Iowa Balance of State Continuum of Care, 2015 Renewal Application Plan

Responses to stakeholder comments

March 17, 2015

Prepared by Zebulon Beilke-McCallum, Chair of the CoC Committee, based on discussion during the 3/10/15 CoC Committee meeting.

Comment #1. What will happen to projects that have unspent funds from the most recently completed year? Would like to see a cushion of 5-7% allowed for unexpended funds, any outside of that window could be recaptured for a new project if the grantee is unable to make a strong case to retain those funds. Even those within the 5-7% range should have to provide a reasonable explanation for not expending all funds.

Answer #1: The expectation of the Continuum of Care committee (CoC) and the Department of Housing and Urban Development (HUD) is that grantees spend every dollar they are allocated every year, no exceptions. When grant funds are not spent, they are returned not to HUD/homelessness programs or to Iowa they go to the federal treasury. In recent years, the Committee has taken a very hard line on unexpended funds because we have been asked to make cuts of 3% and 5% in the last two years. Therefore, making these cuts to unspent funds before cutting actual service spending only makes sense.

The committee recommends that in years in which the BOS COC is not asked to make cuts, a 3-5% unexpended funds cushion makes sense. Especially for grantees who historically have had a good history of fully expending funds. But the COC is not going to recommend tolerating programs who continue to fail to fully expend their funds year after year. The commenter's suggestion that programs provide a reasonable explanation for not fully expending funds makes sense and will become part of the process recommended by the committee.

Comment #2. Assuming HUD follows the same Tier 1 and Tier 2 process as recent years, how should Tier 1 projects be selected? All of the projects should be ranked and then placed in the appropriate tier based on funding availability. However, I would not be opposed to a threshold of points that must be met to be placed in tier 1. For example the threshold is set at 75 points and anyone who scores lower is placed in tier 2.

Answer #2: The committee did not reach a consensus on a threshold score/ranking of renewal projects at the March meeting. This was mostly due to a few yet unanswered questions from HUD. All grantees will be provided information about threshold scores before the new project competition begins. The committee didn't feel it was necessary to establish a threshold before opening the renewal competition and scoring process.

Comment #3. Should lower scoring projects be eligible for only a percentage of renewal funding? This type of scoring could adversely affect the operations of the project. While under spending is a problem and needs to be dealt with, this would create other issues for programs that fully expend funds. While

scoring low is based on performance. This percentage drop could start to cripple programs that fully expend. I believe that you either fund based on needs, place into tier 2, or no longer fund the program.

Answer #3. The committee agrees with the comments that having only a percentage of renewal funding could adversely affect grantee operations and thus will not recommend adopting a percentage scoring system at this time. The CoC recommends that programs are either funded, not funded, or placed into tier 2. The only exceptions to this would be for unexpended funds or programs that choose voluntary reallocation. In those cases the committee would consider funding a portion of the grant. It is important to remember that even as grantees loose funds they are still accountable for the outcomes promised in their initial application.

Comment #4. Prioritization to end chronic homelessness: Although I believe this is important it will have a negative effect on rural programs. This should be part of the application, but balanced with the rural areas of Iowa in mind also. I believe that putting this with question 2 could be one way to do this. It could ask about priority and services to chronic homeless, unsheltered, and sheltered populations.

Answer #4. Please see the response to question #6 regarding prioritization of chronic homelessness.

Comment #5. Questions 10 and 11 in the [first] draft application ask about participating in the Iowa Council on Homelessness and whether they have been active within committees and working groups. This should be within the application, but would like clarification on whether this is double checked with Iowa Council on Homelessness attendance.

Answer #5. The committee places great importance on participation in ICH committees and working groups. Grantees' answers to these questions are verified/scored by grant reviewers. Formalizing the process of reviewing attendance merits further discussion.

Comment #6. Regarding the first question in Project design (part d) What is meant by identify projects response on 2013 and 2014 and compare results this year. I am assuming this means if you are doing what you said you were going to do in 2013 and 2014, but a little more clarification would be beneficial.

Answer #6. Yes, that is correct. The committee along with HUD has long put a priority on ending chronic homelessness. Part d of the application provides grantees an opportunity explain how many beds they committed to prioritizing for chronically homeless and to explain if they met their goals, how they did so and if they did not why not. This is in line with HUD guidance on chronic homelessness prioritization. In the future this information could come from the coordinated intake but for now we just need every grantee to tell us how many chronically homeless beds they are providing. The committee is asked to account for and project in to the future the number of homelessness beds prioritized for chronically homeless.

Comment #7. Regarding question number four in the project design section: Are you looking for specific information in the "discussion of past performance related to this goal"? Further clarification would be beneficial on what information you are looking for when asking how our projects will further this goal.

Answer #7. This question is the first of three questions in the application that reference project performance. Project performance refers to the information reported on your most recent APR. Before the application deadline IFA will be releasing performance charts, prepared from projects' APRs, addressing each grantees performance in three key areas the committee has prioritized: (1) Participants change in employment income/non employment cash income (2)Participant change in access/befit of mainstream resources (3) Participant exits to permanent destinations (or remained in permanent housing). The committee recognizes that performance scores only provide a part of the picture and the narrative questions in this portion of the application are designed to allow grantees to fill in the rest of that picture.

Comment #8. As we think about ranking programs and how those respective rankings may impact future grantee funding, the process review is important. Overall, this draft document outlines the application process well and contains a detailed timeline that informs any potential grantee of the grant process. This is a good thing.

HUD recognizes the need for several different types of housing services: emergency shelter, transitional housing, permanent supportive housing,, services only systems and street outreach. The renewal application plan recognizes this reality on page three under the subsection voluntary reallocation with the following statement:

"HUD encourages communities to analyze their portfolio of grants to determine if there is the right mix of housing and services and whether funding for some projects, in whole or in part, should be reallocated to make resources available for new efforts."

Fundamentally, the need for a housing portfolio and a coordinated intake or entry system for the CoC are a result of a singular observation about homelessness in Iowa: the people that are homelessness are not a uniform population. Instead they represent a diverse population with each subpopulation entering the system with a different set of needs. The goal of coordinated intake or entry is to assess those presenting with housing needs and then referring or placing them with the most appropriate housing option that fits their set of needs. Having a portfolio of housing services aligns with the approach the development of housing options that fit the needs of homeless Iowans in the collective.

If you agree with this approach for the reduction of homelessness in Iowa, then the renewal application plan should reflect the development of a highly functioning portfolio of available housing services. More specifically, the ranking system should compare apples to apples and pears to pears. In other words, transitional housing programs should be ranked against transitional housing programs; emergency shelter should be ranked against emergency shelters and so forth. Thus, if you are going to consider giving value to a scoring criterion like #7 (cost per client served), you will skew scores in favor of shelters (over PSH, for example) if you are doing simple total budget divided by number served calculations. You may be able to perform some mathematical gymnastics – including total nights of shelter in the denominator may create a more uniform statistic for ranking purposes -- though, it may be more

appropriate to score this criterion based upon national averages (or benchmarks) for each type of housing service. For example, shelters with a cost-efficiency per client equal to or better than the national benchmark for shelters would be awarded full points; those that have a higher cost per client compared to the national benchmark for the particular housing type would receive reduced or no points. In this manner the best of each housing type will score higher, ranking each component of the CoC's portfolio against like programs first.

Answer #8.The CoC grantee process in 2014 only provided funding for renewals of permanent housing projects, TH projects, SSO and HMIS. PSH, rapid rehousing and planning grants could be funded either by reallocation or PSH through either reallocation or the PSH bonus. There is no CoC funding available for shelter projects. When grantees are scored/ranked they are compared against other like services. Committee members tend to review one type of application (TH projects for example). The Committee continues to struggle with the best way to build a continuum of services across 96 counties, many of which have (at best) one service provider. So with that in mind the scoring is also designed to drive change, the status quo is not working and the committee is recommending additional funds to rapid rehousing and PSH projects because that is what is missing most from the BOS continuum.

Comment #9. The plan recognizes that funding levels from HUD may change from year-to-year. On page four of the draft plan we find the following words that address funding fluctuations:

"Should lower-scoring projects be eligible for only a percentage of renewal funding? For example, the lowest-scoring 10% of projects only eligible for 70% of funds? Then the next set eligible for 80%, then 90%? This could free up funds for new projects."

The need for new projects is a separate topic. Given that the majority of the counties in the Balance of State currently have no HUD-funded services, we may have gaps of service, especially in rural counties, but that concerns is not being addressed here. These words appear to explore what happens when HUD reduces funds for renewal projects. This discussion suggests that the ranking some how reflects program quality and results. Some, but not all, criteria of the ranking system are tied to program performance. HUD has recognized standards for performance – criterion #8 "exits to permanent destinations" represents one of them – that we should use for the determination of funding reductions. We want results to drive our decisions. As a council, if programs are not meeting performance expectations we should be assisting them to make improvements; programs that cannot meet expectations should be targeted first for fund reduction (or being moved to the competitive Tier #2). If all programs are meeting or exceeding expectations of program quality and program performance, then we need to look at across the board reductions. When we must rank programs the nature of the process creates a program ranked#1 and a program ranked #last even if all of them are A+ programs. Programs that are not meeting expectations whether the next funding cycles has a decrease, an increase or level funding should be considered for Teir 2 competition. We want to promote quality programs that are helping Iowans move out of homelessness. We do this by rewarding successful programs by making our decisions based upon program results and not their ranking.

Answer #9. The CoC committee is committed to building strong homeless programs in all parts of Iowa both rural and urban. This is why we continue to recommend a place in the CoC application for planning funds to assist the Coc in developing not only a strong processes but a stronger statewide system. The

struggle with planning funds is that in the current funding environment it seems as though funding planning comes at the expense of funding services.

Comment #10. I have already addressed my concerns about criterion #7. Criterion #6 should receive more points if you can compare the number served to the number targeted to be served. For example, if a program plans to serve 100 families (their proposed target), but only serve 10 families this is reason to be concerned about the program's effectiveness and quality. Conversely, a program that served more than their target with good outcomes really is a program that should be ranked higher. Otherwise, criteria $5 (what was your budget) and #6 (how many served) really do not lend an substance to rank of value. I recommend replacement criteria like "did your staff participate in the most recent point-in-time count for unsheltered populations" and "are you involved with your local homeless coordinating body to foster coordinated entry?" These criteria will help measure local involvement of organizations.

Most of the other criteria are reasonable and straightforward. Criterion #15 (did you spend the money?) reminds me of the 1980s when program quality was defined by spending the money and how much you did with it. (Number of applications taken per dollar metrics, for example), but given the BoS CoC has some programs that fail to spend their renewal amounts this is becoming a significant issue when it can translate to a reduction of CoC funding overtime.

Answer #10. The committee strongly supports the implementation of coordinated intake as its current lack is likely to have a negative impact on this year's application as well as consideration of a regional CoC approach. But these are questions that need to be address by the whole ICH not the COC Committee.

Comment #11. Criterion #1 seems a bit problematic as it would seem to rank PSH programs over TH, ES and even rapid rehousing (which by definitions has no beds). The availability (or insufficient amount) of more permanent supportive housing may be a real issue in Iowa (it will be interesting to track if the closing of state run mental health institutions increases the demand for PSH over time), but this is more a discussion for the appropriate portfolio mix of housing services than the ranking of existing projects for renewal. Consequently, I believe the number of points given to it is high. Ten percent of the rank potential is too high for a characteristic where not all housing types are designed to support the subpopulation of chronically homeless.

Answer #11. CoC funding recommendations/ranking are based off of previous NOFAs priorities. The Committee only has three options to achieve the priorities: (1) renewal at current amount/with some Cost of living adjustments depending on project type. (2) Reallocate a portion of grantee funds to a new project. (3) Reallocate all funds to a new project. There is no option for the committee to reward projects with additional funds for high performance unless they submit a new project application.

Comment #12. Criterion #3 (Housing First) reflects a more recent housing placement methodology which works to resolve housing issues and then address other presenting needs. This is an excellent criterion, which we should operationalize as a performance measure. That being said, we still need to ensure that grantees have flexibility to serve their target populations. For example, Cedar Rapids has a shelter for women and another for men and families. The former should not be discounted in the name

of Housing First for not serving a man that walks in and asked for assistance; the latter if an unaccompanied woman requests housing. In locations with active coordinated entry this kind of issue should be minimized. You may want to consider including definitions for terms like *Housing First* in the plan introductory sections.

In summary, this is a good draft. It can be improved by ensuring that all ranking criteria reflect measurable outcomes for program performance and works to support a healthy portfolio of housing service types to meet the existing needs of homeless Iowans living within the geographic area represented by the BOS COC.

Answer #12. The application already includes links to resources about Housing First, but is happy to recommend adding additional clarity to Housing First and also recommends that those with an interest in Housing First check out this great webinar by the USICH's Richard Cho http://usich.gov/media_center/videos_and_webinars/hud-and-usich-core-principles-of-housing-first-and-rapid-re-housing-webinar.

Comment #13. Would there be a method through which to verify that the Balance of State and Collaborative Applicant have maximized points in all areas of the application? From the score sheet it is clear that there are opportunities for improvement which exceed the reach and scope of individual project performance. Many of us would be interested in helping in such an initiative.

Answer #13. The CoC Committee agrees with the recommendation to focus greater attention on maximizing points in all areas of the application and would happy be a part of such effort. However, the CoC Committee works to run a competition every year consistent with HUDs/NOFA requirements, which is a single part of a larger conversation. The CoC recommends that this is a project best coordinated by IFA, as the Collaborative Applicant, much like the standards/best practices project—or perhaps a different committee of the council.

Comment #14. If it is the intention of the Continuum of Care Committee to offer the opportunity to submit a preliminary application and then if the applicant is not satisfied with the initial project score to resubmit the project as a Voluntary Reallocation this should be detailed in the Application Timeline

Answer #14. Yes, the process for voluntary reallocation will be included in the timeline. However, the committee's ability to provide all dates and times is limited by factors which we do not control such as the release of the NOFA. The voluntary reallocation process will occur asap after the NOFA is released and this will be detailed in the application timeline.

Comment #15. If reducing award amounts for the lowest scoring renewal projects does the change in budget amount change the status of the renewal project to a new project?

Answer #15. No. We have reduced many grantees in the past (mostly due to unspent funds) that has not resulted in those programs becoming new projects. If when those funds are reallocated they must go to a new project.

Comment #16. Regarding Prioritization of chronic homelessness. Consider broadening the language in this section to encourage applicants to respond regarding current rates of service for chronically homeless persons irrespective of prioritization. Shelter House, for example, has a relatively high rate of service for chronically homeless persons without prioritizing the specific population. There is no line of questioning regarding the transition to permanent housing for these individuals.

Answer #16. The definitions regarding prioritization of chronic homelessness is taken directly from previous HUD NOFAs. HUD expects CoC to report every year on the number of beds prioritized for chronic homeless as well as projecting out future growth in the number of beds prioritized for chronic homeless. These questions are designed to reward projects that prioritize chronic homeless, because that is HUD's expectation. Transitions or exits to permanent housing should be reflected in grantees' performance reports. The committee is always open to additional ways those positive exits could be demonstrated.

Comment #17. Q6: Total clients served:
Does total clients mean adults served or adults and children?

Q7: Based on responses to the prior two questions, what is the cost per client served? What cost-per-client factors should be considered for your program?
Is this cost per client based on total adults served or adults and children?
Is this cost per client based on SHP dollars only or SHP plus match

Answer #17. The cost per client should be the cost of the program/services divided by the number of households or persons served. The committee recognizes that this is an imprecise measurement of grantee performance and expense. Thus it is weighted accordingly. But it is helpful for committee members to get a picture of the funding/program impact. For clarity, the application will be updated to ask for both numbers, persons served and households served.

Comment #18. Consider incentivizing projects by awarding points for project leverage, demonstrating Consistency with the Consolidated Plan, and contributing to other areas of deficiency within the Balance of State's summary application.

Answer #18. The committee is committed to incentivizing project leverage, as this is one clear place the COC could earn additional points on our application. But we only receive points if applicants demonstrate with a written commitment, that the cash or in-kind value of leveraged commitments is at least 200 percent of the total request to HUD. Which for the BOS is a little more than 9 million dollars. So short of making it an application requirement (which the CoC Committee would be interested in hearing additional feedback on) those leveraging points are hard to come by.

Comment #19. Consistent with feedback provided to last year's competition process Shelter House would appreciate the opportunity to proceed with a collaborative and deliberative approach in partnership with the ICH's Continuum of Care Committee, our regional HUD office and partner agencies. We could work together to discuss reallocation, change in project type and scope, the ins and outs and how best to work within HUD's own processes so as not to expose ourselves to unnecessary risk, etc.. This type of time and energy invested on the front end of the process would go far in building a greater sense of transparency, partnership, and trust as we move forward.

On behalf of Shelter House, we are serving hundreds of people through our Supportive Services Only program and are consistently achieving some of the highest performance outcomes related to housing placement, employment placement, and accessing other income sources. As such I would encourage consideration to historical rankings and consistency in performance. Shelter House would if necessary consider changing the program type and would welcome the opportunity to work planfully with others to do this.

Answer #19. The CoC Committee is also committed to a collaborative and deliberative approach. We have found all the comments extremely helpful and hopefully these responses are just as helpful in building a sense of transparency and partnership.