OPENING DOORS FAIRFIELD COUNTY FUNDING COMMITTEE MEETING
Meeting held by phone
May 19th, 2017 2:00 pm to 4:20 pm

Attendees: Adam Bovilsky (ODFC Co-Chair, City of Norwalk), Rebecca Allen (Melville Trust), Nancy von Euler (Fairfield County's Community Foundation), Pamela Ralston (ODFC Manager), Leigh Howard (Diana T. Myers & Associates), Doran Wright (CCEH/ODFC Project Coordinator, notes).

Note: Nancy von Euler joined the call at 2:30 pm. Following brief discussion among Adam and Rebecca who first joined the call as it was agreed that no decisions would be made until Nancy joined the call.

The call commenced with an overview by Leigh Howard of DMA Associates of the March 8, 2017 joint meeting of ODFC Providers (held to look the upcoming NOFA process and how to reapply for funding looking at costs, efficiencies and potential re-allocations) and the follow up April 19, 2017 meeting where DMA Associates outlined CoC goals, methodology and analysis of CAN data and possible re-allocation strategy.

Leigh explained that previous meetings were more conceptual in nature, exploring how to fund new Permanent Supportive Housing and Rapid Rehousing through cost reductions and in recognition of the need to re-allocate one or two projects. Leigh emphasized that there have been nuanced changes in HMIS that revealed need for greater system performance, that income is not very strong and that additional HMIS training is needed. Leigh stated that the beauty of the strategy of looking at cost effectiveness is that while some money will need to be reallocated the same number of households will be served and new units will be created through recapture.

Pam reminded call participants that they had received by email documents that included 1) 2017 Renewal Project Scoring, Ranking and Reallocation Process; 2) 2017 Renewal Project Scoring Standards, Reallocation Strategy: Part 1; and 2017 Renewal Project Summary Form.

Leigh reviewed 2017 CoC performance reviews criteria (Horizontal Spreadsheet in PDF format) and remarked if going to an 85% scale from a 63% scale where performance is being the most significant at 48%. Leigh stated that when grantees see outcomes they will be able to see the outcomes of their peers as well. Leigh amplified by saying extra criteria If going to an 85% scale from a 63% scale will be:

- create more intervals to disperse project scoring
- both years worth 48% of points available
- new this year is timeliness in data entry
- take into consideration nuanced details that have big consequences (i.e. high number of days to enter data into HMIS and not being maintained well)
- no points were assigned before – get it on folks' radar

Leigh further stated that, for HUD priorities, if agencies got points for dedicated beds, it is recommended that all beds be "dedicated" as opposed to "dedicated or prioritized." Leigh commented that that distinction represents a small detail that HUD changed and no one had before recognized; HUD will be assigning points to projects that are "dedicated." A question to anticipate will be, if a program is at full occupancy today how can they say that beds are dedicated (to chronic) when people in the beds are not currently chronic? Leigh stated that HUD guidance is that agencies will have to apply for those beds *as* dedicated beds. Leigh further said there is the need to be able to measure all the questions be asked. Previously we were asking questions that could not be answered by pulling from CAN data.

The question was asked, what is the data to ensure that applicants are following a Housing First model? Leigh responded that the first few questions will "pre-set" whether they are following Housing First and projects that have reported to HUD that they are following Housing First, may be monitored by HUD. Leigh commented that the whole system is Housing First, so there is no longer the need to incentivize, but for now we want all providers to know the expectation is clear that they are following Housing First. Pam commented that there is not now direct monitoring, however we know on turnover or exit the Housing First teams are looking at that and there has not been any over-reported indication of not following Housing First. Two projects were changed to be compliant with Housing First: Norwalk Housing Authority could not apply and Homes for the Brave changed their policy and changed their program and now they are pulling from the list.

<u>With regard to Cost Effectiveness</u>, Leigh stated that Norm Suchar recommended CoCs look at total budget (all sources), not just CoC portion of their funding, not looking at state or foundation money to evaluate. All projects are being compiled through SWAP tool in terms of practicality and efficiency.

The question was asked, what is the standard— what gets you 3 points or not gets you 3 points? Leigh answered #22 and #23 (on the horizontal spreadsheet) indicates we're comparing PSH projects to other PSH projects and with RRH projects; in other words, if you're equal to the system average you'll be awarded the 3 points. Another question was asked, will family projects be negatively impacted because they have larger unit sizes and their costs will be inherently higher. Assumption is that single projects would be compared with single projects. Leigh responded lots of different buckets to compare. One would get the point and one wouldn't. Strategy was chosen because no one project would be advantaged or disadvantaged.

The question was asked, If you're exiting a family, does a "positive exit" reflect each family member? A concern was raised about anything that would put families above individuals and individuals above families. Leigh replied that it wasn't asked last year because we wanted to do it right. Pam stated that S&E committee has been part of building the document but they have not seen the second or third column. Areas of their concern were mainstream benefits and challenges faced by certain sub-populations. Do we have enough to compare side by side? Need to look at a little more deeply.

The question was asked have we done a test of this and see what the outcomes would be, not by program, but to see cost effectiveness by family vs. individual? Leigh replied saying FMR's are more for each unit you add; families will be more. Another question was asked as whether we can we have two buckets, singles and families? Leigh replied that separating individuals and families would be the best way to go, by way of recommendation. Consensus was reached that it should be done according to Leigh's recommendation.

With regard, to CoC participation – no changes

With regard to Penalties – There was a 10% for submitting late resulting in 16% reduction. In FY2017 it will be 10 points or 10% reduction whichever is less

With respect to compliance, Pam stated that our next S&E meeting is dedicated to timeliness, cleanup (past couple of months), Brian from CCEH and Nutmeg will be coming to update committee on policies and committee will be focused on that not funding—totally directed toward system performance and data enhancement. Next year will be able to measure more strongly.

The question was asked whether there is for every item an opportunity for any project experiencing an irregularity to offer an explanation and, if so, how does that factor into the ranking? Leigh answered it is there so folks have opportunity to explain. When they do not have a high outcome in an area, it gives them an opportunity to explain, and for us to identify barriers in order to offer training or a solution. This project is going to unfairly going to lose points because of something beyond their control. Could encourage them to submit an appeal. Pam said these are items that could lead to an appeal and an understanding as to why they could not be in compliance. One project explained that the largeness of the organization was the reason they couldn't' do something quarterly (a policy was in place that they couldn't' do drawdowns quarterly). Another about utilization rates— a project had a unit offline and the utilization rate was lower than it should be then additional information could change the score.

The question was asked whether organizations understand that process because it is not intuitive (to the questioner) that I would have to still appeal? Leigh replied that we could communicate with them. As an example, there are 20 projects with 20 criteria, and it is hard to keep up with each project. DMHAS went in in third quarter and drew down 100% in the 3rd quarter but had no draw down in 4th quarter yet got penalized. That could be explained by saying they had nothing left to draw. The reason we're going this way is that Pam and Christy got a high number of calls about particular projects and this is a way to get ahead of that situation this year. Leigh also commented that a grid was already provided to each project with regard to cost effectiveness and wanted to be sure each project was using their own sources.

Leigh then recommended asking for a vote on: "Renewal Projects Scoring Standards" and "Renewal Projects Summary Form."

Before moving a vote the question was asked, how were 2017 scoring benchmarks were arrived at? Leigh replied, in part by looking at where systems performance measures were looking at ranges in 2016 rankings. They didn't have four intervals but rather two. Also, separated highest performance from lowest performance and used 2016 outcomes to drive performance. The bottom line is, if you don't hit the benchmark you don't get the points. We want to make sure your data is clean and your project is delivering the client results the system is looking for.

Leigh then stated that she would like others to have the floor for any internal conversation:

It was remarked that at the CCE Annual Training Institute Alana Kabel of HUD asked if we are doing any monitoring. Does monitoring impact our scoring and is it separate? HUD expects it of recipients of ESG funds. Leigh commented that HUD expects of collaborative applications monitoring around Utilization, ongoing drawdowns, HELOCs, fully utilizing each funding, ensuring eligibility of each participant, compliance with housing first. So far HUD only monitors once a year. CCEH provides outcome reports monthly. If we have the right tool in place it can be updated quickly. Monitoring has to be at center of everything we're doing and CoC has tools in place to do year-round monitoring quarterly/effectively.

Pam commented that we need to look at drawdowns so as to add units. We have three corrective action plans for two providers and have been communicating with the two providers in question) and a site visit with one will take place hopefully the week of May 22. Pam also said that this committee recommended that they would not be held harmless for 2017 just because they put together a corrective action plan.

Adam then stated that he and ODFC co-chair David Rich would like to get to a monitoring process as quickly as possible even if it means adding to your contract cost.

The question was asked, how do we move forward with a vote to the effect that we want to bifurcate families and individuals, so that neither type of housing gets penalized. Leigh said she will run those numbers after the meeting and get back to Pam. Rebecca, Nancy and Adam approved.

Leigh stated she would like direction as to how to proceed vis-à-vis scheduling additional time and that one document was still needing to go through, that being the reallocation strategy. It was agreed to continue the call for as long as necessary.

Leigh stated there are two sets of decisions are to be made and mini-strategies considered:

1) Whether or not and how we count units. We have projects with 10 single individuals in their programs who are living in 5 2-bedroom units. Do we count in terms of FMR as 5 2-bedroom units or 10 efficiency units, so if there is turnover they have options? These are PSH projects that do not have high turnover anyway. So, while clients have a choice to move, it may not be that those units will turn over in the foreseeable future. Two different approaches have big potential financial outcomes.

2) What does an appropriate services budget looks like. For some $4,000 is the limit, or $4,500 for individuals, and for families $5,000 to $6,000?

The question was asked if there a national standard of practice? Leigh answered that the reality is, if it's a new project it would make sense to encourage the provider to apply for 10 efficiency units unless there is a program to have shared housing as opposed to "this unit you have to share with this person."

In actual worksheets it separates out Permanent Supportive Housing, Rapid Rehousing and Transitional. Actual numbers of units and numbers of clients drive service costs. If we get more units it is through rental assistance. Two of those were added to get a maximum project amount (compared to ARA – annual renewal amount) and amount over maximum allocation. In agency B, money can go into a pot but they can still serve 15 clients. Adam commented that there is a question as to how they are going to do that. Leigh stated that all CoC funded projects are required to have a 25% match for the whole project; cash or in-kind for matching for services.

Leigh suggested to start looking at reallocating 10% of any project's funding. If projects came in on the bottom this year then would highly recommend reallocation. It was remarked that potentially some projects cannot absorb reallocation and so the whole project would conceivably be re-allocated. Leigh responded that they could either keep the whole amount of money by increasing the number of households served, or they could come back with a new project (say to 18 units from 15). The whole goal is to increase the number of units so as to house more people and wouldn't be encouraging reallocating if they had poor performance. Adam stated that if the goal is to create more units then re-allocation should be based on cost efficiency, not on the score-card.

Leigh asked that Scenario 1A and 1B of the Strategy be looked at side by side:

- Scenario 1A shows units as currently leased up – real inventory
- Scenario 1B at $4,500 service allotment, single adult household – yields $7,000. If counted as individuals would be $549---

An explanation as to how the comparison works was requested. Leigh stated that scenario 1A would show 2 people in one 2-bedroom unit (which is reality). Scenario 1B would show the budget showing supporting 2 efficiency units. A perfect example would be ABRI's Waldorf house. Right now there are 9 single individuals in 3 3bedroom units. $56,592 FMR in 1A under rental maximum cost. The same project if that were considered 9 efficiencies it would be $90,000. The project would have the money in their budget to allow one to allow them to get two efficiency units. Reality is they are not likely to move and it flies in the face of cost effectiveness. The question was then asked, If we're looking at the A's verses the B's do you have an opinion?

Leigh stated, this is where we have to rely on the System overall, not just each provider. With reallocation you get more from 1-A. Adam then stated we've heard complaints from those in congregate units that they aren't going and that shows we are not forcing them into congregate housing. Clients are not being allowed to say "no" to congregate housing. Conflict is caused because they are given choice now.

After a brief discussion, a consensus was reached that Scenario A should be chosen over Scenario B.

Leigh stated that with regard to service dollars, treating the unit for what it is: Variable is amount of dollar allocated to individuals. The example is mirrored in Scenario 1A. Leigh stated DMHAS has a project max of $7,500. Looking at $5,000 (as an average) for rapid rehousing, can we get that same cost-effectiveness out of our existing projects to create new units? The question was asked, what does $5,000 pay for? Leigh said a variety of things across 18 service categories including social workers, cash assistance, case management, life skills and other direct services.

The question was asked, if you were to apply the number of single households served and the number of family households served, which scenario gets you closest to the $5,000? Leigh stated that it could be done but it was looked at from that point of view.

Leigh then asked, based on the work of the call participants, does anyone have sufficient understanding of the cost other than what DMHAS has allocated in the past and the bonus from last year? Each answered they did not.

It was stated there are two questions. 1) How much do these projects legitimately need and, 2) How many dollars are we trying to reach? The Executive Committee was given 1A, and said he doesn't see much value added to go up to $825,000 and take money away from families. Adam then asked, between 1A and 2A , what should we do?

Leigh stated that there are 9 projects 1A and 10 under 2A; Connection SHP Fairfield is $4 under 1A and $4,500 under 2A. The amount to be allocated to each project represents relatively small differences. It was then proposed to go with 2A and consensus was reached to do so.

Leigh stated the final document goes forward with approval of non-conflicted Coordinating Council members, and asked would it be possible to go forward with approval of the document, wanting a full, clear and transparent process.

It was decided to approve with changes made:

- Page 3, number 10.
- Question 2, second bullet – determine if duplicative (Pam says that's original language from last year's document reflecting a decision from S&E and pre- this year's strategy as a way of saying we want something new.)

- Pam says whole bullet is not necessary. Leigh says it should be left in with edits proposed by Nancy (Leigh will produce an edited document). Someone asked whether there should be a number 11 that specifically states how the HMIS and the CAN are ranked?

Consensus was reached that the next step is to be completed with non-conflicted body.

As a final remark, Leigh said that the likely next time for calling a meeting will be if someone calls for an appeal based on cost-effectiveness. Pam suggests that there be a webinar and for each applicant to be walked through with each, and it was agreed that that would be an excellent idea.

It was suggested making placeholder appointments on everyone's calendar for possible appeals. If calls can be made to 10 programs they would have time the following Monday to review and submit an appeal. Leigh commented that one thing that has been effective is a standing every other week call. All were in agreement.

The call meeting adjourned at 4:22 pm.