

Indiana Balance of State CoC FY 2021 NOFA Competition Project Ranking and Reallocation Policy

Purpose

On an annual basis, the Indiana Balance of State Continuum of Care is required to rate and rank all new and renewal projects submitted to HUD for funding in an order that reflects the CoC's needs and priorities. Additionally, HUD requires CoCs to review the performance of all funded projects and seek to reallocate funding away from low performing projects or those providing services that are of a lower priority in preventing and ending homelessness.

The Indiana Balance of State is seeking to accomplish the following in the rating and ranking and of projects:

- Incentivize all providers to focus on outcomes and to seek to achieve the performance targets specified by the CoC and to improve the performance of the CoC system.
- Encourage providers to adopt evidence-based practices including Housing First to more effectively employ CoC resources.
- Replace projects that are not high performing, cost-effective, or following evidence-based practices with new projects that follow CoC and HUD priorities.

Policy

Ranking:

All new and renewal projects will be ranked by the CoC. The primary factor controlling the ranking of projects will be the scores assigned to renewal and new projects. Scoring is based on project performance, grant management, community outcomes, serving people with greatest need and highest vulnerability, and adherence to policy priorities. Except as specified below, projects will be ranked in the NOFA competition by the scores assigned to renewal or new projects.

There are two categories of projects that will not be ranked according to performance scores:

- Projects that are essential to the operation of the CoC. This includes funding for HMIS and Coordinated Entry. These are unique projects focused on CoC operations and that cannot be readily evaluated or compared to other CoC funded projects. Failure to renew this funding would have negative consequences for the CoC and jeopardize future funding opportunities.
- First time renewal of newly funded grants. HUD requires newly funded one-year project grants to be renewed in the competition. In most instances, these projects will not be able to report on a full year's worth of operations in the APR.

The two project types identified above will not be assigned scores. These projects will be ranked by the CoC to assure – to the maximum extent possible – that they will be funded in the competition. Since the 2021 competition has sufficient funding for all of the CoCs renewal demand to be in Tier 1, it is expected that all of these projects will receive renewal funding.

All other CoC projects will be ranked according to scores:

- Renewal projects will be ranked according to renewal project score. Renewal projects were scored on a 100-point scale with bonus points available to allow some grants to score over 100 points.
- New projects will be ranked according to scores given. New projects are not eligible for bonus points and their maximum score is 100 points.
- In the event that there is a tie score between a renewal and a new project, the renewal will be ranked ahead of the new. In the event of a tie between two renewal or new projects, the project serving the most participants will be ranked highest.

DV Bonus

As in prior competitions, applicants may apply for projects under the Domestic Violence Bonus (DV Bonus). These are separate resources dedicated to serving those who are survivors of domestic violence, dating violence or stalking. All projects seeking funding under this bonus must follow Housing First. Eligible project types that may only serve DV survivors include:

- Rapid rehousing for families and individuals
- Joint TH-Rapid rehousing for families and individuals.

These projects are scored separately by HUD based on: the overall CoC score, need for the project, and experience of the provider. Multiple projects may be submitted for rapid rehousing or the joint component up to the total allowable for DV bonus funding to the CoC.

Reallocation

Current CoC grantees may elect to reallocate some or all of the funding associated with their project. These reallocated projects will be scored as new projects and ranked according to score the same as all new and renewal projects.

- CoC grantees in good standing (no outstanding HUD or IHEDA monitoring findings and no open audit findings) may voluntarily reallocate their funding and will not have to compete with other organizations for that funding. The reallocated project, will, however, have to compete for ranking with other new and renewal projects. In the 2021 competition these projects will be submitted as Transition Applications.
- Voluntary reallocation/transition projects will receive **15 bonus points** in the internal competition.

Minimum Score for Automatic Renewal

The minimum score for automatic renewal of CoC funded projects is 65% of the highest scoring project.

- If the highest scoring project receives a score of 100, then all projects scoring below 65 will be reallocated unless a Project Improvement Plan has been submitted and approved by the

Resources and Funding Committee. For example, should the highest scoring project receive a score of 90, then the minimum acceptable score would be 58.5.

- The Project Improvement Plan must specify how the project will improve performance and meet standards in the upcoming year. If the Resources and Funding Committee accepts the Project Improvement Plan, the grantee will be allowed to apply for renewal funding.

Applicants for Funding

Any eligible applicant for CoC funds can apply for new projects from the bonus pool or the uncommitted reallocation pool. Eligible applicants include not-for-profit corporations and agencies of government. Nonprofit organizations must have supporting documentation.

The CoC will only rank new projects for which there is sufficient funding in the bonus, DV bonus, or reallocation pool to fully fund the project.

Policy on Expenditure of Grant Funds

Funds unexpended at the completion of the grant term are recaptured by HUD. In some instances, these funds are then allocated to other CoCs or in other cases are returned to the federal treasury. The Indiana Balance of State seeks to minimize this recapture of funding and to the maximum extent possible ensure that homeless assistance funding allocated to Indiana is used to support homeless people in the state.

Underexpenditure policy

It is the policy of the Indiana Balance of State that CoC funds granted to an applicant agency will either be fully expended to assist eligible homeless people or the CoC will recapture the unspent funding and add it to the pool of resources available for reallocation.

Indiana Balance of State CoC grantees that expended less than 75% of their funding in the most recent grant year saw their grants reduced by a minimum of 10%; those who expended below 50% saw their grants reduced by 25%. This process will continue in future competitions with the thresholds for repurposing increasing until all grantees are expending at least 90% of grant funds.

The scoring criteria for new and renewal applications are attached to this document.