years of competition. The Balance of State generally receives scores within the top 10% of Continuums across the country and has not scored lower than the top 38% in recent years. This gives us a decided advantage over lower-scoring Continuums who will have no chance to add funding to their program and are likely to lose significant renewal funds in the competition. Funds lost by other Continuums will go toward funding new projects in strong-rating Continuums.

Strategically, new projects which meet several of the HUD priorities strengthen the Continuum's application and therefore help each project on our Project List to be more fundable, including:

- Permanent Supportive Housing for Chronic Homeless
- Rapid Rehousing rental assistance for families
- Youth Transitional Housing

On the other hand, there are some projects which do not fall within the HUD and Continuum priorities and tend to limit the Continuum score and the potential for new funding. They include:

- Projects which are low-scoring in the APR performance areas (refer to past Continuum Rating and Ranking excel spreadsheets based on objective criteria)
- Projects which HUD rate either 1 or 3 points in the 10 point "Project Type" Priorities (respectively 4 existing Supportive Services Only projects and 4 existing non-youth transitional housing projects).

The following are optional strategic approaches to consider (the proposal is to obtain general agreement on the concepts and task the Rating and Ranking Committee with the responsibility of developing the detail to implement the concepts to the advantage of the Continuum:

1. Projects which most meet the HUD criteria be encouraged to apply/renew.
2. Projects which reallocate funds (convert) from lower-scoring priorities to higher-scoring priorities should be encouraged and rated so that they are assured funding.
3. Projects from counties with only a single renewal project be protected/prioritized
4. Projects which are not likely to score will should consider reallocating funds to other projects in their community
5. The practice of strategically ranking projects on the HUD Project List should be continued to maximize resources and limit risk. This can be done by the Rating and Ranking Committee.
6. Provide general guidance to the Committee on the following placement scenarios:
 - a. Put all renewal projects in jeopardy in the Tier 1 list to protect them.
 - b. In Tier 2, rank all renewals last based upon performance scoring sheet after new projects or alternatively rank renewals first before new projects
 - c. In Tier 2, rank renewals and new projects in alternating placement

1. All renewal projects will be rated objectively based upon updated project performance data similar to the prior years. All grantees will be provided with the comprehensive rating and ranking sheet when completed (expected by October 10th).
2. All renewal projects will be initially ranked solely on the basis of the ratings.
3. All reallocation projects and the CoC Planning Grant will be placed as the second to last and last respectively at the bottom of Tier 1.
4. The lowest ranked Permanent Supportive Housing renewal projects requesting up to the total remaining amount needed to fund all projects in Tier 2, will be placed in Tier 2 (where they will be the highest priority for HUD).
5. The lowest rated renewing SSO, Transitional Housing and Permanent Supportive Housing projects ranked on the original rating and ranking list will be placed in Tier 1.
6. In the event a project(s) in Tier 2 does not receive HUD funding, the project(s) which would have lost its funding (see #5) would have their 2015 budget reallocated to a Permanent Supportive Housing project in the communities which lost their 2014 funding.

Example of Project List Ranking Sheet – Tier 2 (without strategic ranking)

Rank	Project	CoC Score (Up to 60)	CoC Assigned Rank Points (up to 20)*	HUD Assigned Project Type Priority (0-10)	Other HUD Priorities (Up to 10)	Total points
1	New PSH-CH #1	50	18	10	10	88
2	New RRH	50	16	10	10	86
3	Renewal PSH-CH #1	50	14 (69 points)	10	9	83
4	New PSH-CH #2	50	12	10	10	82
5	Renewal Youth TH #1	50	10 (66 points)	10	8	78
6	Renewal PSH-CH #2	50	8 (65 points)	10	9	77
7	Renewal non-youth TH #1	50	6 (61 points)	3	10	71
8	Renewal SSO #1	50	4 (59 points)	1	8	63
9	Renewal non-youth TH #2	50	2 (57 points)	3	7	62

*Assumes theoretically all ask for the same amount of funds. Assumes the placement of Renewal projects on the list is based on their ranking from the objective performance measures rating and ranking sheet (___ points).