



Housing Coalition of Western PA Western PA Continuum of Care (PA-601) CoC Funding Process and Policies

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Western PA CoC – PA-601

The Western PA Continuum of Care (CoC) applies to the U.S. Housing and Urban Development (HUD) for Continuum of Care Program homeless assistance funding to address the needs of individuals and families experiencing homelessness throughout its 20-county region. The availability of funding is announced through HUD’s CoC Notice of Funding Availability (NOFO), a national funding competition. As of 2024, HUD indicated an intent to move to a 2-year (biennial) NOFO cycle. In the case of a CoC NOFO “off year” (anticipated to be every other year), the CoC will submit an abbreviated application to HUD if new funds are available through HUD CoC Bonus, DV Bonus, or through reallocation.

Per the 2024/2025 HUD CoC NOFO, CoCs are responsible for conducting a “coordinated, inclusive, and outcome-oriented community process for the solicitation, objective review, ranking, and selection of project applications, and a process by which renewal projects are reviewed for performance and compliance.” While CoC grantees enter contracts directly with HUD, it is at the discretion of the CoC to determine which renewal and new projects are submitted to HUD on the CoC’s Priority List as part of the NOFO competition.

In response to HUD’s CoC NOFO, the Western PA CoC will conduct a fair, transparent funding process, that complies with CoC Regulations, specifically § 578.95 Conflicts of interest, which cover CoC Board members, organizational conflicts and other conflicts.

Vision, Mission and Guiding Principles

Vision: Homelessness is rare, brief, and a one-time occurrence in our community.

Mission: The Western PA Continuum of Care will end homelessness in our region through a coordinated, community-based approach.

Guiding Principles: In order to fulfill our vision and mission, the following principles will guide the work of the Western PA CoC.

Our commitment for the people we serve is that:

- Ending homelessness is possible.
- Homelessness should not define those who experience it.
- Housing is essential to ending homelessness.

Our commitment for the community we serve is that:

- Our system uses data to support decision-making and enhance effectiveness across all 20 counties.
- We focus on building partnerships that will make our system sustainable, with enough resources to provide housing and services to those experiencing homelessness according to their individual needs.
- “The whole is greater than the sum of its parts.”
 - We must work together as a cohesive system in order to reach our goal.
 - We must engage with the wider community.
 - We must be strategic in how we use our resources

Funding Allocations

The Western PA CoC includes two regions, Northwest (13 counties) and Southwest (7 counties). At the time the Western PA CoC was established, funding had been allocated separately to these two regions with 35% of the CoC’s total funding allocated to the Northwest region and 65% of funding allocated to the Southwest region.

The ongoing commitment of the CoC Board is that every effort possible will be made to maintain the established funding allocation percentages. As such, in order to maintain consistent regional funding allocations, the CoC’s Governance Charter includes guidance to follow during the annual CoC funding process. This includes:

Variations in the Established ARD Percentages: It is expected that variances in the established ARD percentages will occur from year to year, based on new projects being funded and also possibly existing projects being defunded. This variance is analyzed each year and every effort possible is made to correct a variance that has occurred during the next funding cycle. This can be accomplished by allocating new or reallocated funding to the region that experienced the decrease in their established amount. In addition to monitoring ARD variances, the Funding Committee will use both quantitative data (gaps analysis data, community need data, etc.) and qualitative data (organizational capacity and past performance, feedback from Board, RHABs, and Committees) to inform these decisions. The Funding Committee will work to strategically allocate funds to communities based on unmet needs or other priorities of the CoC.

If, however, the Funding Committee develops an allocation plan during the next funding cycle that, if funded as anticipated, would not lead to the variance being corrected, the Funding Committee must include detailed data that clearly demonstrates unmet need or other supporting details in order to justify its decision to the Board and the CoC as a whole. If the allocation plan for any year would result in an expected variance of 10% or more, this information must be presented to the entire CoC membership for feedback.

If there is a variance in the established ARD percentages of more than 3% for a total of three funding cycles, the Board will vote to either work in conjunction with the Funding Committee to formulate a plan to correct the variance in the next funding cycle or to permanently adjust the established ARD percentages. If the Board agrees that the ARD percentages should be permanently adjusted, they must then present this to the CoC membership for a vote.

In addition to preserving consistent levels of regional funding, the CoC's Governance Charter includes the below language, which outlines a fair, transparent and non-conflicted funding allocation process, which is overseen by the Governing Board. This language is consistent with HUD's CoC Interim Rule. (*§ 578.95 Conflicts of interest. (b) Continuum of Care board members. No Continuum of Care board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.*)

Process for Allocating Program Funding: Due to the fact that many of the members of the CoC Governing Board are also recipients of CoC funds, the Funding Committee was created to function as a subcommittee of the Board and be responsible for making recommendations relating to the allocation of funding within the CoC. All members of the Funding Committee are neutral parties in that they do not receive funding from the CoC (details described in the Funding Committee section above). The Funding Committee develops a recommendation for the allocation of funds which is then presented to a workgroup composed of all non-conflicted Board Members. This workgroup is responsible for analyzing the recommendation of the Funding Committee and voting, by supermajority, to accept or reject the allocation plan.

Reduction of a Specific Grant: In the event that an individual grant no longer exists or for which funding must be reduced or reallocated, the Funding Committee will determine if any remaining grant funds shall be prioritized for another project in the affected region or made available CoC-wide. This will be based on factors including the CoC gaps analysis and other data sources related to needs within the CoC.

Roles and Responsibilities

As detailed below, the funding process is shared across several different entities within the CoC.

Western PA CoC Governing Board

The Western PA CoC Governing Board is charged with fulfilling the mission of the CoC, as well as functioning as the designated primary decision-making entity to meet the duties and responsibilities of the CoC.

Responsibilities of the Governing Board, as they pertain to CoC funding:

- Design and oversee a collaborative process for selecting and ranking project applications, in conjunction with the Funding Committee;

- Provide input for the CoC Planning Grant funds to the Collaborative Applicant. (The CoC Planning Grant funds are used to provide ongoing support to the CoC and fulfill HUD requirements such as the Point-In-Time Count and the CoC application.)
- Provide input for new Coordinated Entry or HMIS funding to the Funding Committee.
- Approve/ deny funding requests and any potential changes to the project recipient for all Coordinated Entry and HMIS projects.

Non-Conflicted Members of the Western PA CoC Governing Board

Non-conflicted members of the Western PA CoC Governing Board are defined as Board members who are not recipients or subrecipients of CoC funding, nor are applying for new project funding as a recipient or sub-recipient.

Responsibilities of the Non-Conflicted Members of the Western PA CoC Governing Board, as they pertain to CoC funding:

- Review, analyze, and vote on the new project selection and CoC project ranking recommendations of the CoC's Funding Committee;
- Review new project funding decision second appeals, and determine whether to approve or deny new project appeals;
- Review recommendations from Funding Committee related to involuntary partial or full renewal project reallocation and make determination whether to approve or deny reallocation recommendations;
- Review reallocation appeals second appeals, and determine whether to approve or deny reallocation appeals.

Per the CoC's Governance Charter, all funding related votes reviewed by the Non-Conflicted Governing Board require a supermajority approval, defined as 75% of members. A quorum is also defined as 75% of Non-Conflicted Governing Board members. If there is not a quorum present (75% of members) during a meeting in which a vote is taking place, a vote can be taken from the present members and a follow-up email will be sent to members were not present (to include the recording of the meeting and/or pertinent materials when possible) to request that they cast their vote via email within 24 hours of the meeting.

Collaborative Applicant

The PA Department of Community and Economic Development (DCED), in their role as Collaborative Applicant, is designated by the Continuum of Care to collect and submit the CoC Registration, Grant Inventory Worksheet, and CoC Consolidated Application (which includes the CoC Application and CoC Priority Listing). In addition, DCED will apply for CoC Planning Grant funding, with input and approval from the CoC Board.

Funding Committee

Due to the regulatory requirement that this Committee is limited to representatives that do not receive CoC funding (established in 24 CFR Part 578), the Funding Committee is composed of a combination of non-

conflicted Board members (those who do not receive CoC funding) and other members appointed by the Board.

If a Funding Committee member becomes conflicted (organization for which they work begins to receive CoC funding), they will be asked to step down from the Funding Committee. If a Funding Committee member works for an organization that plans to apply for CoC funding, the Funding Committee member must recuse themselves from the entire evaluation/selection/ranking process for CoC new project funding. If new project funding is awarded, the member will need to step down from the Committee. If a Funding Committee member works for an organization that plans to continue to apply for CoC new project funding, they will be asked to step down from the Committee. The Funding Committee may not have more than one representative per organization.

If a person leaves a CoC-funded organization and wishes to join the Funding Committee, they must have at least one year out of their role with the CoC-funded organization to be eligible to join the Funding Committee as a Non-Conflicted member. In addition, they must recuse themselves from funding decisions specifically related to their former organization (e.g., reallocation decisions, specific ranking decisions) for 3 years after leaving that organization.

A representative of the Collaborative Applicant also sits on the Funding Committee. As the CoC's HMIS Lead Agency, DCED applies for CoC funding to support the operation of HMIS. However, DCED is seen as non-conflicted because the HMIS grant is non-competitively ranked in Tier 1 as a project that supports the CoC's infrastructure. In order to maintain the integrity of the CoC's funding process, DCED will not participate in any conversations about the evaluation or ranking of the HMIS grant.

All Funding Committee members must sign the CoC's Conflict of Interest policy and Code of Conduct.

Up to 4 positions on the Funding Committee will be designated for persons with lived experience of homelessness (defined as current homelessness/housing instability, or recent homelessness/housing instability within the past 7 years).

The responsibilities of the Funding Committee include:

- Design, operate, and follow a collaborative process for selecting and ranking project applications, in collaboration with the Governing Board;
- Review and update the CoC's funding policies annually;
- Coordinate the annual project selection process, which includes the selection of new projects and ranking of renewal and new projects as required by HUD, and present final recommendations for new projects selection and final ranking and tiering to the Non-Conflicted Governing Board Members for review and approval;
- Review performance data and other data relevant to reallocation and make recommendations related to partial or full renewal project reallocation to the Non-Conflicted Governing Board members;
- Review appeals regarding reallocation.
- Review, update, and approve annual renewal scoring criteria.

- Review all renewal scoring appeals and determine whether to approve, deny, or award partial points for renewal scoring appeals.
- Review new project RFP, application, and scoring tool.
- Establish in advance the project ranking and tie breaking criteria in accordance with HUD guidance; and
- Ensure the strategic use of HUD funds and other resources available to the CoC.

Funding Committee members must participate in at least 50% of Funding Committee meetings or they may be asked to step down from their position. Funding Committee members may also be asked to step down from the Committee due to issues such as not complying with CoC Code of Conduct or Conflict of Interest policy, or other conduct-related issues. This will be at the discretion of the CoC Governing Board.

Beginning in 2025, the term for Funding Committee members is set at 3 years. Funding Committee members may step down from the Committee at any time during their term. After 3 years, Funding Committee members will be given the option to stay on for additional terms with the approval of the Board. Funding Committee members may serve two 3-year terms (6 years). Funding Committee members may request to serve a third 3-year term with Board approval.

The Funding Committee will take a formal vote on the following decisions: 1) Finalize new project selections; 2) Finalize renewal reallocations; 3) Finalize ranking of new and renewal projects. As these decisions are related to funding, a supermajority is needed, which is defined as 75% of eligible Funding Committee members. Per the CoC's Governance Charter, all funding related votes reviewed by the Funding Committee require a supermajority approval, defined as 75% of members. A quorum is also defined as 75% of Funding Committee members. If there is not a quorum present during a meeting in which a vote is taking place, a vote can be taken from the present members and a follow-up email will be sent to members who were not present to request that they cast their vote via email within 24 hours of the meeting.

Regional Homeless Advisory Boards (RHABs)

The CoC's two RHABs meet and conduct business throughout the year and coordinate with local providers to meet the CoC's goals.

Responsibilities of the RHABs, in relationship to the CoC NOFO, include:

- Provide input for the prioritization of the region's needs, including recommendations to the Funding Committee and non-conflicted Board members;
- Identify additional resources available for homeless households, as well as gaps in supports and services; and
- Provide input for consideration to the Funding Committee regarding the prioritization and need for new projects vs. existing renewal projects.

Guiding Principles for Project Evaluation, Reallocation, Selection, Ranking and Transfers

The CoC seeks to conduct a fair, unbiased process in which projects are selected and ranked according to project performance, CoC priorities and local need, and federal priorities.

Guiding Principles for Project Evaluation, Reallocation, Selection, Ranking and Transfers

The Western PA CoC seeks to achieve the following goals as part of the evaluation and ranking of CoC-funded renewal projects:

- Maximize funding available to end homelessness throughout the CoC;
- Prioritize available funding for projects that are most successful in ending homelessness;
- Create new resources in order to respond to the increased needs identified in many communities within the CoC;
- Build upon the CoC's existing infrastructure by increasing capacity to quickly identify individuals experiencing homelessness, prioritize assistance toward those with the greatest needs, and rapidly connect households to permanent housing;
- Incentivize all CoC-funded providers to continuously monitor and improve their project performance, implement HUD policy priorities, and participate in the CoC meetings, committees and other initiatives.

Upon the availability of new or reallocated funds, the CoC will conduct a fair, open and transparent process regarding the selection of new projects. Priorities for new projects will be established by the Funding Committee and will reflect CoC needs and HUD priorities. Project selection will be based on criteria outlined by the CoC through a new project solicitation process.

The CoC will also conduct a fair and transparent process regarding the ranking and tiering of projects to be included on the Priority List. Ranking and tiering decisions will be informed by CoC and HUD priorities, as well as local needs and project performance.

However, in some cases a project recipient transfer may be needed. In the case that a project (not including Coordinated Entry and HMIS projects) needs to be transferred to a new recipient (whether a voluntary or involuntary transfer), the Funding Committee will review the circumstances of the transfer and determine the mechanism for determining the new recipient, which may include:

- a) Distribute an RFP for a new recipient to the full CoC. Funding Committee to review RFP responses and select a new recipient, or;
- b) In the case that an appropriate recipient has already been identified, the project may be transferred without a formal RFP upon approval of the Funding Committee.

In the case that a Coordinated Entry or HMIS project needs to be transferred to a new recipient, the Governing Board will determine the mechanism for determining the new recipient, which may include:

- a) Distribute an RFP for a new recipient to the full CoC. Governing Board to review RFP responses and select a new recipient, or;
- b) In the case that an appropriate recipient has already been identified, the project may be transferred without a formal RFP upon approval of the Governing Board

CoC grantees no longer wanting to operate their grants must notify the CoC as soon as possible so that the CoC can either a) work with the grantee to voluntarily reallocate the grant during the CoC NOFO Competition, or b) work to transfer the grant outside of the CoC NOFO Competition (to avoid the grant funds being returned to HUD). In order for a project to be transferred to a new recipient, HUD requires 3

letters to be submitted: a) letter from CoC approving the transfer, b) letter from organization relinquishing the grant, and c) letter from organization taking over the grant.

Recipient transfers will be reviewed and approved by HUD.

Involuntary Project Transfers

For the same reasons outlined in the reallocation section of this document, or in the case of other serious grant management concerns or failure to comply with HUD and CoC requirements, a project may be at risk of an involuntary project transfer (transferring from one organization to another at the direction of the CoC). Involuntary project transfers may be necessary due to timing (i.e., issues cannot wait until next CoC NOFO to resolve through reallocation), or when there is a desire to keep the project intact without causing an undue interruption for current clients. In the case of an involuntary project transfer, the Funding Committee would vote on a recommendation to involuntarily transfer a project and then make a recommendation to the Non-Conflicted Board. The Non-Conflicted Board would have the final vote on whether a project is to be involuntarily transferred. All project transfers must receive approval from HUD. As noted above, the Funding Committee would facilitate next steps to identify a new recipient organization.

If a CoC grantee fails to sign their HUD grant agreement within 45 days of project start date (which could put the grant at risk of not being executed), the Funding Committee may also recommend an involuntary transfer to the Non-Conflicted Board to ensure that resources are not lost.

Escalating Concerns

If staff at a CoC-funded organization are non-responsive to concerns from the CoC about grant management, to the extent that the project may be at risk of reallocation, the Funding Committee may recommend to the Non-Conflicted Board that the CoC reach out to the organization's board of directors. This would only occur in extenuating circumstances where the organization's staff are consistently non-responsive to concerns. The Non-Conflicted Board would have the final vote on whether to escalate concerns to a board level.

Renewal Project Evaluation and Scoring Policy

On an annual basis, the Western PA CoC establishes scoring standards to evaluate and score HUD CoC-funded renewal projects. Scoring/evaluation of CoC renewal projects will happen each year, even in HUD's CoC NOFO "off years". In order to determine whether renewal projects are performing well or underperforming, each project's performance will be evaluated in the following areas:

- HUD policy priorities, including vulnerability and Housing First
- Performance outcomes, including exits to permanent housing, returns to homelessness, and increases in income
- Grant management, including unit utilization, percent of funds expended, and cost effectiveness
- CoC Participation, including attendance at CoC/RHAB meetings and training
- HMIS participation, including data quality

Process for Developing the Renewal Scoring Criteria

The CoC uses Renewal Scoring Criteria to list and describe the scoring criteria to be used to evaluate and score renewal projects. The Renewal Scoring Criteria includes the evaluation criteria, as well as the data source and point structure for each criterion. Renewal projects will be scored in accordance with the Renewal Scoring Criteria, which will be developed through the process described below:

- Solicit input from CoC-funded grantees on the criteria included in the prior year's renewal scoring sheet. Any type of feedback is permissible. Specific feedback desired includes: ways that the renewal scoring criteria may negatively impact a group/class of projects (e.g. projects with a small number of units).
- Analysis of the prior year's point structure is conducted by the CoC's Consultant (Framework Strategies). The purpose of this analysis is to ensure adequate distribution of points, particularly related to performance-related criteria. This will help to determine if the benchmarks are set to encourage strong outcomes, without favoring certain types of projects (e.g., projects with turnover that are serving the CoC's most vulnerable households vs. projects with no turnover that are serving more stable clients).
- Present the above information to the Funding Committee. This Committee will discuss and finalize the renewal scoring criteria.
- Upon approval, the final renewal scoring criteria and all related policies (e.g., appeal policy/process) will be publicly posted to the CoC's website and distributed to CoC-funded agencies via email.
- Scoring of renewal projects commences following the approval of the Renewal Scoring Criteria and associated policies.

Renewal Project Scoring Process

Evaluation and scoring of CoC-funded renewal projects will inform project ranking and tiering for the CoC NOFO competition. Evaluation and scoring of CoC-funded renewal projects will also take place in the CoC NOFO "off year" even when ranking/tiering may not be required; this evaluation will inform potential grantee monitoring and/or reallocations. With the exception of CoC-level infrastructure (e.g., HMIS and Coordinated Entry grants), the CoC will follow the below process for scoring renewal projects that have operated throughout the entire data lookback period:

- Renewal projects can be competitively ranked if they are operating the entirety of the lookback period (e.g., if lookback period is 1/1/2025-12/31/2025, the project would need to have operated for that entire period). If a project's initial start date was within 3 months of the beginning of the look back period (10/1/24, 11/1/24, or 12/1/24 in the above scenario), they will be exempt from being competitively scored/ranked, as the start-up of new projects can take some time to get underway during first grant cycle, which could negatively impact project score. The Funding Committee may consider additional exceptions to competitively ranking projects that were operational the entire lookback period if there was a delay in starting the project (e.g., if project was not able to draw down funds in a timely fashion following grant start up due to HUD delays). This will be determined on a case-by-case basis by the Funding Committee. In the case of a project

transferring to a new recipient, the Funding Committee will determine when the new recipient can be evaluated based on timing of the transfer.

- In advance of and/or in tandem with the renewal scoring process (depending on the timeline of the release of the NOFO), the CoC's Consultant (Framework Strategies) will send instructions to grantees to review their data in HMIS, using a common time period (Calendar Year), including instructions on cleaning up their data if needed. Grantees may reach out to the DCED HMIS team with questions or issues related to their data. Framework Strategies will aim to give grantees 2-4 weeks to review and clean up their data, depending on the timeline of the release of the NOFO.
- The CoC's Consultant (Framework Strategies) will distribute a Renewal Summary Form to all CoC-funded renewal project applicants, requesting data and information that is not available through the PA-HMIS (the CoC's Homeless Management Information System). This form will identify the data/information requested, the process for submitting that information, as well as the timeline/deadline.
 - Projects operated by Domestic Violence organizations will be provided with an expanded Renewal Summary Form, as their performance data cannot be pulled from PA-HMIS.
- The renewal scoring process will include the collection, evaluation and scoring of APR data, using a common APR date (preceding calendar year). HMIS data will be utilized where possible.
- Preliminary renewal scoring results will be circulated to all CoC-funded grantees. If an error on the preliminary renewal scoring results is identified, Framework Strategies will work to resolve that error. Framework Strategies will work with the Funding Committee to resolve the error if needed.
- In the event that a grantee is not satisfied with the outcome of an issue raised, the grantee may opt to submit an appeal. All appeals will be discussed, deliberated and decided by the Funding Committee.
- At the conclusion of the renewal scoring process, each project will have a score. In the year of a full CoC NOFO application, the average of each project's score from the current and previous year will be used to inform the ranking and tiering process. Projects being competitively scored for the first time will be ranked solely on current year score.
- Once the CoC NOFO is published, the CoC Funding Committee reserves the right to modify the renewal scoring criteria and re-score projects if needed to comply with HUD requirements outlined in the CoC NOFO.
- The ability to evaluate expansion projects will be determined based on the timeline of each project's contract and expansion activities.
 - Note: projects that have been approved for consolidation by the HUD Field Office will be scored as individual projects, as they are submitted as individual projects within esnaps. The Funding Committee will make recommendations around the ranking of the "surviving project".

The CoC Funding Committee may also evaluate HMIS and Coordinated Entry grants including, but not limited to, evaluation of compliance with HUD requirements. However, a more thorough evaluation of HMIS, Coordinated Entry, and Planning Grants (i.e., CoC infrastructure projects) will be conducted by the CoC Governing Board.

Appealing Renewal Scoring

If the grantee raises an issue that cannot be resolved with the CoC Consultant and/or PA-HMIS IT Specialist, the grantee may request to have the CoC's Funding Committee consider their specific situation. Examples may include: loss of points due circumstances very specific to your project type, outcomes typical of projects operating within their first full year, outcomes typical of projects with specific subpopulations, etc. Any grantees wishing to appeal to the Funding Committee must make their request within the timeline specified by the CoC. To submit an appeal, grantees will follow instructions provided by the CoC consultant. The appeal request will ask the appellant to describe the specific situation, reference the relevant scoring criteria and provide compelling information and/or documentation for consideration. The Funding Committee will evaluate any requests received and make a determination regarding the disposition of the appeal; grantees will be informed by email of the outcome of their appeal.

Renewal Project Reallocation

As stated earlier in this document, the Western PA CoC will use project evaluation and scoring to determine which projects should be allocated funds under the CoC NOFO Competition. The CoC will employ a reallocation policy aimed at the following:

- Determining which projects should continue to receive funding based upon performance, meeting CoC needs and furthering HUD priorities;
- Determining which projects are underperforming and whether funds allocated to underperforming projects may be better utilized if reallocated to another project;
- Determining whether projects are cost effective and, if not, should a project or a portion of a project be reallocated; and
- Identifying whether funds are fully utilized by each project. If there is a history of underspending, the Funding Committee will seek to determine whether a reallocation plan should be developed to ensure all funding awarded to the CoC is furthering progress to reduce and end homelessness.

Projects subject to reallocation will be provided with an opportunity to submit a reallocation appeal, as indicated within the appeal process noted below. Reallocation can occur in both the year of a full CoC NOFO Competition and in the NOFO "off year."

Note: The Funding Committee will not be required to reallocate projects each year; only if warranted based on historic underperformance or for other reasons as outlined below.

Reallocation of Underperforming Projects

Low performing projects will be considered for reallocation. A project is considered to be low performing when the project's score is in the bottom 20% of all scored projects for two consecutive years. To be considered for reallocation for underperforming, a project would need to have operated long enough to be scored for three years. Projects scoring in the bottom 20% of all scored projects for two consecutive years will be notified by letter within 30 days of the end of the HUD CoC Competition that their renewal project did not meet performance expectations. The project applicant will be expected to develop a Project Improvement Plan. Technical Assistance will be offered to all underperforming projects. Technical Assistance may be mandatory in some circumstances at the direction of the Funding Committee.

Reallocation of Projects Based on Cost Effectiveness

The CoC's renewal scoring process includes the evaluation of a project's cost effectiveness. If it is determined that a project's budget exceeds the typical costs of similar projects, additional information to explain the higher costs may be requested from the grantee. In some circumstances, the Funding Committee may determine that a partial reallocation of CoC-funds is appropriate.

Reallocation of Projects Based on Underspending

The CoC's renewal scoring process includes the evaluation of a project's spend down of grant funds. If it is determined that a project has spent less than 90% of their CoC grant funds for one year, the CoC will request additional information from the project about their history of spending as well as projected spending for the current grant cycle. Projects found to have a history of underspending, defined as spending less than 90% of CoC grant funds for two consecutive years, will be notified by letter within 30 days of the end of the HUD CoC Competition that their renewal project did not meet spending expectations. In some circumstances, the Funding Committee may determine that a partial reallocation of CoC-funds is appropriate. The Funding Committee may also mandate technical assistance for any renewal project with greater than \$10,000 underspent during last fully completed grant year. This requirement will be at the discretion of the Funding Committee.

Reallocation of Projects Based on Underutilization

If it determined that a project has been underutilized (with or without underspending), the project may be considered for full or partial reallocation. Underutilization is defined as average utilization (calculated at 4 points in time during the year) of less than 85% compared to HUD-contracted units/households. In addition, projects with a pattern of underutilization (2 or more years at less than 85% utilization) will be notified by letter following the HUD CoC Competition that their renewal project did not meet performance expectations. The project applicant will be expected to formally respond to the letter. Technical Assistance will be offered to projects with underutilization. Technical Assistance may be mandatory in some circumstances at the direction of the Funding Committee.

Reallocation for Other Reasons

The Western PA CoC will also consider reallocation of projects for other reasons, including:

- Lack of need within the CoC for the project
 - Assessment of CoC needs will be informed by Coordinated Entry and CoC Gaps Analysis data
 - Program model/design does not meet the needs of CoC participants
 - Needs within the CoC are expected to evolve over time, both in response to a changing landscape within the CoC as well as in response to major events. The goal of the CoC is to be responsive to the needs within the CoC, which may include shifting funding as needed.
- Funds needed to respond to urgent/emerging issues and trends within the CoC (including changing makeup of the community and changing demand for services).
- Monitoring indicates serious and repeated problems with the project, including a lack of compliance with CoC policies, which could include¹:
 - a lack of compliance with Housing First, including receiving concerns and evidence of violation
 - a lack of compliance with the CoC's Written Standards, including receiving concerns and evidence of violation
 - a lack of compliance with Coordinated Entry policies/ procedures, including receiving concerns and evidence of violation
 - Monitoring findings identified by HUD that are not resolved.
- Voluntary reallocation or project convert from one project type to another. Providers who are interested in voluntary reallocation must contact the CoC Consultant (westerncoc@pennsylvaniacoc.org) prior to initiating any reallocation with HUD. Providers who are in good standing with the CoC (e.g. those with strong performance, history of strong grant management, etc.) and interested in voluntary reallocation in order to convert project from one type to another ("transition grant") should contact the CoC Consultant (westerncoc@pennsylvaniacoc.org). The CoC has historically allowed providers voluntarily reallocating projects to repurpose the same level of project funding and in some cases to maintain the rank position where the renewal project would otherwise be ranked.

Reallocation of Projects Previously Funded with DV Bonus Funds

Per the FY24/25 CoC NOFO, HUD requires funding reallocated from projects previously funded with DV Bonus funding to be used for projects serving the same subpopulation. If the Funding Committee determines that a project previously funded with DV Bonus funds should be fully or partially reallocated, those reallocated funds may only be used to create new projects that are 100 percent dedicated to serving individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking.

Reallocation of Projects Previously Funded with YHDP Funds

Per the FY24/25 CoC NOFO, HUD requires funding reallocated from projects previously funded with Youth Homelessness Demonstration Program (YHDP) funding to be used for projects serving the same

¹ In general, the CoC (including Collaborative Applicant, Consultant, Board, and/or Funding Committee) will make attempts to resolve any monitoring concerns with the grantee. However, if there are ongoing, repeated problems related to the areas identified above that are not resolved, the project may be subject to potential reallocation.

subpopulation. Determinations related to reallocation of YHDP projects may be recommended by the Youth Action Board, CoC Governing Board, or Funding Committee. Final determination of YHDP project reallocation will be determined by the Funding Committee, per the CoC Funding Policies. If the Funding Committee determines that a project previously funded with YHDP Bonus funds should be fully or partially reallocated, those reallocated funds may only be used to create new youth-dedicated projects that are eligible under YHDP project funding types.

As of the FY24/25 CoC NOFO, HUD allowed 3 types of YHDP reallocations:

- Reallocating a YHDP Renewal project with a new YHDP Replacement project that has the same recipient (This is referred to as a YHDP Replacement project); or
- Reallocating YHDP Renewal project(s) to create one or more YHDP Reallocation projects with a new recipient, so long as the YHDP renewal project(s) being reallocated have already renewed in a prior CoC Program competition (This is referred to as YHDP Reallocation projects); or
- Reallocating YHDP Renewal project(s) to create YHDP Expansion applications through the YHDP Replacement process.

Reallocation Process

When the Funding Committee identifies a project for reallocation, the CoC consultant will notify the project via email. The email will include a letter outlining the reallocation, including reason(s) for reallocation.

Reallocation Appeal

Any project applicant subject to full or partial reallocation may appeal this decision. There are up to two opportunities to appeal, as described below. Project applicants must notify the CoC of their desire to appeal within 24 hours (excluding weekends and federal holidays) of receiving a reallocation notification. The project applicant will then have an additional 48 hours to submit their official appeal. To submit an appeal, grantees will follow instructions provided by the CoC consultant. The CoC may provide additional time to submit appeals, if possible, given the CoC NOFO timeline. The timeline to submit an appeal will be included in the reallocation letter.

Appeal to the Funding Committee: Any applicant appealing a reallocation decision will first appeal to the Funding Committee. The Funding Committee will review additional documentation submitted by the applicant along with the appeal request. The Funding Committee will consider the supporting documentation and offer a decision within 24 hours after they meet to discuss the appeal.

Appeal to the Non-conflicted members of the CoC's Governing Board: If the appeal is not overturned by the Funding Committee, the project applicant may opt to appeal to the Non-conflicted Board Members. This appeal must be submitted within 24 hours of receiving the Funding Committee's decision (excluding weekends and federal holidays). The CoC may provide additional time to submit appeals, if possible, given the CoC NOFO timeline. The timeline to submit an appeal will be included in the reallocation letter. The Non-conflicted Board Members will meet to review and discuss the appeal and supporting documentation and offer a decision within 24 hours after their meeting. The decision by the Non-Conflicted Board Members will be considered final.

The policy above also applies to involuntary project transfers.

New Project Selection

As part of the CoC NOFO Competition, the Western PA CoC may identify funds available for new projects. The CoC is committed to ensuring an open and transparent process for the selection of new projects. As such, where funding availability permits, the CoC will issue a new project solicitation for new projects to be distributed widely to interested parties.

New Project Priorities

In order to determine priorities for new projects, the CoC's consultant (Framework Strategies) will analyze data from the Coordinated Entry Prioritization List, the Point-in-Time Count, the CoC's Housing Inventory Chart and other relevant sources as available and appropriate. This information will be provided to the RHABs and to the county Local Housing Options Teams/ county Housing Coalitions (when possible) for review with their membership and the opportunity to provide feedback. This information will also be shared with the Board. All data will be provided to the Funding Committee, who will recommend the CoC's

priorities for new project funding to the Non-Conflicted Governing Board members for their approval. These priorities will cover CoC-funding and any other upcoming funding opportunities being made available to the Western PA Continuum of Care.

Distribution of New Project Notice of Intent (NOI)

When possible, based on the timing of the release of the annual CoC NOFO, the CoC may choose to issue a Notice of Intent form in an effort to identify potential applicants for new projects. This will allow the CoC to determine if additional outreach needs to occur in order to identify an applicant to pursue funding aligned to the CoC's funding priorities.

In addition, the NOI process will allow the CoC to identify potential applicants that have not previously applied for CoC funding, as these applicants might need a higher level of technical assistance in submitting an application to the CoC.

Distribution of New Project Solicitations

Framework Strategies will draft the new project solicitation based on priorities approved by the Funding Committee. After review and approval by the Funding Committee, the CoC will release a new project Request for Proposal (RFP) to the public. The CoC will work to identify multiple outlets for distribution of the solicitations, including through the CoC's website and email distribution list, as well as those of related and partner organizations throughout the region and the state.

The new project solicitation will emphasize that new project applicants must incorporate data demonstrating local unmet needs. Typically, Framework Strategies will review the new project RFP as part of the CoC NOFO webinar, as well as providing links to the gaps analysis data and gaps analysis presentation. The webinar will be recorded and made available along with the accompanying slide deck.

Review of New Project Pre-Applications

New project solicitations will request that those interested in applying submit a pre-application for CoC review. The pre-application will be provided and will align to the questions within the HUD application but will be abbreviated. The information to be included in the pre-application will be detailed in the new project solicitation, along with the new project scoring tool.

All pre-applications submitted by the deadline stated in the new project solicitation will be reviewed by the Funding Committee using a standardized scoring tool. The score awarded to each applicant via the scoring tool is one component of how the Funding Committee will determine new projects that are selected to be submitted for funding under the CoC Competition. The Funding Committee will also factor in need for the project based on gaps analysis data as compared to other projects submitted under this RFP, monitoring findings and compliance as well as prior performance of the applicant operating CoC or ESG-funded projects. The Funding Committee can request additional information from the applicants where clarification would be helpful in the decision-making process. For each pre-application submitted, the Funding Committee will make a recommendation to the Non-Conflicted Governing Board as to whether or not the project should be included with the CoC's funding request through the CoC NOFO Competition. The Funding Committee also has the ability to conditionally approve a project based on the applicant making

requested changes to the proposed project. This may include an increase or decrease in units, budget changes or reductions, expansion of geography (when needed and possible), etc.

All agencies submitting pre-applications will be notified in writing via email regarding the CoC's decision to include their proposal among ranked projects within the CoC's funding request to HUD. If a new project preliminary application is rejected or reduced, the written notice will include the reason for rejection/reduction (which may be based on limited funds available). Following release of new project applications decisions, the new project scoring rubric completed by the Funding Committee is available to new project applicants upon request. In addition, the CoC will publicly post a list of new project pre-applications received, noting which were selected for inclusion on the Western PA CoC Priority List and each project's approved budget.

Upon selection, new project applicants must submit a new project application through the HUD e-snaps system in a timely manner and within the deadline established by the CoC.

New Project Funding for CoC Infrastructure Projects

Requests for new project funding for CoC infrastructure projects (HMIS and Coordinated Entry) will be reviewed and approved by the Governing Board. If the Governing Board determines that new system's level project applications will be submitted to HUD for HMIS and Coordinated Entry funds, the Governing Board will also advise the Funding Committee related to how to prioritize these projects in the ranking.

Appeal New Project Selection Decision

New project applicants not selected for inclusion in the CoC's Consolidated Application may appeal this decision. There are up to two opportunities to appeal, as described below. To submit an appeal, grantees will follow instructions provided by the CoC consultant.

Appeal to the Funding Committee: Any applicant appealing the CoC's project selection decision will first appeal to the Funding Committee. Project applicants must notify the CoC of their desire to appeal within 24 hours of receiving a reallocation notification (excluding weekends and federal holidays). The project applicant will then have an additional 48 hours to submit their official appeal. The CoC may provide additional time to submit appeals, if possible, given the CoC NOFO timeline. The timeline to submit an appeal will be included in the new project decision letter. The Funding Committee will review the justification for the appeal and/or documentation submitted for reconsideration. The Funding Committee will reconsider the funding decision and provide a response within 24 hours after they meet to discuss the appeal.

Appeal to the Non-conflicted members of the CoC's Governing Board: If the appeal is not overturned by the Funding Committee, the project applicant may opt to appeal to the Non-conflicted Board Members. This appeal must be submitted within 24 hours (excluding weekends and federal holidays) of receiving the Funding Committee's decision. The CoC may provide additional time to submit appeals, if possible, given the CoC NOFO timeline. The timeline to submit an appeal will be included in the new project decision letter. The Non-conflicted Board Members will meet to review and discuss the appeal and supporting documentation and offer a decision within 24 hours after their meeting. The decision by the Non-Conflicted Board Members will be considered final.

If the total CoC NOFO period is less than 60 days, the CoC may need to forego a new project appeals process to ensure the CoC can meet HUD's deadlines.

Ranking of Projects for the Priority List

Project Ranking

The CoC expects that the CoC NOFO will require the CoC to rank projects included on the Priority List. As part of this process, the CoC anticipates that projects will be sorted into either Tier 1 or Tier 2. In past CoC Competitions, projects placed into Tier 2 have been individually scored by HUD in order to determine if they will receive funding.

The CoC's ranking guidelines over the last several years have included principles outlined below. It is important to note that these general ranking guidelines have been based on Tier 1 being set at 85%+ of the CoC's ARD. **In the case that Tier 1 is set below 85% of the CoC's ARD, the CoC will determine the most strategic ranking scenarios to maximize CoC funding and resources.**

- Renewal projects that have not operated throughout the entire “look back” period (most recently completed calendar year) will not be competitively ranked; instead, these projects will be ranked at the bottom of Tier 1.
- All renewal projects will be ranked in their descending score, based on a two-year average, as determined through the annual renewal scoring process.
 - In the event that a tie breaker is needed in order to complete the ranking, the two-year average based only on the project’s performance-related criteria will be used.
- Projects that support CoC infrastructure and operations will be ranked at the bottom of Tier 1. This includes HMIS and Coordinated Entry renewal funding. Planning grants are not ranked.
- The Funding Committee may opt to review performance data across multiple years for renewal projects ranked in Tier 2. Projects with a history of poor performance may be ranked lower than projects with one year of poor performance, even if the renewal score is higher than a project that has not had performance issues in recent years. When renewal projects in Tier 2 have the same score, projects will be ranked at the discretion of the Funding Committee.
- Based on the CoC priorities set by the Non-Conflicted Members of the CoC Governing Board, regional priorities identified by each RHAB, and the quality of new project applicant, the Funding Committee will determine how to incorporate the new projects into the overall ranking. The Funding Committee reserves the right to rank new projects in Tier 1 and/or Tier 2.
- In addition, the Funding Committee reserves the right and has discretion to make changes to the ranking in an attempt to preserve the CoC’s overall funding allocation.
- Ranking of new CE or HMIS projects will be informed by the CoC Governing Board.

Important note regarding projects previously funded under DV Bonus: HUD has emphasized in the FY24/25 CoC NOFO that projects previously funded using DV Bonus funds must continue to serve the same population, even when projects are reallocated. It is a priority of HUD and the CoC that DV Bonus funding be preserved to serve survivors of domestic violence, dating violence, sexual assault, or stalking. As such, the Funding Committee reserves the right to rank projects previously funded using DV Bonus funds in Tier 1, to preserve resources for individuals and families of persons experiencing trauma or a lack of safety related to fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking. As stated above, partial or full reallocation of DV projects will be pursued when needed related to project performance.

Important note regarding YHDP projects: As of the FY24/25 CoC NOFO, YHDP projects were not required to be competitively ranked. The CoC anticipates that HUD will not require CoCs to competitively rank YHDP projects. If this requirement changes, the Funding Committee will determine the mechanism to fairly incorporate YHDP projects into the ranking process.

Applicant Notification & Public Posting

All applicants will be notified of the results of the ranking process according to the deadline established in the CoC Competition NOFO. Applicants will be notified regarding their final budget project’s rank order on the Priority List, project placement into Tier 1 or Tier 2, or the rejection of their project for inclusion on the Priority List. The CoC will provide notification in writing via email. The CoC will also publicly post

information on ranking and tiering of projects and the list of projects accepted or rejected for inclusion on the Priority List on the CoC's website.

Appeal to HUD

If the grantee or project applicant is not satisfied with the outcome of their appeal, the HUD CoC NOFO provides project applicants an opportunity to appeal to HUD. Agencies interested in appealing to HUD should carefully review the eligibility criteria and appeal process established by HUD and described in the annual CoC NOFO. In past CoC Competition NOFOs, this appeal has been limited to “eligible project applicants that attempted to participate in their CoC planning process and believe they were denied the right to participate in a reasonable manner.”

In order to ensure that all project applicants have the opportunity to participate in the CoC's planning process and to provide input in the CoC's funding process, the CoC has/will provide the following opportunities:

- **Circulation of the prior year's Renewal Scoring Sheet, with an opportunity to provide feedback and input on scoring criteria.**
- **The CoC's ranking criteria will be distributed prior to project scoring.**
- **Project applicants will have the ability to submit appeals related to the data to be used for project evaluation and scoring if discrepancies or errors are identified.**
- **The CoC will provide a new project application and scoring criteria in order to score all new project applications in a consistent and transparent method.**
- **Updates will be provided by the CoC during in-person CoC meetings, during RHAB meetings, and via written and electronic communications.**
- **The CoC provides an appeal policy for any project applicant not selected for funding.**

To submit an appeal to HUD, follow the instructions as indicated in the HUD CoC NOFO, which is/will be available at <https://www.hudexchange.info/programs/coc/>.