



MEETING MINUTES
Santa Cruz County Homeless Action Partnership (HAP)
Review and Ranking Committee (Committee) Meeting

Virtual Meeting via Teams
Friday, October 29, 2021, 1:00 p.m. – 3:00 p.m.

Committee Members Present: Kelly Conway, Jamie Goldstein, Judy Hutchinson, Larry Imwalle, Tamara Vides

Committee Members Absent: None

Housing for Health (H4H) Staff/Consultant Present: Robert Ratner, Tony Gardner, Sheryl Norteye

Others Present: Paz Padilla, Linda Lemaster

1. Overview of the Committee Role & Process

The committee heard and discussed a briefing regarding U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) Program requirements and policies, and the local CoC process and the committee's role in approving, rating, ranking, and tiering new and renewal CoC project proposals; approving renewal and replacement Youth Homelessness Demonstration (YHDP) project proposals; and approving the CoC planning grant project proposal. The group also discussed local challenges and priorities, as well as CoC strategic considerations.

Committee members had been previously asked to submit certifications relating to conflict of interest. There were no conflicts disclosed. Although not a committee member, Robert Ratner nonetheless disclosed potential conflicts relating managing County Human Services Department (HSD) renewal projects and partnering with County Health Services Agency on their grants. As staff, he did not vote or take part in the project decision process.

2. Review and Evaluation of Projects

The committee then reviewed and discussed project aggregate scores (which were based on the previously announced objective rating criteria), and a summary of comments made by committee members, who had previously prepared a brief written evaluation of each project. Comments included evaluation of the strengths and weaknesses of each project, suggestions for enhancements to projects, and recommendations relating to approval, ranking, tiering, spending issues, and budget amounts.

3. Project Approval, Ranking, and Tiering Decisions

The committee then engaged in a discussion and decision process including consideration of:

- a. Project aggregate objective scores that were based on previously publicly announced objective scoring criteria that included HMIS-generated performance measures.
- b. Committee members written evaluations of each project proposal.
- c. Consideration of ranking scenarios in the context HUD priorities, local strategic plan priorities, performance metrics, tiering considerations, funding factors, etc.

After careful consideration, the committee unanimously approved the project proposal selection, ranking, and tiering decisions reflected in the attached project list.

The following provides further details regarding the decisions made:

CoC Bonus Project

This year, Santa Cruz County agencies were eligible to competitively apply for \$242,268 as a bonus for new permanent supportive housing (PSH) projects, new joint transitional housing (TH) and rapid rehousing (RRH) projects, new RRH only projects, a new coordinated entry system (CES) project, or a new homeless management information system (HMIS) project. Two proposals for the CoC bonus funds were submitted: (1) the Housing Authority of the County of Santa Cruz Shelter Plus Care (S+C) Expansion new PSH project requesting \$299,335 in funding from the bonus and reallocation (see below), and (2) the Community Bridges Homeless Prevention Program new CES project requesting \$158,976. The committee approved the S+C Expansion PSH project for the full amount of the CoC bonus; the Homeless Prevention Program CES project did not meet CoC threshold requirements.

Reallocation

HUD rules allow CoC's to reallocate funding from one or more renewal projects to one or more new eligible projects when doing so would help to end homelessness by addressing key program type, priority, or performance issues. In addition, the HAP has a local voluntary reallocation policy to encourage reallocations by giving priority for reallocated funds to applicants that voluntarily request to reallocate their own TH or other projects that are no longer needed, no longer match the agency's mission, or are underperforming.

Under the above rules and policies, the County of Santa Cruz Human Services Department (HSD) voluntarily relinquished its \$57,067 Brommer Street PSH renewal grant and the committee reallocated these funds to the S+C Expansion PSH project, thereby increasing the project's funding above the CoC bonus amount to \$299,335. Also, the committee accepted Housing Matters' request to voluntarily reallocate its \$154,343 Page Smith TH/RRH renewal grant to the new 801 River Street PSH project.

DV Bonus

This year, HUD made available \$102 million nationally for a competitive Domestic Violence (DV) Bonus, to provide housing and services 100% for survivors of domestic violence, dating violence, and stalking. Each CoC can receive a DV bonus of up to 15% of its Preliminary Pro Rata Need (PPRN), \$149,015 in our case. Only one project proposal was submitted for the DV bonus. Thus, the committee approved the Walnut Avenue Family and Women's Center (WAFWC) new RRH project for the entire bonus amount of \$149,051.

Ranking and Tiering

This year, HUD required CoCs' to give each competitive CoC projects a unique numerical rank number and to place the competitive projects into two tiers. Tier 1 is equal to the Annual Renewal Demand (ARD) for CoC renewals, or \$3,576,166. Tier 2 is equal to the value of the CoC bonus, or \$242,268. The purpose of tiering is to allow CoCs to clearly indicate to HUD which projects are of highest priority for limited 2021 CoC funds. HUD will select Tier 1 projects before it selects Tier 2 projects. Tier 1 projects are almost certain to be funded (if they meet eligibility and threshold requirements), while Tier 2 projects are subject to national competition and are less likely to be funded. Projects can straddle the Tier 1 and Tier 2 line; HUD will fund the Tier 1 amount even if it does not fund the Tier 2 amount, if the project is still viable at the lower amount.

After very careful consideration, the committee placed two project proposals into Tier 2:

First, it placed the Housing Authority S+C new PSH project straddling the Tier 1 and Tier 2 line with \$207,375 in Tier 1 and \$91,960 in Tier 2. This decision increased the project's changes of an award, while minimizing the risk to existing projects ranked above it. Second, due to spending challenges it placed the Santa Cruz County Human Services Agency (HSA) Bonus PSH Project at the end of Tier 2.

Finally, the Tier 1 order is in the order of objective competitive score, except that the committee lowered the rank of three renewal projects that also had spending challenges.

These decisions in no way reflect badly on the projects that were ranked lower or placed into Tier 2, nor the submitting agencies. The projects were well designed to be effective, and each applicant agency plays a highly effective and critical role for the persons experiencing homelessness they serve. Rather, these were simply difficult choices among limited alternatives.

CoC Planning Grant

The committee approved the non-competitive CoC planning grant application for the maximum allowable amount - \$145,361. HUD did not require ranking or tiering of the project this year.

YHDP Renewal and Replacement Projects

The committee approved all the non-competitive YHDP renewal and replacement projects listed in the attachment. HUD did not require ranking or tiering of the YHDP projects this year. This, year, HUD allowed YHDP renewal applicants to replace their projects with new project models that would better help to end youth homelessness. Three YHDP applicants chose to replace their projects as follows:

1. Bill Wilson Center is replacing its \$135,319 its Santa Cruz County Shared Housing TH Project with a project that will remain a shared housing project serving the same number of youth, but will reduce the rental assistance funding, increase the services funding, take advantage of program flexibilities available this year to YDDP projects.
2. Families in Transition is replacing its \$258,971 Y.A.A.S. RRH 2.0 project with a Y.A.A.S. TH/RRH 3.0 project that will still serve the same number of youth, but will add TH leasing to the RRH rental assistance to improve the project's ability to quickly house youth.
3. The Santa Cruz County Housing Authority is replacing its \$192,752 New Roots PSH project with a New Roots RRH project to better meet youth needs and local YHDP strategic direction.

Respectfully submitted by H4H Staff: *Tony Gardner*

Submission Date: *November 1, 2021*

Attachment: Project Approval, Ranking, Tier Listing