PARTNERS FOR HOME

GA-500 Continuum of Care (CoC) HUD Competition Reduction and Reallocation Policy

The Atlanta CoC uses reallocation to ensure all renewing projects are still meeting the needs of the community; are cost-effective; and align with the priorities of HUD and the CoC. Also, as money that is unspent at the end of a grant year is returned to HUD and the community does not benefit, this policy allows the Rank and Review Committee of the CoC to recommend that the CoC redirect funds from under-utilized grants to more effective grants or to new projects.

Reduction (due to Underspending)

To ensure that the grants currently awarded are right-sized, the CoC will review the amount of funds returned by each grant annually. If an organization is underspending and returning funds, they will have the opportunity to justify why. Excessive underspending, without sufficient reasoning, may result in a reduction of an award, if needed. Repeated years of consistent underspending may result in a reduction or reallocation of the grant award.

Reallocation (Partial or Total)

The renewal scoring process evaluates current grants on a variety of measures to ensure that the portfolio that the CoC puts forth to HUD is the strongest possible and best meets the needs of the community and HUD priorities. As a part of this evaluation process, the Rank and Review Committee can recommend a project for partial or total reallocation for a variety of reasons aside from underspending. These include:

- Cost ineffectiveness
  - Example – proportionately, like projects are producing similar outcomes for a better cost ratio
- No longer meeting the needs of the CoC
  - Example - project design does not meet the needs of the participants/community
- Underperformance of project
  - Example - low performing projects are susceptible for relocation or lower ranking in the priority tiering
- Noncompliance
  - Example – lack of compliance with Coordinated Entry participation
- Voluntary
  - Example – due to inability to maintain ancillary costs, a project may decide to not Renew

Reallocation Based on CoC NOFO Requirements and/or Priorities

Each year, HUD publishes a CoC Program NOFO that establishes national priorities, funding limitations, and application requirements under 24 CFR part 578. In certain years, specific NOFO requirements may materially affect the CoC's portfolio including funding caps and set-asides for specific project types, targeted investment priorities, or project quality expectations. To maintain compliance and maximize competitiveness, the CoC must periodically reallocate funds from renewal projects that conflict with or cannot be prioritized under the published NOFO.