

DURHAM



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CITY OF MEDICINE

Continuum of Care Grant Program Application Evaluation & Recommendation Report

Prepared for the Homeless Services Advisory Committee

September 21, 2011

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Citizens Advisory Committee - City of Durham

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SPECIAL THANKS

The Citizens Advisory Committee (CAC) would like to thank Lloyd Schmeidler, Project Manager for the Department of Community Development and Lanea Foster, Continuum of Care Coordinator for Durham Opening Doors for leading the evaluation training and assisting throughout the evaluation of the applications for the Continuum of Care Grant Program. The CAC also thanks Reginald Johnson, Interim Director of the Department of Community Development for ensuring the CAC had the necessary information and staff support. The assistance, availability, and accommodations were invaluable in aiding the members of the CAC in performing our duties.

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MESSAGE FROM THE CHAIR

Dear Durham Homeless Services Advisory Committee (HSAC):

Our community and its residents are committed to ensuring that all Durham residents have a place to call home.

It was our pleasure to evaluate and recommend project proposals for the Continuum of Care Grant Program. The Citizens Advisory Committee (CAC) recommends the following project proposals to the HSAC in the following rank:

1. Goley Pointe Development submitted by Development Ventures, Inc.
2. Streets to Homes (SOH) Initiative submitted by Housing for New Hope.
3. Transitions to Performance Collaboration submitted by Housing for New Hope.

About the Citizens Advisory Committee (CAC)

The CAC works to enhance housing quality and affordability for the citizens of Durham by advising the Durham City Council and the Board of County Commissioners on housing and community development needs. Additionally, the CAC evaluates applications of sub-recipients and makes annual recommendations to the Durham City Council and the Durham Board of County Commissioners concerning the allocation of Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME) and Emergency Shelter Grant (ESG) funds to sub-recipients.

Evaluation Process

The staff of the Department of Community Development provided training on the evaluation process. Members of the CAC evaluated each application based on five factors: (1) Organizational Capacity, (2) Correctness of the Application, (3) Budget, Leverage & Match, (4) US Department of Housing & Urban Development (HUD) Priorities, and (5) Scope of Services.

After independently reviewing the projects, the members of the CAC met to consolidate the evaluations and rank the projects to make recommendations on funding to the HSAC. This report summarizes the evaluation and rank of each project. The CAC issued a band of “exceptional, strong, average or weak” to each section of the application and the overall application. Finally, the CAC ranked the proposals in order of overall appraisal based on each section of the evaluation.

If you have any questions or require any additional information regarding this report, I can be reached at politicallyactive@gmail.com or (919) 423-8089. We will remain steadfast in our charge to ensure all Durham citizens have an active role in community development.

Sincerely,



DeWarren K. Langley, Chairman
Citizens Advisory Committee - City of Durham

EXECUTIVE SUMMARY

1. GOLEY POINTE DEVELOPMENT

The Goley Pointe Development was ranked one of three applications and with a band of exceptional in organizational capacity, correctness of the application, budget, leverage, & match, HUD priorities, and scope of services. Development Venture, Inc. (DVI) presented a comprehensive and thorough development design of exceptional merit, with very significant strengths and no significant weaknesses. Although DVI lacks experience providing direct services to homeless population, the organization has letters of commitment from partnering agencies with substantial expertise with serving homeless persons. The grant application was well organized.

2. STREETS TO HOMES (SOH) INITIATIVE

The Streets to Homes (SOH) Initiative was ranked two of three applications with a band of exceptional in correctness of application, budget, leverage & match and scope of services. The application received a band of strong in organizational capacity and HUD priorities. Housing for New Hope presented a program design that demonstrates overall competence and is worthy of support where the value of the significant strengths outweighs the identified weaknesses.

3. TRANSITIONS TO PERMANENCE (TOP) COLLABORATION

The Transitions to Permanence (TOP) Collaboration was ranked three of three applications and banded exceptional in budget, leverage & match and scope of services, satisfactory in organizational capacity, strong in correctness of application, and weak in HUD priorities. The TOP Collaboration is a great theoretical concept; however, there is no evidence of the practical implementation. The application identifies a number of strategic partners yet the application did not include Letters of Commitment from those agencies or sufficiently describe the role and responsibilities of the strategic partners. Primary contacts for each strategic partner are not identified. Housing for New Hope presented a program design with significant weaknesses and minimal significant strengths.

GOLEY POINTE DEVELOPMENT

PROJECT DESCRIPTION

The mixed-income Goley Pointe Development will provide affordable, permanent and supportive housing to chronically homeless families and will be located in Northeast Central Durham, Durham, North Carolina. The development will consist of 20 energy efficient units of which 12 will be designated for homeless families with incomes at or below 50% of the Area Median Income (AMI) for the City of Durham; the remaining eight units will provide housing for persons earning 80% or below the AMI. The project will utilize Energy Star Appliances. The development will provide an additional 28 beds for homeless families and individuals.

The development will be built on the following parcels: 1501 & 1503 East Main Street; 1406, 1408, 1502 & 1504 Morning Glory Avenue; 110, 111, 113, and 115 North Goley Street and 118 N. Blacknail Street. Goley Pointe will be a mixed income community consisting of public housing, project based Section 8 and market rate units. The development unit mix will consist of four one-bedroom, nine two-bedroom and seven three-bedroom units.

Durham Housing Authority (DHA) will receive operating subsidy for the units designated as public housing and housing assistance payments for the project based Section 8 unions, from the U.S. Department of Housing & Urban Development.¹

ORGANIZATIONAL CAPACITY

The Organizational Capacity section of the application had a number of significant strengths.

DVI is an instrumentality of DHA established on March 6, 1985, and has been in operation for twenty-six years. The administrative and executive staff needed for the project is stable, experienced and skilled in agency administration and fundraising. DVI does have site control; however, the development will be constructed on land owned by DVI and DHA. To ensure common ownership, all of the DHA lots will be transferred to DVI by either general warranty deed or ground lease.

DVI presented a clear and viable project design that addresses the identified Notice of Funding Availability Priorities. While the mission of DVI to enhance and improve the quality and quantity of the housing stock within the territorial jurisdiction of the DHA does not directly correlate with the project, DVI has developed strategic partnerships with agencies with significant experience working with the homeless population.

DVI has previously completed a HUD-funded project for permanent or transitional housing.

¹ Development Ventures, Inc. Continuum of Care Funding Application for Goley Pointe Development. p. 16 (2011)

The application included a list of the current Board of Directors for DVI and a copy of the minutes from the most recent Board meeting. Of the 7 board members, all members attended 77% or more of the scheduled Board meetings for the past 13 months (August 2010 through August 2011). DVI has an active and engaged Board of Directors as indicated in the attendance report of the Board of Directors. The Board of Directors active participation in the planning process and oversight of the organization ensures the organization will achieve its mission or goals.

The application also contained an organizational chart.

The Organizational Capacity section of the application did not have any significant weaknesses.

The Goley Pointe Development received an average sectional score of 16 points on the Scorecard and a band of exceptional.

CORRECTNESS OF APPLICATION

The Correctness of Application section of the application had a number of significant strengths.

The application was well organized and easy to understand.

The application included all necessary components of the grant application. The project information and questions regarding services, outreach and housing were complete and accurate.

DVI does not have sufficient experience serving homeless persons; however, the agency has developed strategic partnerships with agencies that do have sufficient experience serving homeless persons thus filling the experience gap. The application contained Letters of Support from partnering agencies such as the Durham Housing Authority, the Genesis Home, the Durham Center, and the County of Durham Department of Social Services.

DVI submitted a comprehensive annual report which included a signed audit letter and a copy of its budget for the current fiscal year. The auditor's report noted that the financial statements present fairly, in all material respects, the financial position of the DHA which is the parent organization of DVI.

The Correctness of Application section of the application did not have any significant weaknesses.

The Goley Pointe Development received an average sectional score of 16 points on the Scorecard and a band of exceptional.

BUDGET, LEVERAGE & MATCH

The Budget, Leverage & Match section of the application had a number of significant strengths.

The Rental Assistance Budget Detail was complete and accurate. The operating and supportive services budgets contain accurate quantity descriptions and reflect correct Fair Market Rent (FMR). The budget also meets minimum cash match requirements for supportive services, operation, and acquisition, rehabilitation and construction.

The estimated total development construction cost is \$2,677,503. The DHA and DVI Board of Directors have authorized the use of \$667,384 Replacement Housing Factor Funds, \$165,271 Turnkey III Funds, \$350,000 DHA Funds and \$238,605 DVI Funds to construct the units; representing a total commitment of \$1,421,260. In addition, DVI is seeking a construction loan for up to \$1.23 million. Continuum of Care financial assistance will allow for a lower construction loan requirement.²

The total match and leverage is \$1,700,280 and the total request from HUD is \$367,262. The ratio of match and leverage to request is 4.64. The ratio was determined by adding the match and leverage and dividing by the requested amount.

The Goley Pointe Development has strong matching and leveraging funds.

The Budget, Leverage & Match section of the application did not have any significant weaknesses.

The Goley Pointe Development received an average sectional score of 18 points on the Scorecard and a band of exceptional.

HUD PRIORITIES

The HUD Priorities section of the application had a number of significant strengths. The application meets every of HUD Priorities.

Based on the Goley Pointe Development 100% of the project's beds are expected to be filled with both families with children and single adults who meet HUD's definition of chronically homeless individuals and chronically homeless families. The project is proposing permanent supportive housing thus targeting homeless people with the greatest need.

The HUS request is \$367,262 of which \$18,363 (5%) is for administrative expenses, \$14,690 (4%) if for operating expenses, \$18,363.10 (5%) is for case management expenses and \$315,845 (86%) is for construction activities. The project will use Energy Star appliances.

The HUD Priorities section of the application did not have any significant weaknesses.

² Id. at 17.

The Goley Pointe Development received an average sectional score of 40 points on the Scorecard and a band of exceptional.

SCOPE OF SERVICES

The Scope of Services section of the application had a number of significant strengths.

The Goley Pointe Project adequately and appropriately meets anticipated service needs and has activities related to employment services with support to mainstream benefits. A management office will be located on-site and staffed with a property manager. Each homeless family will be assigned a supportive service case manager. Meeting space will also be provided for service providers to meet privately with each person. Applicants will be screened, interviewed, and referred through the Durham Center and Genesis Home. A site-based waiting list will be developed and maintained by the property management staff, allowing applicants to apply for housing on-site. Families will be permitted to reside in the development as long as they fulfill their rental obligation, participate in all required programs and abide by the terms and conditions of their lease agreement.³

The Goley Pointe Development would be located in Northeast Central Durham which would add to the continued efforts to revive the community.

The Scope of Services section of the application did not have any significant weaknesses.

The Goley Pointe Development received an average sectional score of 8 points on the Scorecard and a band of exceptional.

OVERALL APPRAISAL

The overall appraisal of the Goley Point Development was exceptional. DVI presented a comprehensive and thorough project design of exceptional merit with very significant strengths and no significant weaknesses. Goley Pointe Development was ranked one of three applications.

³ Id. at 17.

STREETS TO HOMES (SOH) INITIATIVE

PROJECT DESCRIPTION

The Streets to Homes (SOH) Initiative will assist ten chronically homeless individuals obtain and maintain housing assistance through linkage of support and services from July 1, 2012 to June 30, 2013.⁴

ORGANIZATIONAL CAPACITY

The Organizational Capacity section of the application had some strengths and indefinable weaknesses.

Housing for New Hope was established by incorporation on October 8, 1993 and has been in operation for 17 years. The administrative and executive staff needed for the project is stable, experienced and skilled in agency administration and fundraising. The SOH Initiative does not require construction thus site control is not applicable.

Housing for New Hope presented a clear and viable project designed that addressed the identified Notice of Funding Availability Priorities. The project fits logically in Housing for New Hope's mission to encourage and assist homeless people and other persons in crisis to move toward lives marked by increased levels of stability, dignity, hope and independence.

The Organizational Capacity section of the application did have weaknesses in terms of Board attendance and participation.

The application contained a list of the current Board of Directors for Housing for New Hope; however the application did not have a copy of the minutes from the most recent Board meeting. The CAC expressed concern as to the level of engagement of the Board of Directors, specifically noting the absence of a Board member for 12 consecutive meetings yet remaining on the Board. Directors must discharge his/her duties in good faith, be reasonable informed, participate in decisions, and attend meetings. The CAC questioned how effective a Board member could discharge those duties without actively attending meetings. Of the 13 board members, 4 members missed 50% or more of the meetings, yet no action was taken to remove the inactive Board members.

The absent directors are not active participants in the planning process and oversight of the organization to ensure the organization achieves its mission and goals.

The application did not include an organizational chart.

The SOH Initiative received an average sectional score of 13 points on the Scorecard and a band of exceptional.

⁴ Housing for New Hope. Continuum of Care Funding Application for the SOH Initiative. p. 16. (2011)

CORRECTNESS OF APPLICATION

The Correctness of Application section of the application had a number of significant strengths.

The application was well organized and easy to understand.

The application included all necessary components of the grant application. The project information and questions regarding services, outreach and housing were complete and accurate. Housing for New Hope has sufficient experience serving homeless persons.

Housing for New Hope submitted a signed audit letter and a copy of its budget for the current fiscal year. The auditor's report noted that the financial statements present fairly, in all material respects, the financial position of Housing for New Hope.

The Correctness of Application section of the application did not have any significant weaknesses.

The SOH Initiative received an average sectional score of 16 points and a band of exceptional.

BUDGET, LEVERAGE & MATCH

The Budget, Leverage & Match section of the application had a number of significant strengths.

The Rental Assistance Budget Detail was complete and accurate. The operating and supportive services budgets contain accurate quantity descriptions and reflect correct Fair Market Rent (FMR). The budget also meets minimum cash match requirements for supportive services, operation, and acquisition, rehabilitation and construction.

The total match and leverage is \$219,016 and the total request from the HUD is \$106,001. The ratio of match and leverage to request is 1.94. The ratio was determined by adding the match and leverage and dividing by the requested amount.

The SOH Initiative has strong matching and leveraging funds.

The Budget, Leverage & Match section of the application did not have any significant weaknesses.

The SOH Initiative received an average sectional score of 18 points on the Scorecard and a band of exceptional.

HUD PRIORITIES

The HUD Priorities section of the application had a number of significant strengths. The application meets several of HUD Priorities.

Based on the SOH Initiative, 100% of the SOH Initiative's beds are expected to be filled with single adults who meet HUD's definition of chronically homeless individuals and veterans with permanent supportive housing thus targeting homeless people with the greatest need.

Housing for New Hope is proposing a permanent supportive housing project.

The HUD requested amount is \$367,762 of which \$315,845 (86%) is for housing activities. The Initiative will use Energy Star appliances.

The HUD priorities section of the application did not have any significant weaknesses.

The SOH Initiative received an average sectional score of 40 points on the Scorecard and a band of exceptional.

SCOPE OF SERVICES

The Scope of Services section of the application had a number of significant strengths.

The SOH Initiative adequately and appropriately meets anticipated service needs and has activities related to employment services with support to mainstream benefits.

The SOH Initiative received an average sectional score of 8 points on the Scorecard. The CAC unanimously banded the Scope of Services section of the application as exceptional.

OVERALL APPRAISAL

The overall appraisal of the SOH Initiative was strong. Housing for New Hope's project demonstrates overall competence and is worthy of support and the value of the significant strengths outweighs the identified weaknesses. The SOH Initiative was ranked two of three applications.

TRANSITIONS TO PERMANENCE (TOP) COLLABORATION

PROJECT DESCRIPTION

The Transitions to Permanence (TOP) Collaboration will be a public/private partnership comprising the Durham Center, Durham County Department of Social Services, Durham Crises Response Center, Durham Interfaith Hospitality Network, Durham System of Care, Genesis Home, Housing for New Hope and Urban Ministries of Durham to implement a Transition-in-Place program that will assist forty homeless families move from homelessness to their own homes between July 1, 2012 and June 30, 2013.

Bringing together the major providers of homeless services, transitional and emergency housing services, and social and health-related needs, and stemming from successful outcomes from the almost two-year's experience of Durham's Re-Housing Team, the TOP Collaboration will build on existing structures and partnerships to improve Durham's Continuum of Care to more effectively end family homelessness.⁵

ORGANIZATIONAL CAPACITY

The Organizational Capacity section of the application had some strengths and indefinable weaknesses.

Housing for New Hope was established by incorporation on October 8, 1993 and has been in operation for 17 years. The administrative and executive staff needed for the project is stable, experienced and skilled in agency administration and fundraising. The SOH Initiative does not require construction thus site control is not applicable.

Housing for New Hope presented a clear and viable project designed that addressed the identified Notice of Funding Availability Priorities. The project fits logically in Housing for New Hope's mission to encourage and assist homeless people and other persons in crisis to move toward lives marked by increased levels of stability, dignity, hope and independence.

The Organizational Capacity section of the application did have weaknesses in terms of Board attendance and participation and the role of strategic partners.

The application contained a list of the current Board of Directors for Housing for New Hope; however the application did not have a copy of the minutes from the most recent Board meeting. The CAC expressed concern as to the level of engagement of the Board of Directors, specifically noting the absence of a Board member for 12 consecutive meetings yet remaining on the Board. Directors must discharge his/her duties in good faith, be reasonable informed, participate in decisions, and attend meetings. The CAC questioned how effective a Board member could discharge those duties without actively attending

⁵ Housing for New Hope. Continuum of Care Funding Application for the Transitions to Permanence (TOP) Collaboration. p. 16. (2011)

meetings. Of the 13 board members, 4 members missed 50% or more of the meetings, yet no action was taken to remove the inactive Board members.

The absent directors are not active participants in the planning process and oversight of the organization to ensure the organization achieves its mission and goals.

The TOP Collaboration is a great theoretical concept; however, there is no evidence of the practical implementation. The application identifies a number of strategic partners yet the application did not include Letters of Support from those agencies or sufficiently describe the role and responsibilities of the strategic partners. Primary contacts for each strategic partner are not identified. Housing for New Hope presented a program design with significant weaknesses and minimal significant strengths.

The application did not include an organizational chart.

The TOP Collaboration received an average sectional score of 13 points on the Scorecard and a band of strong.

CORRECTNESS OF APPLICATION

The Correctness of Application section of the application had a number of significant strengths.

The application was well organized and easy to understand.

The application included all necessary components of the grant application. The project information and questions regarding services, outreach and housing were complete and accurate. Housing for New Hope has sufficient experience serving homeless persons.

Housing for New Hope submitted a signed audit letter and a copy of its budget for the current fiscal year. The auditor's report noted that the financial statements present fairly, in all material respects, the financial position of Housing for New Hope.

The Correctness of Application section of the application did not have any significant weaknesses.

The TOP Collaborative received an average sectional score of 16 points on the Scorecard and a band of exceptional.

BUDGET, LEVERAGE, & MATCH

The Budget, Leverage & Match section of the application had a number of significant strengths.

The Rental Assistance Budget Detail was complete and accurate. The operating and supportive services budgets contain accurate quantity descriptions and reflect correct Fair

Market Rent (FMR). The budget also meets minimum cash match requirements for supportive services, operation, and acquisition, rehabilitation and construction.

The total match (\$351,261) and leverage (\$51,876) is \$403,137 and the total HUD requested amount is \$205,445. The ratio of match and leverage to request is 1.70. The ratio was calculated by adding the match and leverage and dividing by the requested amount.

The TOP Collaborative has strong matching and leveraging funds.

The Budget, Leverage & Match section of the application did not have any significant weaknesses.

The TOP Collaborative received an average sectional score of 18 points on the Scorecard and a band of exceptional.

HUD PRIORITIES

The HUD Priorities section of the application had a number of significant weaknesses. The application did not meet several of HUD Priorities.

According to the application, the project does not include beds therefore there are no beds to be filled with persons who meet HUD's definition of chronically homeless individuals. The TOP Collaborative proposes a transitional housing project versus a permanent housing program which would improve housing outcomes for the majority of homeless people.

Transitions-in-place is a best practice permanent housing program model in which homeless families are assisted to obtain scattered site housing in the community through a lease in their own name, while receiving leasing assistance and supportive services for a specified duration of time.⁶

The HUD request is \$349,780 of which \$180,000 (51.5%) is for housing activities, which is significantly low. The Collaborative will not use Energy Star appliances.

The TOP Collaborative received an average sectional score of 7 on the Scorecard and a band of weak.

SCOPE OF SERVICES

The Scope of Services section of the application had a number of significant strengths.

The TOP Collaborative adequately and appropriately meets anticipated service needs and has activities related to employment services with support to mainstream benefits.

⁶ Id. at 16.

The TOP Collaborative an average sectional score of 8 points and a band of exceptional.

OVERALL APPRAISAL

The overall appraisal for the TOP Collaborative was weak/unresponsive. Housing for New Hope presented a project concept rather than a project design. The application did not include a project implementation plan, primary contacts for partnering agencies, and Letters of Commitments. The TOP Collaboration is a good concept; however, there is no evidence of the practical implementation.