

# NE Minnesota Continuum of Care To Prevent & End Homelessness



## NE MN Continuum of Care Reallocation Policy 2017

### I. Policy Statement

- 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 and the FY2016 NOFA, a reallocation project can be funded if all of the following apply:
  - The reallocation project is for permanent housing (permanent supportive housing for chronically homeless or rapid re-housing for families or individuals coming from the streets or shelters), dedicated HMIS project, or SSO project for coordinated entry
  - The reallocation project meets all of HUD's threshold requirements
- C. The NE MN 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 system transformation process.

### II. Competitive Reallocation

- E. If a project is deemed to be low performing by scoring poorly in the project scoring process and/or having unsatisfactory project performance outcomes, 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 process. Low performing is defined as:

#### Transitional Housing/Rapid Rehousing

- Bed utilization is less than 75%
- 70% or less of leavers exit to permanent destinations
- Less than 50% of participants have at least one non-cash benefit
- Average increase in employment income for participants is less than \$500

#### Permanent Housing

- 79% or less of participants have remained in housing for at least 12 months
  - 79% or less of leavers exit to permanent destinations
  - Less than 10% of participants increase income from employment
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- Less than 30% of participants increase overall income
- Less than 50% of participants have at least one non-cash benefit

F. The CoC Lead Agency may initiate a competitive system transformation process due to a renewal grantee ending a CoC program.

G. As part of the application process for renewal projects, applicants are required to supply information so that the CoC Lead Agency can determine if each renewal project will meet the minimum threshold requirements. The minimum threshold requirements are:

- Eligible entity: Nonprofits, States, local governments, instrumentalities of State/local government, and phas
- Eligible population: Meets HUD requirements
- Date of Project App: Application is submitted to CoC coordinator before the deadline.
- HMIS: Project has capacity and plan to participate in HMIS and CE.
- Match: 25% match for everything but leasing.
- Audit: Audit is provided and no significant findings are identified.
- Admin: Admin costs less than 7%

H. If the CoC Lead Agency determines that a renewal project does not meet minimum threshold requirements, a meeting of the CoC Review and Ranking Committee will be held to determine whether or not a recommendation should be made to the CoC Governing Board for funds to be released for a competitive reallocation process. The following process will be followed:

Due to the time constraints involved in grant applications, voting may be handled via conference call, e-mail or web site communication.

1. Any member of the Governing Board whose agency receives funding through the CoC programs shall recuse him or herself from the Board deliberation process.
2. The CoC Governing Board will make the final decision whether or not to reject the renewal application for any agency that does not meet the minimum threshold requirements.
3. All Governing Board deliberations will be documented in meeting minutes.
4. If any renewal projects' application is rejected, the funds that were allocated to that project will be released as new funds and agencies will have the opportunity to apply for them.

### **III. Voluntary Reallocation Process**

- I. CoC grantees are able to self-nominate to voluntarily reallocate CoC-funded renewal funds to create new projects.
  - J. A grantee seeking the ability to reallocate funding through the Voluntary grantee-self-nominating process must do so in accordance with the timeline set by the CoC Lead agency in that year's application process and complete a new project application by the deadline set by the CoC Lead agency in order to be eligible.
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- K. The CoC Project Ranking & Review Committee will review the applications and make determinations regarding the acceptance and ranking of the proposed project.
  - L. If the new project meets HUD's CoC funding priorities, local needs, and is an eligible reallocation project type under the NOFA, the applicant will be given the opportunity to apply to HUD for the new project.
  - M. If the new project does not meet HUD's COC priorities, local needs, is an ineligible project type, or does not request the full grant amount awarded to the existing project, the funds either in total or in part not covered by the request, will be released by the CoC Lead Agency for proposal during the COC competitive reallocation process.
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