CITY OF HARRISBURG/COUNTY OF DAUPHIN CONTINUUM OF CARE – PA 501

Reallocation Policy

UPDATE LOG

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Reviewed and Reapproved:

COC APPROVAL SIGNATURE

___Jennifer Wintermyer, Chair_____   ____23 August 2019__
       (*original signature on file*)

I. POLICY STATEMENT

Under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), the Department of Housing and Urban Development's (HUD) reallocation process allows Continuums of Care (CoC) to fund new projects by transferring all or part of funds from any existing CoC grant to create a new project.

The City of Harrisburg/County of Dauphin Continuum of Care will annually review the option of reallocation of HUD's CoC funding resources. The reallocation process will be communicated throughout the full geographical area of the CoC via email distribution list and CoC Lead Agency website posting, and will encourage both new and existing providers to apply for new projects through reallocation.

Reallocation shall have the intent to achieve one or more of the following objectives:

1. To meet the housing needs for persons as identified in the Coordinated Entry process and HMIS data.
2. To make homelessness in City of Harrisburg/County of Dauphin CoC rare, non-reoccurring, and of short duration.
3. To enhance CoC system performance by providing high quality, effective housing projects.
4. To align funded programming to be consistent with the HEARTH Act and HUD guidance and HUD policy priorities.
5. To contribute to the HUD competitive consolidated application process.
6. To strengthen collaboration within the homeless services system.

Reallocation may be voluntarily initiated by a funded agency, or initiated by the CoC Review & Ranking Committee, composed of non CoC funded agency board members including the City, County, and local foundation. Decisions related to Continuum-initiated reallocations will be made in accordance with the CoC interim rule, which holds each CoC responsible for the performance, fiduciary accountability and strategic value of each CoC program project included in its annual Collaborative Application. The reallocation process will be transparent, equitable, and data-driven with an emphasis on local needs.

The CoC may use funds taken in whole or in part from existing projects to create new projects. HUD determines which types of new projects can be reallocated to and this is described annually in the NOFA for CoC Funding.   Reallocation amounts are to be sufficient as to fund effective programming for project(s) receiving reallocation as determined by Review and Ranking Committee evaluation based on feedback from projects and relevant Continuum Committees.

II. COMPETITIVE REALLOCATION

The CoC Review & Ranking Committee reserves the right to reallocate renewal funding and make it available for new projects through a competitive process to maximize services, effectively compete, and/or to address underperforming projects. The CoC may choose reallocation from any CoC project to meet its responsibility to ensure the CoC Consolidated Application best aligns with HUD priorities and contributes to a competitive application, to collaboratively secure funding to meet community needs. Decisions will be made during the process of preparing an application for funds. All reallocation decisions must be approved by the CoC Ranking Committee through simple majority vote.

Once it has been determined that reallocation of funding is in the best interest of the CoC, a representative or representatives of the CoC will communicate with the agency whose project is being reallocated to discuss how the reallocation will occur and the timing of any project funding reallocation.

It is the CoC's responsibility to strategically determine how to best use the resources available to end homelessness within the community, and the CoC may reallocate funds from projects which are seen as underperforming. Underperforming projects are defined as those which are found during the annual performance review process, monitoring visits, or otherwise known to not meet the following CoC funding objectives:

- Project Capacity: Underperforming projects may include those which fail to make effective use of project capacity. This may be seen through unspent funds, untimely expenditures, or other issues which significantly impact project operations and performance.

- Financial Management: Underperforming projects may include agencies or projects with audit findings for which a response is overdue or unsatisfactory, have outstanding funds, show a misuse of funds, or untimely drawdown of funds.

- Performance Outcomes: Underperforming projects may show poor data quality within HMIS, unmet performance outcomes within their most recent APR, or rank low in the Project Review/Ranking.

- Lack of Compliance with Local & Federal Project Review & Certification Standards: Underperforming projects may include those with a history of serving ineligible persons, expending funds on ineligible costs, lack compliance with Housing First standards, Equal Access and Family Non-Separation Rule, or fail to fully cooperate in the coordinated entry process.

- Local Need: Project may be slated for reallocation when a local need is better met through another project.

- Loss of External Supporting Program Funds: Projects which are unable to fully meet CoC objectives due to loss of ancillary service or support funding and results in unmet performance outcomes or unspent funds may be slated for reallocation.

III. VOLUNTARY REALLOCATION PROCESS

CoC grantees are able to self-nominate to voluntarily reallocate CoC renewal funds to create a new project.

A grantee seeking the ability to reallocate funding through the Voluntary Reallocation Process must do so in accordance with the timeline set by the CoC Lead Agency in that year's application process and (if desired) complete a new project application by the deadline set by the CoC Lead Agency in order to be eligible and considered for a new project.

- The CoC Review and Ranking Committee will review the application and make a determination regarding the acceptance and ranking of the proposed project, and whether or not it will be included in City of Harrisburg/County of Dauphin CoC's funding application to HUD.

- If the proposed new project is not accepted by the CoC Review & Ranking Committee, the committee may choose to allow the renewal project to remain in place, or release the funds to the community in a competitive process.

- If a grantee reallocates funding through the Voluntary Reallocation Process, but does <u>not</u> elect to apply for a new project, the reallocated funds are eligible to be applied for by any organization interested in working in City of Harrisburg/County of Dauphin CoC. This information will be shared through the CoC's distribution list, as well as the CoC Lead Agency's website, and must still conform to the deadlines set for the application process.

As incentive to all funded providers to monitor and improve their project performance, and to contribute to system performance, the CoC will consider objective and fair ranking factors beneficial for agencies to administer proposed new projects for which they are voluntarily reallocating their funding, as long as agency history of capacity and performance is acceptable. This will take place during the NOFA application process.

IV. RECUSAL

- The CoC Lead Agency will not participate in any discussion or deliberation about reallocation that may impact their CoC funding.

VI. APPEAL

Reallocation determinations by the Continuum of Car will be final without appeal at the Continuum level. A project that has been reallocated may consider HUD's appellate process for applications that is based on 24 CFR 578.35. Sections 578.35(b)(3), (b)(4), (c)(1), and (d)(2), which can be found in FY 2019 CoC Program NOFA Section X, p. 75.