**Purpose**

As the Los Angeles Continuum of Care (LA CoC) lead administrator, the Los Angeles Homeless Services Authority (LAHSA) annually submits the CoC Program Consolidated Application to the U.S. Department of Housing and Urban Development (HUD) on the behalf of the LA CoC. In recent years, HUD has created an opportunity for CoCs to apply for new project funding by partially or fully reallocating funds from existing grants to fund new and/or expansion projects. Reallocation presents an opportunity for CoCs to move funding from projects that are underutilized, not cost effective, or underperforming to create new and/or expanded projects that meet critical CoC needs and improve system performance, including permanent housing projects.

**Applicability and Scope of Policy**

This policy applies to the operations of the LA CoC and all funding associated with HUD CoC programs.

**Policy**

The LA CoC establishes appropriate evaluation criteria and standards based on objective performance, cost-effectiveness, and evidenced-based criteria. Projects seeking to renew CoC funding through the annual HUD CoC Program Notice of Funding Availability (NOFA) will be evaluated on established criteria and against established standards. Projects not meeting community standards will be subject to reallocation, either in part or in whole, and reallocated funding will be made available to support new and/or expansion projects in accordance with the LA CoC Board and LAHSA Commission decisions and the LA CoC New Projects Request for Proposals (RFP).

The LA CoC categorically exempts projects within three years or less of operating time from reallocation, so as to allow these projects sufficient time to reach and sustain full operating capacity and ensure that the CoC's performance- and cost-based reallocation decisions are predicated upon fair comparisons of like projects within eligible program components. Projects with Annual Performance Reports (APRs) ending in '00' and '01' are thus exempt from the below reallocation standards except #1 and #5.

**Reallocation Standards**

The following reallocation standards will determine which CoC Program grant funds the LA CoC may recapture and make such funds available for new and/or expansion projects:

1) Projects which have not drawn down any funds in the HUD Electronic Line of Credit Control System (eLOCCS) for the most recently completed grant term; HUD may unilaterally reclaim grants for which there are no draws, resulting in a loss of funding to the LA CoC.
2) Recapture CoC grant funds based on Public Housing Authorities evaluation of funds for reallocation applying the following criteria:
   a. Grants that have achieved utilization of 90 percent or greater and are underspending by 10 percent or greater.

3) Performance thresholds for CoC Program renewal projects based upon the approved 2019 CoC Program Performance Evaluation Methodology:
   a. 50 percent of points possible for Permanent Housing (PH-PSH and PH-RRH projects).
   b. 70 percent of points possible for Transitional Housing projects for persons fleeing domestic violence.
   c. 80 percent of points possible for Transitional Housing projects serving other populations (single adults and/or families).

4) Cost effectiveness of permanent housing placements (i.e., “successful program exits”) against expenditures for Transitional Housing:
   a. Single Adults: $20,000/permanent housing outcome.
   b. Families: $30,000/permanent housing outcome.
   c. Domestic Violence: $50,000/permanent housing outcome (including safety transfers counted as successful exits).

5) Commitment to Policy Priorities:
   a. Housing First and Low Barrier Programming (HF/LBP): HF/LBP is scored according to the responses submitted to LAHSA in Question 3d of ‘Section 3B Project Information’ of the 2019 CoC Project Application.
      ➢ “Yes” response means meeting HF/LBP
      ➢ “No” response means not meeting HF/LBP
     Projects not meeting the minimum standard for these policy priorities, and unwilling or unable to adopt them for the current application, will be reallocated.