

**Process for Reallocation for
The County of Riverside Continuum of Care
2018 HUD Consolidated Application
May 2018**

Through the reallocation process, the County of Riverside Continuum of Care and Board of Governance ensures that projects submitted with the CoC Collaborative Application best align with the HUD CoC funding priorities and contribute to a competitive application that secures HUD CoC dollars to address and end homelessness in Riverside County. The CoC will make decisions based on alignment with HUD guidelines, performance measures, and unspent project funds. Reallocated projects will be encouraged to seek funders that will support the contributions these projects make to the CoC.

All renewal projects are reviewed by an Independent Review Panel, whose members are reselected in a voting process by the County of Riverside Continuum of Care, to determine if a project should be considered for reallocation. The Independent Review Panel reviews the renewal projects based on performance criteria and other information each project submits and certifies in a “Letter of Intent to Renew”. The Independent Review Panel makes recommendations for reallocation to the CoC Board of Governance based on the performance of each renewal project.

The recommendation for reallocation is based on any one of the following HUD criteria:

- 1) Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
- 2) Audit finding(s) for which a response is overdue or unsatisfactory;
- 3) History of inadequate financial management accounting practices;
- 4) Evidence of untimely expenditures on prior award;
- 5) History of other major capacity issues that have significantly impacted the operation of the project and its performance;
- 6) Timeliness in reimbursing sub recipients for eligible costs. HUD will consider a project applicant as meeting this standard if it has drawn down grant funds at least once per month; or
- 7) History of serving ineligible persons, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

HMIS Data Quality. The CoC evaluates all programs on their HMIS quality for the operating year. It is expected that programs will have no greater than 10% of missing values for any of the universal data elements; programs are able to correct incomplete data to improve the percentages. Data quality outcomes are collected via the monthly Performance Report Cards and APRs generated for each project.

Reallocation

(Review and Evaluation Process (p.6) approved by CoC Board of Governance on May 17, 2018)

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.

It is possible that funds will be reallocated from projects that will not receive renewal funding, or whose funding will be reduced. This is done through a recommendation made by the Independent Review Panel, based on HUD priorities, and approved by the Board of Governance.

When considering reallocation, the Independent Review Panel will:

- Consider unspent funds and the ability to reduce grants without reducing service/housing levels.
 - Receive guidance from the Collaborative Applicant about the limitations related to spending CoC funds.
 - For projects receiving leasing or rental assistance, information about unspent funds will be presented together with information about agency capacity (i.e. serving the number of people the project is designed to serve).
- Consider history of reductions.
- Consider alternative funding sources available to support either new or renewal project(s) at-risk of not being funded.
- Consider renewal HUD “covenant” concerns.
- Consider impact on CoC’s Consolidated Application score.
- Consider non-compliance issues identified during the review and rank process project monitoring.
- Consider projects with consistently low scores.

The impact of this policy is that high scoring projects may be reallocated if these considerations warrant that decision. Also, if a project receives less than 90 points, then the Independent Review Panel may recommend reallocation of funding.

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 and as specified by HUD (i.e. chronically homeless);
- 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.