

Caitlin Frumerie: Welcome to the 2016 regional CoC debriefing. I'm Caitlin Frumerie from the Cloudburst Group, and I am joined today by Norm Suchar.

Norm Suchar: Hello everyone.

Caitlin Frumerie: And Robert Waters who will be moderating today.

Robert Waters: Hello.

Caitlin Frumerie: All right, before I pass over the presentation to Robert and Norm I just wanted to go over a few important housekeeping rules. Because of the large number of participants today the call is muted. Questions can be posed at any time and we'll be spending a lot of the hour with the time for you guys to ask them; so if you could please go to the "Questions" pane on the GoToWebinar control panel on the right, and you'll be able to submit them there. We certainly won't have time to get through all of the questions, so we encourage you to submit them to the ask a question desk. And you'll want to make sure and go and send them to the eSNAPS Desk when you submit them. And lastly, just wanted to remind everybody, that we will be recording this presentation, and the slides and transcription will be posted on the HUD Exchange. So, you can go back and review those materials later. So, without further ado I'm going to hand over the presentation to Robert and Norm.

Robert Waters: Thanks Caitlin. Good morning everyone, and again I'm Robert Waters, Senior SNAPS Specialist in the Office of Special Needs Assistance Programs. I'll be providing a quick overview of what we've funded in the FY16 competition. A total of 1.95 billion was awarded in the FY16 competition. Many communities took advantage of the opportunity to allocate to the sum of about 5.8% of funding. About 124 million in new PH projects were created as a result. That included a 70-million-dollar increase in permanent supportive housing projects and 53 million in rapid rehousing.

One of the important ways to understand how we prioritize projects in the competition is by understanding our policy priorities outlined in the registration notice and in the NOFA. The seven priorities outlined in the FY16 competition were creating a systemic response to homelessness, resource allocation, ending chronic homelessness, family homelessness, youth homelessness and veteran homelessness. And of course, using a housing first approach. These priorities were reflected throughout the competition, throughout the CoC application and in the project scoring process.

CoC prioritized their projects including bonus projects and placed them in either tier one or tier two. Last year tier one was set at 85%, this year tier one was increased to 93% of CoCs' annual renewal demand or ARD. Projects that were in tier one were safe; so as long as the project passed threshold requirements, the project was conditionally awarded. Projects that straddle

tier one and tier two had part of its funding request in tier one and another part in tier two. Straddle projects were reviewed to make sure it met threshold requirements and they were feasible. The tier one portion of the project automatically qualified for conditional award, but the tier two portion would be reviewed just like any other tier two project.

Our goal for the tier two projects scoring factors in the next slide. Some straddle projects were awarded the whole grant after the tier two review process. If the tier two portion did not get selected HUD had to determine that the project was feasible for only their tier one portion of the funding. The tier two project competed for funding and received a score based on the CoC score and other factors.

So, here's an overview of the selection and rankings process for tier two projects. Tier two projects were scored on a 100-point scale. Based on the CoC score up to 50 points was awarded to the project. The project received up to 35 points based on how the CoC ranked the project last year. Therefore, the projects ranked at the bottom of tier two only got a few points. So, projects there received little points for the CoC score ranked at the top of tier two could still get funded. Projects also received up to five points for the type of project. This was half the point value placed on the project type and comparison to last year. The last factor was the commitment to policy priorities and using housing first practices. Projects receive up to 10 points if they indicated they were committed to reducing barriers to entering their project.

The CoCs that did well exhibited a commitment to housing first among all project types. Reducing homelessness was another way to maximize points under the final scoring factor. Now I'd like to turn it over to Norm, who will go over how CoCs did well.

Norm Suchar:

Thank you very much Robert. So I'm going to walk through some of the factors that affected whether a CoC did well in the competition and by doing well, I mean that they received more funding than last year. And, were able to increase the amount of amount of assistance they could provide.

And of course, a lot of that has to do with the CoC score, that was the main factor that determined how much funding a CoC received. And there were a few different things that related to how well a CoC scored. But, first I'm going to walk through some of the other factors that helped CoCs do well. Reallocating lower performing projects, especially transitional housing and supportive services only project helped in a number of ways in the application, those projects were directly scored in tier two. So, permanent housing projects would receive more – a higher tier two score than transitional housing and support service only projects. I'll talk a little more about that later.

But, also by reallocating, communities were able to create more permanent housing and rapid rehousing, which was reflected in the – which is reflected in the CoC score. Sometimes it's not reflected in this year's application; sometimes it's reflected in the following year's application. But CoC that have a history of doing reallocation it certainly appears that they helped their CoC score.

Using performance criteria to rate and rank projects was a big priority of ours. It was also a priority of Congress and they actually included language in our appropriations bill that instructed us to put a big emphasis on how CoC's rate and rank projects. So, that was worth a lot of points in the CoC application and it's going to continue to be something we emphasize.

I know this was a big challenge for some Continuums of Care. It is hard to know – for any Continuum of Care to know what's the best way to rank projects. What are the factors we should consider? What factors will help us encourage projects to contribute more to better system performance, to reduce lengths of time homeless, to reduce returns to homelessness and things like that.

One thing I wanted to mention is we're working on some tools to provide the communities a little information and suggestions about how you can use your local ranking process to help with improving your system performance. And we'll have that out in the next few months.

Another factor that helps CoC as well is using housing first practices. Reducing homelessness in your community was the big factor. We had several scoring factors related to reduction in homelessness including reductions in your point in time counts and there were a lot of points related to increases in permanent supportive housing and rapid rehousing units that were reflected in the continuum of care application. CoCs that did well tended to do well in all of these areas.

One thing I want to mention briefly, we have started distributing the debriefing document on your CoC score, so if you are a CoC leader you may have received that already. If you have not received it already you can contact your field office and they should be able to provide that to you. Again, most CoCs should have received that by now. Some CoCs may not have, but if you haven't you should be receiving it soon.

So, I want to talk a little bit about why certain CoCs did not do well. Why projects weren't funded and there are really two major factors. One is the overall CoC score and the other one is things related to particular projects. So, I want to talk first about the overall CoC score and factors that were – that we saw in a lot of applications that scored low that were – that affected why they scored so poorly.

So, one of those factors was there was an increase in homelessness in the geographic area, so that was certainly an important factor. Another thing we saw in a lot of applications is either a flat level or a decreased level of both permanent supportive housing units and rapid rehousing units. Both of which were fairly important scoring factors. So, that contributed to you know lost points for a lot of CoCs that affected whether they were able to get projects.

I want to just also quickly talk about a couple other factors or a couple data points related to these things. CoCs that did well tended to use a lot of housing first practices, and you saw that in their applications. In the 2015 round of funding we looked up the average housing first score of all the tier 2 projects. And in 2015 it was 8.92 out of 10 points. In 2016 it was 9.54 out of 10 points so there was a pretty substantial increase in the degree to which projects were using housing first practices; so that was good to see. The other thing I wanted to mention was regarding the overall reductions in homelessness communities. We did see an increase in reductions in homelessness or an acceleration in a reduction of homelessness, not quite sure what the clearest way to say that is. Between 2014 and 2015 there was an overall nationwide reduction in homelessness of about 12,000 people. Between 2015 and 2016 it was a reduction of about 15,000 people. So, it's good to see that accelerating and we hope to see that continue to accelerate in the future.

The next slide I want to talk about some more of the factors related to – well actually this slide I want to talk a little bit about the distribution of CoC scores. And this was something that we did a lot of analysis on and I just want to sort of point out a couple things. But, first I want to explain what this scatter plot chart is showing and then I can sort of talk about some of the implications.

So, when you see on this chart is on the Y axis, which is the vertical access; the one that goes up and down is CoC scores. Each of these dots represents one CoC and so how high or low they are on the chart represents their CoC score. The X axis, the horizontal axis, the one that goes left to right represents their – the size of the CoC as reflected by their ARD, their annual renewal demand. This is not a proportional scale; this is essentially in order. So, sort of each tick mark along the scale is the next largest CoC. But, I did put in the annual renewal demand for the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentile to give you a sense of where you might be in this chart.

And I just wanted to point to a couple things. One is that if you sort of look towards the left side of the chart, so the smaller CoCs there are a lot of CoCs that are scoring low, below say 140 points. And we tried to look at those CoCs to see what was happening and whether this reflected our scoring process or something else. And I think one thing that became very clear is that there – that many of those smaller CoCs, the lower scoring, smaller CoCs are struggling a bit with capacity to both just complete the application

process, but also to just generally operate a continuum of care. I don't pretend that operating a continuum of care is a simple process, it is complicated. There's a lot of work involved, it requires a lot of staff and a lot of resources. And while we're trying to make things simpler, we also recognize that it's important that CoCs do a lot and do it well in order to be able to end homelessness and communities.

So, we noticed that there are a lot of the smaller CoCs that are struggling with capacity. Some of them are doing quite well and you can see that there are some very high scoring CoCs, small CoCs. But there are a lot that are struggling and one of the things I think we're going to be communicating with people is that – and we have been communicating with people. If you're a small CoC and you're struggling with capacity and you're getting low CoC scores, it's likely that you're lowering funding on a regular basis. It really makes sense to consider merging with another CoC in your area, either Balance of State CoC or possibly a close by city or county CoC or something like that. And I think there are potentially benefits to both parties from looking at the merger process. So, if you think there's an opportunity for a merger we are happy to try to provide technical assistance to help you with that or to answer any questions that might help you think through that process.

In addition to that, I just wanted to just highlight the high score was 187.75, the low score was 79 and the weighted mean score was 160.7. And the way to think about the weighted mean score is that's sort of the turning point about whether you were likely to get increased funding or decreased funding over all. So, if you were scoring above that level you're more likely to get increased funding. If you're scoring below that level you're likely to get decreased funding. There are a few other factors besides just the CoC score, so that won't necessarily determine whether you're getting increased or decreased funding. But, that's sort of the turning point as far as CoC scores.

So I want to take this opportunity real quick to remind people about if you have a question to go ahead and submit the question in the question box, on the right side of your screen. We have a team that's behind the scenes that's collecting questions, sorting them and trying to figure out which questions to ask. So, please feel free to go ahead and submit your question at any time. If you ask a question that we cover later in the broadcast, our team knows to go ahead and skip that question.

So, let's sort of move on to the next slide and talk a little more about why specific projects weren't funded. So, I talked about the CoC scores earlier. I want to talk more about the project level scores. So the cut off line for tier two project level scores was 67.2 points. As I mentioned earlier, transitional housing and supportive service only projects were less competitive. This year we gave – there was up to five points available for the type of project. And permanent housing projects, HMIS projects, coordinated entry projects and

transitional housing projects that were dedicated to serving youth would all receive five points. Other transitional housing projects would receive three points. Other supportive services only projects received one point. Now this was much less of a factor than last year. Both because there were just fewer points available for the project type and last year it was worth a total of 10 points, this year it was only worth five. Going back through our award data there were only four projects nationwide that were transitional housing projects that did not get funded solely because of that project type score, and there were only three supportive service only projects that did not get funded solely because of that project type score.

And just to give you sort of a little context overall, we had about 1,300 tier two projects that were submitted to us and of those we funded 818. And that, by the way, includes projects that straddle tier one and tier two. And then we did not fund about 480 projects that were in tier two. So, while we were able to fund most tier two projects there were certainly a lot of projects applied for that did not get funded.

Another factor that I mentioned earlier that resulted in projects not being funded was the housing first practices. That was again, worth up to 10 points at the same as last year, and so a lot of projects not using housing first practices was the sole factor in them not being funded. Robert alluded to this earlier, but projects that were at the bottom of tier two were unlikely to be funded no matter how well the CoC did. We increased the scoring this year for how a particular CoC ranked their projects. This, for those of you who are you know into the math on these things, the increase in that score resulted in us sort of spreading projects around CoCs a little more, so there were fewer CoCs that got all their projects or did not get any of their projects. And more CoCs got some of their projects.

So, again if a project was at the bottom of tier two for CoC it was unlikely to be funded no matter how well the CoC scored. Similarly, even a fairly low scoring CoC could get the project to the top of their tier two and their straddle projects. And then the last bullet is really sort of another reference to the strategies that CoCs are employing to reduce homelessness, including things like increasing permanent supportive housing, increasing rapid rehousing and the strategies that communities are losing to reduce the length of time people experience homelessness, returns to homelessness and other performance measures.

So, that's an overview of why projects didn't get funded. I wanted to talk briefly on this next slide about reallocation. Robert covered this a little but I want to go into this in a little more depth. Reallocation is the process we've had for a while. It allows you to eliminate lower performing projects and shift the funding into new projects without taking a risk or you know any penalty or anything like that. On average, this year's CoC reallocated about 5.8% of their resources. And you can see in that slide a list of the different types of

projects that were created through reallocation. And these were the funded projects that were created through reallocation. So, I want to say a couple more things about reallocation because this is something we get a lot of questions about. And one of the comments that I've heard from CoCs that I wanted to discuss a little is that they feel like they're sort of running out of lower performing projects to reallocate and that CoCs – a lot of CoCs feel like what's left in their portfolio is really all high performing at this point.

And I think first of all that's great and you know it's certainly a good thing that projects are performing better. But the process of reallocation is really something we expect CoCs to be undertaking all the time, every year. I think the way to frame the question of reallocation is looking at all the projects we've funded is there any way we could improve our CoCs performance by trading in a project for a new project? So, they may all be well performing but could we get even better performance by doing reallocation? And so if you know, to use sort of just a random scale if you think about performance on a 0-100 scale, 100 being great and all your projects are doing better than 90; so they're all performing great. They're all A-grade projects. Well then the question is if you have a 92 project, is it possible to reallocate it to something that would be a 97? And so that's a question I think is always worth asking.

Now sometimes improving performance happens through reallocation by trading in a project, sometimes it's something where you can improve the performance and quality of the project through other means, just by changing how the project operates or things like that. And you know either one is fine with us, I think we're just looking for CoCs to do everything they can to improve the overall quality of their projects and their overall performance of their CoC.

So, I want to move on to the next slide and talk a little bit about transitional housing. In 2016 round of works we awarded 107 million for transitional housing projects. That is about 66 million less than we funded in 2015. Unlike last year the vast majority of the reduction in transitional housing funding happened at the CoC level, because CoC reallocated those projects. There were actually not very many transitional housing projects that CoC has applied for, that we did not fund. So, there were only a little less than 7 million dollars in transitional housing projects that we did not fund, that were applied for. The vast majority of that 66 million was reallocated at the local level.

The benefit of reallocating locally rather than having us not fund it is that you can go through a much more planned process. And those projects can be either wound down or converted or whatever is happening to them in a much more rational way and there's much more time for that to happen rather than sort of much later in the process finding out that you're just not going to receive funding. We recognize that a lot of that reallocation, some of that is

CoC seeking better performance and some of it is CoCs reacting to our incentives and the policies we've been putting in the NOFA. But you know whatever the motivation it clearly is better overall if that CoC is reallocated locally than if it just suddenly doesn't get funding.

Again, I wanted to stay on the subject of transitional housing and our overall transitional housing policy. I think it's something that people continue to ask us about. Our policy is still not to eliminate all transitional housing projects. We recognize that there are some circumstances where transitional housing is the right approach. We have called out a few different populations in our various materials where the CoC should think about whether transitional housing is the most appropriate intervention, so one of those is with respect to recovery housing programs. We published a recovery housing brief about a year ago and I really strongly encourage any community that has recovery type transitional housing programs, I strongly encourage you to read the brief. I think it really sort of sets the line between what is a good recovery program and what is not a good recovery program.

And you know it discusses the elements of choice that are so important. It discusses using housing first approaches in recovery programs in which housing first approaches you really should incorporate into recovery programs and discusses outcomes and you know working with your behavioral health infrastructure and your community. So, there's a lot of good stuff in there and if you're sort of wondering whether you should be funding recovery programs I think that brief is the first thing you should probably read if you haven't already.

Another population we have discussed a fair amount is people from domestic violence. We recognize that people fleeing domestic violence need a safe place to stay and there are many communities that use transitional housing to provide that safety. And we certainly support that. At the same time we want to be sure that's not the only option we're providing to survivors and that we have also seen where survivors, while they have a safe place to stay, they don't actually have a way to move on from that. And a way to get back on their feet and to move into a new community and to really get on with their lives and while still also getting the support they need that results from their domestic violence experience. So, we want to make sure that CoCs are providing those options for them as well; in a lot of cases that option is rapid rehousing. There are other options as well. So, finding that balance between okay, just because its domestic violence program doesn't mean it's meeting all the needs of survivors but we do at the same time need to meet the needs of survivors so we are working on some guidance and some information about how communities can strike that balance. We have a technical assistance that's working on those things, and we hope to have some more out there fairly soon.



So, moving on to the next slide, I want to talk a little about efficiency, increasing efficiency here. One of the things we recognize that HUD is the importance of getting every – all the value we can out of the funding that we have. And we recognize that we don't have nearly all the funding that we need to meet everybody's needs. And while we have been requesting more funding every year and Congress has been giving us some more funding, not as much as we've requested. But certainly has increased our funding over the past several years, that it is our responsibility to use that – those resources as efficiently as possible. And you all I know have been working diligently on this and working to squeeze more out of your continuing of care programs than ever before. I wanted to share some data on what we're seeing as far as efficiency.

One of the things we're seeing is an increase in permanent supportive housing units. So, over the past two years so comparing 2016 to 2014, over the past two years we have about 10% more permanent supportive housing units. We have about 22.5% more households that we're serving over the course of the year with residential programs. So, that includes transitional housing, rapid rehousing and permanent supportive housing. So, and you see in parentheses the numbers that go behind those. And then we also calculated for every dollar we spend on residential programs how many households are we serving and we're seeing that we're serving almost 15% more households per dollar spent on residential programs than in 2014.

So that's a lot of households we're serving because the program is running more efficiently. And I just wanted to take a moment to recognize that I know that you all are out there working on this every day, that you've made some very, very challenging decisions and had to deal with a lot of concerns locally, a lot of politics locally, and you've made some good decisions, some hard choices and it's reflective in the – in what we're seeing in the applications, reflected in what we're seeing in point and time counts and other measures of performance. So I just really wanted to thank everyone who has worked on this because it's really important. It's helping more homeless people that we've ever been able to help before. And it's also one of the things that helps us go to Congress every year and make a good case for our programs, so thank you.

Moving on to the next slide I want to show you another chart that just shows the funding for different types of programs over the past, almost the past decade. The green line that you see there is the funding for permanent supportive housing and as you can see it's almost doubled over the past nine years. The blue line you see is the line for transitional housing and what you'll see there is that transitional housing has declined by about three-quarters over the past nine years. And part of that went to permanent supportive housing and part of it went to the purple line, which is rapid rehousing. We didn't have continuum of care funded rapid rehousing before 2012 or at least it wasn't called rapid rehousing. And, as you can see now

we're funding about almost 250 million in rapid rehousing. And serving many more households with rapid rehousing than we are with transitional housing at this point. So, again I recognize those took some tough decisions to make those changes and it's something we definitely recognize and very much appreciate.

I just want to close with a couple things. I want to talk about the things we're doing for grants not funded. So, moving on to the next slide. Just a couple quick points about if you applied for a project that did not get funded we do have a policy extended grants that still have funds remaining. So, that's something you can take advantage of. There are a lot of policies around how you close out a grant, so you should really work with your field office on what those procedures are. One of the challenges, especially for grants that were applied for and not funded, one of the challenges is what to do with the participants of those projects and where do they go. There are a lot of options available; I'm not going to talk about those here because it is so dependent on the individual circumstances of a particular project. But I will say there are a lot of options and you should work with your field office to identify what those options are.

We also know that there are a lot of projects that have restrictive covenants or use agreements. So, for example a project that was funded 10 years ago with some capital funding that has a use restriction. What do you do if the project is no longer funded? So, we have some flexibility there. We have provided some information to our field offices about what we can do in those circumstances. In some cases we can wave it. In some cases the restrictive covenant still holds but many other uses of the project can sort of meet the requirements of the restrictive covenant. And then we have different options for payback. So, there's a lot of flexibilities, so I think before you make any assumptions about whatever is and isn't possible, I'd strongly encourage you to work with your field office. We've worked with numerous field offices around the country on this over the past couple years and have been able to work out things fairly well.

So, the last two things I'll say is you know if you have any questions about your project and the fact that it didn't get funded and what do you do next, please reach out to your field office, they can help with this and then we also have technical assistance available. Please feel free to reach out to our technical assistance. You can actually request technical assistance on the HUD exchange and we have already started reaching out to some of those – some of those projects that didn't get funded to preemptively offer technical assistance, but you can also do that again by going to the HUD exchange portal.

So, at this point I think we're ready for questions. I would just remind everyone that you can – if you look at the right side of your screen there's a question box and you can submit your question there. But I think we

probably already have a bunch of questions in the queue. So, Robert do we have any questions?

Robert Waters: Yeah we do Norm. We'll start with this one. With the change in administration do you anticipate any changes to HUD's priorities and will these changes have an effect on homeless programs?

Norm Suchar: So that's a great question. Here's what I would say about this. First of all we don't have a complete team in place. So, we don't know all of the priorities of the new administration. I will say though that all indications we have so far, we've had a few conversations and all indications are so far that the incoming team views the homelessness programs very positively. They are impressed with the efficiency of our programs and the steps we've taken to make them more efficient. And so, they are certainly supportive of the progress we've made on reducing homelessness and on veteran homelessness in other areas. So, all indications so far are that they're going to be supportive of our current policy.

That all said, we just don't know for the next several months. The new team will have to come in place. There are several layers of appointments that need to be made still and there's a lot of work to do to sort of get – start getting involved in the policy making apparatus here. So it's going to be several months before we have a very clear sense. But all indications so far are positive.

Robert Waters: Okay, as we focus on chronic homeless housing and the housing preference, we're seeing an increase in the number of households requesting transitional housing with intensive case management and sober housing. Is there any future potential for funding of projects similar to the VA, GPD model as a new project?

Norm Suchar: So that's a great question, you know we – I can't talk super specifically about what we're going to be doing in the future NOFA. But I will say a few things. One is that we're always looking at questions like this and trying to figure out what are the program models we should be funding. And what are the right ways to do this. We get less requests for that kind of new funding for recovery transitional housing programs than for other programs. So – but we're always looking at this and trying to find the best way to do this. We are also trying to figure out how do we work better with other programs around the country, including the Department of Health and Human Services. Medicaid program can pay for many recovery services and so we're trying to help our communities and our recipients and ourselves better understand what are the ways we can work together to make programs that work well.

So again, without being too specific it's something we're looking at but it's not the – probably not the biggest request we get for funding that kind of program.

Robert Waters: Thank you. There was a lot of weight put on decrease in number of homelessness, our homelessness went down but street population went up in the pit count for the northeast. We were hurt by the fact that 2015 had a big snowstorm the night of the count leaving more people to seek shelter. The following year it was mild so more people were on the street. Is weather and uncontrollable storms taken into account in scoring when looking at the PIT data?

Norm Suchar: So that's a great question. We don't take into account weather and storms. We have looked at this in the past to try and see if there's a way that we could do this. And there's really no fair way that we could think of to account for things like that. What I will say though is we try to take sort of a long view of the work of ending homelessness and the continuum of care competition. We try to make sure that you know where you have anomalies in one year, at least over the course of a few years of CoC applications those things will balance out. So, I know that's not very helpful for the current process, but it is something we pay attention to.

But no, we do not take into account weather and other sort of similar anomalies. It's something we've looked at in the past. We'll continue to explore options certainly but it's been challenging to find a way to apply something like that fairly and consistently across the program; so that's been a challenge for us.

Robert Waters: Good. When can we expect the next competition, a project timeline or etc.? Any changes that you can share or know about?

Norm Suchar: Sure, with the you know obvious caveat that not everything is within our control here is sort of roughly what our timeline is. Not just for this year, but I think what is going to more consistently be our timeline going forward. Our goal is to publish our registration notice in February or March; so that would be fairly soon. You'll see a difference in how we do – grant inventory worksheets, so you know we'll put out some information about that coming up, we're trying to simplify the process.

Our expectation is to publish the NOFA in May and to have it due in roughly August and to again make awards within the calendar year, so sometime in December. Last year is the first time we awarded all the projects in December, so the team here worked really hard and really creatively to make that happen; so that's something we certainly want to keep on track every year. But that's our sort of the regular timeline that we want to stick to every year. We are trying to lengthen the amount of time that communities have with the NOFA. So, I think in past years we have had NOFA's out for 60 days. Last year, it was out for a couple weeks longer than that, and we're looking to make it longer still. We love to get up to 100 or 120 days but that's pretty challenging, but that's sort of our goal. So, that's kind of the overall

timeline we're looking at. Again, there's a lot that's just not in our control. Congress has not passed a budget for 2017 and that affects the NOFA, so we'll have to see how things go. But that's the timeline we're working on now.

Robert Waters: How was the CoC weighted means score calculated?

Norm Suchar: So great question, I'll go through the calculation and then I'll go through sort of what it means conceptually. So, it was the ARD for a project multiplied by the CoC score for that project, all of those added up for every CoC. And then divided by the total sum of ARD. So, that's sort of the calculation here. The concept here is that we wanted to provide the average CoC score, but you know in a more meaningful way. The problem with just doing the average of all the CoC scores is that the larger CoC as you saw from the chart earlier, the larger CoCs tended to score better. So even if you are at the average, you were sort of kind of losing ground because the larger CoCs were getting – to put it very bluntly were scooping up a lot more of the money because they are larger CoCs. So, if they get a 2% increase in their funding that's not really balanced out by a smaller COC that's scored lower, losing 2% of their funding, right? So we tried to weight that for the ARD in the CoC and that's how we calculated that. And so we summed up the ARD times CoC score for all the CoCs and then divided that by total ARD.

Robert Waters: Housing first is a HUD priority, why would HUD fund any CoCs which have not adopted housing first?

Norm Suchar: That's a great question. With all of our policies we try to think about what's the most constructive way to implement policies and so figuring out how to best implement the housing first of all is a good example of that. So, there are really two things going on. One is that there are some communities that are doing – to put it bluntly very little housing first. And we didn't want to have a process where we just decimated those communities and there's no way for them to sort of recover in future competitions. We wanted to have a process that would really strongly encourage them to make improvements. And to – but to do that you know locally and without losing a lot of funding. And so we put some pretty strong incentives in the CoC application to move towards housing first.

At the same time we also know that while the – in the majority of cases and I think communities should have the vast majority of their programs using a housing first approach, there may be some circumstances where it – you wouldn't be incorporating every element of the housing first approach like in a recovery program. You'd only be – you'd only have some of the elements in the housing first approach. And so we wanted to have some allowance for that as well. But, overall I will say I think the increases in housing first scores in the application have been heartening and certainly something we have been pleased about.

At the same time the fact that people say they do housing first in the application we know that people don't always do precisely what they say they're going to do in the application. And one of the things we're doing is trying to monitor whether projects are really doing housing first. So, that's – it's important that it's implemented correctly as well as communities are identifying themselves as using housing first practices. We, another tool we're working on is sort of a check list for projects and for CoCs to use with projects to determine whether they're really using all of the elements of the housing first approach. We have – we're well into drafting that and I think we'll have something in the next couple months available.

We have a lot of projects coming in the next couple months because we've been queuing things up to try and get them ready for the next competition. So, that's something else you can look forward to that I think will help promote housing first locally. Great question though, thank you.

Robert Waters: This question I believe is related to reallocating transitional housing project. So, for context I figured I'd add that there, but the question is if we keep reallocating we will render people homeless. How do we reconcile this with the need to reallocate for higher scores?

Norm Suchar: So, that's a great question and this is actually something I hear from a lot of people, particularly from people who work in projects that were reallocated. And so I want to sort of you know, walk through or thinking about this very quickly. We are a very data driven and research driven office. We are constantly looking at research and evidence around which types of housing, which types of projects are more effective in getting better outcomes. We have looked at some fairly rigorous studies on permanent supportive housing, on rapid rehousing, on transitional housing, on other types of projects and the evidence is pretty clear that permanent supported housing is getting very good outcomes, it's very cost effective. It helps save money in other public systems. It helps with efficiency and it really is able to serve people with the most significant barriers and challenges when it uses housing first approach.

The evidence is also telling us that rapid rehousing is also effective, efficient. It reduces the cost of homeless services and provides as much benefit as transitional housing and other programs at lower cost, which means we're able to serve more people. And, those studies are pretty consistent across different types of populations, across different types of communities. And so we're pretty confident that those are the right ways to go.

We know that when you sort of take a broad policy and try to implement it, it can be challenging to make sure that you gain those benefits in the actual implementation in a community. We are trying to develop some more tools and ways to help communities implement that as efficiently as possible. We're trying to maximize the flexibility in our programs so that if you have

a, for example a transitional housing program that is reallocated that there's a place for those program participants to go and to be served. So, we are certainly working on all those implementation issues, but I don't want to lose the forest through the trees here.

We are able to serve many, many more households than we used to be able to serve. And it's not because we've got huge increases in funding from Congress. Most increases we've got in recent years have been needed to cover increases in housing costs and fair market rent communities. The increase in the number of households we're serving is because we are doing more rapid rehousing, doing more permanent support housing, and these programs are operating more efficiently and getting us better outcomes.

I will also say we've been following very closely the experience of VA and veteran housing programs. And they have used SSVF, supportive services for veteran families, which is primarily a rapid rehousing program for veterans. And we have been you know pouring over that data to you know, learn as much as we can and it is very clear that that is a very significant contributor to the reductions we've seen in veteran homelessness, very large reductions we've seen in veteran homelessness.

So, we are very confident that we're on the right policy track overall. We know that when you implement this stuff there are bumps and it's challenging and we're trying to figure out how to do that in a more streamlined and effective way. And if you're in a community that's struggling with this we'd certainly welcome a request for technical assistance so we could help work through this. But, you know overall I think we're going the right direction.

Robert Waters: Okay Norm, we have about three minutes left. If you want to take one more question we do have one – how did our CoC receive full funding for a project that straddled tier one and tier two. But, did not receive funding for a bonus project that was fully ranked in tier one?

Norm Suchar: Great question. You know, without knowing the circumstances a little better, I can't say for sure, but let me walk through. I talked about some of the reasons projects didn't get funded. Let me just walk through some of the ones I didn't talk about. If a project was fully ranked in tier one the only way it did not get funded is if it didn't meet the threshold requirements. There are very few projects that don't meet threshold requirements but it does happen. I will also say there was one additional threshold requirement that may have affected this bonus project. So, Congress included language in our appropriation bill for 2016 that basically said that a community could only get a bonus project if they were demonstrating that they were using performance to rank projects locally. I'm sort of paraphrasing here, but the exact language is actually in the NOFA.

So, that meant that we had to do an assessment of whether a community was using performance to rank projects locally and if they weren't then we couldn't provide funding for new bonus projects. If that happened what would happen or if any project didn't meet threshold requirements what would happen is we sort of – we pull it out of the ranking chart and everything else kind of slides up. So, what may have happened is that straddle project may have sort of – if we had to pull out a bonus project, the straddle project may have moved up into tier one, which would result in it getting funded or its just possible it was still a straddle project and just you know the score was high enough for it to get funded. Those are some of the reasons. You know if you have – you can submit a question to AAQ and we can sort of dig a little deeper or maybe your field office might now.

If a project was rejected they should be getting a letter soon that explains the reason for the rejection those should be going out probably in the next – well some of those should have – most of those should already have gone out if they haven't gotten that letter yet, then it may be going out in the next week or so. So, thank you for all the very thoughtful questions. I just want to go to this last slide and wrap things up very quickly.

I just want to give sort of some high level – talk about some high level concepts about moving forward. And this isn't really specific to a particular NOFA or anything. But I want to give you a sense of the important things, or the important directions you need to pay attention to going forward. So if we just move to that slide here. There are – the importance of reducing homelessness, I just can't stress enough that when we are developing policy and trying to figure out how are we going to do the NOFA, what are the questions going to be, how are we going to score it, how are we going to do the continuum of care regulations, how are we going to – any notices. All those things are guiding sign post is about whether it helps us end homelessness in the country.

And so if you're trying to figure out what strategies does HUD want us to employ or will likely help us in future years. I think it's really important to be involved in the field of ending homelessness, to be going to conferences, to be learning as much as you can, reading newsletter and studies and things like that. And, participating in the national webinars about best practices and things. Those are the kinds of things that we are going to be emphasizing. How do you house people better? How do you reduce returns to homelessness? How do you house people quicker? Those are ultimately what we're trying to craft our policies around.

So, if you're thinking about that stuff, if you're going to see National Alliance to End Homelessness Conferences and learning stuff and trying to implement them, that will serve you well in our future competitions. The other I wanted to talk about is the role of CoCs in monitoring and improving performance of projects in your community. We really believe that



communities are well served by having a strong CoC, a strong collaborative applicant that is able to really monitor performance on a regular basis at the local level, that can really make decisions to guide what projects are doing, who they're serving to have a robust community planning process. To have a robust community accountability process, it helps to bring in the right partners.

That process, that capacity to oversee, administer, facilitate, coordinate at the local level, that's really important. We, a couple years ago increased the amount of planning, funding you could get in our continuum of care program, to the maximum we're allowed to by law, 3% of your total. And we really believe that that function is important. I'm sure many of you do too because I know many of you are doing this every day. So, we really believe that there's a strong role for the CoC in monitoring the performance of projects, and again we want to help you figure out how to do that if you have suggestions for us, that would be helpful. We tried to craft the CoC application in a way that facilitates you being able to really work with projects. And I know there are a lot of people operating projects on the call today as well. But you add CoCs working with you as project recipients to get the best performance you can.

So, that's going to continue to be important going forward and if you feel like you know the CoC process is really just focused on the application, it comes together around the NOFA, you rank based on what you sort of glean from the NOFA, I think that's probably not enough going forward. That improving performance is a year round process and you know doing that coordination and work with other community partners is a year round process that has to happen outside of the NOFA period as well.

I briefly touched upon already the important of reallocation. It will just continue to be an important part of the CoC competition. It is not a temporary thing we're going through to make a one-time adjustment. I think it's an important part of the fabric of the program and of the competition to constantly be seeking better performance, new strategies, better strategies and better implementation.

I wanted to quickly say something about reducing barriers to being served by projects. I think there are still some projects that have too many barriers to entry and this is something we're very concerned about. Our expectation is that CoC funded projects are serving people with the most significant needs, who have been homeless the longest, who have the most disabilities and challenges and barriers to exiting homelessness. And that projects have low barriers and that they're welcoming to people and are taking people where they are and trying to help end their homelessness. This is just sort of a foundational value of the office and it is something we've also seen that research highlights the important of having that orientation in a project. And that projects that use those philosophies and practices are getting better

outcomes. And that really sort of goes with the last bullet there about the importance of insuring that resources are focusing on people with the highest needs. That has to happen really across the community. It's important to have you know, strong outreach, a strong coordinated entry and a strong overall ethic in the community of really trying to find people who are often lost and fall through the cracks of assistance to find them, to engage them and to serve them.

So, that is all for our webinar today. Sorry we went a little over. I appreciate everybody's time. I just once again, want to stress how appreciate we are of the work you're doing. It is making a very noticeable difference. We can see it in the applications, we can see it when we go out to communities and see some the great work that's going on. So, thank you for being our partners in this and I hope you enjoy the rest of your day. And that concludes the webinar.