



North Carolina Balance of State Continuum of Care

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NC Balance of State CoC Funding and Performance Subcommittee

Meeting Minutes 4.17.18

Subcommittee members attending: Talaika Williams, Richard Gary , Melissa McKeown, Joel Rice, Destri Leger

NCCEH staff attending: Ehren Dohler, Brian Alexander, Jenn Von Egidy

Subcommittee members missing: Tiana Terry

Minutes:

- *Intro to ESG*
 - Eligible Components through HUD
 - Emergency Response
 - Emergency Shelters
 - Street Outreach
 - Housing stability
 - Targeted Prevention
 - Rapid Rehousing
 - The flow of ESG funds into BoS agencies goes from HUD to DHHS to the agencies.
 - The ESG application process goes from agencies to the Local Planning Area (in BoS, LPAs are the Regional Committees) to DDHS
 - Two part application process:
 - Project Application
 - Regional Application
 - Regional Committees must select an ESG Lead Agency to submits all materials to DHHS.
 - This is not the Funding Process Lead (An individual that has no conflict of interest)
 - LPA/Regional Committees are responsible for running the local competitive processes of soliciting, reviewing , and selecting project applications. The Process should be:
 - Competitive
 - Transparent and avoid conflict of interest
 - Promote funding to the highest quality projects
 - Reflect community need
 - Funding priorities should assist communities to design their process and make good decisions.
 - Joel Rice served on a Regional ESG funding committee in 2017. He stated that having priorities would be helpful when making ESG funding decisions.

- Current expenditure limits for ESG funds

Per Local Planning Area	Maximum 60% in Emergency Response, minimum 40% in Housing Stability
Per program: Shelters	Maximum 40% for services, minimum 60% for operations
Per program: Rapid Re-housing	Maximum 40% for services, minimum 60% for financial assistance <i>(exception: if documentation is provided that non-ESG funds will be used for financial assistance)</i>

- Richard Gary asked for clarification on the difference between Operations and Services expenditures in Emergency Shelters. Brian explained that Operations expenditures were for the operation of the physical building. This would cover utility bills, rent, and maintenance bills. Services expenditures covers case management, SOAR caseworker, housing specialists, referrals to the coordinated assessment system, and services connected to getting clients out of the shelter and into the housing.
- *Current state of ESG funding in NC BoS CoC*
 - Most of our funding goes to Housing Stability
 - The ratio of emergency response to housing stability varies widely. We hope to write funding priorities that are educational and help Regions to make funding decisions.
 - Destri asked if we were recommending agencies apply for Prevention dollars. Brian encouraged that if we do apply for prevention dollars, we utilize the dollars for diversion activities. The problem is the difficulty in determining if a household would truly have become homeless without those funds. We could also focus on “return prevention” to target clients we’ve already worked with and don’t want to cycle back in to homelessness. Melissa confirmed that the DHHS ESG office felt that that money was not being spent the way it was intended to be spent.
 - All but one region (Region 9) funds mostly shelter operations.
 - RRH programs tend to request more services than housing stability for funding.
 - Money is left on the table every year. In 2017, 15% of our ESG allocation was not awarded. This reflects money that was not applied for and also money that was applied for but not awarded due to low quality applications. Brian added that the ESG office took previous spending into account when they awarded funds last year. They will also have spending as priority when deciding awards this year.
 - Spending
 - The ESG office organized renewal projects into three tiers based on spending in the previous year:
 - Tier 1: 65% or higher
 - Tier 2: 55-64%
 - Tier 3 54% or less
 - There is a sharp divide between regional spending rates. Brian and Ehren made a point to say there were exceptional situations in different regions. ESG also did not get contracts out until very late, which effects spending. ESG has



- corrected contract issues and has been clear on spending expectations. Spending will be taken into account in the future by the ESG and Regional Committees/LPAs will need to also pay attention to that during the competitive process.
- Some counties need better emergency shelter coverage. 16 counties are without emergency shelter beds and had 220 people that were counted in the 2017 PIT count as unsheltered.
 - There are some counties that may have too many ES beds based on the PIT count and their utilization rates. Do these counties need to reallocate funding to RRH or to other counties?
 - Local conversations need to take place around the importance of PIT data and the way it will effect allocations. Region 9 did not have a unsheltered count in 2018 and this could effect funding for that region.
 - We can also look at the AHAR or utilization reports prior to de-funding or reallocating funds.
 - Rapid Rehousing is not available in every county. 15 counties are without ESG-funded RRH.
 - CoC funding priorities
 - What year of PIT data should we use? Staff recommended we use PIT data for the previous year, due to counts often not being finalized until May. Destir asked if Regional Committees could appeal to allow the current year's PIT count be used. Brian stated that the Regional committee would need to have their current PIT count information submitted early to be able to file an appeal. Ehren also mentioned that although PIT data may change, it may not be a big enough percentage change that it would effect the priority for the region. The timeline could be set annually based on when the count is held and when the due date is.
 - We will proceed with 2017 PIT data while creating the funding priorities this year.
 - Should we add components and eligible cost categories to funding priorities?
 - Eligible CoC components
 - Permanent Housing (PSH or RRH)
 - Transitional Housing
 - Supportive Services Only
 - HMIS
 - TH-RRH: In 2017 a single project that combined TH and RRH was also eligible to apply. Should funding priorities discuss TH-RRH projects?
 - Amy stated we just got people to stop utilizing TH projects and to get out of that mind frame. Melissa recommended we state it is not a BoS priority. Talaika said we need to make sure we say it's not going to be funded or people will still apply for it. Melissa replied that there likely would not be any programs prepared to apply for this type of funding this year since it's new. We decided to not fund this year.
 - Eligible CoC costs
 - Acquisition, rehabilitation, or new construction
 - One-time, do not renew. 3 or 5 year grants.
 - Rental assistance
 - Leasing
 - Supportive Services
 - Operating
 - HMIS



- Should funding priorities address whether applicants can apply for Acquisition, rehabilitation, or new construction?
 - These projects would take large amounts of our bonus funding. They also would not be likely to pass through the competition and be funded. Brian also mentioned that staff would have to monitor the project for the next 20 years. The staff time would be immense.
 - Brian mentioned that Richard Gary with Region 6 had applied for Acquisition/Rehabilitation and asked if Richard wants to speak to that. Richard stated that in light of new information, he decided not to put that application forward.
 - Melissa stated that with so many other pots of money for new construction, it didn't seem a priority to take CoC funds for that purpose.
- The committee reviewed text changes on p. 4-5. The committee commented that "positive effects" was general. Brian suggested to change text to say: "The ability with new funding to house those experiencing homelessness in a region that did not have or have very little funding"
 - The New Priorities Grid Sources and Methods on p. 7 had adjustments that did not effect the Priorities Grid.
 - Ehren recommended that staff make these changes and then we would have a 30 minute phone meeting to pass the changes next week. This allows for the CoC Funding priorities to be presented at the May steering Committee.
- ESG program performance
 - Program design and performance are rarely part of local competitions. We currently do not have a process to ensure compliance with written standards for ESG programs.
 - ESG is pushing Housing First and will likely soon make this the threshold to get funding.
 - Many of the shelters have barriers. Melissa stated that the transition to low-barrier shelter takes time and that a lot of conversations with boards and staff have to take place.
 - RRH programs have wide ranging program design.
 - RRH programs seem to be asking for too little assistance. ESG recommends an average of 3 months of assistance per person. Our RRH funding per person ranged from \$46.67/person to \$8,686.56/person.
 - Many shelters have barriers
 - Two potential measures of barriers are low utilization rates or high unsheltered counts
- *Funding priorities discussion*
 - Richard Gary asked about tracking returns to homelessness. Ehren agreed that we were not currently looking at System Performance Measures like Returns to homelessness and time to house persons in RRH. Brian mentioned that some data is asked for in the ESG application.
 - Richard also mentioned he wanted to learn more about Street Outreach and Homelessness Prevention. He also asked for clarification around the process. Brian stated we could put specific priorities around different programs.
 - Talaika wants to be sure that BoS is not leaving money on the table and would like to see priorities to support spending.
 - Joel noticed that bed utilization rates were low and he wants to encourage shelters to have higher rates.



- Talaika discussed shelters with high barriers and the difficulty getting unsheltered clients in. Ehren discussed that getting priorities around low barriers in writing makes it easier for Regional Committees to have those conversations with those shelters. The CoC can talk with those shelters if they are at risk of being de-funded.
- How should the committee structure priorities to allow for regional differences? What tools would be helpful to the funding committees in each region?
 - Joel stated a decision tree would be helpful. Melissa stated that if they had it early enough they could talk with their Regional Committee in the summer.
 - Joel also stated that the spending spreadsheet and the quarterly reports would be useful to have when making decisions. This would be helpful to have early s they have decisions made for their communities before the RFP comes out. Ehren stated they could have overarching CoC priorities and Regional priorities.
 - Richard stated that agencies in the region do not always work together to make sure that funding was spread across the region. Ehren stated that a decision tree could be used to incentive agencies releasing duplicative programs and working together with other agencies.
 - Destri asked if a regional submission of priorities could happen.
- *Priorities Brainstorm*
 - Coverage should be a part of the decision tree
 - We need to address spending and how much the region is allocated and making sure they have enough agencies to apply for it. This could be in a decision tree
 - Performance: Shelter barriers and program design. Destri stated we should look at performance measures if ESG was going to start looking at them in the future. This would be in a scorecard. A scorecard could be created by the committee or staff, but regions could use their own. Brian stated that any tools we create should be easy for Regions to use. We also don't want to overwhelm them with too many tools.
 - Each committee member wrote down their top priorities based off everything talked about today. Each person had both spending and coverage, except Melissa who only had spending.
 - She stated that coverage was difficult in regions that have agencies that are not participating in the process and not as concerned about coverage. She also stated that it can be difficult with agencies that have been burnt in the process in the past and now don't want to show up for anything.
 - Amy added that in her region Trillium is the only grantee and that it's difficult to have these conversations when they are the only one getting the money. Brian stated that the conversation isn't just about funding, but about how to create a system that shelters everyone that needs it.
 - Ehren also mentioned that we need to be careful that we don't put too many barriers for new agencies that prevent them from applying for ESG funds ESG can be the hook that gets agencies to the table and we don't want to scare them off.
 - Coverage
 - Utilization/bed availability
 - component priority ex: shelter is low barrier
 - Regional decision to incentivize a shelter to change barriers



- Next Steps:
 - The Subcommittee's next meeting is via conference call to approve CoC Funding Priorities. April 26th at 1:30pm.
 - The Subcommittee will meet again on May 15th from 10-12 via a conference call.

