



FY2022 MD-514 CoC Grant Reallocation Policy

For FY2022 CoC Program funding, HUD will prioritize those CoCs that demonstrate a capacity to reallocate funding in the FY2022 CoC Program Competition or have reallocated a total of at least 20 percent of the CoC's total ARD between FY2017 and FY2022 from lower performing projects to higher performing projects as demonstrated through the CoC's local selection process. MD-514 uses local data to determine the characteristics of individuals and families with the highest needs and longest experiences of homelessness in order to develop housing and supportive services tailored to their needs through the CoC competition. MD-514 uses the reallocation process to create new projects that improve the overall system performance and better respond to the community need. The policy is in response to HUD's recommendation to reallocate low performing and underspent projects.

As stated in the MD-514 CoC Governance Charter, new Local Homelessness Coalitions that join the Balance of State will not be subject to involuntary reallocation during their first year of participation. Projects in the new LHC will be monitored and evaluated to allow for any necessary technical assistance and performance improvements. The goal of the CoC is to improve system performance as a whole and allow all projects the opportunity to be successful.

Voluntary Reallocation Policy

To meet HUD and community priorities, renewal projects within the MD-514 geography that are not housing first, demonstrate low performance, or have a high recapture rate may elect to voluntarily reallocate a portion, or all, of their CoC grant. Funds from projects that are voluntarily reallocated may be used to fund higher performing new projects. DHCD will offer technical support and acknowledgement letters for agencies who voluntarily reallocate grant awards.

Involuntary Reallocation Policy

Performance

Renewal projects will be assessed on their project quality and ability to meet performance outcomes such as occupancy rates, participant income growth, successful exits and cost efficiency. Projects with the lowest performance rates may be reallocated to higher performing projects or new projects.

Spending History

HUD assumes that projects will spend 100% of the funds allocated to them. Projects that fail to spend the total grant award may see a decrease in funding as those funds are added to the pool of funds available for reallocation to other projects. Projects that have a high recapture rate for two consecutive program years, may be reduced to the amount disbursed at the end of the 12-

month review. An exception to this policy may be made for new projects that could not expend funds due to implementation barriers.

HMIS Participation

HMIS participation is required to meet HUD renewal project threshold requirements. Non-HMIS providers must use a comparable database that meets the needs of the local HMIS to meet this threshold. Monitoring results along with data quality reports will be examined to determine if agency participation in HMIS is adequate. Projects with a data error rate of 10% or more will be placed on a data error plan to correct existing errors and prevent future occurrences. The data error plan will consist of a series of required data quality workshops for users within the project. Projects that do not meet threshold requirements or have the highest rates of data errors may be reallocated to higher performing projects or new projects.

Local Homeless Coalition Request

Local Homeless Coalitions will have an opportunity to request reallocation and/or project performance corrective action plans for projects in their jurisdiction. An LHC may have knowledge of historical performance concerns or community needs that may be best addressed through a reallocation of funds and may have particular knowledge of quality of service implementation of adherence to housing first practices. LHCs will be given the opportunity to provide this information to DHCD staff during the competition timeline.