

Reallocation of Renewal Project Funds

Reallocation of renewal project funds may occur in two ways:

- 1.) Voluntary Reallocation - Agencies operation existing renewal projects may voluntarily reduce a portion of the project's CoC funding or eliminate CoC funding of a project. Through a voluntary reallocation of renewal project funds, the agency may apply for new projects that have been designated as higher priority programs.

- 2.) Involuntary Reallocation – An involuntary reallocation will occur when a renewal project's application is rejected by Homeward's Grant Committee and affirmed by a majority vote of the board. A project may be rejected due to poor project or system performance as well as for failure to meet threshold for receiving all referrals from the continuum's centralized intake.

Use of Reallocated Funds:

The balance of funds from either voluntary or involuntary reallocation of funds must be used for new projects per guidelines listed in HUD's 2022 Continuum of Care Program NOFO Section III.B.2.x.

III.B.2.x: Reallocation is a process CoCs use to shift funds in whole or part from existing eligible renewal projects to create one or more new projects without decreasing the CoC's ARD. New projects created through reallocation must meet the requirements set forth in Section II.B.1 of this NOFO and the project eligibility and project quality thresholds established by HUD in Sections V.C.4.b and c of this NOFO. CoCs may only reallocate eligible renewal projects that have previously been renewed under the CoC Program. To create a Transition Grant (see Section III.B.2.cc of this NOFO), the CoC must wholly eliminate one or more projects and use those funds to create a single, new transition grant. YHDP projects cannot be reallocated.