

MARCH 28, 2018

UPDATES AND PROPOSED CHANGES TO NEW AND RENEWAL SCORING TOOL

The following are updates to the scoring tool change proposals discussed at the LHCBC Funding Committee meeting held on February 26, 2018. Additional proposals have also been added to this list since the previous meeting and are presented to the Funding Committee for review and for public comment. Below is a chart detailing the proposed changes to the renewal scoring tool’s maximum score:

Factor	Current Maximum Score	Proposed 2018 Maximum Score
Program Performance and Client Outcomes	47	52
Budget	5	N/A
Budget and Administrative Efficiency	44	44
Community Priority for Housing Types	5	5
Maximum Points Available	101	101

The proposed changes and updates to the Scoring Tool for your review today are:

- Change of nomenclature from coordinated assessment to coordinated entry in Threshold Requirements
- Move of required match from Budget section to Threshold Requirements
- Change to points awarded for increased income
- Clarification of process to evaluate invoices and drawdowns
- Expansion of requirements for agency participation in CoC
- Process change to how small projects would be evaluated and scored

THRESHOLD REQUIREMENTS

New Proposal:

San Francisco has adopted HUD-preferred term “Coordinated Entry” in lieu of “Coordinated Assessment.” This proposed change aligns the term used with language in the Scoring Tool.

- **2017 Language:** “Coordinated Assessment: Projects that have not agreed to participate in Coordinated Assessment, when it is available for the project type, are not eligible for funding, unless the project is a victim-service agency or serving survivors of domestic violence”.
- **2018 Proposed Change to New and Renewal Scoring Tool:** “Coordinated Entry: Projects that have not agreed to participate in Coordinated Entry, when it is available for the project type, are not eligible for funding, unless the project is a victim-service agency or serving survivors of domestic violence”.

New Proposal:

All agencies are required to commit 25% match for their grant. Since this is a requirement for HUD funding, agencies will no longer receive 5 points for committing the 25% match. As a result, this requirement was removed from the budget section of the new and renewal scoring tools and added to the threshold criteria section.

2018 Proposed Addition to New and Renewal Scoring Tool: “Match: The agency has committed to match 25% of the grant except for leasing funds”.

1C1. MEASURING INCREASED INCOME FOR PSH PARTICIPANTS

1C1. SCORES AWARDED FOR PERCENTAGE INCREASED IN INCOME FOR PSH PARTICIPANTS

Proposal Update

Some recipients who manage PSH projects find it difficult to increase income for participants who are disabled and are out of the workforce permanently. They felt that they lost points during the competition for an outcome that was out of their control or reflected the high acuity of the individuals served by their program. In response, we note that scoring tools should reflect HUD System Performance Measures (SPMs), and SPM 4 looks only at increased income rather than increased *and* maintained income. The HEARTH Act defined the performance criteria that is the basis for these measures and the criterion related to income is “jobs and income growth for homeless individuals and families”. In addition to program concerns about this measure, panelists found it confusing to measure projects’ performance in this area.

We do not recommend changing language to award points to programs that maintain client income. To address program and panelist concerns, we suggest two options, of which one or both may be adopted:

- A) Amending the language to clarify for panelists and members of community that “income” means both unearned (e.g. TANF, General Assistance) *and* earned income. Two options have been presented for review.
 - B) Reduce the percentage spread, so that projects who are struggling or are unable to increase income for their participants are able to obtain a greater number of points for this measure.
- **2017 Language:** “If Permanent Supportive Housing Project: The percentage of participants that increase income from entry to follow up/exit is at least 20%”.
 - **2018 Proposed Change to Renewal Scoring Tool, Option #1:** Clarify the language to read:
 - A) “If Permanent Supportive Housing Project: The percentage of participants that increase earned or unearned income from entry to follow up/exit is at least 20%”.

or

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B) “If Permanent Supportive Housing Project: The percentage of participants that increase income from any source from entry to follow up/exit is at least 20%”.

- **2018 Proposed Change to Renewal Scoring Tool, Option #2:**

It’s important to award equal points for all housing types and recognize the need for RRH and TH projects to increase participant’s income. To that end, we acknowledge the difficulty of increasing income for certain populations, so we propose to reduce the percentage by which projects can receive points for this measure. To get full points, only 60% of participants have to increase income. For those agencies who continue to struggle, we feel that this can be in part corrected through data quality improvement and we can work closely with those agencies to help improve scores in this measure.

2017 Score:

Points	Percentage	Projects Awarded (based on 2017 NOFA data)
10 pts.	80-100%	3
9 pts.	60-79.9%	15
8 pts.	45-59.9%	12
7 pts.	25-44.9%	7
6 pts.	20-24.9%	4
5 pts.	15-19.9%	3
4 pts.	11-14.9%	0
3 pts.	8-10.9%	0
2 pts.	5-7.9%	2
1 pts.	1-4.9%	0
0 pts.	0%	3

Proposed 2018 Score:

Points	Percentage	Projects Awarded (based on 2017 NOFA data)
10 pts.	60-100%	18
9 pts.	50-59.9%	10
8 pts.	45-49.9%	2
7 pts.	25-44.9%	7
6 pts.	20-24.9%	4
5 pts.	15-19.9%	3
4 pts.	11-14.9%	0
3 pts.	8-10.9%	0
2 pts.	5-7.9%	2
1 pts.	1-4.9%	0
0 pts.	0%	3

2C. GRANT UTILIZATION

Proposal Update:

This measure currently measures both grant utilization, by evaluating invoicing and drawdowns, as well as unit occupancy. In order to reflect HUD's increased emphasis on grant management and cost effectiveness, we recommend the following:

- a) Pull out unit occupancy into a new measure (see 1f1 below).
- b) Change how S+C and SHP projects are scored to align with the HEARTH Act. The measure currently scores projects using data that is based on whether they were classified as a SHP or S+C program. Since the HEARTH Act passed in 2009, SHP and S+C programs are no longer identified by HUD as two distinct programs and have been consolidated, both governed by the CoC Interim Rule. As a result, the scoring should be changed to align how they are evaluated.

Projects that are subrecipients will be evaluated based on how frequently they invoice HSH, while direct recipients will be evaluated based on what percentage of grant funds were drawn down. This year, subrecipients will self-report the frequency of their invoices by providing the date and amounts when the Supplementary Information (previously known as RFI) is requested.

2017 Language: (3 points) "The project drew down or invoiced at least quarterly"; (3 points) "The project: Used at least 90% of grant funds (legacy SHP only); or, maintained unit occupancy rate of at least 90% (legacy S+C only)".

2018 Proposed Change to Renewal Scoring Tool: (3 points) "The project drew down or invoiced at least quarterly"; (3 points) "The project used at least 90% of grant funds".

2D. AGENCY PARTICIPATION IN COC

New Proposal:

With the transition of San Francisco to the new ONE System, the importance of each agency's participation in the ONE System Team Lead meetings has been emphasized by HSH. To that end, the CoC participation performance measure has expanded to include the ONE System Team Lead meetings.

- **2017 Language:** "Agency/Collaborative participates in Continuum of Care Planning meetings".
- **2018 Proposed Change to New and Renewal Scoring Tool:** "Agency participates in Continuum of Care planning and other meetings as required by HSH".

CONSOLIDATING SMALL PROJECTS' APRS

Proposal Update:

San Francisco recognizes that small projects may be at a disadvantage during the competition because their project outcomes may vary due to one or two client exits or outcomes, and has attempted to compensate for this in the past by combining several years of APR data. Due to the new APR reporting format, it is no longer feasible to continue consolidating small projects' APRs. The process outlined below will continue to ensure small projects are not unfairly penalized for negative outcomes from a small number of clients.

Agencies expressed concern that they would be weighed down by past performance if their performance was averaged over a three-year period. If they improve and their scores are better in the most recent year, they do not want the prior years to be taken into account.

In response to these concerns, the average scores (2015-2017) projects receive will be compared to the score received in the most recent NOFA. The priority panel will have both scores and will assign the higher score to the agency.

- **2017 Language from Footnote in Renewal Scoring Tool:** “[P]rojects are evaluated based on a minimum household count of 20 households. If the project did not serve 20 households in a one-year period, data from prior APRs will be added to recent APR data until the 20-household minimum is met (up to a maximum of three APRs).”
- **2018 Proposed Change to Footnote in Renewal Scoring Tool:** “The scores of smaller projects serving 20 clients or fewer will be compared to scores from the three prior NOFA competitions. If the average score is higher, the scoring factor will be reviewed by panelists. Panelists may change those scores to match the averages based on their discretion”.

APPROVED CHANGES

The following were changes to the NOFA process that were proposed and agreed upon by the public at the previous Funding Committee meeting in March. They include:

- Expansion of language for Equal Access in Threshold Requirements
- Addition of a unit occupancy performance measure
- Adding requirements for projects who have not started operations by their second renewal application
- Including language clarifying project narrative requirements and scoring
- Elimination of requirement to submit paper copies of applications
- Clarifying language for expectations of panel to review written appeals
- Elimination of Project Voice from NOFA process

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THRESHOLD REQUIREMENTS

The proposed language expands the requirement to include other protected classifications and anti-discriminatory civil rights and fair housing laws. Language is in alignment with Equal Access and Non-Discrimination policies published in the SF Coordinated Entry standards.

- **2017 Language:** “Equal Access: The project ensures equal access for program participants regardless of sexual orientation or gender identity, in compliance with federal law and the 2017 CoC Program NOFA.”
- **2018 Proposed Change to New and Renewal Scoring Tool:** “Equal Access and Non-Discrimination: The project ensures equal access for program participants regardless of their race, color, national origin, religion, sex, sexual orientation, gender identity, age, familial status or disability. The project complies with all federal and state civil rights and fair housing laws including the Fair Housing Act, Title VI of the Civil Rights Act and the Equal Access Rule.”

NEW!

1F1. SCORES AWARDED FOR AVERAGE UNIT OCCUPANCY FOR PSH, TH FOR YOUTH AND RRH PROJECTS

To maximize HUD funding, it’s important to keep units filled. Most communities score projects on their average percentage of units utilized and the information is gathered from the project’s APR.

2018 Proposed Addition to Renewal Scoring Tool: “If Permanent Supportive Housing, Transitional Housing for Youth or Rapid Rehousing project: The project maintained an average unit occupancy rate of at least 90%.”

To illustrate the effect of this measure on existing projects, the chart below contains scores based on 2016 APRs.

Proposed 2018 Score:

Points	Percent	Projects Awarded (based on 2016 APR data)
10 pts.	90-100%	39
8 pts.	85-89.9%	0
6 pts.	80-84.9%	3
4 pts.	75-79.9%	1
3 pts.	70-74.9%	2
2 pts.	65-69.9%	0
1 pts.	60-64.9%	0
0 pts.	0-59.9%	2

PROPOSED CHANGES TO LOCAL NEW & RENEWAL PROJECTS REVIEW PROCESS

IMPROVING THE THRESHOLD REQUIREMENT FOR QUICKER NEW PROJECT START DATE

In previous years, numerous projects have demonstrated delays in starting up and as a result the community has failed to use all of the funding it receives in the NOFA competition. By requiring projects to provide an explanation in their second renewal application and allowing panelists more discretion during scoring, projects can potentially be penalized for failing to use the funds allocated to them and the community.

- **2017 Policy:** To be considered for funding, projects must have, or will secure proof of site control, match, environmental review, and documentation of financial feasibility within 12 months of award. Projects that do not have a full year of data are held harmless during the NOFA competition and are ranked at the top of Tier 1.
- **2018 Proposed Policy Change and Language for Review Process:** “Second-time renewal projects that do not have performance data for a full year of operation will be required to submit an explanation as to why they have not started spending out project funds and provide a plan for doing so within the HUD-mandated period. In extreme cases where community funding is at risk, panelists may exercise discretion, including recommending reallocation or placement into Tier 2.”

OUTLINING PROJECT NARRATIVE RESPONSES & SCORING

During last year’s NOFA competition, priority panelists requested that the community clarify in the NOFA guidelines the expectations and subsequent requirements pertaining to how projects should respond to scores received. These guidelines are communicated to projects during the NOFA process, but they are not outlined in the NOFA policies. Adding the requirements to the policies will ensure projects know about the importance of the Project Narrative, and that only scores that are called out in that document will be reviewed by panelists.

Further, panelists requested that policies clarify their ability to change other scores that are not called out in Project Narratives – for example when necessary to ensure consistency across scoring and that the community’s objectives are prioritized. In general, this will retain the focus of panelists’ review while also allowing some flexibility to ensure consistency across projects.

- **2017 Language:** “Projects receive preliminary scores with their project evaluations and are invited to provide a narrative response to be considered by the Priority Panel.”
- **2018 Proposed Policy Change and Language for Review Process/Renewal Project Narrative:** “Projects receive preliminary scores with their project evaluations and the opportunity to provide a narrative response to be considered by the Priority Panel. The Priority Panel will review only those scoring factors identified by the projects and other factors may remain at the pre-scaled score. Panelists have the discretion – but are not required – to review other scores to maintain consistency across all projects.”

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ELIMINATING THE REQUIREMENT TO SUBMIT PHYSICAL COPIES OF APPLICATIONS

Previously, HSH requested physical copies of applications for their records. However, this is no longer the case. Eliminating the paper copy requirement will save applicants time as well as decrease the environmental burden of the NOFA process.

- **2017 Policy and Language:** “All projects will submit applications to HSH, including a HUD Project Application, required local application materials, and match documentation. All documents should be submitted in-person to Charles Minor at 1650 Mission St. and electronically via the instructions on the Proposal Submission Checklist.”
- **2018 Policy and Language Change to Review Process:** Remove the requirement to submit paper copies of applications, so that the policy reads, “All documents should be submitted electronically in separate PDF files via the instructions on the Proposal Submission Checklist.”

PROPOSED CHANGES TO APPEALS PROCESS

REVIEW OF A WRITTEN APPEAL

During Rank and Review, panelists review only the information provided by projects in the Project Narrative regarding identified scoring factors. Appeals Committee panelists raised questions about the appropriate scope of review for appealing projects that did not submit a Project Narrative or submitted information not initially provided.

- **2017 Current Policy and Language:** “The notice of appeal must include a written statement specifying in detail each and every one of the grounds asserted for the appeal. The appeal must be signed by an individual authorized to represent the sponsor agency (i.e. Executive Director) and must include (highlight and/or cite) the specific sections of the application on which the appeal is based. The notice of appeal must have attached the specific areas of the application being appealed and must also clearly explain why the information provided is adequate to gain additional points.”
- **2018 Policy and Language Change to the Appeals Process:** Add to the current language, “The Appeals Panel may take notice of the fact that issues are being raised that could and should have been raised in final submissions and may use their discretion in reviewing those and other factors during the Appeals Process.”

ADDITIONAL PROPOSED CHANGES TO NOFA PROCESS

NARRATIVE RESPONSES

In previous years, very few projects have utilized the Program Voice or have provided duplicative information in the Program Voice and Project Narrative. In addition, projects have expressed confusion about how these two documents differ. Both steps in the process provide projects with the same

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opportunity: to give panelists additional context when reviewing the scores. At the same time, panelists will not generally review and revise scores that are not identified in the Project Narrative; an issue identified in the Project Voice may not be considered unless it is also discussed in the Project Narrative. To reduce the submission of duplicative information and decrease applicant and panelist confusion, we recommend removing the Program Voice from the process.

- 2017 Current Process:** Projects receive a preliminary report showing their APR and supplemental data in a report format and are given an opportunity to correct data and provide “Program Voice” to provide context, background, and/or additional info about the project, or comments in response to the preliminary report to be included as an attachment to the report. After any corrections are made and NOFA is released, projects are provided with a final report, where they are given an additional opportunity to provide context about scores and argue for increases in the “Project Narrative.”
- 2018 Proposed Change:** Eliminate the Program Voice component of the process.

SCHEDULE FOR REVIEW & RANK PROCESS DEVELOPMENT

(contingent on NOFA release)

Date	Process
February 2018	Funding Committee <ul style="list-style-type: none"> Debrief scores and awards Review proposed changes to the Project Evaluation process Review scoring tool(s) Review appeals process
March/April 2018	Funding Committee <ul style="list-style-type: none"> Review any changes to scoring tool(s) and Review and Rank process Make recommendations on the scoring tool and Review and Rank process to the LHCB Ongoing Pre-NOFA: <ul style="list-style-type: none"> Collect APRs from agencies Distribute Supplemental Questions to agencies