Grant Reallocation and Reduction Policy

The Way Home CoC has used the reallocation process to ensure all renewing projects are cost-effective and in line with the US Department of Housing and Urban Development’s guidelines and recommendations to end homelessness within the cities of Houston/Pasadena/Conroe and Harris/Fort Bend/Montgomery Counties. The reallocation process also allows the CoC to direct funding away from grants that are under-expending resources and allow those resources to be redirected to where they can be used to end homelessness. In the past, our Reallocation funding came from Transitional Housing Projects. Affected Transitional Housing providers were incentivized to create a new project and voluntarily reallocate their funding.

Reduction:

In order to fully right size the grants in the Way Home CoC inventory, the CoC has been evaluating the spend-down and returned funds for CoC Renewal Projects. As such, a portion of the scoring in previous competitions included a financial category. For those projects who have lost points in that category consecutively in the past two competitions by returning funds to HUD in the amount of 10% or more of their award or $50,000, whichever is less, will be required to justify applying for their full award. If no response, up to 10% of their award could be reallocated. Justifications to apply for the full amount will be due to The Coalition in accordance with the CoC Important Date Document. Justifications should indicate the reasons for the prior under-expenditure and the steps the agency has taken to assure that 100 percent of grant funds will be utilized. The Lead Agency will evaluate the letters and submit a recommendation to The Steering Committee per the posted timeline.

Reallocation:

Per the Renewal Threshold Policy, projects scoring below 120 were required to submit a corrective action plan and those agencies scoring below 120 are ineligible to apply for new projects through the CoC during the years they are in the Corrective Action Plan status. Expansion applications of existing projects will be evaluated based on quality of application and project performance while they are in the Corrective Action Plan timeframe. Projects with two consecutive years of “Corrective Action” status may be at risk of losing these funds per review and recommendation of the CoC Steering Committee. This was communicated to the CoC on July 26, 2017.

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Agency</th>
<th>Project Name</th>
<th>Reallocation Amount</th>
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</thead>
<tbody>
<tr>
<td>TX0366</td>
<td>Houston Housing Authority</td>
<td>Rapid Rehousing</td>
<td>$523,090</td>
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This grant voluntarily reallocated due to underspending.

August 22, 2019