



REALLOCATION PROCEDURE – September 10, 2021

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) conducts an annual Continuum of Care (CoC) Program national competition. San Luis Obispo County Department of Social Services serves as the collaborative applicant for completing and submitting the application on behalf of the San Luis Obispo County CoC (CA-614).

HUD encourages CoCs to prioritize projects that address the goals of Ending Chronic Homelessness, Youth Homelessness, Veteran Homelessness, and utilize a Housing First approach. Recent guidance in the CoC Competition is steering CoCs to reallocate funds from existing CoC projects that are underutilized, cost-ineffective, under-performing, or obsolete in order to create new Permanent Supportive Housing projects or Rapid Re-Housing projects.

For the FY 2021 Continuum of Care Program Competition, HUD prioritizes *Performance Based Decisions*.

Performance-Based Decisions. Consistent with the requirements of the Consolidated Appropriations Act, 2021, and the Further Consolidated Appropriations Act, 2020:

1. Requests for new project applications are not allowed, other than through reallocation unless the CoC evaluates and competitively ranks projects based on how they improve system performance as outlined in Section VII.B.2.b of the NOFO; and
2. HUD will prioritize funding for CoCs that have demonstrated the capacity to reallocate funding from lower to higher performing projects.

San Luis Obispo County CoC's Policy and Procedure for Reallocation will be based on 1) *Performance Measures* as specified in the annual HUD NOFA and 2) *Project Application*. Where the CoC Scoring Committee finds that the renewal project is not performing to full efficacy, a reallocation of funds will be considered. As part of the strategy for funding valuable projects, San Luis Obispo County CoC will select projects that best align with CoC funding priorities.

CoC-funded projects shall be reviewed on an annual basis utilizing Homeless Management Information System (HMIS), Annual Performance Report, and monitoring reports to inform the Homeless Services Oversight Council (HSOC) ad hoc Grant Review Committee in the performance ranking and rating process for renewal. This review will occur during the



application and review process for these grants, and rating criteria will incorporate performance related criteria when recommending which programs should be funded and/or ranked higher than others. The County generally uses the HUD rating criteria when evaluating and prioritizing project applications locally. Some local criteria are also considered when rating and ranking each project application.

The HSOC ad hoc Grant Review Committee will present a funding recommendation to the full HSOC body. The Collaborative Applicant staff receives the HSOC's recommendation to present to the Board of Supervisors for review and approval of the ranking.

Reallocation for New Projects

Applications for new projects will be considered only from entities that have submitted a Local Application by the deadline and are proposing, in alignment with HUD priorities:

- A) Permanent Supportive Housing (PSH) dedicated to serving chronically homeless individuals, including unaccompanied youth, and/or families; or
- B) Rapid Rehousing (RRH) dedicated to serving homeless individuals, including unaccompanied youth, and/or families coming directly from the streets or emergency shelter, or individuals and/or families who meet the criteria of paragraph (4) of HUD's definition of homeless.
- C) Supportive Services as a Coordinated Entry Point dedicated to serving chronically homeless individuals, including unaccompanied youth, and/or families.

Policy: Strategically Allocate Resources

Using cost, performance, and outcome data, CoCs should improve how resources are utilized to end homelessness

Procedure 1: Comprehensively review project quality, performance, and cost effectiveness.

To provide both project-specific outcome information and CoC-wide contributions, each CoC-funded renewal program will be evaluated based on data entered into HMIS, and formally through the HUD Annual Performance Report (APR) outcomes documented in the APR submitted to HUD.



Permanent Housing

- a. At least 25 percent of adults leaving the program have increased employment income at program exit.
- b. The percentage of formerly homeless individuals who remain housed in HUD permanent housing projects for at least 6 months will be at least 75 percent.

Joint Transitional Housing and Rapid Rehousing

- a. At least 25 percent of adults leaving the program have increased employment income at program exit.
- b. The percentage of homeless persons who have moved from HUD transitional housing into permanent housing will be at least 75 percent.

Supportive Services Only – Coordinated Entry Project

- a. At least 30 percent of participants leaving the program exit to permanent housing destinations.

Reduce the number of exited adult participants coming from homelessness from returning to homelessness. The reduction will be based on the percentage of exited adults that returned to homelessness, as measured by homeless clients returning to the program for assistance.