**Holland/Ottawa Continuum of Care**

**Lakeshore Housing Alliance**

**Reallocation Process**

**Background**

The Department of Housing and Urban Development (HUD) now encourages Continuums of Care (CoC) to evaluate existing projects funded by the CoC Program and to consider reallocating funds to maximize the effectiveness of the available funds in meeting the needs of persons experiencing homelessness. The Lakeshore Housing Alliance as the CoC for Ottawa County will use this tool as necessary to meet the goal of ending homelessness.

**Definition**

In the 2016 HUD CoC Program Notice of Funding Availability HUD allowed for the reallocation of funds defined in Section III.A.3 of the NOFA as “when a CoC shifts funds in whole or in part from an existing eligible renewal projects to create one or more new projects without decreasing the CoC’s Annual Renewal Demand (ARD).”

**Timeline and Responsible Parties**

The annual monitoring and evaluation process will begin following the submission of the previous years CoC Program Applications. The Allocation and Accountability Committee will meet to discuss possible changes to the HUD CoC funded projects for the upcoming NOFA cycle. Recommendations will be made to the CoC Executive Committee.

**Types of Reallocation**

Projects may be reallocated in the following ways:

* Funding (in whole or in part) from one project into a new project by the same provider
* Funding (in whole or in part) from one project into a new by a different provider
* Funding (in whole or in part) from one project into many projects
* Funding (in whole or in part) from multiple projects into one new project
* Funding (in whole or in part) from multiple projects into many new projects

*Voluntary*: Reallocation can be voluntary when a provider has determined a project could better serve the community with changes or to be made available for a wholly new project. The provider must notify the CoC Director the intent to reallocate prior to the release of the NOFA. The provider may submit an application for a new project or choose not to apply thus making the funding available to other new applicants.

*Involuntary*: There are two types of involuntary reallocation.

* Performance Based: Involuntary reallocation will be considered as necessary based on the NOFA scoring cycle and will include low-performing projects. The CoC Executive Committee will annually determine a threshold for reallocation consideration.
* Below is the process for low performing projects.
	+ Projects will be given a year to improve performance.
	+ If the project does not improve, the applicant must submit a Corrective Action Plan (CAP) to the Executive Committee the following year and will not permitted to submit applications for new projects.
	+ Those not meeting the threshold for two consecutive years will be considered for involuntary reallocation.
	+ If applying for a renewal project, applicants under a CAP will be required to report to the Allocation and Accountability Committee the status of the CAP.
	+ The Executive Committee is responsible for monitoring the CAP. Agencies represented on the Executive Committee and under a CAP will be recused from monitoring their own project.
* Priority Based: Involuntary reallocation will only be considered if a new project addresses a newly identified local priority *and* is a low performing project. This will be at the discretion of the CoC Executive Committee.

Policy Approved by LHA Executive Committee

09/15/2017