



Austin/Travis County Continuum of Care Reallocation Policy and Procedure

Background

The U.S. Department of Housing and Urban Development (HUD) requires that CoCs carefully evaluate and review all renewal projects and 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 projects that are aligned with HUD's goals, by eliminating projects that are underperforming or are more appropriately funded from other sources. Reallocation is particularly important when new resources are not available.

This Reallocation Policy and Procedure incorporates the following general objectives to ensure alignment with HUD and community priority funding:

- To ensure the CoC's responsibility in submitting to HUD an application that is consistent with HUD guidelines and the HEARTH ACT;
- To ensure the amount to be reallocated is sufficient to fund effective PH program(s); and,
- To best position the existing transitional housing (TH) and Supportive Services Only (SSO) programs for continued HUD funding in an environment of changing strategies.

Reallocation Policy

All renewal projects are reviewed annually by an Independent Review Team (IRT) to determine how the project performed and determine if a project should be considered for reallocation. In addition, the ECHO Membership Council and staff monitor all projects through a quarterly review of project performance, annual reports and comprehensive assessment of agency capacity and ability to implement performance measure goals and objectives.

In addition, based on recommendations made by the IRT, the ECHO Membership Council may recommend reallocation based on the following criteria:

- Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
- Audit finding(s) for which a response is overdue or unsatisfactory;
- History of inadequate financial management accounting practices;
- Evidence of untimely expenditures on prior award;
- Evidence of noncompliance with HUD and/or CoC policies, including coordinated entry and written standards for assistance;
- History of other major capacity issues that have significantly impacted the operation of the project and its performance;
- Timeliness in reimbursing sub recipients for eligible costs. HUD will consider a project applicant as meeting this standard if it has drawn down grant funds at least once per month;



- History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes;
- Failing to consistently meet the CoC performance measures, e.g. low score in the quarterly performance scorecard;
- Failing to provide documentation required by the CoC for a project application in the time allotted; or
- Applicant choice to voluntarily reallocate all or a part of its award

Involuntary Reallocation

CoC Membership Council will consider involuntary reallocation as appropriate and as necessary per the CoC Performance Improvement Plan Policy. CoC projects that do not meet performance or administrative standards will be required to participate in the Performance Improvement Plan (PIP) process. Performance information reviewed by the Membership Council will be evaluated and used to determine project eligibility for renewal or if the project funds will be considered for reallocation.

- During the first 12 months of the PIP process, projects are eligible to apply for renewal funding in the local HUD CoC Competition
- Any agency on an active PIP will not be eligible to apply for New or Bonus Project funding, unless approved by Membership Council
- Projects that have an active PIP for period of 2 consecutive years will be reviewed for involuntary reallocation of funds
- When entering into the 2nd year, if the project has not made significant progress by the 1st Quarter presentation to the Membership Council (16 months into the PIP process), the Membership Council may recommend the project self-nominate to voluntarily reallocate renewal funds to create new projects during the CoC Competition or the project may be involuntary reallocated in the next competition cycle.

If the reallocation of funds results in the loss of assistance or housing stability for households currently being served by the program, the project must develop a transition plan with the guidance of the CoC Membership Council and ECHO.

Voluntary Reallocation

Renewal project applicants may choose to voluntarily reallocate project funds to create a new project that is better aligned with HUD funding priorities and effectiveness. Projects that proactively reallocate may submit a new project proposal during the local competition based on the total amount reallocated. Please note, new project proposals will be required to pass threshold review during the local competition and are not guaranteed for submission with the CoC Collaborative Application.

Projects interested in voluntarily reallocating should notify CoC Membership Council in writing of their intent by the due date of HUD's Grant Inventory Worksheet (GIW). The GIW will serve as CoC Membership's tool to identify Project Applicants' intent to renew CoC funding.