



U. S. Department of Housing and Urban Development  
San Juan Field Office  
Community Planning and Development  
Region IV

NOV - 9 2016

Mr. Walter Perez  
President  
Board of Directors  
Coalicion de Coaliciones Pro Personas sin Hogar de PR, Inc.  
CoC PR-503  
P.O. Box 4007  
Mayagüez, PR 00660

Dear Mr. Perez:

**Subject: Finding of non-compliance with Continuum of Care Responsibilities**

After careful examination of available documentation and meetings with Continuum of Care (CoC) leadership and organizations, HUD has determined that there have been violations to the CoC regulations that the CoC must address and correct. It is important to note that the responsibility of compliance with the CoC Regulations lies in the CoC, even if delegated to committees or other entities. That is why this communication is addressed to the CoC Board and is the CoC the one that is expected to implement the corrective actions and respond to HUD.

**Finding: CoC did not provide adequate oversight to ensure compliance with the CoC's Governance Charter during preparation process for application of funds**

**Condition:** After the 2015 CoC Tier 2 competition results were announced, the CoC Board (but more specifically the Executive Committee, which is a smaller group of Board members defined in the Governance Charter) and the non-renewed organizations were convened to a number of meetings to discuss the situation and the next steps. HUD received copy of the minutes from an Executive Committee meeting held on June 13, 2016 in the conference room of Guarabi (one of the CoC non-renewed organizations). The minutes indicate that several Executive Committee members raised concerns about the process that was followed to select the new projects and establish the ranking and priorities in the application. On page 3, second bullet from the bottom, Mr. Francisco Rodriguez (who is the Executive Director of Coalicion de Coaliciones, collaborative applicant and HMIS lead, as well as member of the CoC Board), states the following with regard to the new project selection and the ranking (translated from Spanish):

“Francisco indicates that there was no announcement, that he informed in an emergency meeting convened after the competition closed, that he had to take an executive decision in the absence of any decision making body. That he assumes the responsibility because it is not the first year that he needs to make a decision in the absence of any leadership to provide support...”<sup>1</sup>

The meeting minutes indicate that the Directors of the two organizations that were awarded new projects were members of the committee that evaluated the renewal applicants for the 2015 CoC competition. Currently these two directors are members of the CoC Board.

A CoC wide meeting was convened for June 8, 2016 but was later cancelled by the CoC Executive Committee indicating that only they were going to meet. On July 7, 2016 there was a CoC wide assembly that was plagued by arguments, at the end the only resolution approved was to submit to HUD a “proposal” to negotiate a new priority ranking without the new projects.

In letters submitted to HUD by organizations that were not awarded funds, these indicate that the CoC did not publicly announce the review, ranking and selection process. Therefore, they were not aware of how their projects had been ranked or that there had been new projects included in the application. The CoC consolidated application (including the priority listing) was not posted to the CoC’s website until after the Tier 2 renewals were announced. \*

According to the CoC Governance, revised on July 1, 2015, only the Planning and Evaluation Committee can recommend for CoC Board (not the Executive Committee) approval the priorities to be utilized in the priority ranking determination for the CoC fund, based on the data and analysis available (Article V.B.). The Recipient Approval and Evaluation Committee has under its duties to review and recommend for approval of the CoC Board the consolidated CoC application that is prepared by the collaborative applicant (Article V.C.). The Executive Committee has no responsibilities regarding the CoC funding application in the Governance Charter.<sup>23</sup>

Criteria: 24 CFR 578.9 (a)(1) The Continuum must: Preparing and application of funds... “Design, operate, and follow a collaborative process for the development of applications and approve the submission of applications in response to a NOFA published by HUD under 578.19 of this subpart;” and

<sup>1</sup> Wording from original document in Spanish is the following: “Francisco indica que no se realizó ningún anuncio, que informó en una reunión de emergencia un mes después de la competencia, que tuvo que tomar una decisión ejecutiva en ausencia de un cuerpo con poder decisonal. Que asume la responsabilidad porque no es el primer año que tiene que tomar una decision en ausencia de un liderato que lo apoyara...”

<sup>2</sup> Wording from Governance Charter (Acuerdo Comunitario) in Spanish: “Artículo V.B: Comité de Planificación y Desempeño. 4. Recomendar para aprobacion del Cuerpo Directivo las prioridades a utilizarse en la asignacion de rangos de prioridad para los fondos del Programa Continuum of Care, basado en los datos y análisis disponibles;”

<sup>3</sup> Wording from Governance Charter (Acuerdo Comunitario) in Spanish: “Artículo V.B: Comité de Aprobación y Evaluación de Recipientes. 2. Revisar y recomendar la aprobación del Cuerpo Directivo de la solicitud consolidada para los fondos del Programa Continuum of Care preparada por el Solicitante Colaborativo;”

24 CFR 578.103 (a)(1)(iii): Recordkeeping Requirements... "Evidence that the Continuum has prepared the application for funds as set forth in 578.9, including the designation of the eligible applicant to be the collaborative applicant."

Cause: CoC Board Members need training to improve its capacity and knowledge about CoC program regulations and the CoC responsibilities. Board members as designated in the CoC Governance Charter did not provide adequate oversight to the collaborative applicant staff and the different committees working in the CoC funding application. The collaborative applicant also lacks the appropriate staff to carry out all of the requirements of the application and responsibilities in the process. It appears that other CoC members were not willing or able to collaborate in the process.

The CoC Governance Charter has vague or missing language as to who has the ultimate responsibility of approving the CoC funding application and other CoC responsibilities. On Article VII. B. it indicates that Coalicion de Coaliciones will serve as Collaborative Applicant for PR 503 and that there is a Memorandum of Understanding (MOU) that is part of the Governance Charter as an Appendix that delineates the responsibilities. However, said MOU is not available as an appendix to the document. It also lacks proper internal controls and oversight protocols to ensure processes are accurate and timely followed.

Effect: The application was not prepared according to the CoC regulations and the CoC's own governance charter. The low score received by the poorly organized CoC application resulted in 15 projects not being renewed and close to 200 persons needing relocation to prevent homelessness.

Required Corrective Action: Within 90 days of this letter the CoC must revise its governance charter to clearly delineate the responsibilities regarding the CoC funding application. It must also create new operational procedures to provide adequate oversight of the collaborative applicant, including at a minimum compliance with CoC competition responsibilities as outlined in 578.9. Since this is an amendment to the Governance Charter, the CoC will be required to present it and get approval during a CoC wide meeting (Article IX.D.). The CoC must convene and widely advertise a CoC wide meeting to occur no later than February 28, 2017, including invitation for new members as required by the CoC regulations (578.7 (a)(1) and (2)). As part of the invitation to this Assembly, the CoC must make an invitation for other entities to present their qualifications as possible collaborative applicants to the CoC membership that complies with the definition and has the capacity to carry out the responsibilities designated by the CoC. The CoC wide assembly invitation must include and ~~make~~ publicly available the minimum criterion used to evaluate the collaborative applicant. To ensure parliamentary process is followed and the assembly is carried out in an orderly manner the CoC needs third party independent and objective observers present at the meeting. \*

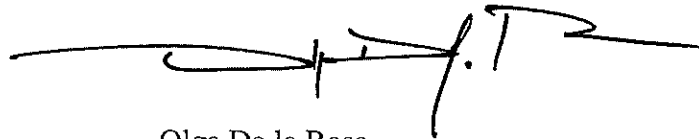
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The results of said assembly must be submitted to HUD, including the designation of the collaborative applicant, the amended Governance Charter and procedures and evidence of invitations and attendance.

If the CoC is not able to convene the Assembly and designate a new collaborative applicant by the February 28, 2017 deadline, HUD will exercise the remedial actions in 578.13 (a)(2) and designate a new collaborative applicant for the CoC.

HUD is going to convene a meeting with the CoC Board to discuss the results of this letter on November 10, 2016. It will also invite all CoC members to a meeting at HUD on December 7, 2016 to explain the corrective action included in this letter. If you disagree with any of HUD's determinations or conclusions in this letter, please address these issues in writing to this Department within 30 days of this letter. Your written communication should explain your reasons why you disagree along with supporting evidence and documentation. All communication should be sent to the Department of Housing and Urban Development, San Juan Field Office, Community Planning and Development Division, Federico Costa St. Parque Las Americas Suite 200, San Juan, PR 00918. If you have any other questions or need additional information regarding this letter, please contact Ms. Laura I. Rivera Carrion, Community Planning and Development Representative, at (787) 766-5400, ext. 2017.

Sincerely,

A handwritten signature in black ink, appearing to read 'Olga De la Rosa', with a long horizontal line extending to the left.

Olga De la Rosa  
Director  
Community Planning and Development

CC: Francisco Rodriguez, Executive Director, Collaborative Applicant