

[Reallocation Process for CoC Funding]

The U.S. Department of Housing and Urban Development (HUD) expects communities to use the reallocation process to ensure that funding for the Continuum of Care (CoC) program is competitive. Reallocation is a process CoCs use to shift funds in whole or part from existing eligible renewal projects to create one or more new projects without decreasing the CoC's Annual Renewal Demand (ARD). The goals of the reallocation process include helping communities progress toward HUD-identified priority areas, ensuring high standards for performance outcomes, and ensuring effective use of limited funding. CoCs receive a score each year through the CoC Consolidated Application, which determines the order in which CoCs are funded and competitiveness for renewal and new funding. Part of the score is based upon the CoC's use of the reallocation process.

OVERVIEW

As the decision-making body for the Pasadena CoC, the Pasadena Partnership to End Homelessness is responsible for decisions regarding reallocation. The Pasadena Partnership actively encourages new and existing providers to apply for new projects through reallocation. Reallocated funds can be used to create new evidence-informed projects, eliminate under-performing projects, shift projects to other, more appropriate funding streams, ensure the CoC inventory matches local need, and provide Coordinated Entry.

Decisions about reallocation are made on an ongoing basis and are based on a thorough analysis of needs and gaps in housing and services in the CoC. This includes an annual review of HUD priorities, gaps analysis of homeless populations and types of housing and services available in the community, project utilization rates, reviews of Homeless Management Information System (HMIS) data including the Point-in-Time (PIT) and Housing Inventory Count (HIC) and data trends over time, annual monitoring and threshold reviews of current CoC-funded programs, and prioritizing the needs of specific subpopulations.

VOLUNTARY REALLOCATIONS

Voluntary reallocations (partial or full) are initiated by a renewal project applicant by choice. Voluntary reallocation decisions can be made at any point during the operating year and must be formalized in writing. Voluntary reallocations may also be identified in the Declaration of Intent to Renew process for renewal projects. The CoC works with these providers to develop reallocation plans for their programs to create the best program design to meet the needs of their participants, focusing on Permanent Supportive Housing (PSH), Rapid Rehousing (RRH), or Coordinated Entry (CES).

INVOLUNTARY REALLOCATIONS

Involuntary reallocation includes any renewal projects that are entirely eliminated or that have their allocation reduced by the CoC. The CoC may pursue involuntary reallocation for renewal projects for multiple reasons, such as unspent funds, or scoring very low during the CoC renewal process.

REALLOCATION PROCESS

Any decision to reallocate is finalized by the CoC Board, which represents and is elected by the Pasadena Partnership membership at large. Reallocation occurs during the evaluation of renewal projects associated with the CoC competition. . The Board reviews the renewal project applications and will consider entirely or partially reallocating a renewal project's funding if the project has either 1) spent less than 80% on average of its awarded funds over the past three program years or 2) received 60% or fewer of the total available points in the most recent renewal application. If a renewal project falls below thresholds established in either 1 or 2, the CoC Board will either:

A. Direct the Collaborative Applicant (City staff) to establish measurable improvement goals with project operator/sub-recipient within 60 days of the CoC competition closing. If the renewal project is directly administered by the Collaborative Applicant, the Board will establish measurable improvement goals with the Collaborative Applicant. Project's achievement of established goals over the course of the subsequent year(s) will be brought back to the CoC Board during the next CoC competition and the Board will make a decision not to reallocate, to partially reallocate, or to entirely reallocate. The Board may also elect to reevaluate the project's progress toward established improvement goals in the subsequent CoC competition.

OR

B. The CoC Board can make a decision not to reallocate, to partially reallocate, or to entirely reallocate project funding during the same CoC Competition without giving the project operator any opportunity to improve.

Finally, if the CoC requires funding to remain in compliance with HUD requirements, such as maintaining a CES or HMIS, the CoC Board can elect to partially or fully reallocate any existing program during the renewal evaluation process in order to make available funding for the required element of the CoC