

## **Reallocation Policies for FY2019 Continuum of Care Competition**

### **Public Comments**

The policy below was released for public comment on March 21, 2019. No comments to this policy were received.

### **CoC Board Approval**

The Detroit CoC board voted to approve these policies on May 6, 2019.

### **Background**

HUD has historically had a policy priority in the CoC competitions to “strategically allocate and use [CoC] resources”. Additionally, HUD has historically scored CoCs on the extent to which CoCs pursue reallocation. Reallocation is the process by which the budget of a CoC funded project is reduced in part or in whole. The funds gained from this budget reduction are then used to fund new projects.

As the FY2019 CoC NOFA has not yet been released, it is currently unknown the extent HUD will prioritize project reallocation. It is anticipated HUD will continue to encourage CoCs to reallocate projects.

### **Recommendations**

The Values and Funding Priorities Committee recommends the following for reallocation in the FY2019 competition:

- Any renewal project that fails to meet the 70% scoring threshold and is not granted a threshold waiver will be reallocated. The project(s) and amounts will be unknown until the end of the appeals process.

### **Rationale**

1. The project types remaining in the CoC are CoC Infrastructure projects (HMIS, CE-SSOs), PSH, RRH, TH, and a new TH-RRH for D.V. survivors.
2. Projects must still meet performance expectations (70%) scoring threshold.
3. Renewal projects may be reallocated if they fail to meet the 70% scoring threshold and are not granted a threshold waiver.
4. The recommended ranking policies allow for up to \$1 million of new project funding to be ranked in Tier 1, which will help increase the likelihood of the CoC securing new units of housing. The committee notes that if future ranking policies are changed, the CoC’s reallocation strategy may need to change.
5. Renewal projects may still be reallocated at the discretion of the CoC board.

## Supplemental Information

### Detroit CoC's History of Reallocation

The Detroit CoC has historically pursued reallocation apart from reallocation that occurred due to projects not meeting the scoring threshold. The chart below gives the type and number of renewal projects that have been reallocated over the past four years:

<b>Number of Reallocated Project Types and Reason for Reallocation</b>			
	Did not meet threshold/appeal denied	Voluntary reallocation or grant relinquishment ( <i>see below for details</i> )	Policy decision of CoC board decision pre-NOFA release
FY2014		2 (SSO, PSH)	
FY2015	1 (SSO)		10 (TH)
FY2016	1 (TH)	3 (SSO)	
FY2017	2 (TH, RRH)		
FY2018		1 (PSH)	

### Voluntary Reallocation

This chart describes how funds were distributed from projects that voluntary reallocated their projects:

<b>Year</b>	<b>Project</b>	<b>Disposition of Funds from the Reallocated Project</b>
FY2014	NLSM Project Permanency One (SSO)	Funds were reallocated back to NLSM as RRH project based on NLSM's application for project to become RRH.
	Cass Bernauer Manor (PSH)	Funds allocated to NLSM's RRH project; CoC board approved this action based on the small dollar amount and short time frame within which a decision needed to be made.
FY2016	D/WMHA and Southwest Counseling Springwells (SSO)	Funds were reallocated back to Southwest as a CE-SSO project based on an application SW had made for the project funds to be used to support coordinated entry.
	Southwest Housing Partners SSO	Funds were reallocated back to Southwest as a CE-SSO project based on an application SW had made for the project funds to be used to support coordinated entry.
	CHS Targeted Housing & Homeless Assn't (SSO)	Funds were reallocated back to CHS as a CE-SSO project based on an application CHS had made for the project funds to be used to support coordinated entry.
FY2018	DRMM Maranatha (PSH) – voluntary grant relinquishment	Funds were reallocated to three new projects: New CE-SSO, new HMIS, and part of a new PSH project.