Philadelphia Continuum of Care (PA-500)
FY 2016 Process for Reallocating

The City of Philadelphia Office of Homeless Services, the Philadelphia 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 2016 CoC Program Competition, the Philadelphia CoC made decisions about resource allocation by considering the following items:

1. Comprehensive review of projects for quality, performance, cost, project-level eligibility requirements, and adopting housing first approach
2. Maximizing the use of mainstream resources
3. Leveraging resources through partnerships

The Office of Homeless Services and CoC Quality Improvement and Evaluation Subcommittee met on August 4, 2016 to review the performance of renewal projects that scored in the lowest 10% of projects in the FY 2016 local competition, propose process for reductions and reallocations for the FY 2016 competition, propose updates to the CoC's process for addressing low performance, and propose Philadelphia's rating strategies.

The Philadelphia CoC Cost Analysis is described below:

Philadelphia CoC Cost Analysis
- The Philadelphia CoC reviewed the following for every renewal project with at least one year of performance and expenditure data:
  - % of Total Award Expended over a 3-year period
  - Transitional Housing Projects:
    - % of Priority Populations being served by project (young adults 18-24, DV, recovery)
    - Cost per Unit by population served (75%+DV, 75%+ young adults 18-24, All Other)
    - Cost per Bed by population served (75%+DV, 75%+ young adults 18-24, All Other)
    - Cost per Exit to Permanent Housing by population served (75%+DV, 75%+ young adults 18-24, All Other)
  - Permanent Housing Projects:
    - Cost per Unit by population (Singles, Families, Singles and Families, Chronic)
    - Cost per Bed by population (Singles, Families, Singles and Families, Chronic)
    - Cost per Positive Outcome by population (Cost per retention in PH or exit to PH)

- Rapid Re-Housing: Cost per Exit to Permanent Housing
- Safe Haven
  - Cost per Unit
  - Cost per Bed
  - Cost per Exit to Permanent Housing

The result of the Philadelphia CoC's robust evaluation of renewal CoC projects and consultation with the CoC Quality Improvement and Evaluation Subcommittee, the following methodology is being used to reallocate **$1,935,530** in renewal project funding to create new, higher-performing permanent housing projects and a new HMIS project for the FY 2016 HUD CoC Competition:

- Underspending – The grant amount was reduced for projects that demonstrated spending an average of 80% or less of their award over a 3-year period. Projects retained at least 10% above the amount expended in the 2014-2015 Operating Year.
- Cost Effectiveness – 1 PH Project serving households without children/ single adults was reduced by 50% per having costs per bed and positive outcome significantly higher, more than 2 standard deviations above the mean, than similar PSH projects.
- Performance – 1 PH Project and 2 TH Projects eliminated based on 3-year trend of low performance in the local renewal process
- Voluntary Reallocation - 1 TH renewal project for young adults 18-24 voluntarily reallocated to create a new Rapid Re-Housing project for Young Adults 18-24

Communication to the Community about the Process for Reallocating
Office of Homeless Services (Homeless Services) communicated information to the community about HUD's Policy Priorities, highlighting the priority that CoCs make funding decisions about resource allocation by considering a comprehensive review of projects and that CoCs reallocate renewal funding from lower performing projects to create new, higher performing projects whenever said reallocation would improve the CoC's ability to reduce homelessness via the following ways:
- CoC Program Local Renewal Application technical assistance briefing on April 26, 2016
- TH and PSH provider meeting on July 13, 2016
- Quality Improvement and Evaluation Subcommittee meeting on August 4, 2016
- E-mail to CoC Advisory Committee on August 15, 2016
- CoC Advisory Committee meeting on August 18, 2016
- E-mail to CoC Program funded providers on August 19, 2016
- E-mail to the entire CoC directing them to the CoC website, where the process for reallocating was posted, on September 9. 2016

Homeless Services issued and posted RFPs for new CoC Program funded Permanent Supportive Housing and Rapid Re-Housing projects to the City of Philadelphia website on July 14, 2016

Homeless Services emailed the link to the RFPs and an invitation to attend a July 29th RFP informational briefing to every government and non-profit agency we have contacts for, requesting those entities to share the RFP with their networks. The proposals for new projects were due to the Office of Homeless Services on Friday, August 12, 2016. Homeless Services posted on the City of Philadelphia's website the following information to support organizations in preparing proposals:

1. Sign-In Sheets from the July 29th information briefing so organization could collaboration on a proposal,
2. Record of the Questions and Answers,
3. Additional information about Rapid Re-Housing, and
4. Information about HUD match requirements.

Approval of Process for Reallocating

On Thursday, August 4, 2016 the City of Philadelphia Office of Homeless Services (OHS) and the CoC Quality Improvement and Evaluation Subcommittee (QIES) met to develop Philadelphia's process for reallocating $1.8 to $2 million in renewal funding for low performance, underspending, and cost-effectiveness, to create new projects. Homeless Services presented the proposed process for reallocating to the Advisory Committee on August 18th for input and feedback. The CoC Board approved the proposed process for reallocating on Monday, August 29th. Board-approved project ranking and the Review, Rating, and Reallocation Process were posted to the City of Philadelphia website and emailed to the entire CoC membership on August 30, 2016.