



SARAH Reallocation Policy Statement

Voluntary Reallocation Policy

Existing CoC grantees with Supportive Services Only (SSO), Safe Haven (SH), or Transitional Housing (TH) grants may, in part or in whole, voluntarily reallocate their grants. Grants may be reallocated either to permanent supportive housing for chronically homeless persons or rapid rehousing for literally homeless families or other funded priorities. SARAH staff offer technical support and approval letters for grantees reallocating to meet HUD and community priorities.

Involuntary Reallocation Policy

Each year, SARAH staff and the NOFA Independent Review Team will review each renewal applicant's performance and rate of expenditure, and review the project applicant against the priorities of the CoC and HUD. If significant deficiencies are found with an application during the review process, the project may be placed on a CoC Performance Improvement Plan.

The CoC Performance Improvement Plan will be customized based on the particular issues of the project with deficiencies. The plan will be drafted by SARAH staff with recommendations from the Independent Review Team, and approved by the SARAH Board of Directors. The renewal applicant will have seven calendar days to appeal the participation in the performance improvement plan by writing an appeal letter to the SARAH Board. The SARAH Board will make the final determination.

The SARAH Board of Directors will review the project's progress 6 months after the close of the Notice of Funding Availability (NOFA). If the project has not shown progress toward the targets outlined in their CoC Performance Improvement Plan at a level satisfactory to the Board of Directors, the project will be involuntarily reallocated in the next funding cycle.

Significant Deficiencies are defined as: Unresolved HUD findings, Poor Performance on Renewal Performance Report (Less than 50% of points earned), Not meeting HUD Priorities or Thresholds, Not Following Housing First Requirements, Not Participating in Coordinated Entry, Not Following other HUD Requirements, or Having Significant Deobligated Funds.

Significant Deobligated Funds: All projects are expected to expend 100 percent of their project funds. Any project that deobligates more than 10% of its funds or \$25,000 in any HUD contract year is considered to have incurred a deobligation deficiency. Grantees with an unexpended balance that meets or exceeds the threshold specified above will be subjected to a reduction in renewal grant amount with the unspent funds being added to the pool of funds available for reallocation.

Projects with a deobligation deficiency will be required to submit a spending plan to the COC collaborative applicant. The SARAH Board of Directors will require a quarterly update on the progress of meeting the spending plan. If at the end of the grant, a project incurs a second deobligation deficiency, the project will be reduced to the amount expended 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.

The SARAH Board of Directors reserves the right to place a project on a spending plan at any time if funds are not being drawn down during routine financial monitoring.