

Northwest MN CoC Reallocation Process

Updated July 2016

The Northwest Minnesota Continuum of Care (CoC) has created this process guide the CoC in determining if, when and how the CoC should reallocate funds. Reallocating funds is one of the most important tools in which our CoC can make strategic improvements to our homelessness system. Through reallocation, our CoC can create new, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources.

What is Reallocation?

Reallocation refers to the process by which a CoC shifts funds in whole or in part from existing CoC-funded projects that are eligible for renewal to create one or more new projects. 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. The new reallocated project must include a component change (i.e. TH or PSH) or a significant change in the programs population (i.e. youth to single CH).

What types of projects can be reallocated?

CoCs can reallocate funding from any project eligible for renewal in a competition year. The annual CoC Program Competition Notice of Funding Availability (NOFA) dictates what types of projects may be created through reallocation in a given competition. For example, the FY16 CoC Program Competition NOFA limited the types of new projects that could be created through reallocation to:

- a. New permanent supportive housing for people experiencing chronic homelessness; and
- b. Rapid re-housing to serve households with children coming from the streets or an emergency shelter.
- c. HMIS projects administered by State System Administrator.
- d. Supportive Services Only for Coordinated Entry.

Identifying Projects for Reallocation

The CoC will discuss and consider reallocation and brainstorm potential projects on an ongoing basis.

- a. Various factors will be considered for reallocating a project including: existing inventory, system needs, gaps, duplication, program performance, potential grant mergers/collaborations, Coordinated entry data, utilization rates and other funding resources or restrictions (both new and existing).
- b. Underperforming, underutilized or low need projects may be targeted for reallocation at anytime, but are most likely identified following an performance review or during the CoC competition process.
- c. Once a project is targeted for reallocation, the CoC will contact the project in person and in writing, notifying the project of the reason for consideration and helping to develop a transition plan.
- d. A transition plan will be developed to help assure compliance with other funding commitments and prevent anyone from becoming homeless as a result of the reallocation.

NOFA Reallocation Process

1. Within 2 days of the release of the annual NOFA, the CoC will publish the CoC timeline and process for accepting renewal, new bonus or reallocated projects.
2. Within 7 days of the release of the annual NOFA, the CoC will publish an Intent to Apply and Project Threshold Application. Applicants will be asked to identify whether they intend to reallocate any funds in the annual competition.
3. At the first CoC meeting following the release of the NOFA, the CoC will present and discuss potential projects for reallocation, both those being reallocated and potential new projects to seek feedback on system impact. Discussion will include system needs (geographic, population, project type, etc.), gaps, duplication, program performance, potential grant mergers/collaborations and other funding options.
4. The CoC will distribute ranking procedures and present at the first meeting of the CoC following the release of the NOFA. Ranking procedures include a threshold for project capacity and performance.
5. The CoC ranking committee will review projects (NOFA Application, APR, Intent to Apply, Project Threshold, performance discussion, HMIS data quality reports, meeting participation, and adherence to deadlines, etc.) and may make recommendations to the CoC for reallocation based on performance, utilization, or agency capacity. Projects may either be recommended for immediate reallocation or consideration for the following competition (if performance, utilization or capacity does not improve).
6. The CoC Coordinator will provide ranking score and feedback to each applicant, inviting feedback (verifiable reasons for poor performance or capacity and if there is a viable plan for improvement). Projects will be notified if their project is up for immediate or potential reallocation.
7. The CoC ranking committee may adjust score or reallocation recommendation based on feedback.
8. The ranking committee will present ranking and reallocation recommendations to the CoC for discussion and vote. Discussion will include system needs, gaps, duplication, program performance, and other funding options. Note that reallocation may occur without consent from the project being reallocated.
9. The CoC will want to assure that no one will become homeless as a direct result of reallocation prior to final vote on project ranking and tiers.

Different types of reallocation

There is no cookie cutter approach to reallocation. Although HUD may limit what types of new projects may be created with reallocated funds, it does not dictate what types of renewal projects can be reallocated or how that process should occur. Examples include:

- Funding from one project (or partial funding from one project) can be reallocated into a new project operated by the same provider;
- Funding from one project (or partial funding from one project) can be reallocated into a new project operated by a different provider;
- Funding from one project (or partial funding from one project) can be reallocated into many new projects;
- Funding from many projects (or partial funding from many projects) can be reallocated into one new project; and
- Funding from many projects (or partial funding from many projects) can be reallocated into many new projects.

While reallocation can be complicated and does not come without risk, it is a necessary part of ensuring that our CoC's homeless assistance system meets the needs of people experiencing homelessness.