Date: August 14, 2019
To: Chicago Continuum of Care Board of Directors
From: Project Prioritization Work Group
Re: Recommendations for FY 2019 Ranking Priorities

Project Prioritization Work Group

The Chicago Continuum of Care’s Project Prioritization Work Group (PPWG) is the work group charged with:

- Developing ranking priority recommendations for CoC Board approval; and,
- Selecting New Project Applications for new funding through the HUD CoC Program Competition NOFA.

The PPWG is made up of service providers, people with lived experience, funders, and other key stakeholders.

Funding Opportunity

In this year’s NOFA competition, the Chicago CoC may apply for up to $79,338,596 for renewal and new projects.

<table>
<thead>
<tr>
<th>Annual Renewal Demand - Reallocation Funding within the ARD</th>
<th>$70,798,663</th>
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<tbody>
<tr>
<td>New Bonus Project Funding</td>
<td>$3,539,933</td>
</tr>
<tr>
<td>Domestic Violence (DV) Bonus Project Funding</td>
<td>$5,000,000</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$79,338,596 (less Reallocation)</strong></td>
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Considerations & Rationale

To inform and guide its decision-making with regards to the ranking priorities and selection of new projects, the PPWG considered the following documents and/or information:

- Chicago CoC’s 2019 System Goals
- Chicago CoC’s unit needs projections (gaps analysis)
- Chicago CoC Local Evaluation and Monitoring processes
- 2019 HUD CoC Program Competition NOFA
Based on the information above, the PPWG used the following rationale to formulate ranking priority recommendations:

- **Prioritize Rapid Rehousing (RRH) projects (RRH and Joint Transitional Housing-Rapid Rehousing) for both renewal projects and new projects**: For new projects, the PPWG set a goal of no less than 70% of new housing units being RRH. Achieving this goal will increase the number of people being housed, reduce the length of time persons experience homelessness, and fulfil a gap in the system for flexible housing resources/options.

- **Significant changes in the 2019 Local Evaluation Instrument process**: The 2019 Local Evaluation Instrument focused solely on project outcomes and engagement of project participants. Unlike previous years, agency and project policies and procedures were not included as part of the Local Evaluation Instrument. Instead, policies and procedures were reviewed by the Collaborative Applicant agency as part of the “Intent to Renew” process which did not assign scoring but provided the opportunity for the Collaborative Applicant agency to provide feedback and recommendations for improvement to agencies in a collaborative effort to strengthen agency protocols for program implementation. Because the 2019 Local Evaluation Instrument was significantly different than previous years, utilizing the last two years’ evaluation scores to determine ranking was not appropriate this year, as it may have been in previous years.

- **Implementation of Monitoring and Technical Assistance (TA) protocols**: In 2018, the Collaborative Applicant agency, along with service provider input, formulated CoC Program Monitoring and TA protocols. The CA began monitoring agencies in 2018, including lower performing agencies identified in the 2018 Local Evaluation process. The intent of the monitoring is to ensure programs are adhering to HEARTH regulations and CoC program rules, and if areas of concern are identified, provide appropriate TA to help organizations build capacity and strengthen programming which should ultimately improve program outcomes and services for clients. Because the Monitoring and TA protocols are relatively new, more time is needed to see if the TA is having the desired impact and improving project outcomes.

- **Focus on priority populations**: The 2019 HUD NOFA identifies priority populations: Chronic homelessness; youth; families, and victims of domestic violence, as well as the appropriate housing interventions best suited for each population.
Ranking Priority Recommendations

Based on the above considerations and rationales, the PPWG puts forth the following Ranking Priority Recommendations for approval by the CoC Board of Directors:

- **Coordinated Entry-Supportive Services Only (SSO) and Homeless Management Information System (HMIS):**
  The PPWG determined that the Coordinated Entry-SSO and HMIS grants provide necessary resources to improve the capacity of the Chicago CoC to effect system change, improving the efficacy of projects across the city and supporting the realization of Plan 2.0. The PPWG recommends placing these projects at the top of Tier 1. This includes four renewal Coordinated Entry SSO projects and one HMIS project.

- **Renewal Project Ranking:**
  All renewal projects to be ranked by housing model type, priority population and local evaluation score until 94% of the ARD is reached in Tier 1. One renewal project will straddle Tier 1 and Tier 2. The remaining renewal projects will be at the top of Tier 2.

- **Reallocation:**
  The 2019 local evaluation instrument allowed HUD-funded service providers an opportunity to voluntarily reallocate a percentage of their grant(s) back to the Continuum of Care instead of returning unspent funds to HUD. The voluntary reallocation amount was determined by each organization with considerations given to patterns of unspent funds over the past three years. Six organizations (15 programs) agreed to reallocate grant funds. The total reallocation amount is $380,859. The voluntary reallocation amount includes one agency’s full program funding of $49,826. The agency decided to voluntary reallocate its entire project due to significant monitoring findings. New projects funded from reallocation will be ranked after renewals at the top of Tier 2.

- **Bonus, Including Domestic Violence Bonus:**
  The Chicago CoC bonus funding availability is $3,539,933 based on 5% of the CoC’s ARD. Additionally, the Chicago CoC has up to $5,000,000 for domestic violence bonus funding availability. New projects funded from bonus funding will be ranked in Tier 2 after all new projects funded from reallocation.

The PPWG recommends that all new RRH and Joint TH-RRH projects be prioritized in Tier 2 after all renewals have been ranked. Lastly, all new PSH projects will be ranked after new RRH and Joint TH-RRH projects.
• **Consolidation Applications:**
  During the FY 2019 NOFA HUD created the opportunity for organizations to consolidate grants. Agencies can consolidate up to four grants of the same program model type into one grant. The Chicago Continuum of Care has encouraged consolidation in order to improve grant management and reduce administrative burden for partners.

  The PPWG recommends that all consolidation applications be ranked with the highest ranked project of the consolidation.

**Priority Ranking Summary**

1. **System-level Projects**
   a. Renewal Coordinated Entry-Supportive Services Only (CE-SSO)
   b. HMIS
2. **Renewal Housing Projects by a) Housing Model Type; b) Priority Populations (100% served); and c) local evaluation score**
   a. Permanent Housing: RRH & Joint TH-RRH
      (Priority Populations: Youth, DV, Families, non-specified)
   b. Permanent Housing: PSH
      (Priority Populations: Chronic, non-specified)
   c. Permanent Housing: Safe Havens
   d. Transitional Housing:
      (Priority Populations: Youth, DV, non-specified)
   e. Supportive Services Only (non-CE)
3. **New Projects and Expansion Projects funded by: a) reallocation; and b) bonus and DV bonus**
   a. RRH Projects
   b. PSH Projects