TX-700 CONTINUUM OF CARE (COC)
FY 2025 COMPETITION RANKING POLICY

I. ABOUT THIS POLICY

This policy governs how The Way Home (TX-700) ranks **all** new and renewal project applications in the FY25 HUD CoC Competition. It incorporates:

- FY25 HUD CoC NOFO requirements
- FY25 Steering Committee voting items
- Local CoC priorities, including system stability
- Federal shifts toward **Housing + Services + Accountability**

HUD's FY25 NOFO introduces the following national rules affecting ranking:

- Tier 1 limited to **30% of Annual Renewal Demand (ARD)**
- Permanent Housing (PH) (PSH + RRH + Joint TH/RRH) capped at **30% of ARD**
- YHDP projects **must be ranked**
- DV Bonus projects have unique ranking/selection rules
- RRH renewal projects must be submitted as **TH** (local rule aligned with NOFO priorities)

As a result, ranking must reflect both HUD requirements and Steering Committee directives.

II. RANKING STRUCTURE

A. TIER 1 (30% OF ARD)

Tier 1 includes the **highest-ranked** project applications up to **30% of ARD**.

HUD will conditionally select projects in Tier 1 if they meet:

- Eligibility standards
- Quality threshold requirements
- Required alignment with FY25 NOFO priorities

TIER 1 PLACEMENT RULES

1. **Projects are ranked by score; ties broken alphabetically.**
2. **Only PH projects able to fit under the 30% PH cap may remain PH.**
3. **All RRH renewals must be resubmitted as TH.**
4. **DV renewal projects** are ranked normally in Tier 1 or Tier 2 based on score.
5. **DV Bonus new projects**:
   - If selected for DV Bonus → removed from Tier 1/Tier 2 → lower projects shift up
   - If not selected → remain in their original ranked position
6. **YHDP renewal/replacement projects must be ranked** according to score and NOFO criteria.

7. SYSTEM COMPONENT PROJECTS SAFEGUARDED IN TIER 1

The following system-essential projects will be automatically protected in Tier 1:

- CFTH Coordinated Entry 1 (CE-1)
- CFTH Coordinated Entry 2 (CE-2)
- CFTH HMIS Lead Project
- HCDVCC Coordinated Entry
- SEARCH Mobile Outreach (SSO-Outreach)
- CFTH YHDP CE
- CFTH YHDP Outreach
- Any FY24 new award not yet operational in FY25**

These projects are essential for:

- CE system compliance
- HMIS operations and reporting
- Outreach coverage
- YHDP system function
- System monitoring, scoring, and federal compliance

B. TIER 2

Tier 2 includes:

- All remaining ranked renewal projects
- New projects (CoC Bonus, Reallocation, DV Bonus if not awarded from DV pool)
- YHDP projects not placed in Tier 1

HUD will score each Tier 2 project on a **point scale**, considering:

- CoC Application score
- Local ranking order
- HUD FY25 priorities
- Project quality, design, and accountability measures

DV Bonus new projects follow the same Tier 2 movement rules as Tier 1.

C. PROJECTS NOT RANKED

The only projects **not ranked** are:

- **CoC Planning** (HUD rule)

All other project types **must be ranked** in FY25.

III. FY25 PRIORITIZATION RULES

A. PH CAP CONTROLS PLACEMENT

Because PH funding ≤ 30% ARD:

- Only PH projects placed **within Tier 1** may remain PH
- PH projects scoring below the Tier 1 line must be reallocated or converted

B. RRH MUST BE SUBMITTED AS TH

Per Steering Committee action aligned with HUD direction:

- All RRH renewals must reapply as **Transitional Housing**
- RRH cannot appear as PH in ranking

C. SYSTEM COMPONENT PROTECTION

System projects listed in Section II.A.7 remain safeguarded in Tier 1 regardless of numeric score.

D. FY25-FAVORED MODELS RECEIVE PRIORITY

Based on the FY25 NOFO:

- TH
- SSO-Outreach
- HMIS
- Service-rich programming
- Projects demonstrating accountability, service capacity, and utilization

E. NEW PROJECTS MUST ALIGN WITH FY25 NOFO & LOCAL NEW PROJECT SCORING SHEET

All new projects must:

- Align with HUD's **Housing + Services + Accountability** framework
- Provide supportive services consistent with 24 CFR 578.53
- Demonstrate operational readiness, staff capacity, and strong project design
- Align with TX-700's FY25 New Project Scoring Sheet
- Address system need with allowable FY25 project types (TH, SSO, HMIS)

New projects lacking alignment may be ranked lower, placed in Tier 2, or deemed noncompetitive.

IV. RANKING APPROVAL

The Steering Committee:

- Reviews recommended rankings
- Approves final Tier 1 and Tier 2 placement
- Confirms protection of system components
- Applies conflict-of-interest rules required by 24 CFR 578.95

V. EFFECTIVE DATE

This policy applies solely to the **FY25 CoC Program Competition** and becomes effective immediately upon Steering Committee approval.