



## Missouri Balance of State Continuum of Care Reallocation Policy

The U.S. Department of Housing and Urban Development (HUD) requires that Continuums of Care (CoCs) evaluate the performance of all projects based on objective criteria and reallocate funding in whole or in part from existing renewal projects to new or expansion projects based on how the new or expansion project will improve the overall performance of the CoC.

The Missouri Balance of State (Mo BoS CoC) Reallocation Policy allows for voluntary and involuntary funding reallocations. Voluntary reallocations are initiated by the CoC Program funded organization and may include all or part of the funding for their CoC project(s). Involuntary reallocations are initiated by the Mo BoS CoC based on objective criteria and must be intended to improve system performance unless otherwise allowed by HUD. Voluntary and involuntary reallocation decisions must comply with HUD requirements, provide sufficient funding to create or expand a project, and align with priorities established by the Mo BoS CoC to the extent possible.

### **Voluntary Reallocation**

During the annual CoC Program Competition, CoC-funded organizations may choose to reallocate all or part of renewal project funding. In the event an organization requests reallocation of one or more CoC-funded projects, the organization requesting reallocation is responsible for any and all HUD-required closeout activities, securing housing for any project participants whose housing will be impacted by reallocation, and, if needed, requesting technical assistance from the Mo BoS CoC and/or HUD.

Projects interested in voluntarily reallocating should notify the Mo BoS CoC by emailing [moboscoc@outlook.com](mailto:moboscoc@outlook.com) with the organization name, project name, project award amount, reallocation amount, and contact information as soon as possible.

### **Involuntary Reallocation**

#### **Performance**

Unless otherwise prohibited by statute, regulation, or CoC Program Notice of Funding Availability, the Mo BoS CoC may involuntarily reallocate funding, in whole or in part, from poor performing projects. Poor performing projects are projects that fail to meet performance criteria established in the Mo BoS CoC's Performance Improvement Policy.

#### *Regular Performance Improvement Plan Reviews*

After 12 months on a Performance Improvement Plan, the Mo BoS CoC will review the project for performance improvements. Projects that meet the established performance criteria will be removed from the Performance Improvement Plan. Projects that do not meet the established performance criteria may be asked to consider voluntary reallocation during the next CoC Program Competition.

If, after 24 months on a Performance Improvement Plan, a project has not met the established performance criteria, the Mo BoS CoC may recommend involuntary reallocation of project funds during the next CoC Program Competition. The Mo BoS CoC may consider mitigating factors to reallocation, including the project's alignment with Mo BoS CoC priorities, the need for and impact on housing assistance in the geographic area served by the project, and the availability and capability of other organizations to use reallocated funding to provide housing assistance needed or prioritized by the Mo BoS CoC. Mitigating factors should prevent involuntary reallocation only when the project provides clear and convincing evidence that the project's performance is likely to improve or when no organizations have the ability or capability to accept the reallocated funding in new or expansion projects that align with Mo BoS CoC needs or priorities.

Should the Mo BoS CoC decide not to involuntarily reallocate a project after 24 months on a Performance Improvement Plan, the project will remain on the Performance Improvement Plan, and the Mo BoS CoC will review the project for involuntary reallocation every 12 months until the project is fully reallocated or meets the established performance standards.

### Deobligated Funding

The Mo BoS CoC expects grantees to spend all grant funds, and beginning with the FY 2020 CoC Program Competition, the Mo BoS CoC may reallocate deobligated funding from projects that consistently do not meet grant spending expectations.

CoC renewal projects will be evaluated for reallocation through funding deobligation on a three year rolling cycle during every CoC Program Competition beginning with the FY 2020 CoC Program Competition. Projects will be reviewed based on the three completed grant operating years directly preceding the release of the CoC Program Competition Notice of Funding Availability. Projects without three completed grant years are not subject to the involuntary reallocation based on deobligation policy.

Projects subject to partial reallocation must have deobligated:

1. More than 5% or \$10,000, whichever is less, of grant funding during each of the prior three completed grant years; OR
2. More than 10% or \$50,000, whichever is less, of total grant funding during the prior three completed grant years.

The amount of funding subject to reallocation will be no more than the project's average deobligated amount above 5% of the project's grant award for the previous three years. The maximum reallocation amount is represented by the formula below.

$$\frac{((Year\ 1\ Deobligation) - ((Year\ 1\ Grant\ Award) \times 0.05)) + ((Year\ 2\ Deobligation) - ((Year\ 2\ Grant\ Award) \times 0.05)) + ((Year\ 3\ Deobligation) - ((Year\ 3\ Grant\ Award) \times 0.05))}{3}$$

The Mo BoS CoC may consider mitigating factors to reallocation based on deobligation, including the project's feasibility following reallocation, the project's alignment with Mo BoS CoC priorities, the need for and impact on housing assistance in the area served by the project, and the availability and capability of other organizations to use reallocated funding to provide housing assistance needed or prioritized by the Mo BoS CoC.