

Philadelphia Continuum of Care (PA-500)

FY 2017 Process for Reallocating

The City of Philadelphia Office of Homeless Services (OHS), the Philadelphia Continuum of Care (CoC) Collaborative Applicant, carefully reviewed every CoC Program funded renewal project with a full year of performance and expenditure data to determine how to best use available resources to end homelessness. In alignment with HUD's Policy Priorities for the 2017 CoC Program Competition, the Philadelphia CoC made decisions about resource allocation by considering the following items:

1. Comprehensive review of projects for priority population, quality, performance, cost, project-level eligibility requirements, and adopting the housing first approach
2. Comprehensive review of projects concurrent under spending and underperforming over a period of years

In order to accomplish this review, the Office of Homeless Services solicited volunteers from both the CoC Quality Improvement and Evaluation Subcommittee (QIES) and the CoC Board of Director to create the CoC Ranking and Reallocation Workgroup. The mission of the workgroup being:

- To establish Philadelphia's FY 2017 CoC Competition Project Ranking Priorities and Strategy
- To review under spending data and make recommendations in order to reduce grants and reallocate these funds to create new projects
- To review the performance of renewal projects in the FY 2017 local competition that scored in the lowest 10% of the total cohort of renewal projects

In order for this group to make the most informed decisions as possible, OHS completed a CoC Cost Analysis for every renewal project with at least one year of performance and expenditure data including the following:

- Project type and target population
 - % of Total Award Expended over a 3-year period
 - Cost per Unit by project type and population served
 - Cost per Bed by project type and population served
 - Cost per positive outcome (Exit to or retention in Permanent Housing) by project type and population served
 - % Unit Utilization Rate
 - % of Adult Participants increasing or gaining income (earned and other)
 - % of Adults Connected to at least 1 Non-Cash Mainstream Benefit
 - % Retaining or exiting to PH destination

The result of the Philadelphia CoC's robust evaluation of renewal CoC projects and consultation with the CoC Ranking and Reallocation Workgroup, the following methodology is being used to reallocate **\$1,658,837** in renewal project funding to create new, higher-performing permanent

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supportive housing (PSH) projects, rapid re-housing (RRH) projects, and a new Supportive Services Only (SSO) Coordinated Entry project for the FY 2017 HUD CoC Competition:

- Underspending – The grant amount was reduced for projects that demonstrated spending an average of under 95% of their award over a 3-year period.
- PSH Project Elimination – 2 PSH renewal project grants were rejected/ the CoC funding was reallocated based on a 4-year trend of low performance in the local renewal process
- TH Project Voluntary Reallocation - 1 TH Project voluntarily reallocated to create a new Rapid Re-Housing project for households with children
- PSH Project Voluntary Reallocation – 1 PSH project voluntary reallocated to forego CoC funding to convert the project to a medical respite

Communication and Process for Reallocating, Creating New Projects, and Reallocation

Approval:

OHS presented information to the community about HUD's Appropriations Act and policy priorities, highlighting the priority that CoCs make funding decisions about resource allocation by considering a comprehensive review of projects. Additionally, it was emphasized that CoCs reallocate renewal funding from lower-performing projects to create new, higher performing projects during several occasions. The following is a timeline of these communication opportunities, as well as the CoC's process for reallocation:

March 20, 2017: Mandatory CoC technical assistance briefing meeting to discuss FY2017 CoC Competition

July 24, 2017: Office of Homeless Services issued and posted to the City of Philadelphia website an RFP for new CoC Program funded Permanent Supportive Housing (PSH), Rapid Re-Housing (RRH), and Joint Transitional Housing and Rapid Re-housing (TH-RRH) projects, funded either through reallocated funds or bonus funds. OHS emails CoC membership, including, but not limited to organizations that do not currently receive CoC Program funding, government agencies, community development corporations, local elected officials, affordable housing developers, members of the business and civic community, and organizations serving people with disabilities, youth, families with children, victims of domestic violence, and veterans, directing them to the City of Philadelphia's RFP website to access the RFP and related information about the HUD CoC Program and the project types it funds.

July 28, 2017: OHS hosts a new CoC project RFP informational briefing

July 31, 2017: OHS presents on HUD's Appropriations Act and policy priorities, highlighting the priority that CoCs make funding decisions about resource allocation by considering a

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comprehensive review of projects; OHS advises CoC funded providers that those averaging expenditures less than 95% of the grant will be contacted about grant reductions

August 9, 2017: OHS posts on the City of Philadelphia's website the following information to support organizations in preparing proposals: (1) Sign-In Sheets from the July 28th information briefing so organizations could have collaborated on a new project proposal, (2) Record of the Questions and Answers related to the new project RFP, (3) additional information about Rapid Re-Housing, and (4) information about HUD eligible activities and match requirements. OHS emails CoC membership, including, but not limited to organizations that do not currently receive CoC Program funding, government agencies, community development corporations, local elected officials, affordable housing developers, members of the business and civic community, and organizations serving people with disabilities, youth, families with children, victims of domestic violence, and veterans, directing them to the City of Philadelphia's RFP website to access the Questions and Answers and related information about the HUD CoC Program, eligible activities, and the New Project RFP.

August 16, 2017: CoC Ranking and Reallocation workgroup meets to develop ranking and reallocation strategy for reallocating approximately \$1.6 million in renewal funding to create new projects.

August 18, 2017: Proposals for new CoC projects due to OHS.

August 31 – September 8, 2017: OHS holds conference calls with every organization with average expenditures less than 95% of their grant about the value and purpose of reallocation in our community, their organization's expenditure history, and the proposed reductions to their organization's grants for the FY2017 CoC Competition

September 6, 2017: OHS presents to CoC Advisory Committee the proposed reallocation strategy for input and feedback

September 6, 2017: New Project Review panel meets to discuss new project reviews and develop new project funding recommendations for the CoC Board of Directors.

September 11, 2017: CoC Board of Directors meets to review and approve recommended ranking and reallocation strategy.

September 13, 2017: OHS emails CoC membership directing them to the CoC website to view Philadelphia's FY2017 CoC Project Priority listing and details about the ranking and reallocation processes adopted by the Philadelphia CoC for its FY2017 Consolidated Application to HUD for CoC Program funding.