

**MEETING MINUTES**

**Santa Cruz County Homeless Action Partnership Board Meeting**

**Seacliff Highlands Apartments - Community Room  
151 Canterbury Drive  
Aptos, California**

**Wednesday, August 24, 11:30 p.m. – 3:00 p.m.**

HAP Board Members Present: Jim Straubinger, Carol Berg, Mary Lou Goeke, Linda Lemaster, Matt Huffaker, Jonathan Rosen, Kelly Conway, Rayne Marr

HAP Board Members Absent: Jenny Haruyama

HAP Staff Present: Julie Conway, Tony Gardner

**1. Overview of the HAP Board Role & Process**

The HAP Board heard and discussed a presentation by HAP staff regarding the HAP Board role and function in rating, ranking, and tiering project proposals, reallocating funds, and selecting a bonus project, for HUD CoC funds; CoC strategic considerations and options; and the conflict of interest requirements pertaining to HAP Board Members.

Each HAP Board Member present signed and submitted a Certification relating to conflict of interest. Rayne Marr, Mary Lou Goeke, and Tony Gardner (staff) all disclosed potential conflicts relating to the Coordinated Entry System (CES) new project proposal, and all thus recused themselves from any discussion, consideration, and voting in connection with the CES project.

**2. New Project Presentations/Q&A**

The HAP Board then received brief presentations from and engaged in questions and answers (Q&A) with all of the following applicants/projects requesting new project funding in 2016:

1. County Planning - Coordinated Entry Reallocation Request
2. Encompass Housing for Health 2 PSH Self-Reallocation Request
3. Encompass Housing for Health 3 PSH Bonus Request.

The presentations/Q&A included information on the project proposals, *All In* priorities and HUD priorities, anticipated CoC NOFA requirements, and challenges relating to reallocation of funds from renewal projects to new projects.

As mentioned above, Rayne Marr, Mary Lou Goeke, and Tony Gardner (staff) recused themselves from the County Planning - Coordinated Entry presentation/Q&A and did not take part in any discussion or decision relating to this proposal.

**ABOUT THE HAP:**

The Homeless Action Partnership is a countywide action team that meets regularly to implement plans to prevent and end homelessness.

Membership is open to all and includes:

- ♦ County agencies
- ♦ Cities
- ♦ Nonprofit agencies
- ♦ Advocates
- ♦ Health providers
- ♦ Educators
- ♦ Faith groups
- ♦ Funders
- ♦ Community members
- ♦ Homeless persons

**HAP VISION:**

All Santa Cruz County residents will have the stable housing and appropriate services they need to live in dignity and reach their highest potential.

**HAP MISSION:**

Our mission is to develop and implement a coordinated system of housing and services for preventing and ending homelessness in Santa Cruz County.

**HAP CONTACT:**

Tony Gardner  
415.458.2460  
Julie Conway  
831.454.5162

### 3. Project Ranking/Tiering Decisions & Bonus Project Selection

The HAP Board then engaged in a discussion and decision process including consideration of the following:

- a. HAP Board Members' earlier reviewing of each application using previously publicly announced objective scoring criteria that included HMIS-generated performance measures.
- b. The above-referenced new proposal presentations/Q&A with applicants.
- c. HAP Board discussion of application ranking scenarios in the context of *All In* strategic plan and HUD priorities, performance metrics, tiering considerations, etc.

Based on the above and after careful consideration, the HAP Board made the following CoC application rank order and amount, bonus project, reallocation, and tiering decisions:

#### Project Rank Order/Tiering/Amounts:

Rank	Tier	Applicant/Project/ New or Renewal	Type	Approved Amount	Running Tier Total
1	Tier 1	Housing Authority Shelter Plus Care REN	PSH	\$475,734.00	
2	Tier 1	County Health HPHP MATCH 1 REN	PSH	\$429,460.00	
3	Tier 1	Encompass Housing for Health 2 Reallocation NEW	PSH	\$44,108.00	
4	Tier 1	Encompass Freedom Cottages REN	PSH	\$15,645.00	
5	Tier 1	County Health HPHP MATCH 3 REN	PSH	\$76,076.00	
6	Tier 1	County Health HPHP MATCH 2 REN	PSH	\$36,815.00	
7	Tier 1	Families in Transition First Step REN	RRH	\$177,067.00	
8	Tier 1	County Planning Coordinated Entry NEW	SSO	\$75,000.00	
9	Tier 1	Community Technology Alliance HMIS REN	HMIS	\$91,699.00	
10	Tier 1	Housing Authority Brommer Street REN	TH	\$57,067.00	
11	Tier 1	Homeless Services Center Page Smith REN	TH	\$145,307.00	
12a	Tier 1	Families in Transition Clean & Sober <i>Tier 1 Portion</i> REN	TH	\$58,008.00	\$1,681,986
12b	Tier 2	Families in Transition Clean & Sober <i>Tier 2 Portion</i> REN	TH	\$125,601.00	
13	Tier 2	Encompass Housing for Health 3 Bonus project NEW	PSH	\$90,429.00	\$216,030
			<b>Total</b>	<b>\$1,898,016.00</b>	\$1,898,016

### Reallocation

After very careful consideration, the HAP Board reallocated funds from three renewal projects to new projects as follows:

First, it reallocated \$44,108 from Encompass Community Services' Anderson House permanent supportive housing (PSH) renewal to Encompass' new Housing for Health 2 PSH project. To encourage reallocation in line with HUD policy, the HAP has given priority for reallocated funds to applicants that voluntarily request to reallocate their own *non-chronic* homeless (CH) dedicated PSH or transitional housing (TH) on the one hand to new CH-dedicated PSH or Rapid Rehousing (RRH) on the other. Thus, Encompass' request to reallocate \$44,108 from its non-CH dedicated Anderson PSH project to the new CH-dedicated project – Housing for Health 2 PSH – was accepted.

Second, it reallocated \$13,895 from Pajaro Valley Shelter Services' (PVSS) Sudden Street TH grant to the new Coordinated Entry project. This year, PVSS decided not to renew this small TH grant, and to generously make the funds available for the new Coordinated Entry project. The HAP Board views the Coordinated Entry project as high priority due to the benefits it will provide, its importance in the *All In* strategic plan, the need for sustainable funding to meet a HUD requirement, and the level of community collaboration behind the project.

Third, it reallocated \$61,105 from the Housing Authority's Shelter Plus Care PSH grant to cover balance needed to fully fund the \$75,000 Coordinated Entry project request. Review of the project's spending history showed that considerable grant funds have not been used in each of the past several years, and instead have been recaptured by HUD. The HAP Board believes this trend will continue this year. Thus, the HAP Board decided to reallocate part of what it expects to be recaptured - and thus not actually used for housing in Santa Cruz County - for use by the Coordinated Entry project.

The HAP Board wants it known that this decision in no way reflects badly on the Shelter Plus Care project, the Housing Authority, or its project collaborator, Homeless Persons Health Project (HPHP). In fact, the HAP Board views the project as highly effective, high performing, and high priority, and the project collaborators as possessing high capacity and a long history of innovative work toward ending homelessness. Not using all grant funds has to do not with any lack of capacity, but with the extreme difficulty in locating suitable, affordable rental units in Santa Cruz County and with strict rental assistance program rules that result every year in HUD's recapturing funds from virtually every Shelter Plus Care project in the country.

### Bonus Project

This year, Santa Cruz County agencies were eligible to competitively apply for \$90,429 as a bonus for a new CH-dedicated PSH project or a new RRH project. The HAP Board selected the only bonus project put forward – Encompass' Housing for Health 3 PSH project, requesting the full bonus amount of \$90,429.

### Tiering

This year, HUD required all CoCs to rank all projects in two tiers. Tier 1 is 93% of the

Annual Renewal Demand (ARD) of \$1,808,587. 93% of that amount is \$1,681,986. Tier 2 is the remaining 7% of ARD (\$126,601) plus the bonus amount (\$90,429), equaling \$217,030. The purpose of tiering is to allow CoCs to clearly indicate to HUD which projects are of highest priority for limited 2016 CoC funds. HUD will select Tier 1 projects before it selects Tier 2 projects. Tier 1 projects are almost certain to be funded (as long as 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, as long as the project is still viable at the lower amount.

After very careful consideration, the HAP Board placed all or a portion of two projects into Tier 2 as follows:

First, it placed Encompass' entire \$90,429 Housing for Health 3 PSH bonus project at the bottom of Tier 2. While the HAP Board fully recognized the quality of this application and importance of CH-dedicated PSH, it made this decision to give the greatest funding risk to a project not yet housing anyone. Putting a renewal project in the last position would have posed more risk to existing housing and tenants.

Second, it placed Families in Transition's (FIT) \$184,609 Clean and Sober TH project across the Tier 1 and Tier 2 line with \$58,008 in Tier 1 and \$125,601 in Tier 2. By placing the project partly in Tier 1 and at the top of Tier 2, this decision balanced the HAP Board's desire to sustain this important scattered site project, while prioritizing existing permanent housing projects in line with HUD priorities and the priorities of the *All In* strategic plan. The HAP Board decided to place the other site-based TH projects at the bottom of Tier 1 due to the desire to protect against the risk of loss to the community of rare and hard-to-fund homeless-dedicated housing sites.

Again this decision in no way reflects badly on the Clean and Sober project or FIT. The Clean and Sober project plays a highly effective and critical role for families in a recovery program model and FIT has proven its capacity through a long history of successfully preventing and ending homelessness for families. Rather, it was simply a difficult choice among limited alternatives.

#### CoC Planning Grant

The HAP Board approved submission of a CoC planning grant application for the maximum allowable amount - \$54,258. HUD does not require ranking of the project this year.

\*\*\*

Respectfully submitted by HAP Staff: *Julie Conway and Tony Gardner*

Submission Date: *August 29, 2016*