Northwest MN CoC
Reallocation Policy

The Northwest Minnesota Continuum of Care (CoC) has created this policy to 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 FY15 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.

Reallocation Process

1. In the months preceding the release of the NOFA the CoC will begin discussing at monthly CoC meetings the concept of reallocation and brainstorm potential projects. When considering the need for reallocation, various factors will be considered including: existing inventory, system needs, gaps, duplication, program performance, potential grant mergers/collaborations, Coordinated entry data, utilization rates and other funding resources (both new and existing).

2. 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.

3. 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.

4. 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, gaps, duplication, program performance, potential grant mergers/collaborations and other funding options.

5. The CoC ranking committee will create proposed ranking procedures and present for vote at the first meeting of the CoC following the release of the NOFA. The ranking procedures will include a threshold for project capacity and/or performance in which reallocation will be recommended.

6. 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) and may make recommendations to the CoC for reallocation based on performance or agency capacity. Projects can either be recommended for immediate reallocation or be monitored for potential reallocation in the following competition.

7. 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).
8. The CoC ranking committee may adjust score or reallocation recommendation based on feedback.
9. 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.
10. Finally, 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.