



Homeless Leadership Coalition Continuum of Care Reallocation Policy and Procedure

Reallocation is a strategy encouraged by HUD to allow a CoC to shift funds in whole or in part from existing CoC-funded projects that are eligible for renewal, to create one or more new projects. CoCs can pursue reallocations through the annual CoC Program Competition. A reallocated project must be a new project that serves new participants and has either a rapid re-housing or permanent supportive housing program design. A new reallocated project may use resources from an existing project, including staff, but it is not simply a continuation of an existing project that serves existing participants.

Reallocating funds is one of the most important tools by which CoCs can make strategic improvements to their homelessness system. Through reallocation, CoCs can create new, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources. Reallocation is particularly important when new resources are scarce.

Decisions regarding reallocation are best made when guided by an overall strategic plan, in which the CoC assesses existing projects for their performance and effectiveness in ending homelessness. In general, CoCs should direct funding towards projects that:

1. Serve the highest need individuals or families;
2. Help project participants obtain permanent housing as rapidly and directly from homelessness as possible;
3. Ensure long-term housing stability; and
4. Ensure the best and most cost-effective fit given a community's needs.

Evaluation Criteria

To provide both project-specific outcome information and CoC-wide contributions, each CoC-funded program will be evaluated through the monitoring process. This evaluation will be based upon data entered into HMIS, the most recently submitted HUD Annual Performance Report (APR), and the Project Application most recently submitted for the CoC proposal.

Programs will be evaluated based on the following criteria:

System Performance Measures. The APR scoring criteria assess outcomes related to the System Performance Measures.

1. Length of time persons remain homeless;
2. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness;
3. Number of homeless persons;
4. Jobs and income growth for homeless persons in CoC Program-funded projects;
5. Number of persons who become homeless for the first time; and
6. Successful housing placement.

HMIS Data Quality. Programs will be evaluated on their HMIS quality for the operating year. It is expected that programs will have no greater than 10% of missing values for any of the universal data elements.

Expenditure of CoC Grant Funds. HUD and the HLC CoC expect that homeless assistance resources be fully utilized by program applicants. The HLC CoC Monitoring will include criteria related to quarterly drawdowns and whether any HUD funds were recaptured at the completion of the most recent grant, how much money was recaptured, and whether actions have been taken to minimize the incidence of grant fund recapture.

Reallocation Process

The HLC CoC will evaluate projects for reallocation each year, but will not mandate reallocation. It understands and acknowledges that through the reallocation process very valuable projects may be defunded. The HLC CoC reallocation process is designed to ensure that projects submitted in the CoC Consolidated Application:

1. Best align with the HUD CoC priorities aimed at ending chronic homelessness, and
2. Contribute to a competitive application that collaboratively secures CoC funding to improve the communities in the HLC CoC.

Decisions regarding reallocation (voluntary or involuntary) will be recommended by the HLC CoC Grants Committee prior to submission of the CoC NOFA. The HLC CoC Board will determine by vote any reallocation decisions prior to submission of the CoC NOFA and provide notice and an opportunity for a grievance to be submitted by project applicants.

Voluntary Reallocation

Renewal project applicants interested in voluntarily reallocating should notify the HLC CoC in writing of their intent. For purpose of reallocated project funding (to create a new permanent housing project), strong preference will be given to those projects that voluntarily apply to reallocate.

1. The applicant may choose to reallocate all or a portion of their renewal funds.
2. The applicant may choose to compete for all, a portion or none of the reallocated funds.

Involuntary Reallocation

The HLC CoC will consider involuntary reallocation as appropriate and as necessary based upon these criteria:

1. Projects that have significant findings through the HLC CoC annual monitoring. Projects with findings will submit a corrective action plan to the CoC within 30 days of finding notification. If the project is not able to adhere to the plan, it will be considered for involuntary reallocation.
2. Projects with unspent funds in the most recently completed funding cycle may be considered for reallocation. The HLC CoC will consider reallocation based upon the percentage of funds that were unspent by applicant in the most recently completed funding cycle, the reasons for recapture of any unspent funds, and history of unspent funds.