



HOME Sonoma County Continuum of Care – Process for Making Cuts: FY 2019

To create a pool of reallocated funds from which to create new projects, the Sonoma County Continuum of Care works through its Renewal Project Evaluation Process to make voluntary and involuntary cuts; and makes additional voluntary cuts during the NOFA period if new opportunities emerge.

1) Reallocation via Renewal Project Evaluations

The Sonoma County CoC's Performance Management & Evaluation Task Group (PM&E) both prioritizes renewal projects for the CoC application, and identifies projects with capacity concerns for corrective action and technical assistance. Scoring is based on unmet housing need, alignment with 10-year plan goals, performance on HUD measurements, and grant management. Because of the scoring schema's weighting by unmet housing need (a need which is overwhelmingly for permanent supportive housing), SSO and TH projects must perform exceedingly well to be approved for renewal.

Projects are scored by the CoC Coordinator on a preliminary basis. The PM&E Task Group meets to review preliminary scores and conduct a risk assessment to guide evaluation. A threshold for unconditional renewal is set at 80% of top score; projects scoring above the line are scheduled for monitoring visits only. Projects scoring below that line are invited to a meeting of the full Task Group to discuss the challenges faced by the project and design a Corrective Action Plan. Known problems are described in the invitation and applicants are asked to address them and bring any other concerns to the Task Group's attention; under-spent contracts and other issues are noted for discussion and possible follow-up.

At the meeting, applicants and the Task Group together identify areas of improvement and what resources are needed to help the project improve its performance. Grantees have the opportunity to provide new information that sometimes raises their score above the unconditional renewal threshold. Through a summary letter recording the conversation and follow-up communications, over the course of 6 weeks each applicant is guided through a process of determining whether to submit additional documentation to revise scoring, undertake Corrective Action or to voluntarily release the project funding for reallocation. If corrective action plans and technical assistance are unsuccessful in improving project performance to the expected level over several years, or in particularly egregious cases (for example, serious concerns about grant management), the Task Group has recommended

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reallocating funds without further corrective action. The Committee's work is followed by a full report to the CoC governing body, which reviews its work both in process and at the end of the designated period to develop Corrective Action Plans. The CoC governing body (HOME Sonoma County Leadership Council) makes the final decision regarding renewal with or without conditions vs. reallocation.

Note: Since publication of the CoC Interim Rule in 2011, the PM&E Task Group has also reviewed each project's continued eligibility under the new CoC regulation. If eligibility concerns emerge, these are discussed with the grantee even if the project scores above the threshold for unconditional renewal.

Reallocations are made in the following situations:

- **Voluntary Cuts:** Following discussion of performance and/or continued project eligibility, and applicant consideration of corrective action needed, the applicant may voluntarily opt not to renew and/or to seek continued funding from non-CoC sources.
- **Involuntary Cuts:** In cases where the PM&E Task Group records major concerns over several years, the Committee may recommend cutting the project without further corrective action. This decision must be confirmed by the Leadership Council. Applicants may appeal the decision, and the appeal must be considered by the Leadership Council.

2) Reallocation based on new opportunities identified during the NOFA Period:

Upon HUD's release of the annual NOFA, all provisions of the NOFA are reviewed. If the NOFA indicates further ways to maximize Annual Renewal Demand, renewal grantees are polled with a Renewal Intent to Apply Questionnaire, to confirm that they intend to apply for the full approved amount, or to indicate they are open to a reduction. Continuing discussion takes place with those agencies to ensure the reduction makes sense. **All cuts at this phase are voluntary.**

Determinations on final cuts and reallocations will be made at the August 22, 2019 Leadership Council.