

Missouri Balance of State Continuum of Care



REALLOCATION POLICY

ABSTRACT

The U.S. Department of Housing and Urban Development (HUD) requires that Continuum of Care (CoCs) evaluate the performance of all projects based on objective criteria and reallocate funding in whole or in part from existing renewal projects to new or expansion projects based on how the new or expansion project will improve the overall performance of the CoC.



Introduction

The Missouri Balance of State (MO BoS CoC) Reallocation Policy allows for voluntary and involuntary funding reallocations. Voluntary reallocations are initiated by the CoC Program funded organization and may include all or part of the funding for their CoC project(s). Involuntary reallocations are initiated by the MO BoS CoC Rank and Review Subcommittee based on objective criteria and must be intended to improve system performance unless otherwise allowed by HUD. Voluntary and involuntary reallocation decisions of the CoC must comply with HUD requirements, provide sufficient funding to create or expand a project, and to the extent possible, align with priorities established by the HUD Notice of Funding Opportunity (NOFO) and/or Program Competition and the MO BoS CoC.

Voluntary Reallocation

During the annual CoC NOFO/Program Competition process, CoC-funded organizations may choose to reallocate all or part of renewal project funding. In the event an organization requests reallocation of one or more CoC-funded projects, the organization requesting reallocation is responsible for any and all HUD-required closeout activities, securing housing for any project participants whose housing will be impacted by reallocation, and, if needed, requesting technical assistance from the MO BoS CoC and/or HUD.

Projects interested in voluntarily reallocation should notify the MO BOS CoC no later than the MO BOS CoC Letter of Interest process or by emailing moboscoc@gmail.org with the organization's name, project name, project award amount, proposed reallocation amount, and contact information no later than June 1st of each year.

The Missouri Balance of State has established that funding from projects that is voluntarily reallocated is first offered to the current recipient agency or subrecipient to design another project and submit a new project application to meet local goals to end homelessness. New and transfer projects in their first year of performance cannot be reallocated before year two.



Involuntary Reallocation

Performance

Unless otherwise prohibited by statute, regulation, or CoC Program Notice of Funding Availability, the MO BoS CoC may involuntarily reallocate funding, in whole or in part, from poor performing projects. Poor performing projects are projects that fail to meet performance criteria and/or are subject to being placed on a Performance Improvement Plan as outlined in the MO BoS CoC's Performance Improvement Policy.

The Rank and Review Subcommittee will be provided documentation during program competitions on funded Projects that are on a Performance Improvement Plan to demonstrate compliance and data quality and performance improvement consistent with the plan.

Should the MO BoS CoC decide not to involuntarily reallocate a project while on a Performance Improvement Plan, the project will remain on the Performance Improvement Plan, and the MO BoS CoC will review the project for involuntary reallocation annually, until the project is either fully reallocated or meets the performance standards.

The MO BoS CoC may consider mitigating factors to involuntary reallocation, including the project's alignment with HUD and MO BoS CoC priorities, the need for and impact on housing assistance in the geographic area served by the project, and the availability, capacity, and capability of other organizations to use reallocated funding to provide needed housing assistance. Mitigating factors may prevent involuntary reallocation only when the project provides clear and convincing evidence that the project's performance is likely to improve or when no organizations have the ability or capability to accept the reallocated funding in a new or expansion project that align with HUD and MO BoS CoC needs or priorities.

Unspent Funds

The MO BoS CoC expects grantees to spend all CoC grant funds awarded during the Project's performance period. The MO BoS CoC may reallocate unspent funding from projects that consistently do not meet grant spending expectations. CoC renewal projects will be evaluated for reallocation annually during the CoC NOFO/Program Competition. Projects will be reviewed based on the two consecutive grant operating years directly



preceding the release of the CoC NOFO/Program Competition. Projects in the first year of operation are not subject to the involuntary reallocation based on unspent funds.

Projects that are not fully expending funds or underspending grant awards at the expiration of their performance period are subject to the reallocation process. Projects that have underspent their award may be reduced as noted below and those funds shall be reallocated for the creation of New Project(s) and/or expansion of existing renewal grants. A one-year grace period may be extended to the providers who appeal proposed reallocation with a corrective action plan that demonstrates that the grant's expenditure rate will be improved in the current program year. Projects that have under-expended their award in two consecutive program years, without reallocation during the previous year, may have their funding reduced through reallocation in the CoC NOFO/program competition.

- Projects annual renewal demand that is under \$350,000 may have no less than 10% of funds reallocated to a new and/or existing project.
- Projects annual renewal demand that is between \$351,000 and \$999,999 may have no less than 15% of funds reallocated to a new and/or existing project.
- Projects annual renewal demand that is equal to or above \$1,000,000 may have no less than 5% of funds reallocated to a new and/or existing project.

The MO BoS CoC may consider mitigating factors to reallocation based on unspent funds, including the project's continued feasibility following reallocation, the project's alignment with MO BoS CoC priorities, the need for and impact on housing assistance in the area served by the project, and the availability and capability of other organizations to use reallocated funding to provide housing assistance needed or prioritized by the MO BoS CoC.

An exception to this policy may be made for projects that could not expend funds due to mitigating factors (i.e. access to eLoccs, delayed contract execution), implementation barriers where HUD and/or the CoC is actively providing Technical Assistance, or a public health crisis/natural disaster that has directly impacted the geographic region.