

**Arizona Balance of State Continuum of Care**  
**Governance Advisory Board Meeting Minutes**  
**NOFA Approval Meeting**

July 16, 2018

*Members Present:*

Barb Mikkelsen (HCIC)

Suzanne Payan (CAHRA, Pinal County)

Carole Benedict (U.S. Vets, Yavapai County)

Ricardo Fernandez (Arizona Dept. of Health Services)

Karia Basta (ADOH)

*Members Absent:*

Adrienne Clark (ADES)

Lizbeth Fullbright (Verde Valley Sanctuary)

Valarie Donnelly (WACOG)

Camie Rasband (Catholic Charities, Coconino County)

Cristina Benitez (AZCH)

*Staff & Guests*

David Bridge (ADOH)

Ryan Vernick (ADOH)

Joy Johnson (ADOH)

Candee Stanton (Consultant)

Everyone was welcomed, and the meeting started at 9:02 a.m. Roll-call was performed.

Due to HUD requirements, there is a September 18<sup>th</sup> due date with additional pre-due date deliverables required.

**Overview of NOFA and Changes:**

A little under \$4 million dollars is awarded to ADOH to fund permanent housing, rapid rehousing, and transitional housing programs throughout 12 of the 13 counties in the Balance of State Continuum of Care. There are two stages; the federal application in which the CoC gathers data for and sets some priorities, which will be ranked against all other CoC's in the country, and the second stage is the local/state ranking process where 24 programs are ranked/reviewed/monitored on how they are meeting HUD requirements. This is a competitive process.

The two biggest changes on the overall scoring nationally this year include HUD will be very closely monitoring:

- CoC Coordination and Engagement- who is at your table, how well are you bringing all your stakeholders together, how well are you involving your VA, how well are you involving the school districts- which is almost one-fourth of the overall score
- System Performance- how much recidivism, how well are we reducing the overall number of homeless people, how are we doing at housing retention and moves on to permanent housing, how are we doing engaging first time homeless- this is now over one-fourth of the overall score

HUD is less focused on ranking, but more focused on the CoC's governance and structure, because if these are in place, the only thing they should be measuring is the outcomes.

There are still points for HMIS, PIT Counts, Ranking and Review Process, although these are given less significance than previous years. The rest of the overall structure of the national competitive process hasn't changed significantly.

On the local level, in terms of the eligible activities, there have been a number of changes. There are three elements:

- Renewals- for those agencies/organizations that are already receiving funding, what are we doing to ensure we are monitoring/evaluating/prioritizing them; activities include:
  - Consolidation- the ability of agencies to get multiple grants as long as the grants are the same type in the same agency, HUD is giving them the ability to combine them into larger, single grants
  - New Processes vs. Reallocation Process; in the past if an agency wanted to change its activities (for example, switching from a transitional housing to a rapid rehousing program), previously you'd have to go through an administrative process through HUD to get permission, which they have been discouraging the last couple of years. So in order to make significant changes, you had to go through the Reallocation Process, have the funding taken away and put back into a competition pool. Now HUD has implemented a Transitional Process, which allows an agency to keep their grant, treat it as reallocation dollars, and then switch the program to the new program type.
- Reallocations- for those programs that are not performing or not fitting the need of the Continuum, how are we reallocating funding to programs that are performing;
- Bonus Money- there are potential opportunities for additional funds.
  - In order to qualify for bonus funds, HUD has put in the requirement that we must demonstrate we have reallocated at least 20% of our total dollars since 2014. We are currently \$150,000-\$200,000 short of that goal.
  - Up to 6% of our total award can be applied for as bonus money, which is roughly \$250,000-\$300,000 each year, as well as any money that is pulled out of a project for reallocation. Most of the project types will be eligible for bonus money.

- Brand new for this year, HUD has allocated bonus money specifically for DV projects. Up to 10% of our renewal amount can be applied to DV projects (roughly \$350,000-\$400,000). There are three eligible activities:
  - DV rapid rehousing projects;
  - DV transitional/rapid rehousing projects;
  - DV coordinated entry coordination-type activities

HUD is still using the Tier 1, Tier 2 strategy, where we have to rank our projects, and HUD takes 94% of the total award, and anything above this amount is called Tier 1. Tier 2 projects depend on how competitive the grant is compared to others nationwide, so funding is not guaranteed.

### **Proposed Grant Consolidations:**

Before we request the project consolidation, the HUD local office had to provide approval of the proposed consolidations, so at this point we will propose the following consolidations in the NOFA (only a maximum of 4 can be combined in any one consolidation):

- US Vets: Victory House and Hope House (both PSH projects)
- Catholic Charities: Sky Pointe and Sharon Manor (both RRH projects)
- Catholic Charities: NARBHA PSH and Cyprus Grove (would give 21 PSH units in one contract)
- Catholic Charities: Forward Step (Cottonwood/Verde Valley), Flagstaff Pines, Northern Sky, and Sycamore Canyon (would give 47 PSH units in one contract)

The benefit of consolidating is there is less paperwork and other administrative duties tracking one contract as opposed to multiple contracts. According to HUD, if all of the projects in a proposed consolidation get funded, the consolidation itself is approved; if not all of the projects get funded, the other ones from the planned consolidation get funded as individual projects.

The motion was made and seconded to approve the above proposed grant consolidations; motion passed unanimously.

### **Reallocation Policy and Guidelines:**

This was previously discussed at the retreat, and documents were sent out for review. Reallocation is part of the NOFA process. HUD has threshold requirements in that all funded agencies are performing and meeting overall goals. If projects are no longer performing, or no longer providing services that are considered critical to the CoC (for example, if a community has basically eliminated homelessness), then HUD has the duty to reallocate funds to agencies with the most need for the highest priority projects.

What criteria can we let agencies know of throughout the year for them to keep track of, so a reallocation doesn't take them by surprise, and under what circumstances would a reallocation take place?

- Nonperformance: for example, financial mismanagement, lack of achievement of goals, the quality of case management services, lack of or projected outcomes; thresholds are important, so if an agency got debarred due to contract violations, was not meeting basic program criteria, or not participating in the CoC, this would justify reallocation their funds.
- Needs of the Continuum: if, for example, the needs shift from rapid rehousing to permanent supportive housing, or one county no longer has homelessness while others still struggle, the Continuum can reallocate funds that no longer fit the identified needs to ones that do.

ADOH will draft a Performance Management Plan in the coming months, to be incorporated into the Reallocation Policy, so agencies know what the standards are they will be required to adhere to and what the notification process is, to make it as transparent as possible.

There will be minimum thresholds as the first hurdle to avoid reallocation, but depending on “gaps and needs” a reallocation could still take place even if minimum thresholds are met.

C. Benedict motioned and S. Payan seconded to approve the above draft Reallocation Guidelines; motion passed unanimously.

**Proposed Reallocation of West Yavapai Guidance Center:**

Based on nonperformance (lack of/sporadic participation in the Balance of State and the local Yavapai CoC process) and the needs of the Continuum (only seven units, with no movement/turnover in years), it is proposed to reallocate the funds given to the West Yavapai Guidance Center (just under \$29,000 operational dollars they put in an interest-bearing account for operation and maintenance of existing facilities). The 2017 HUD funds have not yet been dispersed, so they will have another year of funding, until the fall of 2019, before the reallocation goes into effect.

K. Basta motioned to reallocate the 2018 NOFA and Ricardo seconded; motion passed unanimously.

Proposals for using the reallocated funds:

- There are four rural counties (Graham, Greenlee, Gila, and Santa Cruz) without coordinated entry coverage; ADOH is getting a proposal from CIR to see about providing an live phone line to be staffed certain times of the week to provide coordinated entry access in these counties. Activities will include: assistance with diversion, completion of the VI-SPDAT, HMIS data entry and inclusion on a by-name list, and ultimately referrals to housing units in those counties. If volume ends up not being sufficient to justify a staff person, it could be broadened to other counties with the same need.
- Combine with bonus dollars to make a bigger pool, but this runs the risk of, if bonus money is not awarded, the almost \$29,000 will also be forfeited.
- Have CIR provide as-needed backup data entry support for Coordinated Entry.

C. Benedict motioned to use the reallocated funds towards Coordinated Entry by CIR for the four uncovered counties, and L. Fullbright seconded; motion passed unanimously.

**Proposed Transition Reallocation of US Vets:**

Transition allows changing the type of project, with the benefits that the agency already using the money still maintains the grant instead of it going back into the competition pool, and it counts towards the required 20% allocation threshold to qualify for bonus money. It does still need to fall within Tier 1 during the ranking process, and up to 50% of the prior activity can still be conducted while transitioning to the new activity. C. Benedict and US Vets proposed to keep 50% in transitional housing (TH) only model, and the other 50% to move to transitional housing/rapid-rehousing model (TH/RRH).

C. Benedict recused herself from the vote. B. Mikkelsen motioned to use approve the transition of US Vets from TH to TH/RRH in this year's NOFA; R. Fernandez seconded; motion passed.

**Bonus Projects:**

ADOH recommended focus of available CoC bonus funding on PSH and RRH. The HUD NOFA awarded points for showing an increase in availability in RRH. Last year it was worth 10 points.

Other projects could be expansion of coordinated entry, increases in HMIS, TH/RRH (where the transitional housing is more like bridge housing to just get them stable and then rapid rehousing them).

This discussion was tabled until the next meeting.

**Application Strategies:**

There are two applications; the renewal application and the bonus project(s) application.

The "local" application (completed by the sub-recipient) is now a request for information, based specifically on the NOFA, and the questions align with the narrative the collaborative applicant has to develop for the application. With a few exceptions, like the requirement for a PIT count, the document is unscored.

Another document the sub-recipients will complete is a self-scoring tool as used in the past, but it is completely objective with very specific instructions on how to score themselves based on:

- Data from their latest APR (which must be submitted)
- Monitoring data from the participation in the PIT count and LCHs

For the bonus or reallocation application, for DV shelters (RRH or TH/RRH), it follows the new application format in eSNAPS, but there will be additional required information if the project is chosen to be part of the collaborative bonus project.

There also is the scoring of the bonus application, which will be conducted the same as last year, both by members of the Governance Advisory Board members who are non-recipients and others recruited to help participate.

There is a separate overview that talks about the NOFA, talks about the scoring, provides the two scoring tools, and spells out that in no uncertain terms if items are incomplete or not properly filled out or if deadlines are not met, points will be lost.

Candee will be available for assistance, with weekly FAQs posted to assist with the process.

HUD wants applicants to show cost-effectiveness, which is difficult to benchmark due to differing FMRs. The team did come up with some ways to measure financial viability that will be shared with the applicants to help with this requirement.

K. Basta motioned to use approve the planning drafts, the motion was seconded, C. Benedict recused herself from the vote (and Ricardo left the call). The motion passed.

#### **DV Bonus Projects:**

HUD allows collaborative bonus applications for up to three types of projects, and they will fund one of each type of DV project. The three types are:

- DV RRH
- DV TH/RRH
- DV Coordinated Entry

The CoC Coordinator reached out to the DV Coalition and it was agreed to not submit an application for a DV Coordinated Entry project due to the HMIS requirement in Coordinated Entry; the Coalition has a comparable database that can be used in place of the HMIS system, but not formally through Coordinated Entry. It was recommended that the AZBoSCoC allow submission of DV RRH and DV TH/RRH HUD CoC Domestic Violence Bonus Projects.

C. Benedict motioned to pass the DV RRH and DV TH/RRH, L. Fullbright seconded; motion passed.

#### **Miscellaneous:**

In creating scoring criteria, one issue that comes up every year is geography and whether to have projects in all 13 counties, the bonus points or additional consideration given to projects that serve multiple counties, especially if this includes those areas with fewer resources, or if an individual county has no other grants. Does the Board want to include this as a priority for this year, or stand neutral?

The only county that doesn't have at least one grant covering it is Gila County. Does the board want to provide points to new projects that will provide housing in more than one county as part of the scoring criteria?

K. Basta proposed to table this discussion until applications are received and the board can see what geography is represented before a decision to award points for lesser-served areas is made; everyone agreed.

**Additional Agenda Items:**

Application templates that are approved today will be edited and disseminated into the community in the next two days so that work on applications can begin; there will be between three weeks and a month to complete them, and in August a review panel will convene with any board member who doesn't have a conflict of interest. Each person on the panel will use the score sheet for the bonus applications. Projects will be ranked based on the scores. In addition to board members without conflicts of interest, it is proposed to invite peers from DES (Laura), AHCCCS (Josh), and possibly the school liaison at the Department of Education (Alexis). Everyone approved inviting the additional agencies as part of the scoring/review process.

There will be a need to have another board meeting mid-to-late August or early September for discussing/finalizing the ranking and review, which is required by HUD. Please send Melissa Swain ([melissa.swain@azhousing.gov](mailto:melissa.swain@azhousing.gov)) and David definite dates that WILL NOT work, since having a quorum is essential for this meeting with upcoming HUD deadlines set in stone.

With no further business, the meeting concluded at 10:45 a.m., July 16, 2018.