

Texas Balance of State Continuum of Care

The TX BoS CoC is Seeking Public Comment on

Reallocation Policy and Procedure for Continuum of Care Program Funds in the Texas Balance State Continuum of Care

The TX BoS CoC is seeking public comment on proposed changes to the *Reallocation Policy and Procedure for Continuum of Care Program Funds in the Texas Balance State Continuum of Care*. A public comment period allows for stakeholders to review proposed policy, procedure, and statutory compliance implementation and provide feedback based on experience and expertise.

The document(s) with proposed changes can be found here:

<https://www.thn.org/texas-balance-state-continuum-care/get-involved/texas-balance-of-state-public-comment-portal/>

An electronic public comment form can be found here:

<https://forms.gle/fnr8ndE7LQpNKp5G7>

Written comments may be submitted, in hard copy/fax or electronic formats to:

Texas Homeless Network
Attn: Jim Ward
1713 Fortview Rd
Austin TX, 78704
Fax: 512-478-9077
Email: jim@thn.org

This Public Comment Period opens June 29, 2020 12:01 A.M. and closes on *Thursday July 9, 2020* at 5:00 P.M. CST

There will be multiple rounds of public comment. The next rounds of Public Comment are as follows;

July 14, 2020 12:01 A.M. - July 24, 2020 5:00 P.M. CST
August 1, 2020 12:01 A.M. - August 10, 2020 5:00 P.M. CST

Comment received outside these windows will not be considered.

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Introduction:

THN, as Lead Agency for the Texas Balance of State Continuum of Care is recommending changes to the *Reallocation Policy and Procedure for Continuum of Care Program Funds in the Texas Balance State Continuum of Care*. The recommended changes ensure the Texas Balance of State Continuum of Care (TX BoS CoC) hosts a transparent Continuum of Care Program Competition. Changes are intended to make this a standing policy rather than one that is required to be updated annually. Additionally, staff reviewed for accessibility and reduced redundancy where possible.

1. **Reallocation Policy and Procedure for Continuum of Care Program Funds in the Texas Balance State Continuum of Care:**

Substantive proposed changes include;

Document Length,

The proposed changes reduce the length of the policy from three (3) pages to two (2) pages. The proposed policy focuses solely on the policy and relevant processes. Removal of redundancy and simplification of language throughout the document was a priority

Policy Content,

Previously, the first \$70,000 of reallocation was reserved for new CoC Infrastructure (HMIS, SSO-CE). The proposed policy removes that reservation, making every dollar of reallocation available to new projects of all types

Policy Content,

Previously, the CoC Board Chair notified applicants of involuntary reallocation. This proposed policy moves that responsibility to the Director of CoC Programs

For questions about this public comment process, or for assistance with giving public comment, please contact *Jim Ward, Assistant Director of Planning* at jim@thn.org or (512) 861-2165

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Reallocation Policy for Continuum of Care Program Funds in the Texas Balance of State Continuum of Care

Purpose of this Policy

Texas Homeless Network (THN) is the Collaborative Applicant and Continuum of Care (CoC) Lead Agency for the Texas Balance of State Continuum of Care (TX BoS CoC). THN facilitates the local application competition in the TX BoS CoC for U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program funds. The TX BoS CoC Board of Directors is required to take action against poor performing projects through reallocation. In order to ensure a transparent and equitable process, this document describes the process by which funding previously allocated to a Renewal Project is reallocated to create New Projects.

Overview of Reallocation

CoCs across the United States are required to monitor recipient and sub-recipient performance, evaluate outcomes, and take action against poor performers (24 CFR 578.7(a)(6)). The tool CoCs use to take actions against poor performers is reallocation. Reallocation is the process of distributing funding from a lower performing project and making that funding available for new projects without decreasing the CoC's Annual Renewal Demand (ARD)¹.

Reallocation is an important tool for the CoC since the CoC must ensure that recipients are good stewards of CoC Program Funding. Per the FY2019 United States Department of Housing and Urban Development (HUD) Appropriations Bill, HUD must give priority to Continuums of Care that allocate resources effectively. Historically, HUD has monitored reallocation through a question on the CoC Application, which asks whether 20% of the CoC's ARD has been reallocated over a specific period.

Types of Reallocation

Reallocation can be involuntary or voluntary. Involuntary reallocation happens when funding is redirected from an existing Renewal Project for the purposes of creating a New Project. Involuntary reallocation happens in instances of poor performance and is determined by the CoC Board². Voluntary reallocation means that a project makes the choice to give up some or their entire project funding for the purposes of creating New Projects or to change their Project Component Type, e.g., from Permanent Housing – Rapid Re-Housing to Permanent Housing – Permanent Supportive Housing³.

Reallocation Policy

THN will bring recommendations for reallocations, voluntary or involuntary, to the CoC Board prior to every CoC Program Competition.

¹ The Annual Renewal Demand (ARD) is the amount of funding required to refund all of the eligible Renewal Projects in the CoC.

² Involuntary Reallocation is directly tied to the Policy on Conditional Inclusion <https://www.thn.org/wp-content/uploads/2019/05/FY2019-TX-BoS-CoC-Conditional-Inclusion.pdf>

³ The Projects voluntarily reallocating their project component type may apply for a Transition Grant through the Continuum of Care Program to fund the transition from an eligible renewal project being eliminated through reallocation from one program component to another eligible new component over a 1-year period.

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Voluntary Reallocation Procedure

Beginning in the FY 2019 CoC Program Competition Cycle, THN asked existing Renewal Projects whether they were interested in voluntarily reallocating their funding or their project component type.

All Renewal Projects are eligible to voluntarily reallocate their own funding provided they meet the criteria below:

1. The Renewal Project being reallocated has been in operation for a full 24 months.
2. The request for voluntary reallocation is made by the agency's Executive Director or their equivalent to txboscoc@thn.org.
3. The Agency commits to identify placements for all participants who would be displaced as a result of a complete voluntary reallocation.
4. The Agency agrees to participate in technical assistance provided by THN, the TX BoS CoC Lead Agency, and/or a HUD designated technical assistance provider to ensure that no household become homeless as the result of the decision to reallocate.

It is the responsibility of an impacted project to contact their assigned HUD Field Office Representative to inform them of their voluntary reallocation.

Involuntary Reallocation Procedure

The CoC Board will make the final determination regarding how the Projects who were subject to the Conditional Inclusion Policy at the CoC Program Competition two years prior are reallocated, i.e., completely, partially, or no reallocation. The CoC Lead Agency Staff will present a variety of information to the CoC Board including a summary of technical assistance, CoC Program Competition Scorecards, Quarterly Performance Scorecards, and letters of support from community members. For example, the CoC Board will consider involuntary reallocation prior to the FY 2021 CoC Program Competition for Project Applicants subjected to the Conditional Inclusion Policy during the FY 2019 CoC Program Competition. This will allow Projects Applicants time to make changes to their project and for their data to reflect those changes.

The Director of CoC Programs will notify the agency about the final determination via email; the CoC Board Chair will be carbon copied (CCed). Project Applicants may appeal the decision per the TX BoS CoC's Grievance Procedure.

*****This policy was approved by the Texas Balance of State Continuum of Care Board of Directors on [XX/XX/XXXX] and made publically available at thn.org on [XX/XX/XXXX]*****