

GREATER NASHUA CONTINUUM OF CARE

CONTINUUM OF CARE PROGRAM

Reallocation Policy

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NH-502 Greater Nashua Continuum of Care (GNCoC) CoC Program Reallocation Policy FINAL

I. Purpose

The U.S. Department of Housing and Urban Development (HUD) requires that CoCs evaluate and review all renewal projects. Funding is prioritized for CoCs that have a standard process to reallocate CoC Program funding from lower performing projects, based on a performance review process, to create new higher performing projects. Reallocating funds is an important tool used by CoCs to make strategic improvements to their homelessness system to increase access to housing and improve the system performance. Through reallocation, the CoC can create new projects that are aligned with local and federal 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.

HUD strongly encourages CoCs to reallocate funds away from underperforming or redundant projects to create a new projects. New projects must be eligible and allowed under the applicable annual Notice of Funding Opportunity – NOFO and CoC application standards. The Reallocation policy will serve as a mechanism to help the GNCoC match project inventory to the needs of the population experiencing homelessness in New Hampshire, as demonstrated by the annual Point In Time count.

CoC Program funds may be reallocated either by a voluntary process, or an involuntary process as decided by the CoC Executive Committee.

II. Performance Measures

HUD is increasingly focusing on System Performance Measures and Annual Performance Reports when making funding decisions. Please see HUD'S System Performance Measures: An Introductory Guide at <https://www.hudexchange.info/programs/coc/system-performance-measures/> for more information on performance expectations.

III. Reallocation Process

The reallocation process includes two methods and the following steps which are explained in more detail in the following paragraphs.

- Monitoring and reporting of results to applicable entities;
- Recommendations for reallocation based on performance measures and threshold defined within the CoC; and
- Executive Committee review of recommendations and final determinations.

A. Voluntary Reallocation

- CoC Program recipients and/ or subrecipients are able to voluntarily reallocate their CoC Program renewal funds in order to create new projects.
- CoC Program recipients and/ or subrecipients wishing to voluntarily reallocate their funds must inform the GNCOC Coordinator as soon as they have made the decision to reallocate, and NO LATER than 1 week after the annual release of the NOFO.
- CoC Program recipients and/ or subrecipients that voluntarily reallocate their funding are eligible to apply for a new project using the reallocated funds if the proposed project meets HUD's eligible new project guidelines as established by the NOFO and will fill an identified local need.
- CoC Program recipients and/ or subrecipients that voluntarily reallocate their funds and wish to apply for a new project (if HUD provides bonus funds) will be required to participate in a competitive process with other CoC Program applicants that apply for new projects.

B. Involuntary Reallocation

CoC Program-funded projects are monitored by the GNCOC ranking committee at least annually. The review of performance through Annual Performance Reports is integral to the evaluation process. All renewal project reviews by the ranking committee are used to determine how the project performed and determine if a project should be considered for reallocation. The GNCOC ranking committee develops annual performance standards for all projects.

Typically, the Collaborative Applicant monitors all projects through review of quarterly reports and comprehensive assessment of agency capacity and ability to implement performance measure goals and objectives. Harbor Care provides technical assistance to recipient and subrecipient agencies to assist in the overall evaluation process.

Results of annual monitoring visits are made available to the GNCOC during bi-monthly CoC meetings. Details to be made public are limited to HUD's expected performance measures, percentage of grant spent down, and HMIS data quality (specifically the percentage of data with null or missing values for any of the universal data elements).

The recommendation for reallocation is based on any one of the following HUD criteria and the overall score of the project performance:

1. Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
2. Monitoring finding(s) for which a response is overdue or unsatisfactory;
3. History of inadequate financial management accounting practices;
4. Evidence of untimely expenditures on prior award;
5. History of other major capacity issues that have significantly impacted the operation of the project and its performance;
6. History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes; or
7. Projects did not consistently meet the CoC performance measures.

The CoC membership will establish a threshold for acceptable performance and ranking scores based on the average median score for projects for the corresponding NOFO year.

1. If a project is deemed to be underperforming based on CoC Program monitoring, a corrective action plan will be issued, with one year for the project to make improvements. Items where the score cannot be improved, but a valid explanation is provided, will be considered corrected. If an item is not improved, consideration will be made for circumstances such as global pandemics, natural disasters, or other emergency situations.
2. If the project is still underperforming during the following CoC Program NOFO rank and review process, those projects that continue to be deemed underperforming will be reviewed by the CoC Executive Committee to determine which project will be involuntarily reallocated. Involuntary Reallocations will be primarily based on two criteria:
 - a) Projects that have the lowest score in the evaluation process; and
 - b) Projects that have unspent funds in the most recent FY ending.

GNCOC Executive Committee will evaluate and determine if projects will have a full or partial reallocation of funding. Well performing projects that have unspent funding will be subject to review of possible partial reallocation of unspent funds.

All funds freed through involuntary reallocations may be made available for one or more new projects. If no new project applications are submitted, funds will remain available for the original renewal projects.

- Project applicants that are subject to partial involuntary reallocation must develop a plan to continue with their renewal project, with the reduced level of funding. This includes HUD contract compliance for numbers of persons served and the types of services provided. It may be possible to seek a contract amendment from HUD for some changes; subrecipient agencies should contact Harbor Care to discuss any options for amendment. If the reduction in funding will result in loss of assistance for persons currently served by the project, the subrecipient agency must develop a transition plan for these persons.

IV. Executive Committee:

The GNCOC Executive Committee shall review and approve all reallocation decisions. Due to possible time constraints during the NOFO process, Executive Committee meetings may happen either in person or via conference call. All Executive Committee meetings will be documented in meeting minutes, which will be distributed to the CoC through email, and will be posted on the NOFO page of the GNCOC website.

V. Conflict of Interest:

Any Executive Committee member whose agency receives CoC Program funding through the GNCOC that is being considered for involuntary reallocation, shall recuse themselves from the reallocation decision process.