



Austin/Travis County Continuum of Care Reallocation Policy

Background

The U.S. Department of Housing and Urban Development (HUD) requires that CoCs carefully evaluate and review all renewal projects and to develop a reallocation process for projects funded with CoC funds. Reallocating funds is an important tool used by CoCs to make strategic improvements to their homelessness system. Through reallocation, the CoC can create new projects that are aligned with HUD and community priorities that improve the overall performance of the local homeless system. CoCs can pursue reallocations through the annual CoC NOFO Competition in which funds for new projects are created by repurposing, eliminating or reducing funds from existing renewal projects.

This Reallocation Policy incorporates the following general objectives to ensure alignment with HUD requirements in the FY 2025 CoC NOFO:

- To ensure the CoC's responsibility in submitting to HUD an application that is consistent with the FY 2025 CoC NOFO;
- To optimize CoC system performance by providing high-quality, effective programming;
- To ensure the amount to be reallocated is sufficient to fund effective program(s); and,
- To meet the housing and service needs of people experiencing homelessness outlined in the Local Funding Priorities

Reallocation Policy

Reallocation may be self-initiated by a CoC-funded agency (voluntary) or initiated by CoC Leadership (involuntary). CoC funded projects may reallocate all or part of their funding. The reallocation process will be transparent and data-driven with an emphasis on alignment with the FY 2025 CoC NOFO. Reallocation amounts must be sufficient to fund effective programming. All renewal projects are reviewed and ranked annually during the HUD NOFO Competition process according to the Review, Rating, and Ranking Policy as adopted by the Leadership Council, which can include recommendations for reallocations.

Reallocation

During the annual CoC NOFO Competition, a participating CoC agency can choose to fully or partially reallocate funding for existing renewal projects. Requirements, eligibility, amounts, and processes differ among the types of funding. The following policies must be followed for Reallocations:

- The project must meet an Austin/Travis County CoC Community Funding Priorities as adopted by the Leadership Council

- Project applicants may transition an existing renewable component (e.g.) to another component (e.g. TH). If a project is transitioning program components, the applicant must complete a NEW project application for the project, NOT a renewal application.
- The project must be eligible under the annual HUD NOFO.

Involuntary Reallocation

The Leadership Council will consider involuntary reallocation as appropriate and as necessary based on the priorities of the FY 2025 CoC NOFO and/or per the Performance Improvement Plan Policy.

CoC Projects on Performance Improvement Plans: CoC projects not meeting performance expectations on Quarterly Performance Scorecards or administrative standards will be required to participate in the Performance Improvement Plan (PIP) process. Performance information reviewed by the Leadership Council will be evaluated and used to determine project eligibility for renewal or if the project funds will be considered for reallocation. Decisions related to involuntary reallocations will be made in accordance with the CoC interim rule which holds each CoC responsible for the performance, fiduciary accountability and system effectiveness of each project included in its annual Collaborative Application process.

Projects will only be Involuntarily Reallocated, if under a Performance Improvement Policy (PIP), with the following timing:

- During the first 12 months of the PIP process, projects are eligible to apply for renewal funding in the local HUD CoC Competition
- Any agency on an active PIP will not be eligible to apply for New or Bonus Project funding, unless approved by Leadership Council
- Projects that have an active PIP for period of 2 consecutive years will be reviewed for involuntary reallocation of funds
- When entering into the 2nd year, if the project has not made significant progress by the 1st Quarter presentation to the Leadership Council (16 months into the PIP process), the Leadership Council may recommend the project self-nominate to voluntarily reallocate renewal funds to create new projects during the CoC Competition or the project may be involuntary reallocated in the next competition cycle.

If the reallocation of funds results in the loss of assistance or housing stability for households currently being served by the program, the project must develop a transition plan with the guidance of the CoC Leadership Council and ECHO.

CoC Projects Not Aligned with FY 2025 CoC NOFO

New in 2025, Leadership Council will reallocate funding for renewal projects not aligned with the



current CoC NOFO priorities. This ensures the entire collaborative application remains competitive and the CoC continues to bring funding into the community to work toward ending homelessness.

Voluntary Reallocation

Renewal project applicants may choose to voluntarily reallocate project funds to create a new project better aligned with HUD funding priorities and effectiveness. CoC-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. Projects voluntarily reallocating may submit a new project proposal during the local competition based on the total amount reallocated. This will take place during the NOFO application process if the agency history of capacity and performance is acceptable.

A participating CoC Agency may choose to reallocate funding from a renewal project to a program they would administer or the CoC agency may make those funds available for open competition for NEW projects, by forfeiting those funds.

Projects interested in voluntarily reallocating should notify ECHO staff NOFO@austinecho.org, in writing of their intent as soon as possible, or by the due date of HUD's Grant Inventory Worksheet (GIW). The GIW will serve as CoC Leadership Council's tool to identify Project Applicants' intent to renew CoC funding.