
**REALLOCATION
POLICY AND PROCEDURE**

Lakeland, Winter Haven/Polk County
Continuum of Care
Homeless Coalition of Polk County
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Purpose

Reallocating funds is one of the most important tools by which CoCs can make strategic improvements to their homelessness system. The purpose of this document is to provide the Lakeland, Winter Haven/Polk County Continuum of Care with a policy framework to guide reallocation and procedures to carry out reallocation in a transparent, universal, and performance-based manner. The also defines the terms associated with reallocation.

Definitions:

Continuum of Care	<p>A community based collaborative effort which plans and coordinates the integration of services for the homeless in a geographical area and oversees the operating of systems and processes assigned to it. The Continuum of Care serves four main purposes:</p> <ul style="list-style-type: none">▪ Operating the Continuum of Care;▪ Designating and operating an HMIS;▪ Continuum of Care planning;▪ Preparing an application for funds.
Continuum of Care Plan	<p>A community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes funding goals and action steps to end homelessness and prevent a return to homelessness.</p>
Continuum of Care System	<p>A coordinated set of services to address the needs of the homeless. The fundamental components of the Continuum of Care system do not work in isolation from one another. Rather, the Continuum of Care system is a dynamic system in which services are linked through referrals and networking. This linkage helps homeless persons access services more easily and progress toward permanent housing and self-sufficiency.</p>
HUD System Performance Measures	<p>HUD has developed the following seven system-level performance measures to help communities gauge their progress in preventing and ending homelessness:</p> <ol style="list-style-type: none">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;

7. Successful housing placement.

These measures are implemented in the Homeless Management Information System.

Ineffective Project

An ineffective project is a project that provides more capacity than is needed within the CoC or has cost per client served or cost per outcome that are outside CoC-defined acceptable ranges.

Obsolete Project

An obsolete project is a project that does not provide strategic value in addressing the needs of priority populations or does not meet a documented community need.

Performance Target

A percentage or numeric goal set for a performance measure either an output or an outcome.

Performance Measurement

The ongoing monitoring and reporting of program accomplishments, particularly progress toward pre-established objectives. It is typically conducted by program or agency management.

Reallocation

Reallocation refers to the process by which a CoC shifts funds in whole or in part from existing CoC funded projects that are eligible for renewal to create one or more new projects. New projects created through this process are funded under selection criteria for renewals. Reallocation can only be done during the NOFA competition.

Repurposing

Repurposing is modifying an existing program model to increase capacity and effectiveness. Repurposing involves allowable changes to be made to the project so it can better meet the community needs. It requires an amendment to the grant agreement and can be completed at any time. Examples of repurposing through a grant agreement include:

- Changes in the number of units or number of persons served;
- Changes of length of stay;
- Changes in target population;
- Modifying a budget more than 10% from one line item to another.

Underperforming Project

An underperforming project is a project that consistently fails to meet HUD and CoC performance targets.

Policy Statements

- A. Under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), the HUD reallocation process allows Continuums of Care (CoC) to fund new projects by transferring all or part of funds from any existing CoC grant which is eligible for renewal into a new project.
- B. Under HEARTH CoC Regulations the reallocation project must meet all of HUD's threshold requirements. These are published in the annual NOFA along with allowable housing components for reallocation projects. In recent NOFAs new projects funded through reallocation must be either a rapid re-housing or permanent supportive housing program.
- C. Reallocation is not an annual mandate. The Lakeland, Winter Haven/Polk County Continuum of Care will reallocate funds granted through HEARTH CoC programs as needed to more effectively resolve homelessness, help households achieve stable housing and improve CoC performance.
- D. CoC program funds may be reallocated either by a voluntary process or by a competitive process.
- E. The Lakeland, Winter Haven/Polk County Continuum of Care may reallocate partial funds or all funds from all types of projects that are determined to be:
 - a. Underperforming,
 - b. Ineffective, or
 - c. Obsolete.
- F. New projects funded through reallocation must serve new participants. These projects may use resources from an existing project, including staff, but cannot simply be a continuation of an existing project that serves existing participants.
- G. To encourage appropriate voluntary reallocation an agency requesting voluntary reallocation will receive 10 bonus points in the scoring process on any new project it submits.

Underperforming Projects

The Lakeland, Winter Haven/Polk County Continuum of Care will use the HUD system performance measures and the analysis of agency performance on the measures as the primary means of identifying underperforming projects. The first 12 months of data will be used to establish baseline CoC system performance on the applicable measures and to develop performance targets. The first three months of data collected will be used to identify data quality issues and used to determine nominal baseline performance and to familiarize agencies and the Lead Agency with the performance measures. The first six months data will be used to develop the preliminary baseline and to set initial performance targets.

If a project is failing to meet the established performance targets on the HUD system performance measures the CoC Lead Agency will initiate a process by which the low performing project works with the CoC Lead Agency to develop a project improvement plan. If, in the timeframe outlined in the project improvement plan, the project has not made significant changes to improve its performance or meet set targets, the CoC reserves the right to reallocate funding and make it available through a competitive reallocation.

Ineffective Projects

An ineffective project is a project that provides more capacity than is needed within the CoC or has cost per client served or cost per outcome that are outside CoC-defined acceptable ranges. The annual needs and gaps analysis is the primary tool used in identifying ineffective projects where capacity exceeds need. For these projects, the Lead Agency will work with the agency and the HUD Field Office to determine whether repurposing is possible. If repurposing is possible and the agency decides to

repurpose and the repurposing will align the project with current needs, no further CoC action is needed.

If repurposing is not possible or the agency does not repurpose, the Lead Agency will work with the provider agency to explore voluntary reallocation. If the agency does not want to voluntarily reallocate, the project funding will be competitively reallocated.

For ineffective projects with cost per client served or cost per outcome that are outside CoC-defined acceptable ranges the CoC Lead Agency will initiate a process by which the low performing project works with the CoC Lead agency to develop a project improvement plan. If, in the timeframe outlined in the project improvement plan, the project has not made significant changes to improve its cost per client served or cost per outcome the CoC reserves the right to reallocate funding and make it available through a competitive reallocation.

Obsolete Projects

An obsolete project is a project that does not meet a documented community need. Obsolete projects are identified by the project agency and are initiated by submitting a voluntary reallocation request to the Lead Agency.

Competitive Reallocation

If the CoC Lead Agency determines that a renewal project is not meeting performance targets after one year on a project improvement plan, a competitive reallocation process is initiated. The following steps will be taken.

- A. The Lead Agency will notify the project agency of intent to competitively reallocate project funds;
- B. The Lead Agency will advise the agency of the appeals process;
- C. If an appeal is submitted, the Lead Agency will process and adjudicate the appeal in accordance with the appeals process in this policy and procedure.
- D. If appeal is upheld the project is removed from competitive reallocation; otherwise, the reallocation process below is followed.

Voluntary Reallocation

- A. CoC grantees may voluntarily request reallocation of a CoC project's renewal funds to create new projects.
- B. When a request for voluntary relocation of project funds is received, the Lead Agency informs the CoC grantee of the process for voluntary reallocation and that any new project it submits for these funds will have to compete.
- C. The Lead agency informs the agency requesting voluntary reallocation that any new project it submits will receive 10 bonus points in the scoring process.

Reallocation Process

- A. The Lead Agency will notify CoC and community of:
 - a. The availability of reallocated funds,
 - b. Deadline and procedures for notifying the lead agency of intent to submit a new permanent housing project,

- c. HUD threshold requirements that a new project must meet to be considered,
 - d. Where the Application Review Procedure and the CoC Application Ranking Criteria can be obtained,
 - e. That reallocation can only be done during the NOFA competition,
 - f. The maximum dollar amount an agency new project application(s) can request.
- B. When the NOFA is available, the Lead Agency will alert all agencies who stated intent to apply for a new permanent housing project of any changed or additional HUD reallocation project requirements.
- C. Score and rank all application as renewal projects.

Appeals

Reallocation appeals will be handled in accordance with the Lakeland, Winter Haven/Polk County Continuum of Care Appeals and Grievances Policy and Procedures.