



McHenry County Continuum of Care to End Homelessness
“Working together to end homelessness in McHenry County”

c/o The McHenry County Department of Planning and Development
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I. Policy Statement: CoC Reallocation Process

A. Under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH), the HUD reallocation process allows Continuums of Care (CoC) to fund new projects by transferring all or part of funds from any existing CoC grant which is eligible for renewal into a new project.

B. Under HEARTH CoC Regulations and the FY2019 Notice of Funding Availability (NOFA), a reallocation project can be funded if all of the following apply:

- The reallocation project is for permanent housing (permanent supportive housing for chronically homeless, rapid re-housing for families or individuals coming from the streets or shelters), dedicated HMIS project, SSO project for coordinated entry, construction or rehabilitation of a facility to expand existing eligible CoC activities (if permitted by HUD), or the newer Transitional Housing-Rapid Rehousing hybrid project.
- The reallocation project meets all of HUD’s threshold requirements

C. The McHenry County Continuum of Care to End Homelessness will reallocate funds granted through HEARTH CoC programs as needed to more effectively confront homelessness, help households achieve stable housing and improve CoC performance. Namely, McHenry County is seeking to significantly reduce the population of homeless individuals as quickly as possible.

D. CoC program funds may be reallocated either by a voluntary process or by a competitive system transformation process.

II. Competitive Reallocation

A. The annual NOFA will be considered an annual competition with no promise of continual funding.

B. If a project is deemed to be low performing by scoring poorly in the project scoring process and/or having unsatisfactory project performance outcomes, the CoC Lead Agency and Ranking Workgroup and the CoC reserve the right to reallocate funding and make it available through a competitive process.

C. The CoC Lead Agency and Ranking Workgroup may initiate a competitive system transformation process due to a renewal grantee ending a CoC program.

D. As part of the pre-bid process for renewal projects, applicants are required to supply cursory information, data, and outcomes so that the CoC Lead Agency can determine if each renewal project will meet the minimum threshold requirements.

E. If the CoC Lead Agency determines that a renewal project does not meet minimum threshold requirements, the Ranking Workgroup will recommend whether or not funds should be released for a competitive reallocation process. The following process will be followed:

1. Due to the time constraints involved in grant applications, voting may be handled via conference call, e-mail or web site communication.
2. Any member of the Ranking Workgroup or CoC receiving funding through the CoC programs shall recuse him or herself from the deliberation process.
3. The CoC Lead Agency and Ranking Workgroup will recommend rejection of the renewal application for any agency that does not meet the minimum threshold requirements.
4. All Ranking Workgroup and CoC deliberations will be documented in meeting minutes.
5. If any renewal projects' application is rejected, the funds that were allocated to that project will be released as new funds and agencies will have the opportunity to be allocated said funds. Any organization submitting a project concept or application that is rejected will be notified in writing by the data set by the CoC Lead Agency/Collaborative Applicant.

III. Voluntary Reallocation Process

A. CoC grantees are able to self-nominate to voluntarily reallocate CoC-funded renewal funds to create new projects. Depending on the HUD NOFA in effect, this may result in a higher score and the ability for the organization to receive a reallocation.

B. A grantee seeking the ability to reallocate funding through the Voluntary grantee-self-nominating process must do so in accordance with the timeline set by the CoC Lead agency in that year's application process and complete a new project application by the deadline set by the CoC Lead agency in order to be eligible.

C. The CoC Ranking Workgroup will review the applications and make determinations regarding the acceptance and ranking of the proposed project.

D. If the new project meets HUD's CoC funding priorities, local needs, and is an eligible reallocation project type under the NOFA, the applicant will be given the opportunity to be considered under the scoring mechanisms for the new project.

E. If the new project does not meet HUD's COC priorities, local needs, is an ineligible project type, or does not request the full grant amount awarded to the existing project, the funds either in total or in part not covered by the request, will be available for other eligible projects under the Continuum of Care funding process.

F. First-time renewal are treated as new applications due to the lack of outcomes on the first year of award. The Ranking Workgroup shall make every effort to strongly consider a renewal to commit to a second year of funding in order to obtain outcome measures for the project.

IV. New and/or Bonus Funding

A. Projects, whether new or renewal, shall be scored in a capacity that allows for new or bonus projects to compete with renewals in McHenry County's efforts to most effectively confront homelessness. If an organization voluntarily agrees to forfeit its award, the funding for this project population type will strongly be considered for funding to an alternate agency capable of carrying out similar activities.