

## Reallocation Policy and Procedure

### Background

Reallocation is a strategy allowed by HUD to allow a CoC to shift funds in whole or in part from existing CoC-funded projects that are eligible for renewal, to create one or more new projects. CoCs can pursue reallocations through the annual CoC Program Competition. A reallocated project must be a new project that serves new participants and has either a rapid re-housing or permanent supportive housing program design. A new reallocated project may use resources from an existing project, including staff, but it is not simply a continuation of an existing project that serves existing participants.

Reallocating funds is one of the most important tools by which CoCs can make strategic improvements to their homelessness system. Through reallocation, CoCs can create new, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources. Reallocation is particularly important when new resources are scarce.

Decisions regarding reallocation are best made when guided by an overall strategic plan, in which the CoC assesses existing projects for their performance and effectiveness in ending homelessness. In general, CoCs should direct funding towards projects that:

- a. Serve the highest need individuals or families;
- b. Help project participants obtain permanent housing as rapidly and directly from homelessness as possible;
- c. Ensure long-term housing stability; and
- d. Ensure the best and most cost-effective fit given a community's needs.

### Performance Measures

To provide both project-specific outcome information and CoC-wide contributions, each CoC-funded program will be evaluated through the monitoring process. This evaluation will be based upon data entered into HMIS, the most recently submitted HUD Annual Performance Report (APR), and the most recently submitted Project Application submitted for the CoC proposal.

The APR scoring criteria assess outcomes which directly relates to the System Performance Measures identified in Section 427 of the McKinney-Vento Homeless Assistance Act as amended in 2009. Specifically, this assessment will evaluate seven measures:

1. Length of time persons remain homeless;
2. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness;
3. Number of homeless persons;
4. Jobs and income growth for homeless persons in CoC Program-funded projects;

5. Number of persons who become homeless for the first time;
6. Homelessness prevention and housing placement of persons defined by Category 3 of HUD's homeless definition in CoC Program-funded projects; and
7. Successful housing placement.

These will be evaluated by project component as defined in the table below:

HMIS PROJECT TYPES		SYSTEM PERFORMANCE MEASURE QUESTIONS	1	2	3	4	5	6	7
	1	Emergency Shelter	x	x	x		x		x
	2	Transitional Housing	x	x	x	x	x		x
	3	PH - Permanent Supportive Housing (disability required for entry)	x	x		x	x		x
	4	Street Outreach		x					x
	5	RETIRED							
	6	Services Only							
	7	Other							
	8	Safe Haven	x	x	x	x	x		x
	9	PH – Housing Only	x	x		x	x		x
	10	PH – Housing with Services (no disability required for entry)	x	x		x	x		x
	11	Day Shelter							
	12	Homelessness Prevention							
	13	PH - Rapid Re-Housing	x	x		x	x		x
14	Coordinated Assessment								

**HMIS Data Quality.** Programs will be evaluated on their HMIS quality for the operating year. It is expected that programs will have no greater than 10% of missing values for any of the universal data elements.

**Expenditure of CoC Grant Funds.** HUD and the North Shore Continuum of Care expect that homeless assistance resources be fully utilized. The NSCoC Monitoring will include criteria related to quarterly drawdowns and whether any HUD funds were recaptured at the completion of the most recent grant, how much money was recaptured, and whether actions have been taken to minimize the incidence of grant fund recapture.

Reallocation Process

The NSCoC will evaluate projects for reallocation each year, but will not mandate reallocation. The NSCoC understands and acknowledges that through the reallocation process very valuable projects may be defunded. The NSCoC is striving to develop a reallocation process that will ensure that projects submitted in the CoC Consolidated Application:

- 1) Best align with the HUD CoC priorities aimed at ending chronic homelessness;
- 2) Contribute to a competitive application that collaboratively secures CoC funding to improve the communities in the NSCoC; and
- 3) Meets local priorities related to ending homelessness for target population groups.

As described in the *Performance Measures* section of this policy, the NSCoC seeks to make data-driven decisions based on information gathered from common assessment tools and other HUD-recommended data tools.

#### Voluntary Reallocation

Renewal project applicants interested in voluntarily reallocating should notify the NSCoC in writing of their intent by the due date of HUD's Grant Inventory Worksheet (GIW). The GIW will serve as the NSCoC's tool to identify Project Applicants' intent to reapply for CoC funding. For purpose of reallocated project funding (to create a new permanent housing project), strong preference will be given to those projects that voluntarily apply to reallocate, and especially for those who do so prior to the release of the NOFA.

The applicant may choose to reallocate all or a portion of their renewal funds.

The applicant may choose to compete for all or a portion of the reallocated funds.

#### Involuntary Reallocation

The NSCoC will consider involuntary reallocation as appropriate and as necessary based upon these criteria:

- 1) Projects that have significant findings through the NSCoC annual monitoring. Projects with findings will submit a corrective action plan to the CoC within 30 days of finding notification. If the project is not able to adhere to the plan, it will be considered for involuntary reallocation.
- 2) Projects with unspent funds in the most recently completed funding cycle may be considered for reallocation. This will depend upon the percentage of funds that were unspent, the reasons for recapture, and history of unspent funds.

Involuntary Reallocation decisions will be presented to the CoC membership in a regular meeting, and requires a formal vote.

#### **Summary**

Reallocation will occur in a transparent, universal, and performance-based manner.