

HUD BONUS/ NEW Project Applicants Opportunity to Submit Letters of Interest DUE July 7, 2010



This announcement serves as the opportunity for applicants to submit a letter of interest for new permanent supportive housing projects funded through the HUD Continuum of Care (CoC) Homeless Assistance Grant Programs (under the HUD McKinney Vento Act). Selected projects will be submitted to HUD as part of Chicago's 2010 Notice of Funding Availability (NOFA) application, either as a Permanent Housing Bonus project or as a new project submitted under reallocation (see Introduction for explanation of funding types).

Introduction

The objective of the Chicago continuum is to fund permanent supportive housing projects that follow a Housing First model consistent with a permanent housing program model approved in Chicago's Program Models Chart. Projects may be funded one of two ways, as determined by the Chicago Planning Council on Homelessness:

- 1) **Permanent housing bonus project** – Although not guaranteed funding, for the past several years, Chicago has been eligible under the HUD NOFA for a supportive housing bonus of \$4.29 million
- 2) **Permanent housing reallocation project** – Chicago has the ability to de-fund renewal projects and reallocate the renewal project money to new permanent housing projects

Projects must serve homeless, disabled households (individuals or families). Refer to HUD's guidelines for a complete definition of homelessness, but in general, persons assisted by new permanent housing projects must be homeless and come from:

- 1) Places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- 2) An emergency shelter; or
- 3) Transitional housing for homeless persons who originally came from the streets or emergency shelter.

Applications for projects that serve any homeless subpopulation will be accepted; however, HUD recommends that part of the Permanent Housing Bonus funds be used by continuums to fund projects that focus on 1) homeless veterans and/or 2) chronically homeless individuals. (The Federal definition of a chronically homeless person is defined as "either (1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years." Note that chronically homeless individuals must come from the streets or emergency shelters. In Chicago, some interim housing programs qualify as emergency shelters for the purpose of the chronic homeless definition; a list of those that qualify can be provided by the Chicago Alliance upon request).

The Planning Council has established a letter of interest (LOI) and application process to select eligible new and permanent housing bonus projects jointly. Therefore, the Chicago Alliance to End Homelessness, on behalf of the Chicago Planning Council on Homelessness, is conducting a six-step process to select eligible new and permanent housing bonus projects. The steps are as follows:

1. LOIs are solicited through this announcement.
2. Submitted LOIs are reviewed by the Bonus/ New Project Selection Panel to determine whether applicants meet threshold criteria.
3. A full application form will be issued to those agencies whose projects meet the threshold criteria stated below.

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4. Submitted applications will be reviewed and finalist candidates will be selected. Applicants not selected as finalists will receive written feedback on their application.
5. The selected candidates will be invited to make a brief presentation to the Bonus/ New Project Selection Panel, providing an opportunity to clarify and elaborate on their written application.
6. After the panel makes its final selection(s) for the new and permanent housing bonus project(s), all finalists not selected will receive written feedback on their applications.

LETTER OF INTEREST PROCESS

Threshold Criteria for the 2010 New Projects

The proposed project must meet the following threshold criteria:

1. Apply as a project spending any amount up to the total available (\$4.29 million for a permanent housing bonus project) for a period of two (SHP), five (S+C) or ten (Section 8/SRO) years.
2. Use funds to serve homeless individuals and/or families, as defined by HUD.
3. Provide permanent housing under the HUD Supportive Housing Program (SHP), Shelter Plus Care (S+C), or Section 8/SRO HUD programs.
4. Utilize a housing first model.¹
5. Provide supportive services that are flexible and consumer-driven.
6. Allocate 80% of the total HUD share to housing (leasing and operations); no more than 20% of the HUD dollars may be allocated to services.
7. Be ready to proceed in calendar year 2011. Projects that involve new construction or rehabilitation must be able to close on the financing for the development of the project and must begin construction sometime during 2011. New projects that propose to use existing units must begin to house homeless clients during calendar year 2011.
8. Use Chicago's Homelessness Management Information System (HMIS). HMIS is a HUD-mandated software system that captures client information on individuals and families seeking homeless services; Chicago uses ServicePoint software for its HMIS. Agencies must enter and exit all individuals and households served with this funding into and out of HMIS, as required by HUD and the City of Chicago.
9. Be deemed by the Bonus/ New Project Selection Panel to have sufficient organizational experience and financial capacity to develop and operate the project.
10. Meet the HUD criteria, as outlined in the 2010 Continuum of Care Notice of Funding Availability (NOFA). *The 2010 NOFA has not been released by HUD as of June 15, 2010. Criteria are subject to change depending on information provided in the NOFA.*

Submitting a Letter of Interest

Agencies interested in proposing a new project for the 2010 HUD application must submit a letter of interest and required attachments. The letter should be 3-5 pages in length, and should include the following information:

¹ Housing First is an approach to ending homelessness that centers on providing homeless people with housing quickly and then providing services as needed. What differentiates a Housing First approach from traditional emergency shelter or transitional housing approaches is that it is "housing-based," with an immediate and primary focus on helping individuals and families quickly access and sustain permanent housing. (Source: National Alliance to End Homelessness <http://www.naeh.org/section/tools/housingfirst>)

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1. Agency Overview and Capacity: Brief statement of the agency's mission and capacity to implement the proposed project. Provide information on the total agency budget and capacity to successfully manage the grant.
2. Population of Clients Currently Served: Description of the population of clients currently served by the agency.
3. Participation in HMIS: If your agency currently uses HMIS, provide the following agency-wide data: number of your agency's staff trained in HMIS, the percentage of beds covered in HMIS, and the number and percentage of clients entered and exited into HMIS to-date. If your agency is an interface agency, please provide a narrative that explains your participation in HMIS. If your agency does not currently use HMIS, please provide a narrative that explains the agencies technological capacity to operate an information system on a daily basis. Include how the agency currently tracks their client data, the number of computers at the agency, and the resume(s) of the person(s) who would be in charge of data entry and analysis for the agency.
4. Project Outline: Brief outline of the proposed project, including the number of individuals to be housed, project type, location, and population. Include the type and percentage of each homeless subpopulation (such as victims of domestic violence, veterans, ex-offenders, chronically homeless, people with mental illness and/or substance abuse, people living with HIV/AIDS or other chronic illnesses and/or physical disabilities) that will be served and how the project will support those clients. Additionally, include a description of how participants will be targeted and selected for participation and any anticipated collaboration with public agencies to identify potential participants.
5. Project Budget: Provide a draft budget for the project using the Exhibit 2 forms provided with this LOI ([Appendix 1 for Supportive Housing Programs](#) or [Appendix 2 for Shelter Plus Care/Section 8 Mod Rehab projects](#)). Please use the [current FMR](#) for any calculations. In addition, describe the type and amount of leveraging sources that will be made available with this project. Leverage should include both cash and in-kind resources, and the project must provide a cash match that meets the minimum budget requirements for HUD (cash match for SHP projects must be at least: 20% for services and HMIS, and 25% for operations; S+C projects do not require a cash match, but must leverage services in an amount equal to or exceeding the requested grant amount). *Note that the panel may recommend budget adjustments to your project based on the final selections.*

Agencies should also provide the following attachments:

1. Agency Policies: Provide copies of agency policies regarding project eligibility requirements, client rights, referral procedures, and program termination.
2. Agency Audit: Include a copy of your agency's most recent financial audit.

Submission of Letter of Interest

All letters should be submitted to the Chicago Alliance to End Homelessness c/o Nicole Prichard, Project Associate, 205 W. Wacker, Suite 1321, Chicago, IL 60606 by **5pm on July 7, 2010**. Letters may also be e-mailed to nprichard@thechicagoalliance.org by the stated deadline. Letters submitted after the deadline will not be reviewed or considered for the 2010 HUD application.

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Proposals invited to submit a full application will be notified via email by the Chicago Alliance staff and will receive the application at that time with information regarding the application due date and next steps in the selection process.

FULL APPLICATION PROCESS

Criteria for Full Application Process

Proposals invited to submit a full application will be evaluated on the following criteria:

Housing and Service Delivery:

1. Applications must provide the essential program elements listed in the program models chart under permanent supportive housing.
2. Projects must demonstrate comprehensive support services that meet the needs of the specific population you intend to serve.
3. Priority will be given to projects that demonstrate low-demand, low-barrier services.
4. All prospective tenants must meet the HUD definition of homelessness.

Leverage Requirement:

The proposed project must meet a total leveraging ratio of one-to-one (1:1), which includes both cash and in-kind resources. Additionally, the project must provide a cash match that meets the minimum budget requirements for HUD (see page 3, "Project Budget").

Geography:

Outreach efforts should target individuals and families on the street, in emergency shelters and/or in Interim Housing projects. Priority will be given to projects that can demonstrate one of the following:

A) City-wide impact

OR

B) Specific impact within a targeted geographic community or population. Please provide research results or documentation that support targeting this area or population, such as the most recent Point-In-Time Count.

Type of Project:

Projects may include scattered site, master leased or development (new construction or rehabilitation). Please note that HUD requires an environmental review of all master leased and development projects during the HUD evaluation process. Due to the short timeframe to bring the project online, projects including development must demonstrate readiness to proceed standards, as defined below.

Minimum standards for readiness to proceed:

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1. Letter of support from Alderman (development only)
2. Development and operating proformas (development only)
3. Development schedule that includes dates for: submitting funding and financing applications, closing on financing, construction start, construction end, lease up and 100% occupancy (development only)
3. List of potential landlords and the process to secure housing units (scattered site and master leased)
4. Location of proposed site (master leased and development)

Submission of Full Application

The final application will be distributed to those agencies whose projects meet the threshold criteria in this LOI. The written application will include detailed questions regarding population served, leveraging and project financing, staffing, and service delivery. Agencies will be asked to demonstrate past performance working with homeless individuals and/or families, including the submission of two outside references that can attest to the agency's capacity and performance on similar projects.

Projects chosen by the Bonus/New Project Selection Panel will be presented to the Chicago Planning Council on Homelessness for final approval. The Planning Council reserves the right to amend any selection made by the Bonus/ New Project Selection Panel.

ADDITIONAL INFORMATION

Bonus/ New Project Selection Panel

All applications for the new projects will be reviewed by the Bonus/ New Project Selection Panel. The panel is comprised of six members:

- Betsy Benito, Chicago Department of Housing
- Bill Johnson, Facing Forward to End Homelessness
- Dorothy Yancy, Chicago Alliance Consumers Commission
- Guacolda Reyes, The Resurrection Project
- Israel Vargas, San Jose Obrero Mission
- Khen Nickele, IDHS/DMH

The panel will be responsible for applicant reviews and selection at each stage of the evaluation process. No member of the Bonus/ New Project Selection Panel, or their organization, will have a new project application pending for the 2010 HUD application process. Applicants may not use panelists or their organizations as references for their project.

Contact Information

Questions may be directed to the Chicago Alliance staff. Please contact Nicole Prichard at (312) 223-9870 x17 and nprichard@thechicagoalliance.org or Amanda Becker Carlisle at (312) 223-9870 x14 and abecker@thechicagoalliance.org.