



## **DuPage Homeless Continuum of Care Reallocation Policy**

### **Policy Statement**

On behalf of the DuPage Homeless Continuum of Care (CoC), the Leadership Committee is authorized to make all final decisions pertaining to pursuit, contract, and allocation of funding and will determine the need for reallocation based on analysis of data and outcomes.<sup>1</sup> The DuPage Homeless Continuum of Care will annually review the option of reallocation of HUD CoC funded resources. The reallocation process will be communicated throughout the entire CoC area via email and website posting and will encourage both new and existing providers to apply for new projects through reallocation. Reallocation shall have the intent to achieve one or more of the following objectives:

1. To meet housing needs for persons as identified in the Coordinated Entry process
2. To make homelessness in DuPage County rare, non-reoccurring, and of short duration
3. To optimize CoC system performance by providing high-quality, effective programming
4. To align funded programming to be consistent with the HEARTH Act and HUD guidance and HUD policy priorities
5. To contribute to the HUD competitive consolidated application process
6. To strengthen collaboration within the homeless services system

Reallocation may be self-initiated by a funded agency (voluntary) or initiated by CoC Leadership (Continuum-initiated). Decisions related to Continuum-initiated reallocations will be made in accordance with the COC interim rule which holds each CoC responsible for the performance, fiduciary accountability and strategic value of each CoC program project included in its annual Collaborative Application. The reallocation process will be transparent, equitable and data-driven with an emphasis on local needs. Reallocation amounts are to be sufficient as to fund effective programming.

This policy is an attachment to the DuPage County Homeless Continuum of Care Governance Charter.

### **Timing of Reallocation**

Communication regarding potential reallocation between CoC funded agencies and CoC leadership will be prompt and open. Notification of reallocation requests will occur within 30 days following HUD's announcement of Tier One and Tier Two awards from the previous competition. However, should a compelling need become evident, or an unforeseen incident

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<sup>1</sup> COC Governance Charter; Preparing an Application for Funds

occur, the CoC reserves the right to respond and accelerate the reallocation process so as to maintain housing stability for those served by existing HUD funds.

### **Voluntary Reallocation Process**

CoC funded agencies will notify the Leadership Committee Chair of their intent in writing no later than 30 days following HUD's announcement of Tier One and Tier Two awards from the previous competition. Funded agencies may also request reallocation if they intend to close, decrease the size of the project, or otherwise fund the project from an alternate source.

To provide an incentive to all funded providers to monitor and improve their project performance and to contribute to system performance, the CoC will give strong preference to agencies to administer proposed new projects for which they are voluntarily reallocating their funding. This will take place during the NOFO application process if the agency history of capacity and performance is acceptable.

### **Continuum-Initiated Reallocation Process**

The DuPage County CoC maintains full authority to reallocate funding to maximize services, effectively compete and/or to address underperforming projects. The CoC may choose reallocation from any CoC project to meet its responsibility to ensure the CoC Consolidated Application best aligns with HUD priorities and contributes to a competitive application to collaboratively secure funding to meet community needs. Decisions will be made during the process of preparing an application for funds, as described in the Governance Charter and the CoC Collaborative Application Process. All reallocation decisions must be approved by the CoC Leadership Committee.

Once it has been determined that reallocation of funding is in the best interest of the CoC, a representative or representatives of the Leadership Committee will communicate with the agency whose project is being reallocated to discuss how the reallocation will occur and the timing of any project funding reallocation.<sup>2</sup>

It is the CoC's responsibility to strategically determine how to best use the resources available to end homelessness within the community, the CoC may reallocate funds from projects which are seen as underperforming. Underperforming projects are defined as those which are found during the annual performance review process, or otherwise known to not meet the following CoC funding objectives:

1. ***Project Capacity*** – Underperforming projects may include those which fail to make effective use of project capacity. This may be seen through unspent funds, untimely expenditures, or other issues which significantly impact project operations and performance.
2. ***Financial Management*** – Underperforming projects may include agencies or projects with audit findings for which a response is overdue or unsatisfactory, have outstanding funds, show a misuse of funds, or untimely drawdown of funds.
3. ***Performance Outcomes*** – Underperforming projects may show poor data quality within HMIS, unmet performance outcomes within their most recent APR, or rank low in the Preliminary Project Review or Project Business Plan.

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<sup>2</sup> Governance Charter

4. ***Lack of Compliance with Local and Federal Project Review and Certification Standards*** – Underperforming projects may include those with a history of serving ineligible persons, expending funds on ineligible costs, lacking compliance with Housing First Standards or failing to fully cooperate in the coordinated entry process.
5. ***Local Need*** – Projects may be slated for reallocation when a local need is better met through another project.
6. ***Loss of External Supporting Program Funds*** – Projects which are unable to fully meet CoC objectives due to loss of ancillary service or support funding and results in unmet performance outcomes or unspent funds may be slated for reallocation.

**Types of Reallocation**

The CoC may use funds taken in whole or in part from existing projects to create new projects. HUD determines which type of new projects can be reallocated to and this is described in the annual NOFO.

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