Guilford County Continuum of Care (NC 504)
Rating and Ranking Policy and Procedure

Overview
The Department of Housing and Urban Development (HUD) requires Continua of Care to rank all projects being recommended for funding into two tiers as part of the Consolidated Application's Priority Listing. Tier 1 is defined by HUD in the Notice of Funding Opportunity (NOFO) as a percentage of a Continuum of Care's (CoC) Annual Renewal Demand (ARD) approved by HUD. Tier 1 projects traditionally maintain existing funding in the NOFO competition provided the CoC's Consolidated Application is properly submitted and meets the minimum threshold score established by HUD. The amount of funding available in Tier 2 is the difference between Tier 1 and the CoC's ARD plus any amount available for all bonus projects. Tier 2 projects must compete nationally for funding and are therefore at risk of not being awarded.

Renewal projects are those with existing CoC funded grant agreements, as noted on the approved HUD Grant Inventory Worksheet (GIW). New projects are those applying for the first time in an open competition period. Project applications are ordered from highest to lowest ranking in the CoC's Priority Listing, and in accordance with HUD's two-tier system as outlined in the NOFO. CoC's that score high enough on their NOFO may be awarded Bonus Funds and/or Domestic Violence Bonus Funds. Both types of Bonus Funds are awarded by HUD based on a competitive national rating and ranking process.

Projects are ranked according to their assigned score in the Priority Listing in two Tiers as outlined below, except for projects supporting the CoC infrastructure (i.e. HMIS, SSO-CE) necessary to maintain the homeless delivery system and first time renewals. As required by HUD, the CoC's Planning Grant does not receive a score and is not ranked in the CoC Priority Listing.

Tier 1: Project Ranking
HMIS grants and Supportive Services Only-Coordinated Entry (SSO-CE) grants are infrastructure projects, meaning they are dedicated to support the CoC response system and/or necessary to meet a HUD requirement. The CoC's
infrastructure projects will be automatically renewed and placed in Tier 1 . Renewal SSO-CE project will be ranked above renewal HMIS project as SSO-CE project provides direct services to people experiencing homelessness.

Projects that are being renewed for the first time in the competition, and subsequently have not completed a full project year, and have not submitted an APR to HUD, will not be scored, but ranked on the Priority Listing accordingly. These projects will be automatically renewed and ranked in the middle of Tier 1 based on the total number of applications on the Priority Listing ranked in Tier 1 that maximizes the allowable percentage of the ARD. Fully funding high performing renewal projects by placing them fully in Tier 1 maximizes the amount of funding coming into our community. See the NC 504 Reallocation Policy for the process to address low performing renewal projects.

Tier 1: Tie Breaking
In the event two projects earn the same score based on the NC 504 scoring tool, resulting in the same rank/placement on the Priority Listing, the following criteria will apply:
- First Tie-Breaker: The project with the highest percentage of project participants with increased income or benefits.
- Second Tie-Breaker: The project exceeded the number of households served from the previous grant year.
- Third Tie-Breaker: The project with the highest percentage of project participants who exited to permanent housing.

- Fourth Tie-Breaker: The project has a history of underspending and/or requesting grant extension.
- Fifth Tie-Breaker: The project meets a community-wide priority as identified in the needs and gaps analysis.

Tier 1/Tier 2: Project Straddling
If a project, once listed in ranking order, straddles the Tier 1/Tier 2 funding line with a portion of the project budget falling within Tier 1 and the remaining within Tier 2, the viability of a project to operate with only the Tier 1 amount will be determined by the SPEC considering the feasibility of operating the project with reduced funds, community need (reduced outcomes), and maximizing the percentage of Tier 1 funding available to the CoC. The SPEC may continue to evaluate all Tier 1 low scoring projects until a viable project is identified as a straddler for Tier 1/Tier 2.

Tier 2: Project Ranking
Renewal projects will be ranked in Tier 2 according to their overall project score. If applicable, new and Expansion Projects created from reallocated funding may be ranked higher than renewals placed in Tier 2. The SPEC may consider the benefits of the project to the community as identified in the needs and gaps analysis, whether the renewal project had funding recaptured, and the percentage of the ARD left in Tier 2 funding that is available to the CoC. CoC Bonus Project and DV Bonus Project applications must compete nationally for funding, therefore, they are ranked according to scores chronologically, below renewal and reallocated projects.

Tier 2: Tie-Breaking
In the event two projects earn the same score based on the NC 504 scoring tool, resulting in the same rank/placement on the Priority Listing, the following criteria will apply:
- First Tie-Breaker: A project addresses HUD priorities as outlined in the NOFO.
- Second Tie-Breaker: SPEC identifies a project that meets a community-wide priority as identified in the needs and gaps analysis.

Conclusion
The NC 504 Rating and Ranking Policy and Procedure is designed to ensure the CoC maintains existing funding to sustain current housing and service opportunities, maximize opportunities for new funding, and meet community-wide needs.

Approved by the Guilford County CoC System Performance & Evaluation Committee on 7/18/2024.
Approved by the Guilford County CoC Board on 8/5/2024.
Approved by the Guilford County CoC Membership on 8/8/2024.