

# FMCoC Grant Spend Committee Summary

During the 2021 Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Notice of Funding Opportunity (NOFO) Review and Rank Panel meeting, the Panel noted that most CoC-funded projects were not meeting the grant spend metrics outlined in the local competition scoring tools. The Panel requested that the Fresno Madera CoC (FMCoC) Board focus on grant spend for CoC-funded projects. The FMCoC Board created a Grant Spend Committee to focus on improving CoC-funded project grant spend, which currently averages 71-73% annually, and set a goal to increase grant spend for CoC-funded projects to 95%.

The Committee completed the following from January to May, 2022:

- Convened six times and reviewed CoC-wide historical and current grant spend data and offered agency-specific technical assistance to agencies that were underspending on their CoC grants. Homebase met with five agencies one-on-one regarding strategies to improve grant spend.
- Provided underspending CoC-funded projects an opportunity to provide evidence of a spend improvement plan and modified budget so they could earn additional points in the 2022 CoC NOFO. The other options to improve grant spend that were offered to agencies included: grant amendment assistance, the opportunity to transition grants to a new project component, and the opportunity to do an analysis as to whether voluntary reallocation (partial or full) is needed.
- Revised the 2022 NOFO grant spend scoring factor to include points for participation in the Grant Spend Committee process and for completing spend improvement plans. The scoring factor was also modified to make discretion points harder to be awarded for underspending projects for this factor. During the 2020 NOFO, for underspending projects to get discretion points without completing a spend plan they had to show that historical and current spend data met or exceeded CoC spending metrics and had to explain how underspending on the last completed grant was a one-off (e.g., an expansion or consolidation year, etc.).
- Reviewed Coordinated Entry System (CES) project grant spend, budgets, and CES NOFO policies. Created the first-ever CoC NOFO 2022 CES renewal benchmarks (including a grant spend metric) to start evaluating CES projects as part of the NOFO and proposed a revision to the NOFO policies to only accept new CES projects operating outside of the Fresno metro area. Previously CES projects have always been auto-ranked in Tier 1 during the NOFO and were not subject to evaluation. The Committee also identified gaps in data collection in HMIS for CES projects and requested that the CES Management Entity and HMIS Lead work towards tracking CES-project specific outcomes so that future CES benchmarks can be data-driven.
- Reviewed Point in Time, CoC E-Snaps Application, and Housing Inventory Count data to determine what types of new CoC-funded projects are needed. Proposed edits to NOFO policies and scoring tools based on this review (i.e., prioritized voluntary reallocation funds for Permanent Supportive Housing expansions and awarding bonus points for new CES projects operating outside of the Fresno metro area).
- Brainstormed CoC-wide strategies to improve spenddown on HMIS and CoC Planning Grants.
- Utilized the 2021 and 2022 NOFO local competition processes to encourage voluntary reallocation of underspending grants. **During the 2021 and 2022 NOFO competitions \$2,223,000 was reallocated voluntarily and involuntarily. Over the last 3 years the CoC has underspent an average of \$2,863,122.**
  - o In 2021, \$874,502 was voluntarily and involuntarily reallocated during the CoC NOFO and \$725,343 was reallocated by HUD as part of Tier 2. **For those not fully reallocated,**

**the changes in grant spend for these projects will likely not be seen until they start their 2022 (2023-2024) and 2023 (2024-2025) grant cycles.**

- In 2022 \$623,155 was voluntarily reallocated during the CoC NOFO and additional projects may be reallocated by HUD that were placed in Tier 2.

**Next Steps:**

- The Grant Spend Committee and CoC Board will work to develop a long-term policy regarding grant spend thresholds.
- CoC Leadership will continue to track spend outcomes using the HUD CoC Quarterly Spend Report. **Agencies who have reallocated funds will have their future totals included in these reports to compare these totals against current spend to ensure the reallocation amount was sufficient to fix the spend issue.**
- New CoC-funded projects were awarded reallocation funds, so the CoC Board should continue to provide assistance to new projects to ensure they receive the support they need to fully expend their new grants as they start them.
- As part of the CoC Strategic Training Plan, Homebase developed two relevant trainings that should be reviewed by all underspending CoC-funded projects: 1. A CoC-Funding Financial Management Training (Eligible Costs, Match, and Timekeeping) and 2. CoC Grant Management: Ensuring Full Grant Spenddown.
- It is recommended that an addition be made to the HUD CoC NOFO new project scoring tool to request project and agency information regarding their reallocation history to ensure projects who have previously been reallocated have to explain changes that have been made since the reallocation.