CoC Project Ranking & Reallocation Policy

Northeast Minnesota Continuum of Care - 504

I. Policy Statement

A. Under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), the HUD reallocation process allows Continuums of Care (CoC) to fund new projects by transferring all or part of funds from any existing CoC grant which is eligible for renewal into a new project.

B. Under HEARTH CoC Regulations and the FY2019 NOFA, a reallocation project can be funded if all of the following apply:

   i. The reallocation project is for permanent housing-permanent supportive housing (PH-PSH) projects, Permanent housing-rapid rehousing (PH-RRH) projects, joint transitional housing (TH) and PH-RRH component projects, dedicated HMIS project (can only be carried out by the HMIS Lead), and supportive services only (SSO-CE) project to develop or operate a centralized or coordinated assessment system

   ii. The reallocation project meets all of HUD's threshold requirements

C. The NE MN Continuum of Care will reallocate funds granted through HEARTH CoC programs as needed to more effectively resolve homelessness, help households achieve stable housing and improve CoC performance.

D. CoC program funds may be reallocated either by a voluntary process or by a competitive system transformation process. If reallocation is a possibility, the entire CoC is informed and a request for new project applications is announced.

II.   Competitive Reallocation

A. If a project is deemed to be low performing by scoring poorly in the project scoring process and/or having unsatisfactory project performance outcomes, the CoC reserves the right to reallocate funding and make it available through a competitive process. Low performing is determined based on scoring criteria identified by the Ranking and Review Committee and approved by the Northeast Minnesota Continuum of Care Governing Board.

B. The CoC may initiate a competitive system transformation process due to a renewal grantee ending a CoC program.

C. As part of the application process for renewal projects, applicants are required to supply information so that the CoC can determine if each renewal project will meet the minimum threshold requirements. The minimum threshold requirements are outlined in the Ranking and Scoring Criteria, as identified in the FY2019 NOFA and by the NE CoC Ranking & Review Committee and approved by the NE MN CoC Governing Board.

D. The CoC Ranking & Review Committee may make the determination to reallocate some or all of a project's funding for any project that has returned 10% or more of their funding award. The Ranking & Review Committee will review funding information for the last three completed grant terms to identify if there is a pattern of under-expenditure. Projects will be given the opportunity to provide explanations for under-expenditure and plans or actions taken to improve spending.

E. In addition, a project may be subject to reallocation by the Ranking & Review Committee if any, or all, of the following are true:
    1. Has an outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
    2. Audit finding(s) for which a response is overdue or unsatisfactory;
    3. History of inadequate financial management accounting practices;
    4. Evidence of untimely expenditures on prior award;

5. History of other major capacity issues that have significantly affected the operation of the project and its performance;
6. History of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within the established timeframes.

F. If the CoC determines that a renewal project does not meet minimum threshold requirements, is deemed to be low performing, and/or has shown to consistently under-expend funding, a meeting of the CoC Review and Ranking Committee will be held to determine whether or not a recommendation should be made to the CoC Governing Board for funds to be released for a competitive reallocation process. The following process will be followed:
1. Any member of the Governing Board whose agency receives funding through the CoC programs shall recuse him or herself from the Board deliberation process.
2. The CoC Governing Board will make the final decision whether or not to reject the renewal application for any agency that does not meet minimum threshold requirements, is deemed to be low performing, and/or has shown to consistently under-expend funding.
3. All Governing Board deliberations will be documented in meeting minutes.
4. If any renewal project application is rejected, the funds that were allocated to that project will be released as new funds and agencies will have the opportunity to apply for them.

Due to the time constraints involved in grant applications, voting may be handled via conference call, e-mail or web site communication.

III. Voluntary Reallocation Process

A. CoC grantees may self-nominate to voluntarily reallocate CoC-funded renewal funds to create new projects.

B. A grantee seeking the ability to reallocate funding through the Voluntary grantee-self-nominating process must do so in accordance with the timeline set by the CoC in that year's application process and complete a new project application by the deadline set by the CoC to be eligible.

C. The CoC Project Ranking & Review Committee will review the applications and make determinations regarding the acceptance and ranking of the proposed project.

D. If the new project meets HUD's CoC funding priorities, local needs, and is an eligible reallocation project type under the NOFA, the applicant will be given the opportunity to apply to HUD for the new project.

E. If the new project does not meet HUD's CoC priorities, local needs, is an ineligible project type, or does not request the full grant amount awarded to the existing project, the funds either in total or in part not covered by the request, will be released by the CoC for proposal during the CoC competitive reallocation process.

IV.   Project Ranking

A. Drafts of project applications will be submitted to the CoC Coordinator by a date set forth by the Coordinator. Project applications will be scored using scoring criteria recommended by the Ranking & Review Committee and approved by the CoC Governing Board. Scoring criteria and CoC priorities will be used to rank projects.

B. If the NOFA stipulates a Tier One and Tier Two Ranking System, the CoC's HMIS grant and SSO-Coordinated Entry grant are always placed in Tier One. If a bonus grant is available and included in ranking, the bonus grant is placed at the bottom of Tier Two.

C. After project applications are ranked, the conclusions of the ranking meeting are presented to the CoC Governing Board. A ranking order for application submission will be voted on and approved by the CoC Governing Board prior to submission to HUD.