FY2025 Funding, Rating, and Ranking Priorities
for the Continuum of Care Program Competition

Introduction

This document outlines the North Carolina Balance of State Continuum of Care's (NC BoS CoC) priorities for the FY2025 Continuum of Care Program funding competition, as well as the Rating and Ranking Priorities.

In addition to applying the approved new and renewal scorecards, the Project Review Committee should consider these priorities in its review and ranking of projects in the FY2025 competition:

- **Ensure essential CoC-wide infrastructure elements are in place, including HMIS and coordinated entry**
- **Provide coverage of permanent housing across the CoC**
- **Increase the availability of transitional housing across the CoC**
- **Ensure CoC Program funding is being used well, including potentially reallocating some funding from projects that have patterns of low spending or poor performance**

In this prioritization of projects, the Project Review Committee should consider the goals and objectives listed in the FY2025 CoC Program NOFO:

- **Prioritize projects that provide housing and healthcare resources**
- **Prioritize projects that end the crisis of homelessness and advance public safety on our streets through outreach and partnership with local law enforcement**
- **Prioritize projects that provide treatment and recovery**
- **Prioritize projects that promote self-sufficiency**
- **Minimize trauma associated with homelessness**

Section One of this document summarizes the history of how the NC BoS CoC has prioritized projects for funding in the past and the Funding and Performance Subcommittee's process to arrive at the priorities for the FY2025 CoC Program competition. Section Two explains each funding priority. Section Three provides additional guidance to the Project Review Committee about how to implement these funding priorities during the ranking and review process.

Section One: Funding Priorities Background and Process

As part of the annual CoC Program competition, each CoC is required to submit a project listing to HUD that ranks its new and renewal projects in order of priority. The NC BoS CoC's project ranking and review process, conducted by the Project Review Committee, provides a recommendation for approval by the CoC's Steering Committee for which projects are to be included in the application to HUD and the order in which they are listed. Projects high on the list are more likely to be funded by HUD, while projects lowest on the list run the risk of not receiving funding. The NC BoS CoC's current portfolio is all permanent housing projects (PSH and RRH) except for infrastructure grants for required CoC activities: HMIS and SSO-CE.

The NC BoS CoC's ranking and review process has three steps: first, the CoC through the Project Review Committee and NCCEH staff review all submitted projects applications using a standardized scorecard; second, the Project Review Committee ranks projects based on the standards, scores, and other CoC priorities; third, the Steering Committee reviews the recommendation and approves the final ranked list.

The Scorecard Committee has also set priorities when designing the annual new and renewal scorecards. Scorecards award points to projects that are high-performing and improve our homeless response system.

The Steering Committee first formed the Funding Priorities Workgroup in 2017 and then a standing Funding and Performance Subcommittee in 2018 to address priority-setting in a more strategic and comprehensive manner. The goal was to create funding priorities to have the greatest impact on homelessness in the CoC. The subcommittee reviewed several data sources that informed their development of funding priorities, including the last few years of NC BoS CoC applications, the scorecard and project review processes, the NC BoS CoC's funding portfolio, and recent Point-in-Time Count numbers.

The subcommittee uses these general goals for the priority-setting process:

> • Base funding priorities on the needs of the NC BoS CoC as a whole, without privileging specific regions;

> • Help the Steering Committee and Project Review Committee think more broadly about the CoC;

> • Stay open-minded about what needs to change to end homelessness;

> • Better understand the CoC's needs;

> • Provide tools and support to help the Steering Committee and Project Review Committee make good decisions for the CoC; and

> • Establish a framework to help implement the funding priorities.

The subcommittee examines data on current funding and needs across the CoC, which has revealed two overarching important issues:

> 1) Resource gaps exist in certain areas, especially in a few regions that have few permanent supportive housing resources.

> 2) Resources are not distributed in a way that matches the distribution of need across the CoC.

The subcommittee uses this data and other considerations to inform the development of the funding priorities. The subcommittee aims to address geographical gaps in funding so everyone in the CoC has an option for permanent housing, no matter in which region they live. The subcommittee also wants to ensure that grantees spend all allocated funding each year, since underspent funds are returned to HUD instead of being used to assist people in the CoC. The subcommittee also identifies HMIS and coordinated entry as priorities for continued funding because the NC BoS CoC needs this infrastructure to work well and to support HUD's requirements of all CoC and ESG Program grantees and other homeless service providers.

Section Two: Funding Priorities

Provide essential CoC-wide infrastructure elements are in place, including HMIS and coordinated entry

A robust Homeless Management Information System (HMIS) and coordinated entry system are key elements of a well-functioning CoC, and HUD requires all CoC and ESG Program grantees to participate in both (with the exception of Victim Service Providers who must use a comparable database instead of HMIS). The Project Review Committee should put a high priority on highly ranking both projects.

CoC Program funding for HMIS pays for the basic software system that collects administrative data on people served and services provided in the CoC and funds necessary staff to support and train participating agencies, complete mandated reporting to HUD, and help the CoC use its data to improve its work.

Coordinated entry targets resources effectively and efficiently, increases access to homeless and housing services, assists the CoC in identifying gaps in its system, and helps providers better coordinate services. Since coordinated entry is such an integral piece of the CoC, only projects that would cover all 79 counties of the CoC will be eligible for funding.

HUD has made domestic violence bonus funding available. The CoC will allow applicants using domestic violence bonus funding to apply for a CoC-wide Supportive Services Only - Coordinated Entry project as long as the project works to provide better access to survivors of interpersonal violence to the existing coordinated entry system.

In the past, the Project Review Committee has ranked the HMIS and Supportive Service Only – Coordinated Entry projects first and second respectively in the CoC competition to protect this basic infrastructure. The Project Review Committee should continue to consider funding HMIS and coordinated entry as high priorities in the FY2025 CoC Program competition.

Provide coverage of permanent housing across the CoC

With a 30% cap of the CoC's Annual Renewal Demand allowed for permanent housing projects in the FY2025 CoC Program NOFO, the CoC should prioritize providing coverage of permanent housing across the CoC.

The Project Review Committee should weigh the fact that CoC Program funding is the only major public source for permanent supportive housing (PSH), which provides long-term financial assistance and intensive service supports to the most vulnerable households. While ESG Program funding provides some funding for rapid rehousing, it is not enough to meet the current level of need.

In the FY2025 competition, the Project Review Committee should prioritize PSH projects in the geographic areas that have significant needs for PSH so vulnerable people experiencing homelessness, regardless of their location in the CoC, have the option to live in permanent housing.

The Project Review Committee should prioritize current PSH grants as long as these projects meet the threshold spending rates (90% or above), new goals and objectives of the FY2025 CoC Program NOFO, and demonstrate successful outcomes as indicated by Project Performance Reviews on scorecards. PSH projects that currently underspend their funding and have made no attempt to correct the problem by serving additional counties, streamlining intake processes, or conducting more outreach should be considered for reallocation.

Increase the availability of transitional housing across the CoC

The FY2025 CoC Program Notice of Funding Opportunity introduces transitional housing as an elibible project type along with robust supportive services. The Notice of Funding Opportunity does not allow for new joint Transitional Housing-Rapid Rehousing projects and therefore no new joint Transitional Housing-Rapid Rehousing projects will be considered. Table 4 identifies the transitional housing projects in the NC BoS CoC based on the 2025 Housing Inventory Count for the Project Review Committee to use to consider where to increase the availability of transitional housing.

Ensure CoC Program funding is being used well, including potentially reallocating some funding from projects that have patterns of low spending or poor performance

Since CoC Program funding is limited, the CoC should put a high priority on projects that maximize the funding they receive. Projects should:

- Spend as much of their funding as possible, reaching at least a 90% threshold;

- Target and serve people with the highest needs;

- Produce strong outcomes, especially those noted in the FY2025 CoC Program NOFO; and

- Meet the region's and CoC's needs.

The Scorecard Committee will make each of these items part of the FY2025 scorecards. Projects that do not meet some or all of these criteria will receive a reduced score and should be ranked accordingly. In addition to ranking, if a renewal project has a history of low spending, the Project Review Committee should consider reallocating some or all of that project's funding. Projects should consistently spend at least 90% of their funding. The CoC has a responsibility to find new, more effective projects if current projects cannot spend their allocated funding. Due to the increasingly tight housing market, some CoC Program grantees have underspent allocated CoC funding. The Project Review Committee should take the tight housing market into consideration before reducing or eliminating any projects due to low spending, and instead, review patterns of low spending over a multi-year period.

The NC BoS CoC will not fund projects that request acquisition, rehabilitation, or new construction funding. There is too little new funding available to the CoC each year to justify the large investment these activities would require. Agencies that need these types of funding should use other sources of federal, state, and local funding and focus CoC Program funding on activities that more quickly benefit people experiencing homelessness.

Section Three. Additional Guidance on Implementing Priorities

Project Review and Ranking Process

The Project Review Committee (PRC) considers multiple factors when determining project rankings, including the priority of infrastructure projects for the entire CoC, projects meeting the goals and objectives of the FY2025 CoC Program NOFO, and the project's performance on the scorecard.

There are three ways scorecards affect project ranking: thresholds, standards, and points. If a project does not meet a threshold, it is not eligible for funding. If a project does not meet the standards, the Project Review Committee may lower the project's ranking, remove the project from the competition altogether, or recommend reducing its funding. Receiving more points than other similar projects with similar performance and standards can also increase a project's ranking.

The priorities in this document may result in ranking some high-priority new projects ahead of renewal projects, especially if there are renewal projects that have consistently performed poorly or underspent their funds. In such cases, the Project Review Committee should consider the potentially detrimental geographic effect of ranking renewal projects low. In regions with very few projects, giving a renewal project a low rank could put almost all the funding for a region at risk. The Project Review Committee should also examine the region's and the agency's ability to prevent current participants from becoming homeless in the case of a large or full reallocation. On the other hand, the PRC should consider the additional people new projects could help in a region, especially in regions with very few current housing assistance resources.

Resources by Project Type Throughout the NC BoS CoC

The Project Review Committee should consider the information provided in the tables below per project type to meet the NC BoS CoC's priorities.

Table 1: Permanent Supportive Housing Resources

Region	Column A Existing PSH Beds	Column B Annual PSH turnover beds	Column C Annualized number of people experiencing chronic homelessness	Column D Unmet need for PSH	Column E Total CoC Program PSH funding*
1	74	11	65	54	$565,034
2	0	0	150	150	$0
3	108	16	225	209	$801,602
4	39	6	94	88	$423,435
5	148	22	159	137	$1,437,495
6	40	6	23	17	$342,281
7	20	3	148	145	$353,753
8	23	3	17	14	$172,579
9	15	2	20	18	$97,015
10	77	12	5	None	$580,899
11	27	4	18	14	$174,629
12	70	10	18	8	$452,737
13	79	12	31	19	$510,947

*Table does not include SNOFO funding for Back@Home-Balance of State PSH or NCORR's new FY2024 CoC Program PSH project

NCCEH staff calculated Column D (unmet need for PSH) using the following methodology:

• Staff calculated the number of existing PSH beds (column A) by multiplying the number of PSH units in each region (as reported on the HUD CoC Program funding applications) by their corresponding number of bedrooms. For example, a region with one 1-bedroom unit and two 2-bedroom units would have five beds.

• Then staff estimated the number of PSH beds that would become available during a year (column B) using a reasonable estimate of annual turnover. The turnover rate was assumed to be 15% for all projects, the same rate used in the United States Interagency Council on Homelessness's Supportive Housing Opportunities Planner (SHOP) tool.

• Next, to estimate the need for PSH during a full year, staff multiplied the number of people counted as chronically homelessness during the 2025 Point-in-Time Count by 1.3 (column C). This annualization factor is also used in USICH's SHOP tool. This number estimates the total need for PSH in a region.

• Finally, staff subtracted the number of annual PSH turnover beds from the annualized number of people experiencing chronic homelessness to estimate the unmet need in each region (Column D).

Table 2: Rapid Rehousing Resources

Region	Column A 2025 PIT Count	Column B 2025 RRH Beds in HIC	Column C % of RRH of PIT	Column D Total CoC Program RRH*	Column E Total ESG & RUSH RRH*
1	763	66 (64 are Back@Home)	9%	$0	$234,005
2	1028	89 (74 are Back@Home)	9%	$0	$0
3	1360	52 (52 are Back@Home)	4%	$0	$102,218
4	550	83 (71 are Back@Home)	15%	$0	$124,892
5	1029	256 (221 are Back@Home)	25%	$298,284	$118,615
6	119	34 (34 are Back@Home)	29%	$0	$0
7	941	169 (88 are Back@Home)	18%	$0	$145,473
8	145	92 (76 are Back@Home)	63%	$0	$125,000
9	200	43 (34 are Back@Home)	22%	$0	$145,194
10	131	86 (71 are Back@Home)	66%	$0	$184,280
11	86	16 (12 are Back@Home)	19%	$0	$39,126
12	188	121 (93 are Back@Home)	64%	$138,914	$68,285
13	206	58 (25 are Back@Home)	28%	$266,549	$53,184

* Does not include CoC Program for Safe at Home.

NCCEH staff calculated Column C (% of RRH of PIT) using the following methodology:
• Staff calculated the number of beds from the 2025 Housing Inventory by eliminating all dedicated beds through CoC DV Bonus, SFRF, and SSVF. The total number of beds includes CoC Program (including SNOFO), ESG Program, and privately funded RRH beds.

• The percentage of rapid rehousing beds was calculated by dividing the number of 2025 RRH Housing Inventory Count beds in Column B by the total number of people included in the 2025 PIT Count in Column A.

Table 3: Street Outreach (SO) Resources

Region	2025 PIT Unsheltered Count	CY2026 ESG SO Funding	CY2026 RUSH SO Funding
1	153	$15,000	
2	193	$0	$68,174
3	203	$30,000	$53,550
4	191	$5,000	
5	427	$41,000	
6	49	$35,000	
7	666	$0	
8	47	$0	
9	20	$0	
10	47	$0	
11	58	$0	
12	63	$0	
13	108	$18,090	

Staff entered 2025 Unsheltered PIT Count Data and ESG and RUSH funding associated with Street Outreach in each Region.

Table 4: Transitional Housing Resources

Region	2025 PIT Count	2025 TH Beds in HIC	% of TH Beds based on PIT
1	763	0	0%
2	1028	6	1%
3	1360	84 (14 men only)	6%
4	550	45	8%
5	1029	129	13%
6	119	7	6%
7	941	78	8%
8	145	0	0%
9	200	97	49%
10	131	0	0%
11	86	0	0%
12	188	0	0%
13	206	4	2%

Does not include TH for DV, Veterans, or youth

Staff entered 2025 PIT Count per region, the number of TH beds from the 2025 HIC, and calculated the % of TH beds based on PIT to show level of need.