

<i>HUD Continuum of Care # and Name:</i> VT 500 - Vermont Balance of State CoC	Vermont Balance of State Continuum of Care
<i>VT BoS CoC Primary Decision-Making Body:</i> Vermont Balance of State CoC	
<i>Policy/Procedure:</i> Reallocating CoC Projects Policy	
<i>VT BoS CoC approved/ revised: 9/9/16, 7/28/17, 9/17/2019, 10/15/2025, 6/16/2026</i>	

Reallocating CoC Projects Policy

The VT Balance of State CoC (VT BoS CoC/VT500) embarks on an annual proactive plan to assess all CoC Program-funded projects within the portfolio to strengthen our CoC's effectiveness at ending homelessness and to increase our national competitiveness. This process includes ranking identifying projects for reallocation. The CoC has reallocated funds from projects that were under performing, using outdated program models, underspending and/or had high costs. Local Housing Coalitions and the CoC Board are provided information on CoC priorities, best practices, review criteria, reallocation opportunities and requirements.

As part of this process and education about best practices and CoC priorities, projects are offered a chance to voluntarily reallocate CoC Program funding in part or whole to support creation of new projects to achieve our goals to end homelessness. The CoC offers providers education and technical assistance regarding successful reallocation strategies. Projects will be engaged in discussion with CoC staff and/or Rating and Scoring Committee to flag issues and provide additional information and context prior to involuntary reallocation being pursued as an option. VT BoS CoC's goal is to support projects to effectively serve the people that the project has set out to serve rather than to be punitive.

Funds from projects that voluntarily reallocated are pooled with all other available funds (CoC Bonus, DV Bonus, Involuntarily Reallocation etc).

Funding from projects that are voluntarily or involuntarily reallocated are put up for/included in the available dollars for public competition and announced through the CoC's listserv and website. The call for new projects for reallocated funds utilizes the same priorities and process in place for any available bonus funding.

Transition Grants

Permanent housing (PSH, RRH, TH-RRH) renewal projects may apply for a Transition Grant, which would allow the recipient to transition from permanent housing to another non-permanent housing project type (TH, SSO, Street Outreach) over the course of the FY26 grant. Transition grants will first be evaluated according to renewal evaluation criteria and subject to potential involuntary reallocation based on the criteria outlined below. If the applicant is not subject to full involuntary reallocation, then the project applicant will be notified to proceed to submit a New project application, which will be scored and ranked as a New project.

Voluntary Reallocation

Projects are offered a chance to voluntarily reallocate CoC Program funding in part or whole to support creation of new projects to achieve our goals to end homelessness. Project recipients may determine they want to reallocate if 1) the recipient is unable to certify/affirm new HUD requirements, 2) the recipient has evaluated their own financial and client outcome performance and determined that the project is unlikely to perform well in the local competition, or 3) other recipient reasons.

Involuntary Reallocation

Projects with poor performance, not spending their full award, underutilizing beds, not in alignment with VTBoS standards and practices, not serving the intended population or with significant, unresolved findings are subject to involuntary reallocation. The following guidance will be used to determine involuntary reallocation:

1. Projects that have underspent more than 10% of their award may be reduced and those funds could be reallocated for New Project(s). A one-year grace period may be extended to providers who commit to a plan in collaboration with the Rating & Scoring Committee that will increase their expenditures to 90%+ in the current program year.
2. Projects scoring 60% or lower may be reallocated involuntarily or may be asked to develop a plan to address performance issues before a final determination is made.
3. Projects with significant unresolved findings may be reallocated involuntarily.
4. HUD priority shifts in the CoC Program may necessitate involuntary reallocation due to meeting new HUD demands related to project types and project-specific policies.
5. *NOTE: First-time renewals are not subject to involuntary reallocation, given that they have not had a chance to establish their spenddown and performance on the grant.*

Any funds reallocated as part of recapturing unspent funds will be made available for reallocation to create new projects during the local solicitation process. Reallocation decisions are subject to the Scoring & Ranking Committee's judgment. Any recommendations by the Scoring and Ranking Committee that are formalized through a VT BoS CoC Board of Director's vote are subject to appeal through the CoC Grievance process and, if unresolved, to HUD.

