



## **Alliance for Housing/HUD CoC Consolidated Application Reallocation/Transition policy**

### **MI-504 Pontiac/Royal Oak/Oakland County Continuum of Care**

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#### **What is Reallocation?**

Reallocation refers to the process by which a CoC shifts funds in whole or in part from existing CoC funded projects that are eligible for renewal to create one or more new projects. CoCs can pursue reallocations through the annual CoC Program Competition. A reallocated project must be a new project that serves new participants and has either a rapid re-housing or permanent supportive housing program design. A new reallocated project may use resources from an existing project, including staff, but it is not simply a continuation of an existing project that serves existing participants.

#### **When Should a CoC Reallocate?**

Reallocating funds is one of the most important tools by which CoCs can make strategic improvements to their homelessness system. Through reallocation, CoCs can create new, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources. Reallocation is particularly important when new resources are scarce. Decisions regarding reallocation are best made when guided by an overall strategic plan, in which the CoC assesses existing projects for their performance and effectiveness in ending homelessness. In general, CoCs should direct funding towards projects that:

- a. Serve the highest need individuals or families;
- b. Help project participants obtain permanent housing as rapidly and directly from homelessness as possible;
- c. Ensure long-term housing stability; and
- d. Ensure the best and most cost-effective fit given a community's needs.

CoCs should strive to match their inventory of projects to the needs of people experiencing homelessness within the CoC. For instance, a CoC may find that the majority of existing projects serve lower-barrier households but that they cannot meet the needs of individuals and families experiencing chronic homelessness. Through reallocation, the CoC can correct this imbalance in their inventory to ensure that they have adequate capacity to serve the people experiencing homelessness in their community.

The reallocation process specifically applies to projects funded through HUD's CoC program. However, communities should assess all of the projects in their inventory, regardless of how they are funded, and decide which ones are most needed and which ones should be shifted to other purposes.

### **What types of projects can be reallocated?**

CoCs can reallocate funding from any project eligible for renewal in a competition year. The annual CoC Program Competition Notice of Funding Availability (NOFA) dictates what types of projects may be created through reallocation in a given competition.

Alliance for housing is HUD's designated consolidated applicant. Each year the Alliance monitors each sub-grantee as well as prioritizes projects when the funding round opens up. The Alliance (CoC) prioritization committee, made up of non CoC HUD-funded community partners reviews all submitted sub-grantee application documents as well as a review of APR reports. If a project is not meeting threshold determined by the Alliance and HUD NOFA the project risks having funding reduced and/or cut. This allows the CoC to create new projects through reallocation to be in align with current community needs. There may be times when a grantee requests that their CoC funded project be reallocated into a new project and they will still serve as the grantee. This will require a written request of project reallocation with specific project changes as well as a new budget and proposed number served. This will be submitted to the Alliance for Housing Executive Director via email who will then forward to the Oakland County CoC board for a documented vote. The board will review community wide data, including our community priorities. If the CoC board denies or accepts this request the sub- grantee will be informed via email.

If an agency is seeking reallocation we encourage them to work with the CoC to request HUD technical assistance (TA).

### **What is a transition grant?**

A Transition grant is an application to fund a new CoC project through the reallocation process to transition eligible CoC renewal project(s) (including a Special NOFO project or DV Renewal project) from one program component to another eligible component over a 1-year period. Transition grant applications awarded FY 2026 funds must fully transition to the new component by the end of the 1-year grant term and may only apply for renewal in the next CoC Program Competition under the component to which it transitioned.

Renewal Grants expiring in CY 2027 may submit a FY 2026 transition grant application to request a component type change. The transition grant's operating start date will be the day after the end of the previous grant term for the expiring component. For transition grants reallocated from more than one project, the operating start date of the transition grant will be the day after the end of the earliest expiring grant term.

Applicants wishing to apply for a transition grant must have the consent of its Continuum of Care; and the new project application must meet project eligibility and project quality thresholds established by HUD. If the project application identifies the project as a transition grant and the CoC accepts the new transition grant project on the New Project Application Project Listing in the CoC Priority Listing, HUD will consider this as CoC consent.

For a new project to be considered a transition grant, the new project applicant must be the recipient listed on the current grant agreement for the eligible renewal grant(s) being eliminated and must include the grant number(s) of the project(s) being eliminated to create the new project and attach a copy of the most recently awarded project application.

### **Transition Grant Restrictions**

YHDP Renewal grants are not eligible to use the transition grant process. YHDP Renewal grants must submit a YHDP Replacement application to change component

### **Appeals Process**

All appeals will be reviewed by a group established by the Alliance for Housing Board of Directors and Project Review Committee. Members of the Appeals Committee will not have any projects that receive HUD CoC Homeless Assistance Program funding.

- Appeals must to be submitted in writing via email to [lmccall-alliance@oaklandhomeless.org](mailto:lmccall-alliance@oaklandhomeless.org) . Address all appeals to the Appeals Committee/prioritization committee.
- The appeal must be received by the close of the business day within 5 business days of the communication of denial or CoC decision to reallocate. Submission must be received in a type written format (with attachments if appropriate) electronically.
- The decisions of the Appeal/prioritization Committee are final.