



PROCESS FOR REALLOCATING FUNDS OF THE COC PR-502 FY 2026

The Federal Department of Housing and Urban Development (HUD) requires that the Continuum of Care (CoC) establish a process for reallocating CoC funds in cases where it decides to reduce or eliminate funds from any renewal project that does not comply with the requirements established by the NOFO or the CoC, without decreasing the CoC's Annual Renewal Demand.

According to the HUD guidelines, approved in September of 2014, on Reallocation, the following is established for the CoC PR 502:

- The projects to which reallocated funds are assigned must meet the priorities and requirements of HUD for new projects;
- The CoC must evaluate the compliance and effectiveness of the projects in reaching the goal of ending homelessness for persons served, in order to reallocate the funds;
- The CoC should assess the project's function in relation to the Strategic Plan and its Community Needs Assessment;

Types of reallocation:

1. reduction of the 10% of the budget of a project that has an unexpended balance of grant funds of 10% or more in the prior 2 years, by reassigning funds to operate a new project of the same provider or another provider.
2. elimination of all of the funds of a project that has obtained a score of 72.4% or less on the CoC's Evaluation and Ranking tool to reassign funds for the operation of a new project to a new provide.
3. elimination of all of the funds of a project that has obtained a score of 72.4% or less on the CoC's Evaluation and Ranking tool, can be reallocated into a new project operated by the same provider through the "transition" process.
4. elimination of all of the funds of a project that has obtained a score of 72.4% or less on the CoC's Evaluation and Ranking tool and that has an unexpended, that are reassigned for various new projects.
5. elimination of all funds of various projects that have obtained a score of 72.4% or less on the CoC's Evaluation and Ranking tool, to reassign the funds for a new project or for various projects.

The CoC PR-502 will make the decision to reallocate funds in accordance with the performance of the projects, after giving due process to the organizations that are not in compliance.