

Policy on: COCHB - Reallocation Effective: 11/26/25

**Approved by Executive Board: _____
Date: 11/26/25**

**Approved by Dept. of Citizen Services: _____
Date: 11/26/25**

Background

The U. S. Department of Housing and Urban Development (HUD) requires Continuums of Care to develop a reallocation process for projects funded with HUD Continuum funds. This process could provide funding for new projects.

Reallocating funds is an important tool for the Circle of Caring to make strategic improvements to their homelessness system. Through reallocation, the Continuum can create new, evidence-informed projects and eliminate projects that are underperforming, no longer meet a HUD priority, or are more appropriately funded from other sources.

Emphasis will be based on local needs, data and use of the common assessment tool. Reallocation will occur in a transparent, universal and performance-based manner.

Review Criteria

All renewal projects are reviewed annually by the Continuum of Care Executive Committee to determine if any project should be considered for reallocation.

The recommendation for reallocation can be based on any one of the following HUD criteria:

1. Fiscal, Management and Capacity Issues
 - a. Outstanding obligation to HUD
 - b. Audit finding(s)
 - c. History of inadequate financial management accounting practices
 - d. Capacity issues with significant impact on project operation or performance
 - e. History of not fully spending grant funds or not drawing funds in a timely manner
 - f. History of serving ineligible persons or expending funds on ineligible costs.
2. Project Performance: Each CoC-funded program will be evaluated based on data entered into HMIS, the HUD Annual Performance Report (APR); the Project Application submitted for the CoC proposal, and other HUD recommended tools.
 - a) Performance Measures

The Project APR should show positive contributions to goals set by HUD in the Annual CoC NOFO including:

 1. Reducing the Number of Homeless Families and Individuals
 2. Reducing the Number of First Time Homeless
 3. Reducing the Length of Time Homeless

4. Successful Permanent Housing Placement
5. Reducing the Number of Returns to Homelessness
6. Jobs and Income Growth
7. Timely Submission of Data
8. Homeless Management Information System (HMIS) Participation

b) HUD's Policy Priorities or Funding Guidelines

Project evaluation will also be guided by the Policy Priorities as stated in the Annual CoC NOFA. Each project funded under the CoC is expected to make a positive contribution to the following measures:

1. Ending the Crisis of Homelessness on Our Streets
2. Prioritizing Treatment and Recovery
3. Advancing Public Safety
4. Promoting Self-Sufficiency
5. Improving Outcomes
6. Minimizing Trauma

The Continuum of Care Executive Committee may also use reallocation to comply with changes in HUD funding allocations or changes in HUD funding caps.

c) HMIS Data Quality

Programs will be evaluated on their HMIS quality for the operating year. It is expected that programs will not have missing values for any of the universal data elements above 10%.

Voluntary Reallocation

Currently funded NOFO project applicants interested in voluntarily reallocating should notify the Continuum of Care Executive Committee in writing of their intent prior to the release of the Annual NOFO.

Strong preference will be given to those projects that reallocate to create new Transitional Housing, Supportive Services Standalone, and Supportive Services Street Outreach projects.

All Reallocation decisions must:

- Show consistency with HUD guidelines
- Ensure the amount to be reallocated is sufficient to fund an effective program(s)

Involuntary Reallocation

Continuum of Care Executive Committee will also consider involuntary reallocation if projects are not meeting performance measures.

Projects that do not meet performance standards will be notified and will be required to submit a plan of correction.

Progress will be monitored quarterly and if project performance does not improve after a year, the CoC Executive Committee will recommend involuntary reallocation of funds to a project that supports the CoC's goals.