



Introduction

Through the reallocation process, the Bakersfield/Kern County Continuum of Care (CoC) and Governing Board ensure that projects submitted with the CoC Collaborative Application align with United States Department of Housing and Urban Development (HUD) CoC funding priorities and contribute to a competitive application that secures HUD CoC funds to address and end homelessness in Kern County.

The CoC will make decisions based on alignment with HUD guidelines, performance measures, community needs assessment findings, and unspent project funds. Reallocated projects will be encouraged to seek funders that support the contributions these projects make to the CoC.

Reallocation Working Group

The CoC Governing Board authorizes the Reallocation Working Group to make decisions in close partnership with the Planning and Performance Subcommittee of the CoC. The Reallocation Working Group is composed of CoC members who do not have a conflict of interest with any HUD CoC funds.

All renewal projects are reviewed by the Reallocation Working Group, whose members must be dues-paying CoC members that do not receive HUD CoC funding. The Governing Board will approve reallocation recommendations through a voting process. The panel will be formed in accordance with the Governance Charter, Section 7.03. The Reallocation Working Group reviews renewal projects based on performance criteria and other information each project submits and certifies in a Letter of Intent to Renew. The Reallocation Working Group makes recommendations for reallocation to the CoC Governing Board based on each renewal project's performance.

Voluntary

A recipient, as defined in 24 Code of Federal Regulations (CFR) § 578.3, may voluntarily reallocate its existing project by reducing its project's annual renewal amount in whole or in part, as defined in 24 CFR § 578. A recipient that voluntarily reallocates an existing project and wishes to create a new eligible project may submit a new project application.

Solicitation for voluntary reallocation will occur during the annual application process before the opening of the CoC competition. Solicitation for voluntary reallocation will begin once the Grant Inventory Worksheet (GIW) is released by HUD. If necessary, individual

meetings will be scheduled with each participant to discuss project performance, HUD CoC priorities, and other factors that may affect future funding for each project.

Involuntary Reallocation

The CoC will make reasonable efforts to ensure that projects are meeting performance standards and fulfilling CoC guideline requirements before enforcing involuntary reallocation. If deficiencies in project performance continue after reasonable corrective efforts have been made, the CoC may recommend the project for involuntary reallocation.

The CoC may choose to reallocate funds from any CoC project to meet its responsibility to ensure that the CoC Consolidated Application aligns with HUD priorities, contributes to a competitive application, and collaboratively secures funding to meet community needs.

A determination for involuntary reallocation will be made on the following criteria:

1. **Project Performance** considers the project type, performance relative to similar projects, timely submission of required reports to HUD, and timely expenditure of grant funds. Performance may be evaluated based on factors such as unspent funds, delayed expenditures, low unit utilization or occupancy rates, Homeless Management Information System (HMIS) data quality and performance outcomes, Annual Performance Report (APR) results, Project Review rankings, and other operational or compliance issues that significantly affect the project's effectiveness. Projects demonstrating persistent underperformance in one or more of these areas may be considered for reallocation.
2. **Utilization and Effectiveness** considers bed/unit operating capacity and cost-effectiveness relative to project type and population served. Reallocation will automatically be considered for any project utilizing less than 70% of its bed/unit capacity for either the most recently completed project term/grant year or the current year's Housing Inventory Count (HIC).
3. **Extent of Participation in HMIS** or a comparable database, including but not limited to bed coverage, data quality, participation in Coordinated Entry, and contribution to System Performance Measures.

4. **CoC Funding Priorities** as determined by the most recent CoC Notice of Funding Opportunity (NOFO), other HUD-published priority listings, and local funding priorities.

Recipients administering a project selected for involuntary reallocation will receive written notification from the Collaborative Applicant agency, outside of e-snaps, including the reasons for the reallocation.

Reallocation

For voluntary and involuntary reallocation, an entire grant or a percentage of a grant may be reallocated. For voluntary reallocation, the grantee must indicate the total percentage or dollar amount of its current award to be reallocated to other projects.

CoC Program funds made available through involuntary reallocation may be used to develop one or more new projects. If no viable new projects are identified, CoC Program funds made available through involuntary reallocation may be used for the expansion of other eligible renewal projects, subject to current CoC funding priorities and HUD NOFO requirements.

Appeals

For the annual CoC Competition, the Reallocation Working Group reviews all applications and makes reallocation decisions. Applicants may appeal a decision by following the process set forth below. All appeals must be based on information submitted by the application due date. No new or additional information will be considered.

Omissions from the application cannot be appealed.

Any agency may appeal an involuntary reallocation assigned to a project by the Reallocation Working Group.

An appeal must relate to the reasons for reallocation laid out in the *Notice of Involuntary Reallocation*.

Initiating a Formal Appeal

Any agency desiring to appeal must contact the BKRHC Executive Director to state its intent to appeal the Reallocation Working Group's decision regarding involuntary reallocation by the date and time indicated in the *Notice of Involuntary Reallocation*.

The Formal Appeal must consist of a short, clear written statement, no longer than two pages, describing the agency's appeal of the Reallocation Working Group's decision. The statement may be submitted as a letter, memo, or email transmittal. The Formal Appeal must be transmitted to the BKRHC Executive Director.

The Formal Appeal must be emailed or delivered so that it is received by the date and time indicated in the *Notice of Involuntary Reallocation*.

Members of the Appeal Panel

The Reallocation Working Group serves as the Appeal Panel because its members are already non-conflicted members of the Governing Board.

Appeal Panel members will not have a conflict of interest with any agencies or parties applying for CoC Program funding, as defined by the Conflict of Interest Policy and Certification.

Appeal Hearing

The Appeal Panel will meet by telephone, video conference, or in person with the representative(s) of the party making the appeal to discuss the issue(s) at an Appeal Hearing on the date indicated in the *Notice of Involuntary Reallocation*. The panel will then deliberate.

The Appeal Panel will inform appealing agencies of its decision by 12:00 p.m. (noon) on the date indicated in the *Notice of Involuntary Reallocation*.

Definitions

1. **Continuum of Care (CoC):** The Bakersfield/Kern County Continuum of Care is the local planning body responsible for coordinating the community-wide response to homelessness, reviewing eligible CoC Program projects, and supporting the annual United States Department of Housing and Urban Development (HUD) CoC Collaborative Application for the Bakersfield/Kern County region.
2. **Governing Board:** The CoC decision-making body responsible for approving final reallocation recommendations, project ranking decisions, and related actions connected to the annual HUD CoC Program Competition.

3. **Collaborative Applicant:** The entity designated by the CoC to prepare and submit the CoC Collaborative Application, Priority Listing, and related project information to HUD. The Collaborative Applicant may provide the Reallocation Working Group with HUD, Homeless Management Information System (HMIS), expenditure, monitoring, and performance information needed for the local review process.
4. **Reallocation Working Group:** The group selected in accordance with the CoC Governance Charter to review renewal project performance, HMIS data quality, expenditure history, monitoring information, local application materials, and other documentation. The Reallocation Working Group makes reallocation recommendations to the CoC Governing Board.
5. **Reallocation:** The process used by the CoC to shift all or part of the funds from an existing eligible renewal project to one or more new eligible projects without decreasing the CoC Annual Renewal Demand (ARD). Reallocation may be used to improve system performance, address community needs, strengthen HUD alignment, and support the most effective use of CoC Program funds.
6. **Voluntary Reallocation:** A process in which a current CoC-funded recipient chooses to reduce or release all or part of its renewal funding so those funds may be made available for another eligible project through the local CoC competition process.
7. **Involuntary Reallocation:** A process in which the CoC recommends reducing or eliminating a renewal project's funding due to performance, compliance, expenditure, capacity, fiscal, eligibility, HMIS data quality, Coordinated Entry, or local-priority concerns. Final involuntary reallocation recommendations must be approved through the CoC local governance process.
8. **Renewal Project:** An existing HUD CoC-funded project that is eligible to apply for continued funding through the annual CoC Program Competition.
9. **New Project:** A project application seeking CoC Program funds that is not currently funded as a renewal project. New projects may be created through reallocation, bonus funding, expansion, transition, or another funding option allowed by HUD in the current Notice of Funding Opportunity (NOFO).

10. **Expansion Project:** A project application that increases the capacity, scope, units, beds, services, persons served, or geographic coverage of an existing eligible renewal project, subject to HUD requirements and the current NOFO.
11. **Transition Project / Transition Grant:** A new project created through the reallocation process that allows an eligible renewal project to transition from one eligible CoC Program component to another, when permitted by HUD.
12. **Annual Renewal Demand (ARD):** The total amount of eligible renewal funding available to the CoC through the annual CoC Program Competition before applicable HUD adjustments. Reallocation should not reduce the CoC ARD when completed in accordance with HUD requirements.
13. **HMIS Data Quality:** The completeness, accuracy, and timeliness of project-level data entered into HMIS. For purposes of this policy, HMIS data quality includes universal data elements, Quarterly Performance Reports, APR data, and other HMIS-generated reports used to evaluate project performance.
14. **Coordinated Entry Participation:** A project's active and consistent use of the CoC Coordinated Entry System, including referrals, prioritization, case conferencing, documentation, and compliance with local Coordinated Entry policies and procedures.