

## **Reallocation Policies for FY2018 Continuum of Care Competition**

### **Public Comments**

The policy below was released for public comment on May 9. Five (5) comments were received. These comments, and responses to them, are available [here](#).

### **CoC Board Approval**

The Detroit CoC Board voted to approve these policies on June 4, 2018.

### **Background**

HUD has historically had a policy priority in the CoC competitions to “strategically allocate and use [CoC] resources”. Additionally, HUD has historically scored CoCs on the extent to which CoCs pursue reallocation. Reallocation is the process by which the budget of a CoC funded project is reduced in part or in whole. The funds gained from this budget reduction are then used to fund new projects.

As the FY2018 CoC NOFA has not yet been released, it is currently unknown the extent HUD will prioritize project reallocation. Details on the Detroit CoC’s history of reallocation is given in the “Supplemental Information” section at the end of this document.

### **Recommendations**

The Values and Funding Priorities Committee recommends that for the FY2018 CoC competition, the CoC pursue reallocation via the following means:

- Any renewal project that fails to meet the 70% scoring threshold and is not granted a threshold waiver will be reallocated. The project(s) and amounts will be unknown until the end of the appeals process.

### **Rationale**

The Values & Funding Priorities Committee is not recommending any other reallocation other than that given above due to the following rationale:

1. The project types remaining in the CoC are CoC Infrastructure projects (HMIS, CE-SSOs), PSH, RRH, and TH
2. To promote alignment with recommendations for TH projects in FY2018, there are no recommendations made to reallocate TH projects in FY18, unless any TH project fails to meet the scoring threshold and is not granted a waiver.
3. There is no clear basis at this time to justify reallocating other project types.
4. Renewal projects may be reallocated if they fail to meet the 70% scoring threshold and are not granted a threshold waiver.
5. Renewal projects may be reallocated at the discretion of the CoC board.

### Supplemental Information

#### Detroit CoC's History of Reallocation

The Detroit CoC has historically pursued reallocation apart from reallocation that occurred due to projects not meeting the scoring threshold. The chart below gives the type and number of renewal projects that have been reallocated over the past four years:

|        | <b>Number of Reallocated Project Types and Reason for Reallocation</b> |  |  |
|--------|--|--|--|
|        | Did not meet threshold/appeal denied                                   | Voluntary reallocation<br><i>(see below for details)</i> | Policy decision of CoC board decision pre-NOFA release |
| FY2014 |  | 2 (SSO, PSH)   |  |
| FY2015 | 1 (SSO)  |  | 10 (TH)  |
| FY2016 | 1 (TH)   | 3 (SSO)  |  |
| FY2017 | 2 (TH, RRH)  |  |  |

#### Voluntary Reallocation

This chart describes how funds were distributed from projects that voluntarily reallocated their projects:

| <b>Year</b> | <b>Project</b>                                    | <b>Disposition of Funds from the Reallocated Project</b>  |
|-------------|---|---|
| FY2014      | NLSM Project Permanency One (SSO)                 | Funds were reallocated back to NLSM as RRH project based on NLSM's application for project to become RRH  |
|             | Cass Bernauer Manor (PSH)                         | Funds allocated to NLSM's RRH project; CoC board approved this action based on the small dollar amount and short time frame within which a decision needed to be made |
| FY2016      | D/WMHA and Southwest Counseling Springwells (SSO) | Funds were reallocated back to Southwest as a CE-SSO project based on an application SW had made for the project funds to be used to support coordinated entry.       |
|             | Southwest Housing Partners SSO                    | Funds were reallocated back to Southwest as a CE-SSO project based on an application SW had made for the project funds to be used to support coordinated entry.       |
|             | CHS Targeted Housing & Homeless Assn't (SSO)      | Funds were reallocated back to CHS as a CE-SSO project based on an application CHS had made for the project funds to be used to support coordinated entry.            |