

## **FY 2017 TX-601 Grant Reallocation Policy**

For FY 2017 CoC Program funding HUD will prioritize those CoCs that demonstrate a capacity to reallocate funding in the FY 2017 CoC Program Competition or have reallocated a total of at least 20 percent of the CoC's total ARD between FY 2013 and FY 2017 from lower performing projects to higher performing projects as demonstrated through the CoC's local selection process. The policy below is in response to HUD's recommendation to reallocate low performing and underspent projects.

### **Voluntary Reallocation Policy**

To meet HUD and community priorities, CoC programs that are not housing first or demonstrate low performance or a high recapture rate may voluntarily reallocate a portion of the grant. Funds from projects that are voluntarily reallocated will be used to fund new projects. TCHC will offer technical support and acknowledgement letters for agencies who voluntarily reallocate their grant awards.

### **Involuntary Reallocation Policy**

#### **Performance**

Renewal projects will be assessed on their ability to meet performance outcomes such as occupancy rates, participant income growth, and successful exits. Projects with the lowest performance rates may be subject to reallocation.

#### **Spending History**

HUD assumes projects will spend 100% of the funds allocated to them. Projects that fail to spend more than 10% of their 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 will be reviewed for all renewal projects. The HMIS annual site review 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 with the highest rates of data errors may be subject to reallocation.