



Lee County Continuum of Care

Reallocation Policy and Procedure

**Continuum of Care Policies and Procedures for
Reallocation of CoC Funds**

**Approved by the Lee County CoC
Governing Board on August 3, 2016**

**Approved by the Lee County Homeless
Coalition Board on August 20, 2016**

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Background

The U.S. Department of Housing and Urban Development (HUD) states that one of the primary responsibilities of the CoC is to develop a reallocation process for projects funded with CoC funds.

Reallocating funds is an important tool used by CoCs to make strategic improvements to their homelessness system. Through reallocation, the CoC 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 not available.

Through the reallocation process, the CoC ensures that projects submitted with the CoC Collaborative Application best align with the HUD CoC funding priorities and contribute to a competitive application that secures HUD CoC dollars to address and end homelessness in Lee County. The CoC will make decisions based on alignment with HUD guidelines, performance measures, and unspent project funds. Reallocated projects will be encouraged to seek funders that will support the contributions these projects make to the CoC.

Reallocation Policy

1. Voluntary Reallocation

A recipient, as defined in 24 CFR §578.3, may voluntarily reallocate its existing project by reducing its project's annual renewal amount, as defined in 24 CFR §578.3, in whole or in part. A recipient that voluntarily reallocates its existing project awards and wishes to create a new project, as described in the **Eligible Projects** section of this document, may submit a new project application to the Lee County CoC. Solicitation for voluntary reallocation will be sent via email to the currently funded recipients prior to the opening of the CoC competition each year. After email notification of the voluntary reallocation process is sent, individual meetings will be scheduled with each currently funded recipient to discuss project performance, HUD CoC priorities, and other factors that may affect future funding for each project.

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2. Involuntary Reallocation

The CoC will make a reasonable effort to ensure that projects are meeting performance standards and fulfilling the requirements of CoC guidelines prior to enforcing involuntary reallocation. If, after reasonable correction efforts have been made, there continues to be deficiencies in the projects performance, then the CoC Ranking and Review Committee may recommend the project for involuntary reallocation.

A determination for involuntary reallocation will be made based on the following criteria:

- a. Project performance, which takes into consideration the type of project, its performance relative to that type, community needs, and timely expenditure of funds;
- b. Utilization and effectiveness, which factors bed/unit operating capacity and cost effectiveness relative to project type and population served; and
- c. Extent of participation in HMIS, including, but not limited to, bed coverage and data quality.
- d. CoC funding priorities as detailed in the most recent CoC Notice of Funding Availability (NOFA) and/or other HUD published priority listings, such as CoC Competition Focus.

The CoC Ranking and Review Committee, as designated by the CoC Governing Board, will evaluate all projects requesting funding using the most recent CoC Program Competition Notice of Funding Availability (NOFA) and determine if any projects eligible for renewal should be reduced or eliminated to develop new projects, as described in the **Eligible Projects** section of this document. If the Ranking and Review Committee agrees that a project should be reduced or eliminated, such recommendation will be present to the CoC Governing Board, by DHS staff, to be formally voted upon.

Each project will be evaluated by reviewing Program Monitoring Reports, as completed by the Department of Human Services Contracts Program Area, and Ranking Summary Sheets, as completed by each project applicant. DHS staff will be present during the Ranking and Review Committee meeting to provide technical assistance by responding to questions of the Committee, correcting technical inaccuracies, and ensuring the Committee is aware of the requirements and

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priorities outlined in the HEARTH Act and most recent CoC Notice of Funding Availability (NOFA).

Project applicants who administer a project that has been selected for reallocation through CoC Governing Board vote will receive notification from the Department of Human Services in writing, outside of *e-snaps*, which will include the reasons for the reallocation, no later than 3 business days after the Ranking and Review Committee's final ranking of the application has been completed.

Reallocated Funds

CoC Program funds made available through involuntary reallocation may be used to develop one or more new projects, as described in the **Eligible Projects** section of this document. Should no viable, new project be identified, CoC Program funds made available through involuntary reallocation may remain available for the project(s) subjected to involuntary reallocation provided that the affected applicant(s) makes changes necessary to address project performance, improve utilization and/or effectiveness, align with current CoC funding priorities, and/or enhance its qualitative participation in HMIS.

Eligible Projects

The CoC may use reallocated funds to create the following projects:

1. New permanent supportive housing projects where all beds will be dedicated for use by chronically homeless individuals and families as defined in 24 CFR §578.3;
2. New rapid re-housing projects for homeless individuals and families who enter directly from the streets or emergency shelters, youth up to age 24, and persons who meet the criteria of paragraph (4) of the definition of homeless in 24 CFR §578.3;
3. New Supportive Services Only (SSO) project specifically for a centralized or coordinated assessment system; and
4. New dedicated Homeless Management Information System (HMIS) project for the costs at 24 CFR §578.37 that must be carried out by the HMIS Lead Agency.