



# North Carolina Balance of State Continuum of Care

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## **Balance of State Steering Committee Meeting 9.12.17**

### **Regional Leads Present:**

Teena Willis, Melissa McKeown (for Nicole Dewitt), Marlene Harrison (for Ellery Blackstock), Donna McCormick, Emily Locklear, Roberta Sessoms, LaTasha McNair, Nicole Boone, Jim Cox

### **Regional Leads Absent:**

Marilyn Chamberlin, Jennifer Kerr, Susan Pridgen

### **Interested Parties Present:**

Mary Mallory, Amy Modlin, Talaika Williams, Melissa Eastwood, Lynne James, Leonard Tillery, Amy Steele, Faye Pierce, Lori Watts, Kristen Martin, Alyce Knaflich

### **NCCEH Staff Present:**

Brian Alexander, Emily Carmody, Ehren Dohler, Nancy Holochwost

### **Overview of the CoC Application Process**

- The 2017 CoC competition is underway. The consolidated application, which is due to HUD by September 28, consists of three parts:
  - The CoC application, which contains information about the entire Balance of State, and which is completed by NCCEH staff with input from the Steering Committee, Regional Committees, and other stakeholders
  - Project applications submitted by agencies for new and renewal funding
  - The project priority listing, which is the ranked list of project applications recommended by the Project Review Committee and approved by the Steering Committee
- The CoC application is coordinated at the CoC level. Agencies submit new and renewal applications for funding to the CoC, staffed by NCCEH, for review by the Project Review Committee and approval by the Steering Committee. NCCEH, on behalf of the CoC, completes the CoC application and the project priority listing and submits these and the project applications to HUD.
- The BoS is eligible to apply for up to \$9,249,857 in the competition. This is the sum of three amounts of funding:
  - Annual Renewal Demand (ARD): the amount of all eligible renewal projects
    - \$8,267,704
    - Can be used to renew projects or can be reallocated to create new projects (new PSH dedicated for chronically homeless people, RRH, HMIS, and SSO for coordinated entry)
  - Permanent Housing Bonus: 5% of pro rata

- \$654,769
    - Can be used to create new PSH dedicated for chronically homeless people and new RRH
  - CoC Planning: 3% of pro rata
    - \$327,384
    - Can only be used to create CoC planning grants, which are not ranked or placed in tiers
- New projects may be created by using the Permanent Housing Bonus funds or by reallocating funds from renewal projects.
- All new and renewal project applications (except the CoC planning grant) must be placed in one of two tiers. Tier 1 is the relatively “safe” tier, and projects in Tier 1 are likely to be funded. Projects placed in Tier 2 may not receive funding if HUD does not have sufficient funds for all projects.
  - Tier 1: 94% of ARD
    - \$7,771,642
  - Tier 2: 6% of ARD plus PH Bonus
    - \$1,150,831
- The Project Review Committee and NCCEH staff used the new and renewal scorecards, created by the Scorecard Committee and approved by the Steering Committee, to review and score applications.
  - Each scorecard has two sections. The combined scoring section was scored by both a Project Review Committee member and an NCCEH staff member, whose scores were averaged. The Project Review Committee member was from a different Regional Committee than the applicant. The staff scoring section was scored by NCCEH staff and is based mainly on HMIS and APR data. The scores for these two sections are combined to create the total score.
- The scorecard includes several metrics used to assess and prioritize applications. In order of priority, these metrics are:
  - Thresholds: If projects do not meet thresholds, they cannot move forward in the competition.
  - Standards: Important aspects that projects are expected to meet. Standards are evaluated to determine where projects are ranked or if projects are funded.
  - Section score minimums: Ensure every project meets a basic level of performance in every section of the scorecard.
  - Overall score: Helps determine the order of ranking after considering thresholds, standards, and minimums.
- The BoS received the following project applications from agencies seeking new and renewal funding:
  - 1 CoC planning application (not ranked as per HUD’s rules)
  - 1 HMIS renewal application (not scored; precedent is to rank this project first)
  - 33 renewal applications
    - 30 PSH
    - 3 RRH
  - 8 new applications, of which 4 are eligible



- 1 PSH (not eligible due to unmet thresholds)
- 6 RRH (3 not eligible due to unmet thresholds)
- 1 Supportive Services Only (SSO) for Coordinated Entry

**Renewal Project Review**

- Thirty-four renewal applications were submitted:
  - 1 HMIS project (not scored)
  - 3 RRH projects
  - 30 PSH projects
- Out of the 33 renewal applications that were scored:
  - 0 applications did not meet thresholds
  - 5 applications did not meet section minimum scores
  - 15 applications did not meet 3 or more standards
- The Project Review Committee used select standards and section minimums to rank renewals.
  - The committee followed precedent when choosing which standards were the most important to use during ranking:
    - Housing First
    - Key Elements of PSH
    - RRH Benchmarks and Standards
  - Renewal projects missed section minimums in 3 of the 5 sections of the scorecard:
    - Section 2: Program Design
    - Section 3: NC BoS CoC Priorities
      - The scorecard minimum for this section was listed as 11, but should have been 10. Applicants cannot score an 11 in this section. Eight projects scored 10 points in this section. The Project Review Committee decided that because the intent was for the minimum to be 10 points, those projects should be considered as meeting the minimum. Just one project, Religious Treatment Services of Alamance County, received 0 points.
    - Section 4: Project Performance
      - Four projects did not meet the minimum in Section 4. Two of these projects were Eastpointe projects awarded through the FY2016 competition, which have not begun operations, so they did not have an APR to score. The Project Review Committee did not penalize these projects for missing a minimum since it was not possible for them to have met it.

Agency	Project	Standards Missed	Minimums Missed
Partners	Partners Consolidated Renewal 2017	1	0
SHAHC	SHAHC PH Renewal 2017	1	0
Community Link	CL-PRC RRH Renewal 2017	1	0
Cardinal Innovations	Chatham Person 1 Renewal 2017	0	1
New Reidsville Housing Authority	2017 Reidsville Housing Authority Renewal 2018-2019	2	0
RCHH	RCHH RRH Renewal 2017	3	0



RTSA	Alamance Women's PH Renewal 2017	3	2
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- The New Reidsville Housing Authority missed the minimum on Section 4 because the agency submitted an APR for the wrong dates, so it could not be scored. Staff ran the APR for the correct dates, and the APR would have met the minimum score. The Project Review Committee chose not to penalize the project for missing this minimum.
- One project, Residential Treatment Services of Alamance, missed 3 standards and 2 minimums.
- Summary of overall scores:
  - For PSH projects, the highest score was 151 and the lowest score was 58, with an average score of 110.3
  - For RRH projects, the highest score was 88 and the lowest score was 76, with an average score of 84.
- The lowest-performing project was the Residential Treatment Services of Alamance's Women's PH project.
  - Missed 3 standards
  - Missed 2 section minimums (only project to do so)
    - Scored 2.5 points out of a total of 38 possible points
  - Overall score was 93
  - This project has a history of low ranking. In 2016, the Project Review Committee discussed reallocating the project, but ultimately decided not to because there were not enough applicants to use the reallocated funds.

### **New Project Review**

- Eight new applications were submitted:
  - 1 PSH project
  - 6 RRH projects
  - 1 SSO-Coordinated Entry project
- Four of the eight new projects met all thresholds after the final threshold review conducted by the Project Review Committee and NCCEH staff: Volunteers of America RRH, Pitt County Planning RRH, Wilson Housing Authority RRH, and NCCEH SSO-Coordinated Entry.
  - The four projects that did not meet thresholds (Diakonos RRH and PSH, Southwestern Child Development Commission RRH, and Family Crisis Council RRH) were ineligible to move forward in the competition and the Project Review Committee did not include them in the proposed ranked list of projects.
- Out of the four new eligible projects, three did not meet all standards.
  - Unmet standards trigger review by NCCEH staff and the Project Review Committee. Staff asked applicants to submit official letters with supporting documentation to address unmet standards. The Project Review Committee and staff determined that these explanations addressed all standards issues and did not take these issues into consideration when ranking projects.
- All four new projects met all section minimums.
- The three new RRH projects are all from regions that are a priority 2 in the funding priorities document.
- The four new projects are:



- Rapid re-housing from Volunteers of America
  - Serves all of Region 7 and Region 11
  - \$189,616
  - Overall score: 67.5
  - History: SSVF grantee providing RRH and prevention to Veterans experiencing homelessness
- Rapid re-housing from Pitt County Planning
  - Serves Pitt County
  - \$110,000
  - Overall score: 47.0
  - History: Current ESG grantee in good standing with the NC ESG office
- Supportive Services Only-Coordinated Entry from NCCEH
  - Serves all 79 counties in NC BoS CoC
  - \$450,000
  - Overall score: 39.5
  - History: Operates CoC-funded HMIS project serving all 79 counties in NC BoS CoC
- Rapid re-housing from the Housing Authority of Wilson
  - Serves Wilson County (provides services to participants housed by the Housing Authority through its homeless preference)
  - \$204,600
  - Overall score: 33.0
  - History: Has a general homeless preference for public housing and Housing Choice Voucher program

### Ranking and Reallocation

- The Project Review Committee recommends the following ranking:
  - HMIS renewal project ranked first (following multi-year precedent) to protect necessary infrastructure
    - CoC-wide project that affects all other agencies' eligibility for funding
    - HMIS is required by HUD
    - Scorecard is not designed to assess HMIS projects
    - NCCEH is the grantee
  - Renewal projects ranked in groups according to meeting section minimums and the select standards prioritized by the Project Review Committee (Housing First, PSH Key Elements, and RRH Program Benchmarks and Standards)
    - First group: met all select standards and section minimums, ranked by score
    - Second group: missed 1 select standard/minimum, ranked by score
    - Third group: missed 2 select standards/minimums, ranked by score
    - Fourth group: missed 3 select standards/minimums, ranked by score
    - Fifth group: missed >3 select standards/minimums, ranked by score
  - New projects (excluding the SSO-CE project) ranked by score after all renewals
  - SSO-CE project placed as last project in Tier 1
    - The SSO-CE project can only be created through reallocated funds, while the other new projects can be created through



the Permanent Housing Bonus funds. Reallocated funds must be used the year they are created. If the funding is not awarded, it will be lost. The SSO-CE project was placed in Tier 1 to protect this funding.

- The Project Review Committee recommended two projects to be partially reallocated: Eastpointe SPC Combined Renewal 2017 and Cardinal Chatham Person 1 Renewal 2017.
  - The funding priorities document recommend that the Project Review Committee review grant spending and potentially reallocate funding based on spending and performance.
  - Both of these projects spent less than 60% of their funds in the last grant year and have a history of low spending.
  - The Project Review Committee recommended reducing the budget of each project by 25%. This reduction would go into effect in the 2018-2019 grant year.
- The PRC recommended one project be fully reallocated: Residential Treatment Services of Alamance's Women's PH Renewal 2017.
  - The Project Review Committee recommended reallocation due to the project's low performance. The project missed 3 standards and 2 section minimums on the scorecard. The Project Review Committee determined the project is not meeting the CoC's priorities.
- Steering Committee members were asked for any questions or discussion regarding these recommendations; none were raised.
- The SSO-CE project can only be created through reallocated funds. The funds that are removed from reallocated projects will be put towards this project. The SSO-CE project's budget was reduced to fit the amount of these funds.
- The Project Review Committee recommended placing the SSO-CE project at the bottom of Tier 1.
  - If funds are reallocated and are not placed in another project that gets funded, the reallocated funds will be lost this year and also will not be part of the CoC's ARD next year (so will be lost in future competitions as well). The Project Review Committee recommended placing the SSO-CE project at the bottom of Tier 1 to protect the reallocated funds from being lost.
  - Steering Committee members were asked for any questions or discussion regarding this recommendation; none were raised.
- NCCEH staff reviewed the recommended project priority list with Steering Committee members.
  - The New Reidsville Housing Authority's renewal straddles the line between Tier 1 and Tier 2.
  - Rockingham County Help for Homeless' RRH is the only renewal fully in Tier 2.
  - The three new RRH projects are at the bottom of Tier 2, in order of score.
  - Steering Committee members were asked for any questions or discussion regarding the list; none were raised.
- There are not enough eligible new projects to use all the Permanent Housing Bonus funds that are available.
  - The Project Review Committee recommended two options to use as much of the PH Bonus as possible.
    - Increase the budget for Volunteers of America's RRH. This project covers two large Regional Committees and is expected to be able to



- spend the funds. The agency also has experience running very large SSVF grants that cover large areas and has the administrative capacity to increase the grant.
- Change the Wilson Housing Authority's RRH project from a 1-year grant term to a 2-year grant term.
  - The more Tier 2 funding that is above a project, the fewer points that project is given by HUD in the national competition. If both Volunteers of America and Pitt County's budgets were increased, it would disadvantage the Wilson Housing Authority's project because it is the lowest-ranked Tier 2 project.
  - The other option to use more funds is to use 2-year grants. This would only be offered to the Wilson Housing Authority because it doubles the project's budget. If it is done to higher-ranked projects, it disadvantages those projects below them. Offering it to the lowest-ranked project does not disadvantage any other projects.
- If these options are offered, the ranking order of the project priority list will remain the same. The only change would be to the budget amounts for Volunteers of America and/or the Wilson Housing Authority.
- Steering Committee members were asked for any questions or discussion.
    - LaTasha asked if projects that are reallocated will have access to those funds in the future.
      - Ehren noted that the projects cannot renew those funds, but in future competitions, if funds are available, the project could apply for a new expansion project that would add the funds back into the existing project. Agencies could also apply for a regular new project and then consolidate it into the existing project.
    - An attendee asked why the CoC would reallocate funds to projects that would hurt the CoC's national ranking.
      - Brian noted that reallocating will not hurt the CoC's national ranking and may actually help it. HUD strongly encourages CoCs to reallocate funds from lower-performing projects. HUD requires CoCs to evaluate and rank projects to ensure that the projects meet the CoC's priorities and are performing well.
      - Ehren noted that the Project Review Committee also took the funding priorities document into account during the ranking process, which put a high priority onto funding an SSO-CE project because coordinated assessment is a HUD requirement, and the BoS is having difficulty meeting it due to a lack of funding.
    - Lynne asked for clarification about the options for using the remaining Permanent Housing Bonus funds.
      - Brian explained that HUD funds projects in Tier 2 based on the CoC application score, where the projects are placed in Tier 2, and the amount of funds in Tier 2. The Project Review Committee considered the most strategic way to increase the likelihood of all projects in Tier 2 being funded. Volunteers of America was offered an increased budget because they were the highest-scoring and could use the funds. Adding these funds also increases the CoC's ARD for next year, so this is advantageous for the CoC. Giving the Wilson Housing Authority a 2-year grant term moves Volunteers of America and Pitt County's projects closer to the top of Tier 2. These projects will then



both receive more points because they are higher in Tier 2 than they would have been without adding funds to the Wilson Housing Authority's project.

- A motion was made to approve the project priority listing as recommended by the Project Review Committee [Harrison, Mallory]. All in favor; none opposed. Regional Leads who are from applicant agencies abstained from voting.
- NCCEH staff will notify applicants via email about the Steering Committee's decision to accept or reject project applications by September 13.
- Because this is the first year funding has been reallocated, the Steering Committee was asked if they would like to offer an appeals process to rejected or reallocated projects.
  - Teena noted an appeals process should be offered to give applicants a chance to ask questions.
  - Others agreed that this would be reasonable.
- In anticipation of this decision, NCCEH staff drew up a draft appeals procedure. The draft document was presented to Steering Committee members for review. Steering Committee members were asked for any questions or discussion about the document.
  - Marlene asked why the deadline was set as September 14. Brian noted that after the appeals letters are submitted, the Project Review Committee will need to be reconvened, all materials reviewed, applications edited, and final applications submitted by September 20. Staff plan to notify rejected and reallocated applicants this afternoon, which gives them a day and a half to submit the appeals letter.
  - Ehren noted that if there are successful appeals, the Steering Committee will be asked to vote via email by 5:00 pm on September 19 to approve the changes. This vote would follow the same rules regarding conflict of interest (Regional Leads from applicant agencies would need to abstain).
- A motion was made to approve the appeals process [McCormick, Willis]. All in favor; none opposed.

#### **Next Steps**

- NCCEH staff will post the appeals process to the website and will include it in the notification emails sent to applicants whose projects were rejected or reallocated.
- NCCEH will post the CoC application and project priority listing to its website on or around September 22.
- NCCEH will submit the consolidated application to HUD prior to the September 28 deadline.

**Next Meeting:** Tuesday, October 3, at 10:30.

