Philadelphia Continuum of Care (CoC) Advisory Committee
Thursday, August 18, 2016
8:30 – 10:00 a.m.
<u>Meeting Minutes</u>

<u>Present Committee Members</u>

Terrine Anthony (Friends Rehabilitation Program)
Brenda Dawson (Pathways PA)
David Dunbeck (PHMC)
Mike Lewis (CATCH, Inc.)
Phil Lord (UESF)
Sharon Mackrey (PCRC/ TURN)
Shani Meacham (Valley Youth House)
Jamila Harris-Morrison (ACHIEVEability)
Jim Piasecki (RHD)
Renee Hudson Small (Catholic Social Services)
Sarin Soka Sarom (Friends Rehabilitation Program)
Elise Scioscia (Women Against Abuse)
Shirley Warner (Episcopal Community Services)
Rachel Yoder (Project HOME)

Marsha Cohen (Homeless Advocacy Project)
Kathy Desmond (PEC)
Rachel Falkove (Philadelphia Interfaith Hospitality Network)
Cheryl Mackey (UESF)
Diana McWilliams (Families Forward Philadelphia)
Toni Montier (Gaudenzia)
Tina Pagotto (Bethesda Project)
Stephanie Puccia (Hahnemann University Hospital)
Peggy Robertson (DePaul USA)
Kathy Salerno (Veterans Multi-Services Center)
Vanessa Tercero (Dignity Housing)
Carla Williams (Horizon House)

<u>Absent Committee Members</u>

Asociasion Puertorriquenos en Marcha
Calcutta House
Center for HOPE
Covenant House PA
DHHS, ACF, FYSB
HELP USA
Juvenile Law Center
The Drueding Center
Pathways to Housing PA
SHARE Food Program
The Salvation Army
The Attic Youth Center
Whoesoever Gospel Mission
Youth Emergency Services, Inc.

Broad Street Ministries
Center City District
Community College of Philadelphia
Department of Human Services
Free Library of Philadelphia
Homeless Advocacy Fund, Inc.
Lutheran Settlement House
My Place Germantown
Philadelphia FIGHT
Sunday Breakfast Association
The Sheller Family Foundation
Village of Arts and Humanities
Women's Community Revitalization Project
YouthBuild Philadelphia

<u>Present Office of Homeless Services Staff:</u>

Liz Hersh
Roberta Cancellier
Tara Gaudin
Lauren Whitleigh

Michelle Butler
Michele Mangan
Sara Pagni
William McIntyre

<u>Background Materials:</u> The following background materials were sent to Committee members on Monday August 15, 2016: the meeting agenda; Philadelphia CoC Code of Conduct and Conflict of Interest Policy 2016-2017; Philadelphia CoC Policy for Underperforming Projects – proposed 2016 revisions; Philadelphia CoC

proposed Permanent Supportive Housing Prioritization Policy; Background Information on FY 2016 HUD CoC NOFA; Background Information on The Affirmatively Furthering Fair Housing Rule; Ad-Hoc Workgroup on PSH Policies and Procedures July 14th Meeting Minutes; CoC Advisory Committee June 13th Meeting Minutes; and proposed 2016 revisions to CoC Governance Charter.

Materials Distributed at Meeting: Meeting Agenda, Handout describing proposed Philadelphia CoC's reduction, reallocation, and ranking strategy for the FY 2016 HUD CoC Competition, powerpoint presentation describing the Affirmatively Furthering Fair Housing Assessment the Division of Housing and Community Development has developed, handout listing the specific projects that will have to adhere to the CoC PSH Prioritization Policy, and background information about HUD publishing Notice for Further Comment on the CoC Program Preliminary Pro Rata Need Formula.

Welcome, Introductions, and Community Meeting
Rachel Yoder (Advisory Committee Chair) began the meeting at 8:33AM with a welcome, introductions, and a Sanctuary Model community meeting. Rachel welcomed Vanessa Tercero as the new Vice Chair of the Committee.

Approval of June 13th Meeting Minutes
Vanessa Tercero motioned to approve the CoC Advisory Committee June 13th meeting minutes. The motion passed unanimously.

Affirmatively Furthering Housing Rule
Paul Chrystie of the City of Philadelphia Division of Housing and Community Development (DHCD) presented information about the Fair Housing Act; and the purpose, goals, benefits, and process of HUD's Affirmatively Furthering Fair Housing (AFFH) Rule. Paul presented how the Rule, assessment, focus groups, and subsequent report to be drafted in October, 2016 and submitted to HUD in December, 2016 will be the roadmap for housing and community development in the city. Powerpoint slides found in Appendix A. Immediately following the Advisory Committee meeting, Lauren Whitleigh emailed to every Advisory Committee member the link to the survey, available on DHCD's website until August 30th, as well as Paul Chrystie's contact information (paul.chrystie@phila.gov) as a resource to committee members who want to request paper copies of the survey.

CoC Permanent Supportive Housing (PSH) Prioritization Policy
Sara Pagni presented the proposed Philadelphia CoC Permanent Supportive Housing Prioritization Policy, a policy that requires all CoC Program-funded PSH projects to follow the Order of Priority as described in HUD's Notice CPD-16-11: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing. Sara presented the order of prioritization for PSH beds dedicated or prioritized for households experiencing chronic homelessness and PSH beds not dedicated or prioritized for households experiencing chronic homelessness. Sara reported that the CoC Coordinated Entry System Planning Team endorsed adopting said prioritization. PSH Prioritization Policy is found in Appendix B.

Members of the Advisory Committee provided the following input: (1) If we are to follow this order of prioritization once Coordinated Entry goes live, we must ensure we are increasing our inventory of other housing options to ensure households that may no longer be prioritized for permanent supportive housing have other permanent housing options; and (2) When Coordinated Entry System goes live and this policy goes into effect, there needs to be a transition period for projects to adjust to the new prioritization and referral process, as projects that have historically referred to PSH projects will have to figure out alternative permanent housing options for its participants who may no longer be prioritized for PSH.

Proposed CoC Policy for Underperforming Projects
Tina Pagotto (Chair of Quality Improvement and Evaluation Subcommittee) presented a summary of the proposed changes to the CoC Policy for Underperforming Projects, found in Appendix C. A project is considered underperforming if both its local renewal score falls into the lowest 10 percent and it didn't meet benchmarks in performance measures. In the 1st year of underperformance, the Office of Homeless Services will work with the project to develop an action plan and provide technical assistance to improve performance. If the project is identified as underperforming for a 2nd year in a row, the recommendation will be to eliminate CoC funding for said project. While a project is in corrective action, the organization affiliated with said project will not be eligible to apply for new project funding.

Members of the Advisory Committee presented the following input: (1) Regarding the phrase "a project which the CoC Quality Improvement and Evaluation Subcommittee or the Office of Homeless Services identifies as a major concern and reaches consensus to classify the project as underperforming," add language to the policy about the specific reasons/ circumstances by which the Office of Homeless Services or Quality Improvement and Evaluation Subcommittee would be able to classify a project as underperforming.

CoC Governance Charter
Lauren Whitleigh presented that there were no major changes to the CoC Governance Charter to report. Lauren reported that the one change throughout is the name change of the Collaborative Applicant, from Office of Supportive Housing to Office of Homeless Services.

HMIS Policies and Procedures
William McIntyre presented that there are no major changes to the HMIS Governance Charter, Security Plan, Data Quality Plan, and Privacy Plan this year. William reported that with HUD's intent to publish new HMIS standards in the near future, the CoC HMIS Subcommittee will be up and running to revise the CoC HMIS Policies and Procedures to incorporate the new HUD HMIS standards.

FY 2016 HUD CoC NOFA: Reduction, Reallocation, and Ranking Strategy
Roberta Cancellier presented information about the FY 2016 HUD CoC Competition, Philadelphia's Annual Renewal Demand, the amount available in Tier 1, in Tier 2, and for CoC Planning.

Tier 1 (93% of ARD)	Annual Renewal Demand (ARD)	$32,631,711
	7% of ARD moved to Tier 2	($2,284,220)
	Total Tier 1 Eligible Request	**$30,347,491**
Tier 2 (7% of ARD plus 5% Bonus)	Amount between Tier 1 and ARD (7% of ARD)	$2,284,220
	Amount Available for PH Bonus (5% of ARD)	$1,631,586
	Total Tier 2 Eligible Request	**$3,915,806**
TOTAL TIER 1 AND TIER 2 ELIGIBLE REQUEST		**$34,263,297**
CoC Planning Grant	Maximum CoC Planning Grant Request (3% of ARD)	$978,951
FY 2016 MAXIMUM ELIGIBLE REQUEST		**$35,242,248**

Roberta presented that Philadelphia received 19 proposals for new projects totaling over $13 million. Roberta presented that in the FY 2016 CoC Program Competition, not all CoCs may be eligible to receive permanent housing bonus funding. The FY 2016 HUD Appropriations Act establishes certain requirements for the CoC

Competition: CoCs can not receive grants for new projects, other than through reallocation, unless the CoC competitively ranks projects based on how they improve system performance; HUD must base an increasing share of the CoC score on performance criteria; and HUD must prioritize funding for CoCs that have demonstrated the ability to reallocate resources to higher performing projects.

Roberta presented the strategies used by the Philadelphia CoC to reduce and reallocate at least $1.8 million in renewal funding to create new permanent housing projects. The City of Philadelphia Office of Homeless Services, the CoC Collaborative Applicant, reviewed every project's performance, cost, and spending over a 3-year trend. The results of said analysis are the recommended reductions, reallocations, and eliminations described in the table below:

Proposed Reductions from 3-year underspending trend analysis (5 Projects)	$221,136
Proposed Reductions from Cost Effectiveness analysis (1 Project with cost per positive outcome significantly higher than the costs per positive outcome of similar projects)	$250,281
Proposed PH Project Elimination from 3-year performance analysis (1 Project)	$345,091
Proposed TH Project Elimination from 3-year performance analysis (1 Project)	$353,396
Proposed Project Reallocation (2 projects: Youth TH to Youth RRH, Veteran TH to Chronic Veteran PSH)	$765,626
TOTAL Proposed Reallocation	**$1,935,530**

Funding Available for New Projects

Reallocation	$1,935,530
Bonus	$1,631,586
TOTAL	**$3,567,116**

Philadelphia CoC Cost Analysis
- The Philadelphia CoC reviewed the following for every renewal project:
    - % of Total Award Expended over 3-year period
    - Transitional Housing Projects:
        - % of Priority Populations being served by project (young adults 18-24, DV, recovery)
        - Cost per Unit by population served (75%+DV, 75%+young adults 18-24, All Other)
        - Cost per Bed by population served (75%+DV, 75%+young adults 18-24, All Other)
        - Cost per Exit to Permanent Housing (75%+DV, 75%+young adults 18-24, All Other)
        - % Utilization Rate
        - % of Adult Participants increasing income (earned and other)
        - % of Adults Connected to at least 1 Mainstream Benefit
    - Permanent Housing:
        - Cost per Unit (Singles, Families, Singles and Families, Chronic)
        - Cost per Bed (Singles, Families, Singles and Families, Chronic)
        - Cost per Positive Outcome (Cost per retention in PH or exit to PH destination)
        - Rapid Re-Housing: Cost per Exit to Permanent Housing

- % of Participants Increasing Income (Earned and Other)
- % Utilization Rate
- % of Adults Connected to at least 1 Mainstream Benefit
- % Retaining or exiting to PH destination

Philadelphia's Proposed Ranking Strategy

Sara Pagni presented that the Coordinated Entry System Planning Team decided that the Coordinated Entry System should be built into Philadelphia's HMIS. That said, with a proposed go-live date in Spring 2017, the City of Philadelphia Office of Homeless Services is requesting the CoC's approval to apply for a new HMIS project to fund the necessary HMIS infrastructure needed to launch and sustain our Coordinated Entry System. Members of the Advisory Committee provided the following input: (1) Support applying for a new HMIS project because investing <$500,000 of CoC Program funding into HMIS supports the work of ~$35 million in housing projects; and (2) When being asked to choose between HMIS or housing, it would be helpful for the community to know how much housing the funding for the new HMIS project could buy. Sara Pagni estimates that when considering Fair Market Rent for a one bedroom in Philadelphia, the $214,200 for the new HMIS project equates to Rental Assistance for ~17 1-bedroom units.

Lauren Whitleigh presented the proposed ranking strategy for Philadelphia's FY 2016 Application to HUD for CoC Program Funding, described below:

Tier 1
1. 1 Renewal HMIS Project
2. The 65 highest scoring renewal permanent housing (PH) projects; scored 82 and above
3. 6 Renewal PH projects not operating long enough to have a full year of performance data
4. 2 Renewal safe haven (SH) projects
5. The 11 highest scoring renewal transitional housing (TH) projects; scored 82 and above
6. New projects (permanent housing and HMIS) created through reallocation

Tier 2
1. The 10 lowest scoring renewal permanent housing (PH) projects; scored 81 and below
2. The 2 lowest scoring renewal transitional housing (TH) projects; scored 81 and below
3. New permanent housing projects created through bonus

Lauren presented information about the scoring in Tier 2, summarized below, and described how the proposed ranking order maximizes points for the most projects in Tier 2. Lauren asked Committee members about the pros and cons of ranking some of the new projects created through bonus funding above the lower scoring renewal projects in Tier 2. Members of the Committee provided the following input: (1) Consider ranking projects in an order that maximizes the number of units of housing to be awarded; and (2) If there are no major performance concerns about the lowest scoring renewal projects in Tier 2, new bonus projects should not be ranked over said renewals.

FY 2016 HUD CoC Competition Tier 2 Scoring

Criteria	FY 2016 Points	FY 2015 Points
CoC Application Score (in direct proportion)	50 points	60 points
CoC ranking of the project applications	35 points	20 points

Type of Project	Renewal and new Permanent Housing, renewal Safe Haven, HMIS, SSO for Coordinated Entry System, or Transitional Housing that exclusively serves homeless youth	5 points	10 points
	Renewal Transitional Housing	3 points	3 points
	Renewal Supportive Services Only	1 point	1 point
Commitment to Housing First Approach		10 points	10 points
Total Possible Points		**100 points**	**100 points**

Selection of new CoC projects was made the week of August 22nd, thus shifting the proposed ranking slightly, placing more of the new projects created through reallocation in Tier 2. The proposed ranking presented to the CoC Board on August 29th for approval is described below:

Tier 1
1. Renewal HMIS project
2. Highest scoring renewal PH projects (82 and above)
3. First time renewal PH projects without a full year of data
4. New RRH project – Youth voluntarily reallocated from TH project - Youth
5. Renewal SH projects
6. Highest scoring TH renewal projects (82 and above)
7. New PSH Reallocated project – Chronic
8. New PSH Reallocated project expansion – Chronic with HIV/AIDS
9. New RRH Reallocated project – Families fleeing DV (straddles Tier 1 and Tier 2)

Tier 2
1. Balance of new RRH Reallocated project –families fleeing DV (straddles Tier 1 and Tier 2)
2. New HMIS Reallocated project to support Coordinated Entry
3. Lowest scoring renewal PH projects (81 and below)
4. New PSH project - Chronic Veterans voluntarily reallocated from TH project – Veterans
5. Lowest scoring TH renewal projects (81 and below)
6. New RRH Bonus project – youth and families
7. New RRH Bonus project – singles
8. New RRH Bonus project - youth

Annual Invitation
Rachel Yoder announced that we will be issuing our annual invitation to join the Philadelphia CoC in the coming months and that Lauren Whitleigh will be emailing a link to Committee members to develop our invitation list for said process.

Announcements
Roberta Cancellier presented that HUD has published a Notice for Further Comment on the CoC Program Preliminary Pro Rata Need Formula, and that we would like to put together a workgroup to develop and submit comments to HUD by the deadline, September 23, 2016. Roberta passed around a sign-up sheet for said work group. The following Committee members signed up:
- Vanessa Tercero (Dignity Housing)

Overview

◆ What is the Fair Housing Act?

◆ What is the Affirmatively Furthering Fair Housing rule?
  ➢ Purpose
  ➢ Goals
  ➢ Benefits
  ➢ Process
  ➢ Philadelphia

Enterprise®

The Fair Housing Act

◆ The Fair Housing Act prohibits housing-related discrimination because of:
  ➢ Race;
  ➢ Color;
  ➢ Religion;
  ➢ Sex;
  ➢ Familial status;
  ➢ National origin; or
  ➢ Disability.
◆ HUD must not only not discriminate itself, but also use its programs to affirmatively further fair housing.

Enterprise®

Purpose of the AFFH Rule

◆ Clarify existing fair housing obligations
◆ Set locally-determined fair housing priorities and goals
◆ Connect fair housing planning to other local planning efforts
◆ Identify meaningful actions to affirmatively further fair housing

Increase access to opportunity!

Enterprise®

What is Lack of Opportunity

▪ Housing that is
  ➢ Unaffordable
  ➢ Unavailable due to discrimination
  ➢ Poor quality
  ➢ Isolated from employment
  ➢ Isolated from transportation
  ➢ Lacking in quality local education
  ➢ Lacking in neighborhood amenities
    • Parks, libraries and other public amenities
    • Grocery stores and other shopping options
 ➢ Lacking in accessible health care

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AFFH Goals

1. A data- and community-driven approach to assessing segregation and expanding <u>opportunity</u>, among other fair housing issues.

2. A fair housing planning process to increase integration and increase access to <u>opportunity</u>, such as high performing schools, transportation, and jobs.

3. A process to help local leaders and community stakeholders develop fair housing priorities and goals to increase fair housing choice, build <u>opportunity</u> for all residents and strengthen communities.

Benefits of the AFFH Rule

- ◆ Clarifies the fair housing planning process
- ◆ Uses data and analysis
  - ➢ HUD-provided data and mapping tools
  - ➢ Augmented by local data, mapping & knowledge
- ◆ Involves the community and stakeholders

City of Philadelphia's Assessment of Fair Housing Resource Maps
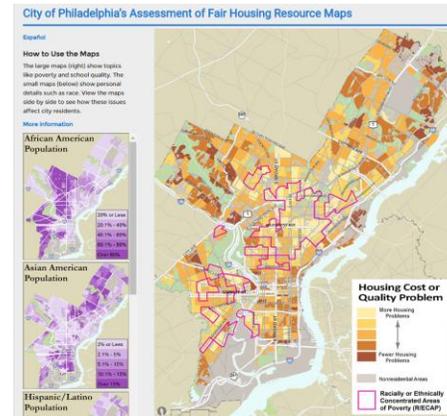
AFFH Process in Philadelphia

- ◆ Identify strengths and weaknesses, develop strategies
- ◆ Citywide survey to gain resident input
  - ➢ On web at www.phila.gov/dhcd
  - ➢ Open through Aug. 31
- ◆ Focus Groups with community residents begin Aug. 31
  - ➢ 10-15 residents in community location
  - ➢ Facilitated to go into more depth than survey
- ◆ Stakeholder meetings begin first week in September
  - ➢ Developers, service providers, advocates
  - ➢ What has changed for you and your clients in last 3-5 years?
- ◆ Ongoing analysis of census and other data
- ◆ Draft report issued October 11
- ◆ 30-day comment period, including public hearing
- ◆ Final Report submitted to HUD December 16

AFFH Process

Philadelphia Continuum of Care (PA-500)
Proposed Permanent Supportive Housing Prioritization Policy

I. Purpose

This Policy outlines the order in which eligible households shall be served in **all** Continuum of Care **(**CoC) Program funded (24 CFR part 578) permanent supportive housing (PSH).

II. Background

This Policy responds to CoC Program interim rule 24 CFR part 578.7(a)(9)(v) which requires Continuums of Care to establish and consistently follow written standards for providing Continuum of Care assistance and must include policies and procedures for determining and prioritizing which eligible individuals and families will receive permanent supportive housing assistance. The written standards established by the CoC must be integrated into the coordinated entry process.

HUD's Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing was presented to the Coordinated Entry System Workgroup in March 2016. This Workgroup approved the adoption of HUD's Order of Priority for use in Philadelphia's Coordinated Entry System process in July 2016.

III. Applicability

The Philadelphia Continuum of Care requires all CoC Program-funded PSH projects to follow the Order of Priority as described in Notice CPD-16-11: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing.

IV. Effective Date

The Philadelphia CoC Permanent Supportive Housing Prioritization Policy shall be effective once the Coordinated Entry System is operational.

V. Key Terms

A. Housing First: A model of housing assistance that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions for entry (such as sobriety or a minimum income threshold). HUD and the Philadelphia CoC encourages all recipients of CoC Program-funded PSH to follow a Housing First approach to the maximum extent practicable.

B. Chronically Homeless: The definition of chronically homeless, as stated in Definition of Chronically Homeless final rule is:

1. A "homeless individual with a disability," as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who:

    i. Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and

ii.   Has been homeless and living as described in paragraph (1)(i) of this definition continuously for at least 12 months or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (1)(i). Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;

2.   An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or

3.   A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

C. **Severity of Services Needs.** This Policy and HUD Notice CPD-16-11 refers to persons who have been identified as having the most severe service needs.

1.   For the purposes of this Policy and HUD Notice CPD-16-11, this means an individual for whom at least one of the following is true:

   i.   History of high utilization of crisis services, which include but are not limited to, emergency rooms, jails, and psychiatric facilities; and/or

   ii.   Significant health or behavioral health challenges, substance use disorders, or functional impairments which require a significant level of support in order to maintain permanent housing.

   iii. For youth and victims of domestic violence, high risk of continued trauma or high risk of harm or exposure to very dangerous living situations.

2.   For the purposes of this Policy, severe service needs as defined in paragraphs i.-iii. above are identified and verified through the use of a standardized assessment tool and process and should be documented in a program participant's case file. The determination must not be based on a specific diagnosis or disability type, but only on the severity of needs of the individual. The determination cannot be made based on any factors that would result in a violation of any nondiscrimination and equal opportunity requirements, see 24 C.F.R. § 5.105(a).

All households shall be assessed with the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT). For youth and victims of domestic violence, an additional assessment of high risk of continued trauma or high risk of harm or exposure to very dangerous living situations shall also be utilized.

VI.   Order of Priority in CoC Program-funded Permanent Supportive Housing

A. Order of Priority for Beds Dedicated or Prioritized for Occupancy by Persons Experiencing Chronic Homelessness

1. Recipients of CoC Program-funded PSH that is dedicated or prioritized for the chronically homeless are required to follow this order of priority when selecting participants for housing, in a manner consistent with their current grant agreement.

    i.   First Priority – Individuals and families who meet HUD's definition of chronic homelessness, have the longest length of time homeless, and has been identified as having severe service needs.

    ii.   Second Priority – Individuals and families who meet HUD's definition of chronic homelessness, have the longest length of time homeless, and not been identified as having severe service needs.

2. Where there are no chronically homeless individuals and families within the Philadelphia CoC, recipients of CoC Program-funded PSH should follow the order of priority in Section VI.B. of this Policy.

3. Recipients of CoC Program-funded PSH should follow the order of priority above while also considering the goals and any identified target populations served by the project. For example, a CoC Program-funded PSH project that is permitted to target homeless persons with a serious mental illness should follow the order of priority under Section VI.A.1. of this Policy to the extent in which persons with serious mental illness meet the criteria. In this example, if there were no persons with a serious mental illness that also met the criteria of chronically homeless within the Philadelphia CoC, the recipient should follow the order of priority under Section IV.B. for persons with a serious mental illness.

4. Recipients must exercise due diligence when conducting outreach and assessment to ensure that chronically homeless individuals and families are prioritized for assistance based on their total length of time homeless and/or the severity of their needs. HUD and the Philadelphia CoC recognizes that some persons – particularly those living on the streets or in places not meant for human habitation – might require significant engagement and contacts prior to their entering housing and recipients of CoC Program-funded PSH are not required to allow units to remain vacant indefinitely while waiting for an identified chronically homeless person to accept an offer of PSH. CoC Program-funded PSH providers are encouraged to follow a Housing First approach to the maximum extent practicable. Therefore, a person experiencing chronic homelessness should not be forced to refuse an offer of PSH if they do not want to participate in the project's services, nor should a PSH project have eligibility criteria or preconditions to entry that systematically exclude those with severe service needs. Street outreach providers should continue to make attempts to engage those persons that have been resistant to accepting an offer of PSH and these chronically homeless persons must continue to be prioritized for PSH until they are housed.

B. Order of Priority for Beds Not Dedicated or Not Prioritized for Occupancy by Persons Experiencing Chronic Homelessness

1. Recipients of CoC Program-funded PSH that is not dedicated or prioritized for the chronically homeless are required to follow this order of priority when selecting participants for housing, in a manner consistent with their current grant agreement.

    i. First Priority – Homeless Individuals and Families with a Disability with Long Periods of Episodic Homelessness and Severe Service Needs.

    An individual or family that is eligible for CoC Program-funded PSH who has experienced fewer than four occasions where they have been living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter but where the cumulative time homeless is at least 12 months **and** has been identified as having severe service needs.

    ii. Second Priority – Homeless Individuals and Families with a Disability with Severe Service Needs.

    An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or in an emergency shelter and has been identified as having severe service needs. The length of time in which households have been homeless should also be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

    iii. Third Priority – Homeless Individuals and Families with a Disability Coming from Places Not Meant for Human Habitation, Safe Haven, or Emergency Shelter Without Severe Service Needs.

    An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or an emergency shelter where the individual or family has not been identified as having severe service needs. The length of time in which households have been homeless should be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

    iv. Fourth Priority–Homeless Individuals and Families with a Disability Coming from Transitional Housing.

    An individual or family that is eligible for CoC Program-funded PSH who is currently residing in a transitional housing project, where prior to residing in the transitional housing had lived in a place not meant for human habitation, in an emergency shelter, or safe haven. This priority also includes individuals and families residing in transitional housing who were fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and prior to residing in that transitional housing project even if they did not live in a place not meant for human habitation, an emergency shelter, or a safe haven prior to entry in the transitional housing.

2. Recipients of CoC Program-funded PSH shall follow the order of priority above while also considering the goals and any identified target populations served by the project. For example, non-dedicated or non-prioritized CoC Program-funded PSH that is permitted to

target youth experiencing homelessness should follow the order of priority under Section VI.B.1. of this Policy to the extent in which youth meet the stated criteria.

3. Recipients must exercise due diligence when conducting outreach and assessment to ensure that persons are prioritized for assistance based on their length of time homeless and the severity of their needs following the order of priority described in this Policy. HUD and the Philadelphia CoC recognizes that some persons – particularly those living on the streets or in places not meant for human habitation – might require significant engagement and contacts prior to their entering housing and recipients are not required to keep units vacant indefinitely while waiting for an identified eligible individual or family to accept an offer of PSH. Recipients of CoC Program-funded PSH are encouraged to follow a Housing First approach to the maximum extent practicable. Street outreach providers should continue to make attempts to engage those persons that have been resistant to accepting an offer of PSH and these individuals and families must continue to be prioritized until they are housed.

Under HEARTH, performance and compliance are significant parts of the competitive process. It is our responsibility to review expenditure of funds and performance of all funded agencies.

The Office of Homeless Services, along with the Continuum of Care Board, the primary decision-making body for the annual application to HUD for CoC Program funding, have established this policy to address consistently underperforming HUD CoC renewal projects, effective beginning in the 2016 competition.

An underperforming project is one whose renewal proposal, reviewed by neutral reviewers during the annual renewal process, received a score that falls within the lowest 10% (10th percentile) of the total cohort of renewal projects and does not meet the established benchmark(s) for any one of the following performance measures: utilization rate, increase in employment income, increase in other cash income, connection to non-cash mainstream benefits, and housing stability; or a project which the CoC Quality Improvement and Evaluation Subcommittee or the Office of Homeless Services identifies as a major concern and reaches consensus to classify the project as "underperforming." The local renewal proposal scores are based on the following criteria:

- **Timely Submission** of the local renewal application to the City of Philadelphia Office of Homeless Services
- **Project Description** - Clear and comprehensive project description that describes the target population(s) to be served, the plan for addressing the identified needs/issues of the CoC target population(s), projected outcome(s), supportive services provided, and coordination with other source(s)/partner(s).
- **Case Study** – The case clearly and completely illustrates efforts made by the housing and service providers to address the client's identified issues/needs. The client is representative of the project's target population, and the outcome(s) are clear.
- **Project Performance** (based on project's most recently submitted APR)
  o Data Quality: Less than 10% Don't Know/ Refused and Missing values for each data element
  o Project Utilization Rate: 90% or above for 4 points in time
  o Residence Prior to Entry: The majority of participants in all project types must enter from homeless situations; Participants in Safe Havens must enter from emergency shelter, a place not meant for human habitation, or an institutional setting; Participants in Permanent Supportive Housing must enter from Homeless Situations or Institutional Settings where they stayed for less than 90 days.
  o % of Adults with more earned/ employment income than at program entry: 10% or more
  o % of Adults with more income from other sources (non-employment) than at program entry: 35% or more
  o % of Adults Connected to at least 1 Non-Cash Mainstream Benefit: 82% or more
  o Housing Stability:
    ▪ 80% or more of participants who exit from Transitional Housing or Rapid Re-Housing projects exit to a permanent destination
    ▪ 93% of participants in Permanent Supportive Housing will remain in the project at the end of the operating year or exit to a permanent housing destination
    ▪ 55% or more of participants in Safe Haven projects will exist to a permanent housing destination
- **Housing First –** Project adopts a "Housing First" Approach, an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

- **Overall Responsiveness** to the RFP
- **Facilities Maintenance** (monitored through site visits)

1. ***If a renewal project is identified as underperforming in a given competition year, the following will occur:***
   a. The Office of Homeless Services will notify the project of its underperforming status, outlining the specific performance concerns.
   b. The Office of Homeless Services will conduct a site visit of the project to monitor the living quarters, the project's documentation, and interview project participants.
   c. The project will work with the Office of Homeless Services to create a corrective action plan to address the performance measure(s) for which the project did not meet the benchmark(s) and any concerns identified during the site visit.
   d. Any project determined to be underperforming will be given the opportunity to receive technical assistance from the Office of Homeless Services.
   e. During that given year's HUD CoC Competition, the organization affiliated with the underperforming project shall not be eligible to apply for CoC funding for new projects. (*This process is effective beginning in the FY 2017 HUD CoC Competition.)
   f. The Office of Homeless Services will monitor the corrective action plan until the beginning of the next CoC renewal cycle to ensure that the project's performance is improving and any concerns identified via the site visit are being addressed.
   g. The Office of Homeless Services will provide status updates to the CoC Quality Improvement and Evaluation Subcommittee related to the underperforming project's progress on its corrective action plan.
   h. If, for any reason, the Office of Homeless Services and/or the CoC Quality Improvement and Evaluation Subcommittee determines that the project has not improved, a recommendation will be made to the CoC Board to eliminate the CoC funding for said project in the subsequent HUD CoC competition.
2. ***If the renewal project is identified as underperforming during the subsequent CoC renewal competition (two years consecutively), the recommendation will be made to the CoC Board to eliminate CoC funding for said project.***
   a. The organization affiliated with the project shall not be eligible to apply for CoC funding for new projects during the competition year in which the project is eliminated.

While a project is in corrective action for underperforming, the Office of Homeless Services and/or the CoC Quality Improvement and Evaluation Subcommittee may recommend to the CoC Board a reduction in CoC funding for said project to create a new higher performing and/or more cost effective project.

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