



North Carolina Balance of State Continuum of Care

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Project Review Committee Minutes 8.29.19

Committee Members Present:

Andrea Merriman, Kay Johnson, Deniece Cole, Alyce Knaflich, Janet Carlton, James Mercer

NCCEH Staff Present:

Brian Alexander, Ehren Dohler, Emily Carmody, Jenn Von Egidy, Stan Holt

Review of the Scoring Process

- The Project Review Committee (PRC) is composed of representatives from the NC BoS CoC Regional Committees and Steering Committee. Each Regional Committee may send one representative. To avoid conflict of interest, people from agencies applying for CoC funding are not allowed to serve on the committee.
- The committee uses scorecards created by the Scorecard Committee to review and score project applications for new and renewal funding in the NC BoS CoC.
- After scoring, the committee meets to create a recommended ranked list of project applications to be included in the CoC Collaborative Application sent to HUD. This ranked list is presented to the NC BoS CoC Steering Committee for approval.
- Scoring project applications allows the CoC to prioritize limited funds based on need and on the CoC's priorities. Scoring also allows the CoC to fund projects that have high performance and manage their funds effectively. Scoring and ranking applications is a requirement from HUD.

Summary of Potential Funding

Potential Amount Available to NC BoS CoC Applicants:

Annual Renewal Demand (ARD)	\$8,583,575
Bonus Funding	\$766,205
DV Bonus	\$1,164,839
CoC Planning (not ranked)	\$349,452

Projects will be ranked within 2 tiers:

Tier 1: 100% of first-time renewals + 94% of ARD	\$8,085,723
Tier 2: 6% of ARD + Bonus + Domestic Violence	\$2,428,896

- Project applications must be placed into two tiers:
 - HUD has indicated that Tier 1 is the relatively “safe” tier, and projects placed in Tier 1 are likely to receive funding from HUD. Tier 2 is the riskier tier, and projects placed in Tier 2 may or may not receive funding. In the past, the NC Balance of State CoC has had projects placed in Tier 2 that did not receive funding from HUD.
- We have an opportunity to get bonus funding. It is not guaranteed, but we are allowed to apply for bonus funding in that amount.
- DV-dedicated projects may apply for available DV bonus funds in this year’s competition.
 - Ehren: This is a separate pot of funding, but everyone applying for the DV bonus across the U.S. is competing against each other. This is a national competition.
 - Stan: In other words, we have control over what might get funding in the ARD, but we have no control over the DV Bonus.
- Scoring
 - Combined Scoring section scored by one PRC member and one NCCEH staff member
 - Staff Scoring section scored by NCCEH staff – more objective measures and performance
 - Combined scoring + staff scoring = total score
 - PRC will use standards, section minimums, scores, and funding priorities to rank projects.

2019 Project Applications

- CoC planning application not ranked
- HMIS and SSO-CE grants are not scored, typically ranked at top.

Applications scored and ranked	35 renewal project applications 27 Permanent Supportive Housing 5 Rapid Re-housing 3 Consolidations 7 new project applications 2 Permanent Supportive Housing 3 Rapid Re-housing 2 DV Bonus Funding 1 RRH 1 Supportive Services Only (SSO) for Coordinated Entry
Applications not scored and ranked (typically ranked as first projects)	1 HMIS grant application 1 SSO-Coordinated Entry grant application

Applications not scored and not ranked

1 Planning grant application

- 3 applications did not make it all the way through the scoring process.
- Scorecard Mechanisms
The scorecards have items which hold different weight in the scoring: thresholds, standards, and scores.
 - Thresholds: If projects do not meet them, they cannot move forward in the competition.
 - Standards and Section Score Minimums: Important aspects that projects are expected to meet. Project standards and minimums should be evaluated to determine where ranked or if project is funded.
 - Score: Help determine the order of ranking after considering thresholds and standards

Renewal Project Review

Summary of renewal projects:

- 37 renewal projects turned in applications.
 - (1) HMIS project (not scored)
 - (1) SSO-CE project (not scored)
 - (5) RRH projects
 - (27) PSH projects
 - (3) Consolidations (not scored)
- Scored renewal projects:
 - 0 applications with threshold issues

Renewal Standards

Standards Missed	Number of Renewals
Housing First	3 agencies, 6 projects

- Housing First: ensures projects are providing access to services to all experiencing homelessness.
 - Staff recommends pulling these projects down in ranking

Standards Missed	Number of Renewals
PSH Key Elements (missed 25% or more)	2 agencies, 5 projects
RRH Benchmarks (missed 25% or more)	1 agency, 1 project

- Key Elements are based on SAMSHA Toolkits that identified best practices for PSH.
- Benchmarks created by federal partners for RRH program design using best practices.
- Staff recommend using these to pull agencies down to the bottom of the ranked list.
- Staff recommend not using Coordinated Entry Standards this year.

- First year using these CE questions, and CE participation was awarded in other ways using points.

Staff solicited questions or comments.

- Stan: Will the points differentiate these projects?
- Emily: Standards and points do mirror each other, because poor program design often means poor performance and low points.
- Ehren countered that projects not meeting standards could have good performance outcomes. Some may be have successful exits to permanent housing., By not adhering to Housing First, projects can serve households with lower vulnerability and service needs, allowing them to inflate performance.

Section Minimums Not Used in Ranking

Number of Minimums Missed	Number of Renewals
0	11 projects
1	10 projects
2	11 projects

- Minimums Summary:
 - Section 1 minimum was changed from 5 to 3 to reflect deleted question.
 - Section 2 minimum was not considered because applicants were not told to include MOU in instructions.
- Staff recommend not using minimums in ranking because total score will impact ranking. The total score tells the story and minimums are not necessary in the final review and ranking order.

Projects with a History of Poor Performance

- Burlington Development Corporation: *HOPE PSH FY 2018 Renewal (\$80,361)*
 - Standards: Did not meet Housing First and 3 PSH Key Elements
 - Performance: Scored lowest of renewal projects with scored APR.
 - Cost effectiveness: Grant serves 6 households with 67% of budget as services, operating, or admin.
 - APR shows they were only at 50% capacity for half of the year.
- Surry Homeless and Affordable Housing Coalition: *SHAHC PH Renewal 2018 (\$115,823)*
 - Standards: Did not meet Housing First
 - Lowest scoring application in 2018 and 2019 despite ongoing assistance from CoC and Data Center staff
 - NCCEH has given ample technical assistance and the program still asks rudimentary questions. (i.e. eligibility requirements)
- Eastpointe
 - Shelter Plus Care Combined Renewal 2018 (\$179,915)
 - Shelter Plus Care 3 Renewal 2018 (\$260,835)
 - Shelter Plus Care Beacon Renewal 2018 (\$54,411)
 - Shelter Plus Care Southeast Renewal 2018 (\$75,307)
- Standards: Did not meet Housing First and 2 PSH Key Elements

- History of poor spending
 - In 2018
 - Reallocated a total of \$139,524
 - Eliminated Beacon II
 - Took money from Combined Shelter Plus Care
 - 2019 spending low

Shelter Plus Care Beacon Renewal	<ul style="list-style-type: none"> • Spent 38% of most recent operating year • 38% projected for current grant
Shelter Plus Care 3 Renewal	<ul style="list-style-type: none"> • Spent 56% of most recent operating year • 56% projected for current grant

Staff solicited questions or comments:

- Stan: Are you going to need us to make a recommendation of not funding here or ranking them last?
- Emily: Exactly. We will be talking about that potential soon.
- Brian: We will present some options to you to consider, and this will take into account potential reallocations.

New Project Applications Review

Summary of new projects:

- 4 new projects turned in applications by the due date
 - (2) RRH projects
 - (2) DV Bonus funding projects
 - (1) SSO-Coordinated Entry project
 - (1) RRH project
- 3 new projects did not complete the process:
 - 1 new RRH project had initial threshold issues
 - Staff notified project they could not proceed in the competition.
 - 1 new RRH project decided to not move forward.
 - 1 new PSH project did not turn in a project application
 - Staff notified project they could not proceed in the competition.
- Thresholds help determine if new applicants have capacity to operate CoC projects. If they are unable to get through the CoC's application process, they do not have the capacity to manage a HUD grant.

New Project Comparison

Project	Standards missed	Minimums missed	Total Points
Trillium (RRH)	4	0	48.5

NCDHHS (RRH)	7	0	32
NCCADV RRH DV Bonus	2	1	20
NCCADV SSO-CE DV Bonus	1	2	5

- NCCEH was not anticipating a Coordinated Entry (CE) application this year. So the scorecard committee did not put a section in for CE. Last year, no agencies had interest in applying for a separate DV bonus project for CE. The Steering Committee approved the new scorecard prior to NOFA released.
 - The total points do not reflect the quality of the NCCADV SSO-CE application.

Staff recommend all 4 new projects be ranked.

- New projects ranked because:
 - High quality projects
 - Meet CoC funding priorities
 - Increase coverage in priority areas

Staff recommend the DV Bonus applications be at the bottom of the ranked list.

- Lowest scoring new projects
- Only applications that can get DV bonus funding and the only way they get funding is through the DV bonus
- Other renewal and new projects, if funded, could serve DV survivors.

Options for funding both new Trillium and NC DHHS applications

- Reallocating renewal funding
- Reducing the budget of both grants
- Trillium’s RRH project would serve 2 regions in eastern NC where RRH is limited.
 - These counties have limited capacity and need an agency like Trillium to operate a RRH program.
- NC DHHS is applying for funding they will sub-contract out around NC in regions with limited resources, many of which have no RRH at all.
 - This is a new way we can spread out our funding investment without trying to increase the capacity of agencies already in these rural areas.
 - Having a state agency administer the grant would allow small agencies to take advantage of funds from grants they would not be able to operate themselves.

Staff solicited questions and comments

- Alyce: Hopefully (NC DHHS) will not subgrant to Eastpointe. NC DHHS currently funds Eastpointe in other areas.
- Deniece: Can we not work on bringing Eastpointe up to standards?
 - Brian: NCCEH staff have been working with Eastpointe for several years to assist them to increase spending. Staff have given them technical assistance on documentation and around program design. Eastpointe leaves a lot of money on the table and many people who could be housed are not getting housed.
- Alyce: How do we guarantee these outsourced projects are meeting CoC Standards?
 - Emily: NCCEH provides oversight, and staff can help NC DHHS understand their role to monitor sub-grantees. NC DHHS will be required to monitor sub-grantees annually.

Staff will be reviewing documentation, policies and procedures, and performance. If adjustments need to be made or reallocation needs to happen, the CoC can make those decisions in future funding competitions.

- Ehren: we will likely need to create a scorecard in the future that covers how to score a project that serves several sub-grantees.
- Stan: How does CE work at the state-level and is creating a second system for DV the right approach?
 - Emily: if we are not able to get the DV bonus, then it would not impact the other new and renewal projects. These DV bonus projects would essentially drop off the CoC's project priority list. These projects are good enough to compete for the DV bonus but not to impact other project's rankings on the list.
 - Ehren: The SSO-CE project for DV is not written to create a separate system. This project would support the DV system to better participate in the CoC's current CE system and ensure that DV survivors have the same access to CE as everyone else. NCCADV are connected to all DV providers across the state and can use its connections to bring DV service providers to the CE system in a more robust way.
- Stan: Give them a chance and then monitor its effectiveness (ie., more DV victims in the system)
- Alyce: NC DHHS is a huge state funder that already serves Eastpointe and obviously they are not monitoring well if their performance is low.
 - Emily: Eastpointe has funding for the Key/Targeted housing program but NC HFA provides oversight The ESG office administers and subcontracts funding to RRH agencies and oversees compliance, but Eastpointe is not currently a grantee for this funding. NC DHHS contracts with Eastpointe for the TCLI housing program, which is separate from CoC-funded projects. HUD funds Eastpointe's PSH programs, where NC DHHS does not play an oversight role.
- Alyce: administratively how are they going to handle this?
 - Emily: Over the past 3 years, we have seen the Governor's office and the state moving faster on permanent housing opportunities than we have ever seen. It's a growing priority for the state. Back@Home has become a vision of what it means to do housing work, and they were able to design and implement the program in 2 weeks after Hurricane Florence. They are doing monitoring and self-evaluation of this program with sub-grantees. The same staff operating the Back@Home program will be operating the CoC project too.
 - Ehren: This project will operate differently from the projects that non-profits that the CoC currently funds. We can all think of a program run by NC DHHS that we are not happy with. However, we do not have control over those programs. This project represents the first time that the CoC would have any control over for how a permanent housing program operated by the state would operate. We can watch closely and ensure the program meets the needs of the CoC.
 - Ehren: we could change our scoring and ranking process in the future for a large subrecipient grant.
 - Brian: Eastpointe's current CoC grants are contracted through HUD not NC DHHS.
- Alyce: Why did they focus on Polk County if there is already RRH in that Region?

- Brian: I recommended that they choose a few representative areas around the state to set their FMR rates. The project will serve all 79 counties in the NC BoS CoC so it's important not to look at just the areas where the FMR has been used as the baseline for the budget.
- Stan: I can't remember: are these RRH or PSH projects and how many households are the new projects anticipating reaching and which regions will they cover?
 - Brian: The Trillium RRH program would work with 16 households in Regions 12 and 13. The NC DHHS RRH grant will serve 100 households across all NC BoS CoC counties. Because of the way that the CoC application requires RRH applicants to budget their dollars for rental assistance, these projections for final households served is likely low because the budget requires applicants to budget 12 months of rental assistance per household. Likely households will average fewer months of rental assistance than 12 months.

Ranking and Prioritization

- Rank the HMIS and SSO-CE renewals at the top, according to precedent and funding priorities
- Pull down renewal applications that do not meet Housing First and Key Elements/Benchmark Standards
 - 4 agencies, 7 projects
 - Those who did not meet Housing First are below the projects that only missed Key Elements/Benchmark Standards.
- Rank renewals using total scores
- Decision Point: Do we reallocate projects?
- Funding priority: Ensure CoC funding is being used well, including potentially re-allocating some funding from projects that have patterns of low spending or poor performance
- Looking specifically at performance and history of underspending, staff have identified some areas where the CoC could reallocate to include funding for new applications.
- Staff solicited questions and comments about the 2 recommendations for full reallocation.
 - The consensus of PRC members was to move forward with reallocation as presented by NCCEH staff.

Scenarios

Staff ran through 2 scenarios for reallocating grants to make room for new projects.

Scenario 1:

Renewal Project	Full or Partial Reallocation	Total Amount Reallocated
Burlington Development Corporation <i>HOPE PSY FY 2019 Renewal</i>	Full	\$80,361
Surry Homeless and Affordable Housing Coalition	Full	\$115,823

<i>SHAHC PH Renewal 2019</i>		
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This would allow for enough funding to fully fund all other renewal grants.

- Burlington Development Corporation
 - lowest performing grantee
 - ran at 50% capacity, only serving 6 households
 - large amount of funding is for service and administration
 - they have access to other rental assistance projects. Low impact in regards of the resources.

- Surry Homeless and Affordable Housing Coalition
 - Significant performance issues
 - Did not met Housing First
 - This is the second year they were at the very bottom of the list.

Scenario 2:

Renewal Project	Full or Partial Reallocation	Total Amount Reallocated
Burlington Development Corporation <i>HOPE PSY FY 2019 Renewal</i>	Full	\$80,361
Eastpointe <i>Shelter Plus Care Beacon Renewal 2019</i>	Full	\$54,411
Eastpointe <i>Shelter Plus Care 3 Renewal 2019</i>	Partial	\$53,051

- Eastpointe Beacon
 - Spent less than half of this grant
 - They could transfer folks to other grants, which could improve spending. It also would relieve administrative burden which could help with performance.

- Eastpointe SPC 3
 - The reallocation equates to 20% of the budget. This could help with their overall portfolio spending.

Staff solicited discussion around each scenario.

- Deniece: asked what would happen to people currently in Eastpointe housing?
 - Brian: This is not impacting people at all, because this money is just going back to HUD. This would not mean anyone would lose housing. These people are not getting housed anyway. This gives the opportunity for another project, like NC DHHS, to contract with an agency that would spend this money and house people.
- Alyce: Reallocate funding for all projects at rate not being spent.
 - Emily: Eastpointe is an outlier. The grants we reallocated last year are now performing better in spending because the reallocation right-sized the grants. If we reallocate all 3 grants, then we leave money on the table. We reallocated for renewal funding requests and all new funding requests.
- Alyce: Is there a project that can use more funding than requested?
 - Emily: this is not allowed in the CoC competition, but it's a great way of thinking through this.
- Brian: there are other PSH resources in Regions 4 and 6 where the Burlington Development Corporation and SHAHC projects operate. However, Eastpointe is the only agency providing PSH in Region 10., Eastpointe has other grants that they can serve people needing PSH with. Currently, they just have too much money in their grants and much of it is being returned to HUD.
- Most members stated they preferred scenario 2, but a few still felt SHAHC had a track record of not responding to technical assistance. Staff suggested still going with scenario 2, but ranking SHAHC at the bottom of Tier 2, after the new projects. This puts them at risk of potentially not being funded this year but doesn't leave any potential money on the table.
- A motion to recommend option 2 with SHAHC ranked below the new projects, but above the DV bonus grants was made [Battle, Johnson]. All in favor, none opposed.

Next Steps

- The Steering Committee will consider approving the PRC's recommendation at its September 4 meeting at 10:00 AM.
 - Please attend. Steering Committee members might want to hear about how decisions were made.
- Staff will notify applicants regarding decisions by 9:00AM on September 5
 - We ask that PRC members not discuss decisions with applicants or Regional Committees.
 - Staff will send scorecards to applicants and offer follow-up calls after the competition. We encourage PRC members to participate.
- Applicants have an opportunity to appeal decisions.
 - If needed, the PRC will meet to consider appeals on September 9 at 1:00 PM. Please save this date and time.