



A Home for Everyone

# 2008 NOFA Process Report – Executive Summary

Updated: July 13, 2009

## INTRODUCTION

Annually, the Chicago Continuum of Care (CoC) must submit a competitive application to HUD for its homeless funding. HUD allocates money for homeless assistance based on homelessness data for each CoC, and charges the CoC’s planning body, the Chicago Planning Council on Homelessness, with setting priorities and identifying need in the community.

### Chicago’s Funding Allocation for 2008

CoCs are eligible to apply for funding up to the amount required to fund all eligible renewal projects. Additionally, HUD allows CoCs to apply for special initiatives above and beyond their renewal amount. See Table 1 for these amounts for Chicago.

Table 1: Potential 2008 HUD Dollars for Chicago’s CoC	
Renewal Amount (Hold Harmless Pro Rata Need)	\$33,243,745
Bonus Project	\$4,280,553
Rapid Re-housing Project (national competition)	\$2,000,000
Shelter + Care (automatic renewals)	\$9,402,048
<b>Total HUD Funding Eligibility</b>	<b>\$48,926,346</b>

## 2008 HUD APPLICATION

On October 22, 2008, the Chicago Alliance to End Homelessness successfully submitted the HUD Continuum of Care (CoC) Homeless Assistance Program Application via HUD’s new online application system. The application is made up of two parts: 1) Exhibit 1 is completed by Chicago Alliance and City staff, and 2) Exhibit 2 is completed by individual agencies.

### Exhibit 1 – CoC Data

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 Chicago’s Exhibit 1:

- Data in the participation table demonstrates Chicago’s efforts to create an inclusive, coordinated process that involves 250 entities who participated through attendance at meetings and/or sitting on the governing body, task group or subcommittee. Specifically, Chicago’s process involved 149 nonprofit service and housing providers; 21 faith-based organizations; 6 funder or advocacy organizations; 33 homeless or formerly homeless individuals, as well as law enforcement entities, state government agencies, hospitals, and schools/universities.
- Due to requirements for all renewal agencies to cut their service budgets by 10%, Chicago was able to reallocate \$1,380,200 to fund two new permanent housing projects.
- Chicago’s housing to services ratio for the 2008 application was 2.07, which represents a significant increase of 15.64% from 2007. The ratio is calculated by dividing housing dollars (operations and leasing) by service dollars.
- HUD applicants leveraged over \$68 million dollars in funding ranging from cash match to public or private sources. This represents over 1:1 leveraging for the federal dollars received.

# 2008 NOFA Process Report – Executive Summary

**Updated: July 13, 2009**

- Some of Chicago CoC’s Achievements

<b>Table 2: Chicago CoC Achievements</b>		
<b>Objective</b>	<b>Proposed 12-Month Goal</b>	<b>Actual 12-Month Achievement</b>
Create new PH beds for CH	2,000 beds	2,073 beds
Increase percentage of homeless persons staying in PH over 6 months to at least 71%	85%	85%
Increase percentage of homeless persons moving from TH to PH to at least 61.5%	63%	67%
Increase percentage of homeless persons employed at exit to at least 18%	18%	23%
Ensure that the CoC has a functional HMIS system	70%	72%

**Exhibit 2 – Supportive Housing Program and Shelter Plus Care projects for 2008**

For 2008, 117 Supportive Housing Program projects and 30 Shelter Plus Care projects were submitted to HUD for funding as part of the Chicago CoC application. The submission included renewal projects, special initiatives, one new SHP, and one new S+C project.

**Exhibit 2 – Special Initiatives for 2008**

**Bonus Project**

As in the past, in 2008 Chicago was eligible to receive funding in the amount of \$4,280,553 dollars under the HUD Samaritan Housing Initiative. As defined by HUD, these funds must be used for a permanent housing project that targets chronically homeless individuals. In order to receive funding for Chicago’s bonus project, Chicago’s CoC application must fall above the national funding line set by HUD.

A selection panel chose the AIDS Foundation of Chicago’s (AFC) Supportive Housing for Health Partnership project as Chicago’s bonus project candidate. AFC will house 195 individuals in project-based SRO or scattered-site units throughout Chicago. **Because Chicago scored above the funding line, AFC was awarded the \$4.2 million in bonus project funding.**

**Rapid Re-Housing**

Congress provided HUD with \$25 million for a “Rapid Re-Housing for Homeless Families” demonstration project as part of the CoC Grants competition process in 2008. Chicago was eligible to receive \$2 million of these funds for one project that will be distributed over 3 years.

A selection panel chose Christian Community Health Center’s Home Again project as Chicago’s Rapid Re-Housing for Families candidate to compete at the national level. CCHC estimated that with \$2,000,000 over three years they could provide rental assistance and supportive services to 120 families. **Unfortunately, the project was not among the 23 Rapid Re-Housing projects selected as part of the national competition.**

**2008 NOFA RESULTS**

**HUD Awards**

HUD announced the 2008 Continuum of Care grant awards on February 19, 2009. Chicago will receive \$47,955,095 as part of the grants package for 2009-2010 funding. Included in the nearly \$48 million was a four percent increase in leasing dollars, which HUD awarded nationally to projects with leasing budget activities.



A Home for Everyone

## 2008 NOFA Process Report – Executive Summary

**Updated: July 13, 2009**

As stated above, Chicago scored above the national funding line and therefore was awarded the bonus project (\$4.28 million); however, it was not among the 23 CoCs selected to receive a Rapid Re-Housing for Homeless Families project (out of 212 projects submitted). In total, Chicago will be able to create 250 new units of permanent supportive housing.

Award amounts by program and project type are shown in the tables below.

Table 3: 2008 HUD Award Dollars	
Bonus Project	\$4,280,553
SHP New	\$365,000
SHP Renewals	\$32,228,322
S+C New	\$1,079,580
S+C Renewals	\$10,001,640
<b>TOTAL</b>	<b>\$47,955,095</b>

Table 4: 2008 HUD Award Project Info by HUD Housing Type				
Type	# Projects	HUD Award Dollars	Estimated # Units	Estimated # Beds
PH	54	\$19,126,009	2,536	2,633
TH	34	\$12,140,186	593	1,827
SPC	30	\$11,081,220	957	1,224
SSO	21	\$3,952,502	n/a	n/a
SH	4	\$1,094,039	23	38
HMIS	1	\$318,498	n/a	n/a
<b>TOTAL</b>	<b>144</b>	<b>\$47,955,095</b>	<b>4,163</b>	<b>6,378</b>

### Analysis of NOFA Results Scoring Changes for 2008

Changes are made to the NOFA on an annual basis; and, in 2008 HUD significantly changed the NOFA scoring. Prior to 2008, CoCs were scored on a 100 point scale, with up to 40 need points automatically allocated. In 2008, the 40 need points were redistributed into the 100 point structure, meaning CoCs were competitively scored out of 100 points as opposed to 60. Table 5 below shows the changes in the scoring structure between 2007 and 2008.

Table 5: 2007 vs. 2008 NOFA Point Structure				
Scoring Category	Points Available in 2007	Percentage of Total Points in 2007	Points Available in 2008	Percentage of Total Points in 2008
CoC Housing, Services, and Structure	8	13.33%	14	14.00%
Homeless Needs and Data Collection*	12	20.00%	24	24.00%
CoC Strategic Planning	10	16.67%	16	16.00%
CoC Performance	18	30.00%	28	28.00%
Emphasis on Housing Activities	12	20.00%	18	18.00%
Total	60	-	100	-

\* In 2007, five points (41.67% of total points for the category) were allocated to HMIS in the Homeless Needs and Data Collection category. In 2008, 16 points (66.67% of total points) were assigned to the HMIS section in the Homeless Needs and Data Collection category.

### National Performance

With the new 100 points scoring structure, the 2008 national funding line was 78.25 points, meaning to receive competitive funding (the bonus or rapid re-housing project), a CoC must have scored at least a 78.25. The national high score was a 92.0 and the low score was a 35.75, with the median score a 78.5.



A Home for Everyone

## 2008 NOFA Process Report – Executive Summary

Updated: July 13, 2009

General statistics regarding the national NOFA competition are below:

- 449 CoCs applied for funding and 445 CoCs received at least one-year of funding for renewal projects.
- \$1.4 billion was awarded to 6,336 projects nationally.
- 1,110 of the project awards target individuals experiencing chronic homelessness.
- More than \$783 million was awarded to projects that provide permanent housing for homeless persons.
- 3,364 local projects that serve families with children received \$812.5 million.

### Chicago's Performance

Chicago scored a total of 78.5 out of 100 points in the national NOFA competition and was above the national funding line. Chicago's 2008 score breakdown, and comparison to the national averages, is outlined below in Table 6.

Table 6: 2008 HUD Scores						
Scoring Category	2008 Max Score	Chicago 2008 CoC Score	Chicago 2008 CoC % Score	National Average 2008 CoC Score	National Average 2008 CoC % Score	Chicago vs. National Average
CoC Housing, Services, and Structure	14	11.75	83.93%	12.25	87.50%	Lower
Homeless Needs and Data Collection	24	14.25	59.38%	16	66.67%	Lower
CoC Strategic Planning	16	12.75	79.69%	11.5	71.88%	Higher
CoC Performance	28	24.25	86.61%	20.75	74.11%	Higher
Emphasis on Housing Activities	18	15.5	86.11%	14.75	81.94%	Higher
Total	100	78.5	-	-	-	-

### HUD Debriefing and Analysis

To better understand and analyze scores, HUD provided written debriefing comments to every continuum via email and also through a debriefing webcast which aired online on April 22, 2009. An explanation of the five scoring categories, along with HUD's debriefing comments provided from these two sources, are provided in Table 7. Additionally, In order to help identify areas where Chicago could improve its score for the 2009 HUD competition, Alliance staff collected Exhibit 1 applications and scores from other CoC's across the country, and compared Chicago's answers to CoC's that scored well on certain sections of the application, paying special attention to CoC's of similar size to Chicago. Alliance staff focused on providing feedback and analysis on the areas where Chicago scored lower than the national average; however, all areas of the application are detailed below.



## 2008 NOFA Process Report – Executive Summary Updated: July 13, 2009

Table 7: HUD Debriefing and Analysis by NOFA Categories		
Scoring Category and Explanation	HUD Debriefing Comments	Analysis
<p><b>CoC Housing, Services, and Structure:</b></p> <p>Chicago received a score of 11.75 out of 14 points (83.93%); the national average was 12.25 points</p> <p>Points awarded based on:</p> <ul style="list-style-type: none"> <li>the extent to which the application demonstrates the existence of a coordinated, inclusive and outcome-oriented community for developing and implementing a CoC strategy, and</li> <li>that the Continuum has a fair and impartial project review and selection process.</li> </ul>	<ul style="list-style-type: none"> <li>Most CoCs attached the correct version of the electronic Housing Inventory Chart.</li> <li>Although monthly or more was ideal, the primary decision making group for almost all CoCs met at least quarterly.</li> <li>CoC Committees, Subcommittees and Workgroups should have been limited to only those groups involved in CoC wide planning activities.</li> </ul>	<ul style="list-style-type: none"> <li>Chicago attached the correct version of the Housing Inventory Chart. In terms of changes to the housing inventory chart from 2007, Chicago saw a decrease of TH beds for singles and families, and an increase in the number of permanent housing beds by nearly 700 beds/units. Many of the top performing CoCs in this section experienced similar changes; Alliance staff did not find any correlation between the score and whether the CoC showed an increase/decrease in the total number of beds. In terms of the type of data or methods used to complete the Housing Inventory Chart and insure its accuracy, most CoC's, including Chicago, indicated that they use a survey method to collect this information. <b>About half of the higher performing CoC's indicated that they also use HMIS to ensure data accuracy and completeness of the Housing Inventory Chart; Chicago did not.</b></li> <li>The Chicago CoC's primary decision-making group was identified as the Chicago Planning Council on Homelessness, which meets quarterly. <b>The majority of the top-performing CoCs in this section answered that their primary decision-making group met at least "Monthly or more."</b></li> <li>For the CoC Committees section, the majority of the other CoC's, scoring higher than Chicago, limited the groups they listed to include: the Governing Body and the Governing Body Executive Committee; 10-Year Plan; HMIS; Needs Assessment; and, Project Review. <b>Chicago listed 32 groups while the majority of the top performing CoC's limited their lists to between 10 and 15 groups.</b></li> </ul>



## 2008 NOFA Process Report – Executive Summary Updated: July 13, 2009

Table 7: HUD Debriefing and Analysis by NOFA Categories		
Scoring Category and Explanation	HUD Debriefing Comments	Analysis
<p><b>Homeless Needs and Data Collection:</b></p> <p>Chicago received a score of 14.25 out of 24 points (59.4%); the national average was 16 points</p> <p>Points were awarded based on</p> <ul style="list-style-type: none"> <li>the extent to which a CoC's application demonstrates an understanding of the number of homeless individuals and families within the CoC and their needs, and</li> <li>the progress in the planning, implementation and operation of an HMIS system.</li> </ul>	<ul style="list-style-type: none"> <li>This section was worth 25 percent of the points allocated in Exhibit 1. The majority of points in this section were devoted to those questions about HMIS.</li> <li>Although most CoCs indicated an HMIS implementation date prior to October 2006, most CoCs demonstrated low bed coverage on one or more of the housing types. CoCs should strive to have 86 percent or more bed coverage for each housing type within the CoC.</li> <li>Many CoCs lost points for either not participating in AHAR or for having a high percentage of null or missing values.</li> <li>Although a point-in-time count is only required every two years, many CoCs conducted a point-in-time in 2008 as well. CoCs that indicated a date outside of the last 10 days of January (2007 or 2008) should have received a waiver from HUD.</li> <li>CoCs were asked to describe methods used to collect data on sheltered and unsheltered populations and subpopulations. Failure to address each question separately resulted in a loss of points. Responses should have demonstrated consistency with HUD's point-in-time guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>One area where Chicago can improve its HMIS score is its bed coverage rate. HUD expects bed coverage rates to be 86% or higher. Chicago's bed coverage rates are as follows: <ul style="list-style-type: none"> <li>0-50% for Emergency Shelter</li> <li>86%+ for Safe Haven</li> <li>76-85% for TH</li> <li>65-75% for PH</li> </ul> </li> <li>Additionally, the transition to the new HMIS software provides Chicago's CoC with the capability to increase its data quality and HMIS usage, which should help Chicago increase its score on the Homeless Needs and Data Collection section.</li> <li><b>An in-depth analysis, comparing Chicago's score to higher scoring CoCs for this section of Exhibit 1, has been provided in a report to the HMIS Committee of Chicago's Planning Council on Homelessness. The HMIS Committee will use the information to create a work-plan and recommendations for Chicago's HMIS system.</b></li> </ul>



## 2008 NOFA Process Report – Executive Summary Updated: July 13, 2009

Table 7: HUD Debriefing and Analysis by NOFA Categories		
Scoring Category and Explanation	HUD Debriefing Comments	Analysis
<p><b>CoC Strategic Planning:</b></p> <p>Chicago received a score of 12.75 out of 16 points (79.69%), scoring higher than the national average of 11.5.</p> <p>Points awarded based on</p> <ul style="list-style-type: none"> <li>the existence of a performance-based, 10-year strategy for ending chronic homelessness,</li> <li>the CoC's progress working with local government to develop and implement discharge planning policies, and</li> <li>the CoC's ability to leverage funds.</li> </ul>	<ul style="list-style-type: none"> <li>Overall, failure to read all instruction and training materials that were provided resulted in a loss of points in each section of Part III.</li> <li>For the 10-Year Plan, Objectives and Actions Steps, the action steps should have been measurable and directly linked to the objective. Also, CoCs should have only identified one lead person by title and organization. Many CoCs incorrectly provided proposed numeric achievements.</li> <li>On the discharge planning section, many CoCs did not fully respond to the questions asked for each level of development. For example, many CoCs that indicated that a formal protocol had been implemented failed to specifically address where persons routinely go following discharge. In addition, although CoCs that selected that a formal protocol for a particular system of care was either finalized or implemented were required to attach the actual protocol, many either failed to attach anything or simply attached a summary of the protocol.</li> <li>Most CoCs indicated a high level of coordination with other planning efforts.</li> </ul>	<ul style="list-style-type: none"> <li>One area where Chicago may have an opportunity to increase its score is around the discharge planning questions. <b>The higher performing CoCs, for this section, all indicated "Formal Protocol Implemented" for the four areas (foster care, health care, mental health, and corrections) HUD surveyed. Chicago answered "No steps taken" under health care discharge protocol.</b></li> </ul>



## 2008 NOFA Process Report – Executive Summary Updated: July 13, 2009

Table 7: HUD Debriefing and Analysis by NOFA Categories		
Scoring Category and Explanation	HUD Debriefing Comments	Analysis
<p><b>CoC Performance:</b> Chicago received 24.25 out of 28 points (86.61%); the national average was 20.75 points. Points awarded based the CoC's</p> <ul style="list-style-type: none"> <li>• progress in reducing homelessness, including chronic homelessness.</li> <li>• CoCs were scored based on how they performed in comparison to the proposed achievements indicated in their 2007 application and the extent to which they met HUD's objectives.</li> <li>• CoCs were expected to demonstrate progress in reducing chronic homelessness as well as meeting HUD's expectations that at least 70 percent of participants moved from TH into PH and 80 percent of PH participants were maintaining stable housing.</li> </ul>	<ul style="list-style-type: none"> <li>• For achievements, CoCs were scored based on how they performed in comparison to the proposed achievements indicated in their 2007 application and the extent to which they met HUD's objectives. CoCs that did not submit an application in 2007 were not expected to have data in this section.</li> <li>• CoCs were expected to demonstrate progress with reducing chronic homelessness by showing a reduction in the total number of chronically homeless persons and an increase in the number of beds made available for this population.</li> <li>• CoCs were expected to demonstrate that they were moving at least 70 percent of participants from TH into PH and that 80 percent of PH participants were maintaining stable housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Chicago performed well in all areas, and met its goals as indicated in Table 2 of this document</li> <li>• <b>One area for improvement is meeting HUD's goal to have at least 70% of TH participants move to PH.</b> Chicago's percentage of participants moving from TH to PH was 67%.</li> </ul>



## 2008 NOFA Process Report – Executive Summary Updated: July 13, 2009

Table 7: HUD Debriefing and Analysis by NOFA Categories		
Scoring Category and Explanation	HUD Debriefing Comments	Analysis
<p><b>Housing Emphasis:</b> Chicago received 15.5 out of 18 points (86.11%); the national average was 14.75 points.</p> <p>Points were awarded based on</p> <ul style="list-style-type: none"> <li>the relationship between funds requested for housing activities and funds requested for supportive service activities among new and renewal projects.</li> <li>Housing activities included all approvable requests for funds for rental assistance and approvable requests for acquisition, rehabilitation, construction, leasing and operations when used in connection with housing. HMIS costs and administrative costs were excluded from this calculation.</li> </ul>	<ul style="list-style-type: none"> <li>CoCs were not required to have 100% housing activities to receive the full 18 points in this section.</li> <li>HUD stated that CoCs have responded to HUD's emphasis on housing. The national housing to services ratio in 2008 was 66% of dollars were allocated to housing and 34% of dollars were allocated to services. The ratio is up from 2002 when it was 50% housing and 50% services.</li> </ul>	<ul style="list-style-type: none"> <li><b>Chicago continually strives to improve its housing to services ratio through its ranking policies, evaluation instrument, and technical assistance to agencies.</b></li> <li>In 2008, Chicago instituted a 10% service cut to all projects with a supportive services budget activity. Many other continuums across the country introduced similar measures. In 2008, Detroit reduced the budgets of all SSOs by 10% and also had organizations with multiple SHP grants, shift money from services to housing. Fort Worth/ Arlington/ Tarrant County CoC prioritized PH, then TH, then SSOs and reduced budgets of SSOs by three percent. Additionally, the Indiana Balance of State CoC prioritized PH, then TH, then SSO projects.</li> </ul>



A Home for Everyone

## 2008 NOFA Process Report – Executive Summary

*Updated: July 13, 2009*

---

### CONCLUSION

This report is intended to inform the Chicago Planning Council on Homelessness on Chicago's performance in the 2008 HUD NOFA competition; it should also assist in helping the Planning Council establish priorities for funding for the near future. In addition, the report outlines areas of improvement based on debriefing comments provided by HUD and analysis by Alliance staff members.

In the past few years, Chicago has consistently scored above the national NOFA funding line, and received new HUD dollars for its homeless system, while other large continuums across the country have not. This is the result of the fact that the Chicago Planning Council and its Committees have taken proactive measures in prioritizing its evaluation process and ranking policies to reflect both the needs of the community and HUD's priorities. This document serves as another piece of information to inform the Chicago Planning Council in its decision-making efforts.

Nevertheless, it is expected HUD's NOFA selection criteria will be modified as a result of the reauthorization of McKinney-Vento legislation, which was signed into law on May 20, 2009. The HEARTH (Homeless Emergency Assistance and Rapid Transition to Housing) Act of 2009 amends the McKinney-Vento Homeless Assistance Act and the bill will take effect 18 months after enactment or 3 months after regulations draft by HUD are published – whichever comes first. Given the timeline set forth in the legislation, it is expected the HEARTH Act will affect the NOFA process in 2010 at the earliest, with it being more likely for the 2011 cycle.

In the HEARTH Act legislation, it is stated that communities will be judged on performance, planning process, methodology for prioritizing funding, and criteria including the amount communities leverage in other resources and the level of coordination with Federal, State, local, and private entities serving homeless people. These criteria are not too different from how continuums are judged currently, however, the legislation does point to some areas where HUD will be broadening its vision and expectations for homeless systems across the country. Chicago will undoubtedly respond to these changes over time with more information and planning.