

REALLOCATION POLICY

PURPOSE

The U.S. Department of Housing and Urban Development (HUD) states that one of the primary responsibilities of the CoC is to develop a reallocation process for projects funds through the CoC program.

Reallocation is an important tool used by CoCs to make strategic decisions and improvements to their homeless response system. The CoC can eliminate projects that are underperforming or no longer meet the needs of the community through this process, and create new projects that will better serve the needs of the community.

Reallocation includes a reduction in funding.

POLICY

- A. All renewal projects are reviewed to determine if a project should be reallocated. The recommendation for reallocation can be based on any of the following HUD criteria.
 1. Outstanding obligations to HUD that are in arrears or for which there is no payment schedule.
 2. Audit findings for which there was no response or an inadequate response.
 3. Monitoring finds for which there was no response or an inadequate response.
 4. History of inadequate financial management – including deficient internal controls.
 5. Untimely expenditures.
 6. History of capacity issues that have significantly had an impact on the operation and performance of the project.
 7. History of underspending by more than 10% of the total award in any year.
 8. Timeliness in reimbursing any sub recipients for eligible costs.
 9. History of serving ineligible persons or expending funds on ineligible costs.
 10. More than 5% of missing values for any of the universal HMIS data elements for the project's operating year or the time frame selected for all projects by the CoC.
 11. Failure to meet the requirements of Housing First.
 12. Failure to be at or above the CoC designated percentage of unit utilization.
- B. Reallocation can be voluntary or involuntary.
 - a. In Compliance: Projects in compliance with the foregoing criteria may voluntarily reallocate all or a portion of their funding for a new project. The NOFA must be reviewed to determine the current rules for reallocation.



Reallocation of partial funding cannot result in decreased quality of services. The project must be able to operate at an adequate level.

b. Noncompliance:

- i. Any project that does not meet the foregoing criteria shall be required to reallocate. If the deficiency is data quality and the project can correct the deficiency within 15 days, that deficiency shall be removed.
- ii. Upon notification that reallocation will be required, a project may voluntarily decide to reallocate funds and will fall under part “a” of this policy.
- iii. A project that does not agree to voluntarily reallocated under these circumstance will have its funding taken away and made available for new proposals.
- iv. The CoC will select proposals based on pre-determined criteria to apply for the funds.