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# **North Dakota-500 Statewide Continuum of Care Reallocation Policy**

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CoC Board Approval: April 2025  
CoC Membership Approval: May 2025

Next Review: April 2026

## **I. Introduction**

- A. The North Dakota Continuum of Care (ND CoC) has created this process to guide the ND CoC in determining if, when, and how the ND CoC should reallocate funds. Reallocating funds is one of the tools the ND CoC uses to make strategic improvements to our homeless response system. Through reallocation, the ND CoC can create new, evidence-informed projects by eliminating projects that are underperforming, underutilized, or are more appropriately funded from other sources. While reallocation can be complicated and does not come without risk, it is necessary to ensure that our homeless response system meets the needs of people experiencing homelessness.
- B. Definition: Reallocation refers to the process by which the ND CoC shifts funds in whole or in part from one or more existing ND CoC-funded projects that are eligible for renewal to create one or more new projects. A reallocated project must be a new project serving new participants or an expansion project serving additional clients.
- C. The annual U.S. Housing and Urban Development (HUD) CoC Program Competition Notice of Funding Opportunity (NOFO) dictates the types of projects that may be created through reallocation in each competition. If an existing funded agency is looking to reallocate its funds, the agency reallocating funds must include a component change (i.e., TH to PSH or RRH to PSH) or a significant change in the program's population (i.e., youth to single chronically homeless).

## **II. Identifying Projects for Reallocation**

- A. The ND CoC Board, Rating and Ranking Committee, and CoC staff all assist in identifying projects that may be considered for reallocation. Projects may also relinquish all or a portion of their renewal funding for reallocation on the Intent to Apply form during the CoC competition.
- B. Various factors will be considered for identifying projects for reallocation, including:
  - 1. Regional need. Existing inventory, system gaps, duplication, over-abundance of a project type, population/sub-population served.
  - 2. Program performance (e.g., utilization rate, data quality, outcome performance, service model, coordination with other services, coordinated entry participation, etc.). If applicable, the ND CoC will first attempt to provide technical assistance to underperforming projects through a Performance Improvement Plan. If agencies neglect to follow through with the identified plan or show performance improvement after one year, they may be at risk of reallocation.
  - 3. Fiscal Management. Spending down of grant funds, audits, fiscal practices, financial reports, cost-effectiveness, and matching funds.
  - 4. Other system needs. Coordinated entry and HMIS funding needs, potential grant mergers/collaborations, and other funding resources or restrictions (both new and existing).
- C. Underperforming, underutilized, financial mismanagement, or low-need projects may be targeted for reallocation at any time but are most likely identified following an annual performance review or during the ND CoC competition process. However, when appropriate, the ND CoC is dedicated to working with any underperforming or underutilized project to address deficiencies before recommending reallocation. The ND CoC feels it is worth the investment to increase the capacity of existing projects and agencies to meet the needs of our state.

### **III. Reallocation Process**

If a targeted project is not interested in or has not been responsive to an ND CoC Project Improvement Plan, the project's funding may be reallocated. The ND CoC will contact the project in person and in writing, notifying the project of the reason for consideration and helping develop a transition plan. The transition plan will be developed to help ensure compliance with other funding commitments and prevent anyone from becoming homeless because of the reallocation.