



## **2005 SuperNOFA Process – Summary Report**

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### **Introduction**

This document provides background information on the Chicago Continuum of Care's 2005 US Department of Housing and Urban Development (HUD) funding process. The annual process is conducted in response to HUD requirements outlined in the Notice of Funding Availability (SuperNOFA). Unless otherwise noted, all data contained in this report is self-reported by applicants in their SuperNOFA application materials.

The report is organized into several sections as follows:

1. Background on the SuperNOFA and HUD Funding
2. The Collaborative Effort - Evaluation and Ranking of Projects
3. SuperNOFA Results – Exhibit 1 and Ranked Projects
4. SuperNOFA Feedback
5. Recommendations for 2006

Materials used in the SuperNOFA process are provided in the Appendix.

### **Section 1: Background on the 2005 SuperNOFA Process**

Federal agencies issue NOFAs to announce the availability of funds for various programs. For HUD, the NOFAs are consolidated into one document, called the SuperNOFA. The SuperNOFA contains notices for over 30 different HUD programs, including the McKinney-Vento Homeless Act Programs. The Supportive Housing Program (SHP), Shelter Plus Care (SPC) and Section 8 SRO/Moderate Rehab are all part of the McKinney Vento Homeless Act Programs. The SuperNOFA includes information on the application process, eligible applicants and activities, funding availability, and evaluation criteria for each program. The 2005 SuperNOFA was published in the Federal Register on March 21, 2005.

To receive McKinney-Vento HUD funding, every applicant must work through a local Continuum of Care. Established by HUD in the early 1990s, the Continuum of Care serves as a planning body for equitable distribution of funding across a specified area. In Chicago, the Continuum of Care encompasses programs and activities within the city borders, and focuses on the SuperNOFA process, as well as the City's 10 Year Plan to End Homelessness. Each Continuum is charged with setting priorities and need for the community. The Continuum evaluates each application and rank orders applications based on the priorities and need of the community. The Continuum then submits the priority list to HUD for funding consideration.

HUD requires that each Continuum assemble one application for submission to HUD. The overall submission has three parts including the Continuum's application, or Exhibit 1; applicant certifications; and HUD project exhibits. In total, under the 2005 process, the Continuum submitted approximately 2200 pages for the application. Further details on Exhibit 1 and the submitted projects are provided later in this report.

#### ***Chicago's Funding Allocation***

Annually, HUD assigns each Continuum a pro-rata need amount, which is the dollar expression of relative homeless assistance need assigned to a community or group of communities using US Census Bureau data. These amounts are used in scoring the "need" rating factor within the Continuum of Care application.

For the 2005 SuperNOFA, Chicago is eligible for a pro-rata share of \$27.8 million dollars, a pro-rata share decrease of approximately 6.7% from 2004. Yet, a provision exists for communities where the renewal need exceeds the pro-rata. This provision, or the "hold harmless" amount, allows a community to be eligible for the total dollars needed to fund renewals for one year, approximately \$34.5 million dollars for Chicago in 2005.



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Chicago is also eligible for a permanent housing bonus called the Samaritan Initiative. Under this bonus, Chicago is eligible for up to 15% of the pro-rata share, or approximately \$4.17 million dollars. The bonus is awarded to the number one project on the priority ranking list, and is restricted to exclusively serving chronically homeless persons in permanent housing. For 2005, Chicago created a new Chronic Homeless Initiative Project with the Department of Housing and the Chicago Low Income Housing Trust Fund, which will provide over 200 units of permanent housing over 2 years.

Finally, Shelter Plus Care renewals are also a part of the anticipated funding from HUD. This year, as in the past, HUD anticipates awarding one year of funding for Shelter Plus Care renewals on top of the estimated pro-rata need amount. The renewal of Shelter Plus Care projects is a noncompetitive process and does not affect the bonus or pro-rata share. The Continuum expects that in 2005, the Shelter Plus Care renewals total \$5.3 million.

With the above funding combined, the Continuum estimates that the Chicago Continuum of Care is eligible for an estimated \$44.15 million dollars in HUD homeless funds. While this funding may change, due to increases in the Fair Market Rents or additional dollars in the national HUD pool, the Continuum bases its estimates of which projects will be funded under the 2005 process on this number.

**Table 1: Estimated HUD Dollars for Chicago**

<b>Total Estimated HUD Eligibility</b>	<b>\$44,156,203</b>
Chicago Hold Harmless Total	\$34,547,299
Permanent Housing Bonus	\$ 4,170,000
Shelter Plus Care Renewals	\$ 5,438,904

### *Overview of HUD Funding 2002 – 2005*

In examining Chicago's pro-rata share since 2002, Chicago has seen a decrease of dollars over the course of four funding years. In 2002, Chicago's prorata share was estimated at \$30.1 million, while in 2005, the pro-rata share is estimated to be at \$27.9 million dollars.

**Table 2: Total HUD Dollars: 2002-2005**

SuperNOFA Application Year	Chicago Pro-Rata Share	Hold Harmless Amount	Total Amount in Ranking Projects	Total Amount Awarded to Continuum Projects	Difference in Ranked vs. Awarded
2002	\$30,100,000*	n/a	\$33,674,484	\$33,224,949	- \$449,535
2003	30,000,000*	n/a	\$38,105,079	\$32,929,609	- \$5,175,470
2004	29,800,000	\$30,507,083	\$41,950,530	\$36,196,612	- \$5,753,918
2005	27,800,000	\$34,547,299	\$48,325,701	\$44,156,203 estimated; not yet awarded	- \$4,169,498 estimated; not yet awarded

*\*pro-rata share for 2002 and 2003 is an estimated amount as HUD did not publish the pro-rata amounts for each jurisdiction in the Federal Register and is based on the award minus S+C renewals and the permanent housing bonus amount.*

Since the 2004 HUD process, Chicago has been at its full capacity in terms of renewal projects. The burden of funding one year of renewal projects exceeds the pro-rata share making Chicago eligible since 2004 for the hold harmless amount as described above. In addition, there are virtually no new available dollars for new projects over the annual renewal burden, except dollars allocated under the HUD permanent housing bonus.

As the table below shows, the number of renewal projects has increased over time from 43 projects in 2002 to 127 projects in 2005. This directly impacts the number of new projects submitted and funded



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under the process, as there are less available dollars. In 2002, 23 new projects were submitted, however in 2005, only 7 were submitted.

**Table 3: Total Projects Submitted 2002-2005**

Year	New Projects	Renewal Projects	Shelter Plus Care Renewals	Total Projects Submitted	Total Projects Funded	Difference Funded - Submitted
2002	23	43	10	76	75	1
2003	22	82	13	117	110	7
2004	12	116	15	143	121	21
2005	7	127	20	154	136 * anticipated	18 * anticipated

Over the past four years, the number of permanent housing projects funded by the Continuum has also increased significantly. The tables below outline the number of projects and distribution of funding by HUD category over the past four years.

**Table 4: Type of Projects Funded in each Year (by HUD classification)**

Year	HUD-PH	HUD-TH	HUD-SSO	HUD-S+C	HUD-HMIS	Total Projects Funded
2002	22	28	11	14	0	75
2003	23	45	27	14	1	110
2004	45	39	22	15	0	121
2005	53	49	29	20	1	136 * anticipated

**Table 5: Total Dollars Awarded by HUD classification**

	HUD-PH	HUD-TH	HUD-SSO	HUD S+C Renewals	HMIS
2002	46.2%	34.5%	9.0%	7.2%	3.1%
2003	29.0%	45.7%	16.4%	9.0%	0%
2004	36.2%	40.5%	13.0%	10.3%	0%
2005	42.8%	32.7%	11.2%	12.1%	1.2%

### **Section 2: The Collaborative Effort – the Evaluation and Ranking of Projects**

The work of the SuperNOFA is a collaborative effort of the Continuum staff, City staff including DOH and CDHS, the Governing Board, Application Proposal and Review (APR) Committee, Community Priorities committee, and Continuum volunteers.

The Continuum staff provides support to the Continuum's committees, and for 2005, coordinated the efforts for the evaluation and submission of projects for the HUD application. The Chicago Department of Human Services spearheaded the compilation of Exhibit 1 for 2005, as well as the application submission for the Shelter Plus Care projects. Both the Continuum and CDHS and DOH City staff, along with APR Committee and Continuum members, made significant contributions in all areas of the submission.

The APR Committee is charged with developing and implementing the annual SuperNOFA process. For 2005, the Committee formed two subgroups responsible for developing the project evaluation instrument and ranking policies. The APR Committee oversaw the evaluation and appeals process for all projects. New this year was the Community Priorities Ad Hoc Group, established by the Governing Board to



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examine specific priorities that may be designated under the 2005 process. The group of 12 members developed several priorities for the ranking, including adding questions related to cultural sensitivity to the evaluation instrument, and providing a 2 point bonus for projects where at least 70% of the clients are chronically homeless.

The 60 member Governing Board of the Continuum approves the final policies, priorities, and evaluation instrument for the SuperNOFA process. For 2005, the ranking policies were adopted on January 10<sup>th</sup>, with modifications made in April and May due to changes in the HUD NOFA. The evaluation instrument was adopted on February 22, 2005 by the Board.

### ***Process Timeline***

The 2005 SuperNOFA process is a 9 month process for the Chicago Continuum of Care. Table 6 details the timeline for this year.

**Table 6: SuperNOFA Process Timeline**

Timeframe	Activities
October 2004 – December 2004	<ul style="list-style-type: none"> <li>• APR Committee drafts evaluation instrument for new and renewal projects</li> <li>• APR Committee drafts ranking policy recommendations</li> <li>• Governing Board approves consistency policies for 2005</li> </ul>
January 2005	<ul style="list-style-type: none"> <li>• CCC conducts consistency review process</li> <li>• CCC staff verify HUD grant amounts and eligibility with renewal applicants</li> <li>• Governing Board approves initial ranking policies</li> </ul>
February 2005	<ul style="list-style-type: none"> <li>• Governing Board approves final evaluation instrument for new and renewal projects</li> <li>• CCC staff send notification of SuperNOFA process to all applicants</li> <li>• CCC and City staff establish Exhibit 1 work plan</li> </ul>
March 2005	<ul style="list-style-type: none"> <li>• CCC staff solicit volunteers to evaluate projects</li> <li>• CCC staff and APR Committee members conduct training on portfolio at all-Continuum meeting</li> <li>• CCC staff provide TA to all interested parties on application process</li> </ul>
April 2005	<ul style="list-style-type: none"> <li>• Governing Board approves additional priorities related to project ranking</li> <li>• CCC and CDHS staff complete 1<sup>st</sup> drafts of Exhibit 1</li> <li>• Portfolios due to the Continuum by April 6, 2005</li> <li>• 400 clients interviewed for project evaluation</li> <li>• CCC staff provide training to portfolio reviewers</li> <li>• Reviewers examine 130 portfolios and rate according to evaluation criteria</li> </ul>
May 2005	<ul style="list-style-type: none"> <li>• CCC provides agencies with individual project scores</li> <li>• APR Committee conducts appeals process</li> <li>• HUD applications due to Continuum on May 4<sup>th</sup></li> <li>• CCC staff conduct threshold review of all 132 SHP applications</li> <li>• CDHS staff conduct threshold review all 20 S+C applications</li> <li>• CCC and CDHS staff finalize Exhibit 1 submission</li> </ul>
June 2005	<ul style="list-style-type: none"> <li>• CCC submits application to HUD for SuperNOFA 2005 on June 10th</li> <li>• CCC conducts survey of participants</li> <li>• APR Committee debriefing scheduled</li> </ul>

### ***Consistency of Programs Participating in the HUD Funding Process***

Beginning in 2004, the Chicago Continuum of Care supported funding for only those programs that are consistent with the Plan for SuperNOFA 2005.

All renewals (unless a waiver has been granted) and new programs up for funding for the 2005 SuperNOFA application are expected to be consistent with the Plan. Models consistent with Chicago's plan to end homelessness are described in the Program Models FY 2005 chart. Those programs deemed



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consistent or have received a waiver were considered eligible for ranking in the 2005 SuperNOFA application. Those programs found consistent in 2004 were not re-reviewed for consistency in 2005. Programs that have not yet undergone a consistency review were asked to submit a consistency review worksheet to the Continuum by January 10, 2005. If a program was found to be inconsistent with the Plan under the HUD SuperNOFA process, agencies may complete a waiver requesting additional time needed to transition.

The Waiver Review Committee grants waivers on a one year or multi-year basis, depending on the need of the system and the special situation of the applying agency. Those agencies granted with a waiver are required to submit a progress report toward achieving consistency.

In 2005, 106 projects were deemed to be consistent with the Plan, while 17 are still working toward consistency with the Plan. Of the 17 working on conversion, 5 are moving to permanent housing projects, 8 to interim housing projects, and 4 are still considering their options under a multi-year waiver. According to the progress reports, of those with waivers, 55% will be consistent by the 2006 SuperNOFA process.

### ***Evaluation of Projects***

The APR Committee is charged with overseeing the HUD application process, including the development and implementation of the evaluation process for all renewal and new grants awarded. In September 2004, the APR Committee began developing the evaluation tool to be used for the 2005 process. A group of committee members formed the evaluation tool subcommittee, and over the course of 4 months, developed a comprehensive instrument to evaluate projects. The instrument was then presented to the APR Committee and Governing Board and was approved by the Board in February 2005.

The 2005 instrument was based off the past evaluation instruments and included many of the same categories and questions. The Evaluation instrument measured a project on six categories including program, cultural sensitivity, agency, facility, consumer interviews, and performance. In addition, all projects were required to pass threshold criteria and priority points were given to projects where a majority of the clients were chronically homeless. A total of 98 points were possible.

New for 2005, projects were required to submit a portfolio of documents outlined in the instrument. In 2003 and 2004, projects were required to host a site visit for reviewers who scored programs on the evaluation instrument, however, this year, projects were only asked to submit documents. In addition to the portfolio, the Continuum, in partnership with Next Steps, conducted over 400 consumer interviews. Consumer interview scores were 20% of the total evaluation score.

The Continuum received 12 portfolios from new projects and 123 renewal portfolios. Each portfolio was first reviewed by the Continuum staff for threshold. In total, 1 renewal project and 10 new projects did not pass the threshold review. Once projects passed threshold, the portfolio was reviewed by a team of reviewers from agencies in the Continuum. All reviewers underwent a training held by staff and were required to sign conflict of interest and confidentiality statements prior to beginning their reviews. Teams of 2-3 reviewers examined and scored each portfolio based on the criteria outlined in the instrument. A second team conducted a second review of all portfolios to ensure the criteria were uniformly applied. Continuum staff provided technical assistance throughout the review process, however, did not conduct any first reviews of applications.

### ***Analysis of Evaluation Results***

The questions for new and renewal programs were the same. The evaluation instrument scores agencies on six sections including program; cultural sensitivity; agency; facility; performance; and consumer interviews. The renewal project scores ranged from 90 to 59.5. The average score was 79.5, with the median score at 82. Projects in a competitive funding position scored an average of 81.2 on their portfolios, while projects in a noncompetitive position scored an average of 65.6 on their portfolios.



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When broken down into quartiles, the range of scores is incredibly close, as was the case in 2004. As the table below illustrates, the greatest variance in scores is in the bottom quartile.

**Table 7: Range of Scores by Quartile**

Quartile*	2005 Range of Scores	2004 Range of Scores
1	90.0-85.0	100-90.9
2	85.0-82.0	90.9-87.5
3	82.0-74	87.5-83.9
4	74-59.5	83.9-62.8

The standard deviation for the 2005 scores is at 7.35, slightly higher than the 2004 standard deviation of 6.26. The standard deviation is a statistic that tells you how tightly all the various examples are clustered around the mean in a set of data.

Due to significant changes in the evaluation instrument from year to year, it is not possible to make many comparisons to this year's scores and last year's scores. However, we do know that this year's instrument had a strong emphasis on performance and consumer interviews, a slight variation from in prior years.

In examining the average scores for renewal projects, the table below illustrates that in fact, many of the programs scored very highly. Contributing factors may include the high percentage of good quality programs in this year's competition; the increasing sophistication by providers in delivering their programs; increased understanding of the renewal evaluation process; and thorough preparation of the portfolio for submission. In addition, the competitive funding environment has driven projects to increase their performance and leveraging, resulting in higher scores for many agencies.

The table outlines the average scores in each of the evaluation instrument's categories. These scores are averages for renewal projects only.

**Table 8: Renewal Project Average Scores**

Evaluation Category	Average Score	Possible Points
Program	28.9	31
Cultural Sensitivity	4.9	6
Agency	14.4	15
Facility	6.52	10
Performance	4.6	10
Consumer Interviews	19.5	20

The greatest variation in scores among programs is found in the facility and performance sections of the evaluation instrument. It is interesting to note, that the average score for consumer interviews and agency are at about .5 below the total possible score.

This year, only two new projects were required to submit portfolios; therefore, an analysis of the two scores is not included in this detailed appendix.

The table below provides the average score on each evaluation instrument section by program type. Program type categories are as HUD classifies the grant and include permanent housing, safe havens, transitional housing, and supportive services only.



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**Table 9: Average Score by Program Type**

	Permanent Housing	Safe Haven	Transitional Housing	Supportive Service Only
Program	28.9	30.7	28.9	29.0
Cultural Sensitivity	4.9	5.2	4.8	4.8
Consumer Interview	19.5	20	19.7	19.2
Facility	7.2	6.8	5.8	6.7
Performance Evaluation	4.6	6.0	4.6	3.9
<b>Overall</b>	<b>80.5</b>	<b>85.7</b>	<b>78.7</b>	<b>78.8</b>

Additional highlights of the evaluation results include:

- Out of the 57 questions asked on the tool, points were awarded to more than 2/3<sup>rd</sup> of the agencies on 51 questions. On only six questions did less than 2/3<sup>rd</sup>s of the agencies receive points, and for two of those questions, the questions were designed to only award points to 50% of the applicants (performance questions 3 and 5). Questions included program question 6, focusing on referrals at turn away; cultural sensitivity, question 1b, focusing on executive staff reflecting the majority population served; and performance evaluation questions 1 and 2, focusing on leveraging related to the 2004 and 2005 HUD grants.
- There were 19 questions where 95% or more of the agencies received points. They are as follows: Program questions 2, 3, 9, 10, 11, 12, 26; and Agency questions 1, 2, 3, 4, 5, 8, 10, 12, 13, 14.
- The agency section saw almost all grantees getting points. On 10 questions, over 95% of the agencies received points.
- Only 66% of agencies received points for having a referral procedure if clients are turned away from the program at intake.
- 99% of agencies passed the threshold.
- In 85.4% of the agencies evaluated, the staff reflects majority population served. Only 48.8% of the executive staff reflects the majority population served.
- In 85.4% of the agencies, direct consumer input to the board is made available.
- Over 60% of agencies attested that they do not impose barriers to intake due to financial resources, length of sobriety, rental history/evictions, or criminal background.
- Approximately 60% of agencies leveraged their grants in 2004 by at least 1:1. Of these 60%, 39% leverage their grant 1.5 times.
- 36% of agencies leveraged their 2005 HUD grant 1:5 to 1. A total of 57% of programs were able to meet the minimum threshold of 1:1.

### ***Scores and Appeals***

The Continuum provided agencies their evaluation scores via email and mail in May 2005. Agencies were asked to review their scores and were able to submit an appeal of any score received to the appeals committee. In total, 98 appeals were received by the APR Committee. Final scores were emailed to agencies on May 23<sup>rd</sup> and ranking of projects occurred on May 24<sup>th</sup>. A detailed analysis of the evaluation scores is provided in the Appendix.



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Throughout the evaluation process, the Continuum provided technical assistance and training to all project applicants. At the March 2005 all-Continuum meeting, APR Committee members facilitated a question and answer period for applicants and in April 2005, staff conducted trainings on the HUD applications. All questions received by staff were also compiled into a frequently asked questions email update, and when requested, staff met individually with agencies requesting additional assistance. In total, the staff responded to over 500 requests for assistance in this time period. Staff has offered debriefings and assistance with grant extensions to all applicants as well.

### ***Ranking Policies***

In order to distribute our pro-rata need fairly and objectively, the Continuum establishes ranking policies. The ranking policies regarding both renewal and new applications were developed and adopted through a multi-step process. The APR Committee drafted a ranking policy recommendation for consideration by the Governing Board. The Governing Board reviewed and adopted the ranking policies at the January 2005 Governing Board meeting, with revisions made to the policies, based on the HUD NOFA, through May.

The CCC develops its policies for the project priority chart prior to the evaluation and ranking. The policies are developed through the APR Committee. The Governing Board then reviews and adopts the ranking policies prior to the final prioritization of projects for the SuperNOFA. The policies are disseminated at all trainings in and in all materials, are presented at the March all-Continuum meeting, and are verbally applied at the public ranking meeting. The 2005 Ranking Policies were first approved by the Governing Board in January 2005, with revisions made in March and April to integrate new HUD policy priorities. The policies therefore outline each step for prioritizing projects for HUD funding.

Each program is ranked based on their score, in the order outlined in the 2005 Ranking Policies. The application ranking process was conducted in a public meeting held on May 24, 2005. Any interested applicant or Continuum member was welcome to attend and observe as the APR Committee applies each policy to all eligible projects. In total, 33 people attended the public meeting.

For 2005 all projects, new or renewal, the ranking policies are as follows:

1. Projects must meet all HUD eligibility criteria.
  - Projects must meet the application deadlines as set by the Continuum.
  - Projects must be consistent with the Plan or have obtained a waiver from the Continuum.
  - All Supportive Housing Program renewal projects must apply for one year of funding. All Supportive Housing Program new projects must apply for two years of funding. New Shelter+Care projects must apply for five years of funding, while new Section 8 SRO projects must apply for 10 years of funding.
  - New program proposals must fit one of two local funding categories (Permanent Supportive Housing or Permanent Housing with Short-Term Support). The Supportive Housing Initiative (SHI) is categorized under Permanent Supportive Housing.
  - Proposed new projects must be ready to proceed within calendar year 2006. Specifically, projects that involve new construction or rehabilitation must be able to close on the financing for the development and begin construction sometime during 2006. New projects that propose to use existing units ("as is" housing) must begin to house homeless clients during calendar year 2006.
  - Excluding applicants submitting under the Supportive Housing Initiative, new SHP projects must not exceed \$750,000 for a two-year period. New Shelter Plus Care projects must not exceed \$1,000,000 for the full five-year grant period, and new Section 8/SRO projects must not exceed \$1,000,000 for the full ten-year grant period.
  - New projects' supportive services line item will be capped at 20% of the new project's total SHP budget. For projects supported under SHI, funds for supportive services for the entire group are not to exceed 20% of the total SHI allocation for 2005.



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2. The project which captures the full bonus amount under the Samaritan Initiative Bonus Project (approximately \$4.2 million) will be ranked in the #1 position on the project priority chart. The project must meet all HUD Criteria as described in the NOFA and must be ready to proceed in calendar year 2006. The Continuum stipulates that the project will be withdrawn if HUD does not fund the Samaritan Initiative with new dollars.
3. Projects supported under the Supportive Housing Initiative and that meet all application requirements as articulated under #1 will be ranked following the Samaritan Initiative Bonus Project in the next three to six positions on the project priority chart. For SuperNOFA 2005, the total funding request for the SHI projects cannot exceed \$5 million.
4. The full amount of the HMIS project will be ranked directly after the last Supportive Housing Initiative proposal. The project must meet all threshold criteria. Following the SHI and HMIS projects, all other projects will be ranked in accordance with Section 5 below.
5. All renewal projects passing threshold review criteria outlined below. Project order will be determined according to the score received from the Evaluation Instrument. Threshold review criteria include:
  - Compliance with HUD and CDHS funding sources requirements;
  - Evidence of a clean audit or plan of action if there are findings;
  - Consistency with the Plan and/or have received a waiver;
  - Operation at capacity. For shelters, this is defined as CDHS Utilization rate: # of people served per year/shelter nights. For PH, TH and SSO it is defined as 80% of meeting contract goals for service; and
  - New projects that pass threshold review as defined by the criteria outlined above. Project order will be determined according to the score received from the Evaluation Instrument.
  - Renewal projects that do not pass threshold review criteria as outlined above. Project order will be alphabetical.
6. If two projects have the same score, the tiebreaker will be determined by the project's SHP request housing (including leasing and operations) to services ratio. The project with the higher housing to services ratio will be ranked above or higher than the project with the lower housing to services ratio.

The above policies were applied to all projects at the public ranking meeting. The staff then reviewed all projects and their ranking to examine which projects fell under the anticipated funding line to ensure the last ranked project fell fully above the line, according to the guidelines published by HUD. The application of the above policies resulted in the 2005 project priority ranking list. The Ranking List is provided in the Appendix.

### ***Setting Community Priorities***

In January 2005, the Executive Committee asked the Governing Board to create an ad hoc committee to address community impact and the HUD SuperNOFA Process. In response to a paper written by the youth providers requesting ranking priority for all youth beds, the Executive Committee felt it was important for a group to discuss these issues related to all possible priorities including geography, populations, and service type.

An ad hoc group of 11 members was assembled, representing the various sectors of the Continuum including public, private, funder, advocate, and consumers. The group met many times over the next three months, trying to determine how and which priorities should be established.



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After much deliberation and discussion, the group presented the following priorities to the Governing Board for approval:

- Creation of a cultural sensitivity section under the 2005 Evaluation Instrument for SuperNOFA projects. Included in this section are 3 questions worth 6 points each. Questions include how staff reflect the majority population served, consumer input into the board, and employment of consumers in the organization; and
- Two additional points for projects in which at least 70% of the clients served are chronically homeless.

In addition to the priorities, the Ad Hoc Group reviewed several options that did not result in ranking changes for the SuperNOFA process. These include an across the board cut for all projects so that no projects would be cut in the application; an across the board cut in the supportive service line item; and adding additional points for serving youth, providing permanent housing, or by geographic area. The ad hoc committee completed its work in April 2005 and suggested to the Board that a committee be formed to examine priorities early in the 2006 SuperNOFA process.

### ***HUD Application Submission***

All projects that apply under the HUD process are also required to complete the paperwork of the HUD application and certifications. All applications were due to the Continuum by May 4, 2005 by 3pm. The Continuum received a total of 154 applications for the 2005 SuperNOFA cycle. The Continuum staff reviewed all SHP and SHI applications for eligibility, budget accuracy, and application completeness. Applicants with correctable errors, such as mathematical errors or incomplete charts or forms, received a technical review worksheet with instructions on adjusting their applications. CDHS staff reviewed all Shelter Plus Care applications for the same criteria. The Continuum estimates that 95% of all applications had at least one error that needed to be addressed.

During the review process, two applicants withdrew their applications, one a Supportive Housing Initiative Project, the other a renewal project. One applicant, Franciscan Outreach, decided to not apply for funding again for agency reasons, however, submitted the proper paperwork so they full hold harmless amount could be actualized by the Continuum.

After the final determination of eligibility was made, the APR committee convened a Ranking Meeting comprised of representatives from the Continuum. The Ranking Meeting was held on May 24<sup>th</sup> to apply the ranking policies approved by the Governing Board.

### **Section 3: SuperNOFA Results: Exhibit 1 and Ranked Projects**

#### **Exhibit 1**

The Continuum's application, or Exhibit 1, details the planning process and activities of the Continuum over the past year including meeting dates, accomplishments, housing activities and beds, and HMIS activities. Exhibit 1 also includes the project information for HUD to distribute dollars and includes a project priority list and leveraging chart. The Continuum is scored on Exhibit 1 and receives funding according to the performance on the grant review.

In total, Exhibit 1 is worth 60 points. Points are awarded as follows:

1. **Process and Strategy – 17 points.** Points awarded based on existence of coordinated and inclusive community process, strategy for ending chronic homelessness, and plan/policies to remove regulatory barriers.
2. **HMIS – 5 points.** Points awarded based on demonstrating progress in the planning, implementation, and operations of an HMIS system.



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3. **Gaps and Priorities – 10 points.** Points awarded based on gap analysis performed and how projects meet the needs and priorities of the community.
4. **Leveraging – 8 points.** Points awarded based on leveraged of funds requested with other resource including private, public, and mainstream programs.
5. **Emphasis on Housing – 12 points.** Points awarded based on relationship between funds requested for housing activities and funds requested for supportive service activities. Points are awarded on a sliding scale, based on all applications submitted.
6. **Performance Measurement – 8 points.** Points awarded based on Continuum's progress in reducing homelessness including success in moving to and maintaining permanent housing.

### ***Data from Exhibit 1***

Exhibit 1 contains a multitude of information on the Continuum process including data on community involvement, meetings, and performance of grantees. Below are highlights from the Exhibit 1:

- Data in the participation table showed that 129 agencies participated in the Continuum through attendance at an All-Continuum meeting, participation in task group or committee, or membership on the Governing Board. Additionally, over 50 faith-based agencies participated in the faith-based outreach from the City of Chicago. Specifically, the Continuum saw the involvement of 20 government entities; 74 nonprofit service and housing providers; 11 homeless consumers; 7 funding representatives; 11 advocates or other membership organizations; 4 research institutions; and two hospitals.
- The 154 HUD grantees leveraged over \$49 million dollars in funding ranging from cash match to public or private sources. This represents over 1:1 leveraging for the federal dollars received.
- Performance data for the HUD grantees shows that, on average, 78.5% of those residing in permanent housing stayed at least 6 months, speaking to the housing stability of clients once in permanent housing. Additionally, performance data shows that 65% of those leaving transitional housing move to permanent housing situations.
- In 2005, the Continuum held 118 board, committees and task groups meetings on tasks related to the plan; 3 all Continuum meetings; 9 implementation schedule focus groups; and 20 trainings under the HMIS demonstrations, Building the House training series, and Mainstream Resources workshops.

### **Ranked Agencies and their Project Applications**

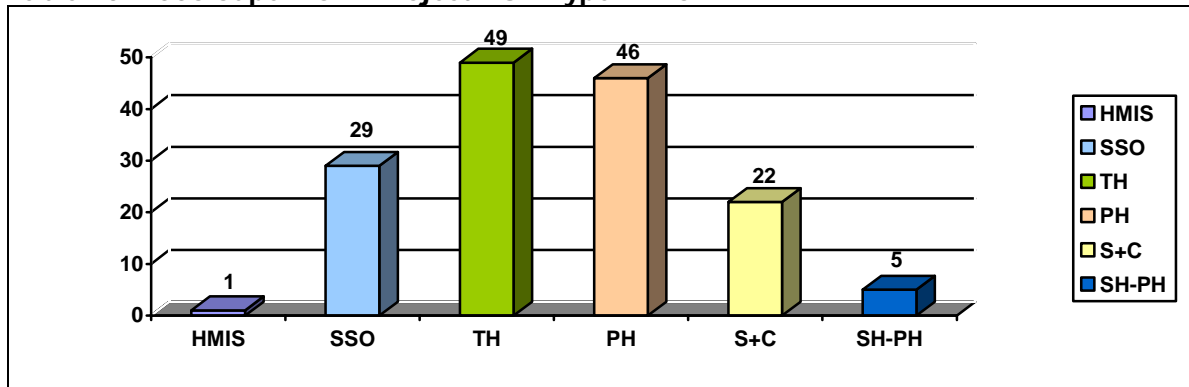
A total of 133 Supportive Housing Program projects and 22 Shelter Plus Care projects were ranked on the priority list. Five new SHP and two new S+C projects were included in the ranking. This section contains information on all the agencies and projects on the Continuum's priority ranking list.

As in 2004, the projects ranked in the 2005 SuperNOFA application represent a diverse group of agencies. 59 different agencies were ranked in the 2005 SuperNOFA project priorities chart. Over 95% of the agencies are nonprofit agencies with 501(c) 3 status. Only two of the agencies are government entities --- the City of Chicago's Department of Housing and the Department of Human Services.

Approximately one-third of all ranked projects are classified as HUD transitional projects, while an additional 48% of projects are for HUD permanent housing, Shelter Plus Care or Safe Haven projects. The remaining 19% of projects are HUD Supportive Service Only projects.

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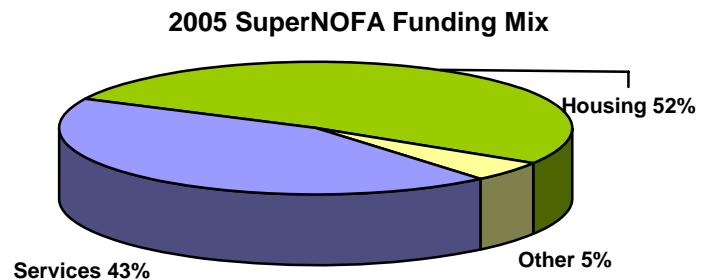
**Table 10: 2005 SuperNOFA Project HUD Type n=152**



### *The Funding Mix*

For 2005, if all \$48.3 million dollars of ranked projects were funded, approximately 43% of all dollars would be for services. Fifty-one percent of all funding would be for housing costs including operations, leasing, or acquisition/rehabilitation/new construction. Five percent would be for administration and HMIS costs.

The proposed projects range greatly in size. The lowest project in the range is requesting \$27,000 while the highest request totals \$4.2 million dollars. On average, the SHP grantees are requesting approximately \$235,000.



**Table 11: Range of Grants**

<b>Average grant size</b>	<b>\$317,932</b>
Maximum grant	\$4,288,394
Minimum grant	\$27,038
Median	\$235,242
Av Number of Beds/project	35.6

### *Leveraging*

In total, \$49,329,533 in leveraging was committed by provider agencies, at slightly more than a 1:1 ratio. Additionally, many projects exceeded their match ratios, providing well over the required match for services, operations, and HMIS line items. Over 75% of the leveraging went to services, with the remaining amount divided between operations, leasing and administration.

Of all the projects ranked this year, 26 brought in leveraging at a 1:1 ratio, and 44 brought in leveraging at a 1.5:1 ratio or better for their 2005 applications. Leveraging sources include local, state, and federal funding, private foundations, individual donors, agency contributions, fundraising, and program fees.



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### Section 4: The Anticipated Funding Line

Excluding the anticipated non-competitive dollars for Shelter Plus Care renewals, the Continuum has ranked \$42.8 million dollars in proposals. In total, Chicago is eligible for approximately \$38.7 million in SuperNOFA funding for 2005. Therefore, the Continuum anticipates \$4.1 million dollars of the prioritized projects will not receive funding.

In examining the project priority ranking, we have determined the anticipated funding line to be drawn under project 116. At project 116, the Continuum has ranked \$38.2 million dollars in projects. The following details information on projects both above the anticipated funding line and below the anticipated funding line.

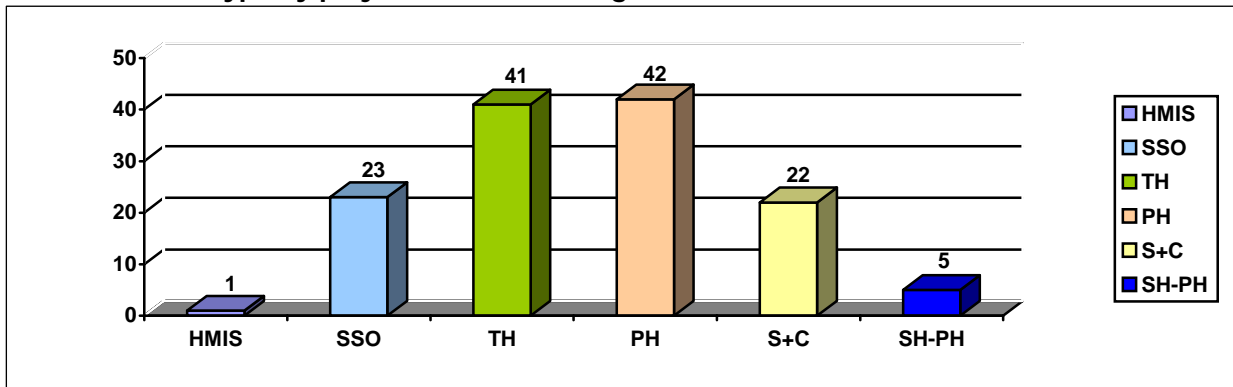
#### *Projects in a Competitive Funding Position*

Approximately 116 projects were ranked within the estimated award amount for Chicago in 2005. Two projects ranked above the funding line withdrew their application, so 114 projects remain above the line. These include 112 SHP projects and 2 new Shelter Plus Care projects. Additionally, 20 Shelter Plus Care renewal projects were ranked separately as non-competitive renewals. The information below includes both SHP and Shelter Plus Care data information.

Fifty-one percent of projects in a competitive funding position are permanent housing projects. This includes HUD Permanent Housing projects, Shelter Plus Care projects, and Safe Haven projects. Transitional housing comprises 31% of the projects, while supportive service only projects are approximately 17% of the projects.

Table 12 details the breakdown of projects by HUD classification.

**Table 12: HUD Type by projects above funding line n= 134**



#### *Proposed Beds*

The 152 projects ranked in the 2005 application include approximately 5,735 beds for both individuals and families. We estimate that approximately 91% of these beds, a total of 5,210, were ranked in a fundable position.

In total, beds are distributed evenly across the city. Approximately 35% of the total beds are on the north side; 34% on the south side; and 31% on the west side. For individuals, 42% of the beds are located on the north side, with 33% on the west side and 25% on the south side. For families, 43% of the beds are located on the south side, 27% on the north side, and 30% on the west side.

#### *Populations Served*

The proposed projects serve a diverse population. The table below provides the specific breakdown of populations served by projects. It is important to note that projects could self-select more than one-



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category for populations served. Nine projects have dedicated their program to victims of domestic violence, while 13 projects target persons living with HIV/AIDS. Three projects focus on the veterans' population, and 40 projects (over 1/4<sup>th</sup> of all projects) primarily serve persons with mental illness and/or substance abuse.

**Table 13: Proposed Population Served for Ranked Projects**

Population	Number of Projects Serving Population*
Single Women	77
Single Men	73
Couples	36
Youth	10
Mothers with Children	54
Fathers with Children	37
Two-parent families	36
Teen parents	13
Persons with mental illness and/or substance abuse	86
Only Victims of Domestic Violence	9
Only Persons living with HIV/AIDS	13
Only Veterans	3
Only Persons with mental illness and/or substance abuse (MISA)	40

*\*data is self-selected and projects may choose more than one category*

### **Permanent Supportive Housing**

In the 2005 application, the Continuum ranked 46 HUD Permanent Housing programs, 5 Safe Haven projects, and 22 Shelter Plus Care projects. This represents 48% of all projects ranked. In total, 3,196 permanent supportive housing beds are funded with the \$38.7 million dollar request.

**Table 14: Permanent Supportive Housing** (*only includes projects designated as HUD-PH*)

<b>Total PSH beds (new and renewal)</b>	<b>3196</b>
Number of renewal PH and S+C beds recommended for funding	2775
Number of new PSH beds recommended for funding	359
Number of Safe Haven beds recommended for funding	62

### **Transitional Housing Projects**

Transitional Housing remains a significant component of the HUD funding prioritized by the Continuum and includes both the new model of Permanent Housing with Short-Term Support (PHwSS) and Second Stage Transitional Housing. Forty-one transitional housing projects are in a fundable position in the 2005 Application. These projects propose 1,934 transitional housing beds, of which 54% are consistent with the permanent housing with short-term support model. An additional 26% of the beds are classified as interim housing. Ten of the transitional housing projects can be classified as second-stage projects, totaling 469 beds.

**Table 15: Transitional Housing** (*only includes projects designated as HUD-TH*)

<b>Total transitional housing beds</b>	<b>1,934</b>
Number of Interim Housing beds	388
Number of PHwSS beds	1077
Number of renewal second-stage transitional housing beds	469



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### ***Supportive Housing Initiative***

The Supportive Housing Initiative is an initiative to promote the development of new permanent supportive housing units dedicated for homeless individuals. The Governing Board set approximately \$5.0 million dollars aside this year for the Supportive Housing Initiative. This year, 5 projects were ranked under the Supportive Housing Initiative. These projects include:

**Table 16: SHI projects**

<b>Grantee</b>	<b>Total Grant Amount</b>	<b>Grant Supports</b>	<b>Units Supported</b>
Washington Park SRO	\$155,106	Services	31
Lakefront Supportive Housing	\$315,000	Services	100
Brand New Beginnings	\$798,120	Rental Subsidies	13
Featherfist	\$2,079,000	Rental Subsidies	50
<b>Total</b>	<b>\$3,347,226</b>		<b>194</b>

The total of \$3.3 million is \$1.7 less than the amount approved by the Governing Board for the 2005 SuperNOFA Process. This is due to the withdrawal of one application for the Westside CDC. The Governing Board passed a resolution to allow this project priority ranking under the 2006 process.

### ***Projects in a Non-competitive Funding Position***

For 2005, fifteen projects were ranked in a non-competitive funding position, meaning that they will most likely not receive a HUD grant for the next year. These include one project not passing threshold and 14 projects below the anticipated funding line. The types of projects include all of the Continuum's components -- permanent housing, supportive services only, and transitional housing. Eleven of the 15 projects are from only 2 agencies.

Seven of the renewal projects below the line are transitional housing projects. Three projects provide supportive services in permanent housing; five projects are classified as SSO. The projects serve a diverse group of clients, including single men, women, and families. Several projects specialize in serving persons living with HIV/AIDS, women with children, single men, and MISA clients. In total, the projects funding is approximately \$3.5 million dollars for 481 beds. This is almost identical to the projects under the line in 2004, which totaled \$3.7 million and included 483 beds.

The following table provides further detail on the renewals that either were below the line or did not pass threshold review, their program type, and the population they serve, as reported in their HUD applications.

**Table 17: Project-by-Project Analysis**

	<b>Agency Name</b>	<b>Program Name</b>	<b>HUD Type</b>	<b>Project Priority #</b>	<b>Amount</b>	<b>Total Beds</b>
1	Featherfist	ORCA	SSO	117	\$293,526	0
2	Featherfirst	Hope Village	TH	118	\$532,528	71
3	Chicago Christian Industrial League	Second Stage Supportive Housing	TH	119	\$375,375	100
4	Chicago Christian Industrial League	The Studios	PH	120	\$92,533	10
5	Featherfist	Foundations	TH	121	\$256,626	80
6	West Englewood United Organization	Clara's Second Stage	TH	122	\$210,118	52



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	Agency Name	Program Name	HUD Type	Project Priority #	Amount	Total Beds
7	Chicago Christian Industrial League	The Studios	PH	123	\$250,210	50
8	Chicago Christian Industrial League	Job Training SSO	SSO	124	\$50,274	0
9	Chicago Christian Industrial League	Pathways SHP	TH	125	\$485,820	80
10	Featherfist	FORT	TH	126	\$318,130	24
11	Featherfist	HUTS	SSO	127	\$249,382	0
12	Featherfist	EPIC	SSO	128	\$144,243	0
13	Polish American Association	Turning Point	SSO	129	\$138,199	0
14	Vision House	Gap Program	SSO	130	\$35,647	0
15	Outreach Mission Christian Center	House of Daniel	TH	134	\$115,474	14
<b>TOTAL</b>					<b>\$3,548,085.00</b>	<b>481</b>

### ***Next Steps for Renewals Below the Funding Line***

The Continuum has initiated conversations with all grantees below the line. The Continuum has offered to meet one-on-one with the agency staff and explain the options for the program and agency going forward. To date, all agencies but two have had conversations with Continuum staff.

One of the key areas of technical assistance with these renewal grantees will be encouraging the grantees to apply for HUD grant extensions once the funding announcements are made. The extensions process is being explained to each renewal grantee, and the Continuum plans to work with HUD to ensure the process runs smoothly.

In addition to working with HUD on grant extensions, additional advocacy for key system components will be necessary to ensure that the system need is met. Examples may include advocacy for funding for the permanent housing and youth programs that are currently under the funding line.

### ***2004 Funding Decisions Impact***

The majority of projects that did not receive HUD Funding under the 2004 SuperNOFA process applied for and received grant extensions from HUD. A total of 27 beds were closed after the HUD funding decisions, while the remaining 456 beds remain open as of July 2005. Three of the agencies that are ranked below the funding line for 2005 did not receive dollars in 2004, however, did receive grant extensions.

### **Section 4: SuperNOFA Feedback**

The Continuum staff created and conducted a survey of SuperNOFA applicants to gather information and feedback on the 2005 SuperNOFA process. In total, 55 persons completed the online survey (over 60% response rate). The survey focused on the following categories: the portfolio review process, ranking priorities, technical assistance and training, and feedback on the HUD application. Below is an overview of the results.



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The respondents of the surveys were almost entirely renewal grantees. In the survey, 93% of respondents indicated they were a renewal project, and had been a renewal for several years now. This is reflective of the fact that the Continuum’s process has little opportunity for new projects, unless under the Supportive Housing Initiative. When asked what type of grants the agency has, the respondents were varied including 62% stating they received HUD permanent housing grants; 45% indicated they received HUD transitional housing grants, and 37% receiving SSO grants (respondents could choose multiple categories under this question).

**Table 18: Portfolio feedback**

	Excellent	Good	Fair	Needs Improvement	Not Applicable
Objectivity of the Review Process	12%	38%	27%	21%	2%
Ease of reading/ understanding of the questions	6%	60%	28%	4%	2%
Ability of portfolio to assess quality of project	6%	27%	25%	40%	2%
Comprehensiveness of instrument	12%	42%	19%	25%	2%

Agencies were asked to estimate the number of hours the organization spent on assembling one portfolio. Answers varied, but 27% stated they spent approximately 2-3 days on one portfolio; another 27% indicated they spent over 6 days assembling a portfolio. 23% stated they spent between 4-5 days. In total, the time it took to assemble a portfolio varied greatly, with the average being approximately 4 days.

Respondents were asked to state their preference on the portfolio process vs. the site review process. Responses showed no particular leaning toward one process versus the other, as 34% preferred the portfolios and 30% preferred the site review process. An additional 19% felt a combination of the two would be appropriate, while 17% were indifferent.

### ***Ranking policies feedback***

Respondents were asked if the Continuum should set priorities in the SuperNOFA process and an overwhelming 93% stated yes. Table X outlined the community priorities respondents indicated they would like to see under the 2006 process. Respondents could choose more than 1 priority.

**Table 19: SuperNOFA Priorities**

Priority	Response Percent
Community Need	64.3%
Housing Type (Interim, permanent)	54.8%
Specific populations (youth, chronic homeless)	54.8%
Performance	52.4%
Supportive Service Only projects	26.2%
Specific geographic locations	26.2%
Projects that support housing beds	21.4%
Cultural Sensitivity	21.4%
Leveraged Resources	7.1%



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### TA and Training Feedback

As indicated below, overall, on questions related to the application technical assistance and training received, respondents measured their satisfaction within the categories of good or excellent. A full copy of the survey and all comments received for the remaining questions is available upon request.

**Table 20:** Responses to the Survey Question: Please rate the training and technical assistance that you received as an applicant throughout the portfolio and HUD application process.

	Excellent	Good	Fair	Needs Improvement	Not Applicable
Continuum updates/emails on the SuperNOFA Process	<b>43%</b>	35%	9%	7%	7%
Frequently asked question emails	<b>49%</b>	38%	4%	2%	7%
Clarity on the submission requirements and deadlines	<b>49%</b>	31%	11%	2%	7%
Clarity on the portfolio instrument and submission	28%	<b>46%</b>	13%	7%	7%
Clarity on the portfolio score appeals process	24%	<b>43%</b>	13%	9%	11%
All-Continuum training on the portfolios	15%	<b>48%</b>	13%	11%	13%
SuperNOFA trainings on the HUD exhibits	15%	<b>52%</b>	11%	4%	17%
Availability and expertise of the Continuum staff	<b>36%</b>	32%	15%	11%	6%
Technical review of HUD applications	24%	<b>47%</b>	9%	9%	11%
<b>Overall view of the process</b>	<b>16%</b>	<b>53%</b>	11%	13%	7%

Overall, respondents indicated the process was “fair and professional.” Respondents provided many suggestions for improvement related to the questions on the evaluation instrument, the paperwork burden, and applicant trainings. All results were shared with the FY05 APR Committee and will be provided to the new HUD McKinney-Vento Committee when it begins meeting in fall 2005.

### 7. Committee and Staff Recommendations for 2006

The APR Committee met in July to debrief on the SuperNOFA process. In this meeting, the committee passed the following motions for consideration by the board and the new HUD McKinney Vento Committee:

- The 2005 Evaluation instrument should be frozen as written pending a final review by the HUD McKinney Vento Committee based on the results of the survey instrument, and used as a 3 year Continuum certification tool.
- The HMV Committee should be empowered to create an annual review of performance and any other priority as set by the Governing Board to be used for the annual ranking process.
- The 2005 APR Committee strongly recommends that the annual review include at a minimum a site visit and consumer interview.
- The HMV Committee should make allowances for new programs that are consistent with the Plan to have an avenue to pass threshold and enter the SuperNOFA review process.



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In examining the 2004 and 2005 process, the staff brings three recommendations regarding the process to the Governing Board for its consideration.

- **Simplify the evaluation instrument for all renewal programs and focus on performance outcomes and budget reasonableness.** The portfolio review process, while a comprehensive process, is too onerous especially for small organizations to conduct every year. A simplified instrument, focusing on key elements such as performance, leveraging, and budget reasonableness can yield successful and relevant results without the large submission of documents.
- **Approve all policies and evaluation methods no later than December 2005.** In order to provide enough lead time for the HUD grantees and the Continuum staff, and to not place extra burden on the grantees, it is important that the Board approve all policies and evaluation methods by the end of the calendar year. This will then provide opportunity for staff to provide ample training and technical assistance and will provide grantees with sufficient time to complete the requirements as outlined. It can be a smoother and easier process for all involved if the evaluation portion of the HUD process is completed prior to the release of the SuperNOFA. Additionally, once the SuperNOFA is released, staff has obligations related to Exhibit 1 and the individual project applications which provide less time to support the APR Committee and its work. Finally, setting an aggressive, targeted date, will allow the Continuum to concentrate on the HUD process for a shorter time period, allowing new business related to the Plan to be conducted.
- **Set community priorities and have them approved by December 2005.** In addition to setting policies and evaluation methods, the staff assert that community priorities be established for projects. Priorities may include permanent housing, or specific geographic areas. In order to notify Continuum partners of any new priorities for new and renewal projects that impact the ranking, the staff suggest priorities be approved by December so they may be publicized widely.

### ***For More Information***

The 2006 process will be underway in the fall of 2005. Anyone interested in participating may contact the Continuum staff for more information. All SuperNOFA related information is available on the Continuum's website at [www.chicagocontinuum.org](http://www.chicagocontinuum.org) under the "Funding" pages.

### **Appendix**

1. Project Priority Ranking List
2. 2005 Evaluation Instrument
3. SuperNOFA Technical Assistance Materials