FY 2022 TX-600 Renewal Reallocation Policy

Background
As the TX-600 Continuum of Care (CoC) lead administrator, Metro Dallas Homeless Alliance (MDHA) is required to submit the annual CoC Program Collaborative Application to the U.S. Department of Housing and Urban Development (HUD) on behalf of the local CoC. HUD encourages CoCs to review existing projects to determine if they are performing in a way that meets local priorities, are highly utilized, cost-effective, and high performing. Existing projects that do not meet local thresholds in any of those areas can be reallocated in whole or in part to new and expansion projects. It is, therefore, the intent of the TX-600 to develop a Reallocation Policy that is in alignment with HUD and the HEARTH Act policy and prioritizes project performance.

TX-600 recognizes that preserving existing projects allows for continuity and strengthens the system infrastructure when the quality of those projects is managed effectively. The policy below describes the ranking and review process for renewal projects.

Applicability and Scope of Policy
This policy applies to all projects operating in the TX-600 CoC that are funded by the federal CoC Program. Unless exempt as specified herein, projects are subject to threshold review standards.

Reallocation Exemptions
Projects seeking renewal funding from HUD for the first time are exempt from reallocation pursuant to instructions of the HUD NOFO.

Voluntary Reallocation Policy
To meet HUD and community priorities, projects with poor performance, underutilizing funding and/or vacant units, or that are not in alignment with Housing First principles will be provided technical assistance and training. Projects that continue to struggle in these areas or that do not have the capacity to improve performance should consider voluntarily reallocating funding. Funds from projects that are voluntarily reallocated will be used to fund new and/or expansion projects for high-performing projects.

Involuntary Reallocation Policy
All renewal projects that have been in operation for a minimum of one full year will be subject to a performance review utilizing the Annual NOFO renewal scorecard. TX-600 has established a threshold for unconditional renewal. Projects who score over threshold on the scorecard in each section will be
renewed without conditions. Renewal projects that do not meet the community threshold will be given the opportunity to be renewed with the condition that they be placed on a year-long quality improvement plan that will be supported through training and technical assistance supported by MDHA staff to ensure performance improvement prior to the next funding cycle. Projects that fail to meet threshold on the scorecard are subject to reallocation and/or placement into Tier 2 of the ranking.

**Program Performance**

Renewal projects will be assessed using the Annual NOFO Renewal Scorecard, which is derived from metrics that directly link to improvement on our CoC/HUD System Performance Measures. Projects are reviewed based on performance outcomes such as occupancy rates, length of time it takes to house an individual or family, participant income growth, and successful exits to permanent housing. The performance thresholds will be set each year based on considering the performance targets set by the CoC Workgroups for RRH and PSH and baseline performance of the full portfolio of CoC program renewal projects. The scorecard also includes metrics related to the following HUD CoC program requirements.

*Coordinated Access System*

All renewal projects will be assessed on their participation in CAS, in accordance with HUD expectations for funded COC Programs.

*Finance and Spending*

Projects are expected to expend 100% of funds allocated to them. Renewal projects will be assessed on their ability to utilize funding allocated to them and having no unresolved findings in most recent agency audit. High recapture rates for two consecutive years may be reduced to the amount dispersed at the end of the 12-month review period. An exception to this policy may be made for new projects that could not expend funds due to implementation barriers.

*Data Quality*

HMIS participation is required to meet HUD renewal project threshold requirements. Non-HMIS Victim Services providers must use a comparable database that meets the needs of the local HMIS to meet this threshold. Data quality reports will be reviewed for all renewal projects.
Racial Equity and Consumer Feedback

In an effort to combat inequities in our system, projects will be asked to demonstrate their commitment to advancing racial equity and lifting the voices of people with lived experience through the services that are available and internal staffing structures.