

2014 HUD Continuum of Care Program Ranking Recommendations

Developed by the HEARTH Funding Opportunities Task Group of
the Chicago Planning Council on Homelessness

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HUD Ranking Guidance

For the 2014 HUD Continuum of Care (CoC) Program Competition, CoCs are required to rank projects into two tiers (Tier 1 or Tier 2). Tier 1 is required to be equal to the CoC's annual renewal demand (ARD) total minus 2% and Tier 2 is set at the remaining ARD plus Planning Costs. For the Chicago CoC, the Tier 1 amount is \$54,525,435 (\$55,888,199 minus 2%) and Tier 2 will be \$1,362,764. Even though HUD anticipates that available funding will be sufficient to fund eligible renewal projects, Tier 2 projects are still at risk of being defunded. CoCs that received a higher score on the FY2013/FY2014 CoC Application have a better chance of being awarded projects ranked in Tier 2.

In the FY2014 CoC Program Competition NOFA, HUD identified the following funding priorities for Tier 1 and Tier 2:

1. Renewal Permanent Supportive Housing and Rapid Re-Housing
2. New Permanent Supportive Housing Created through Reallocation Serving 100% Chronically Homeless Households
3. New Rapid Re-Housing Created through Reallocation for Homeless Households with Children
4. Renewal Safe Havens
5. Renewal Transitional Housing
6. CoC Planning Costs
7. UFA Costs
8. SSO Projects for Centralized or Coordinated Assessment System
9. Renewal HMIS
10. All Other Renewal Supportive Services Only Projects
11. Any Application Not Included in HUD-Approved Grant Inventory Worksheet

Chicago CoC Ranking Order

The HEARTH FOTG reiterated the value of all program models in creating a strong CoC, and that any loss is a negative impact to the entire system. The HEARTH FOTG reviewed the HUD ranking guidance, past ranking policies, system priorities, and various other factors and recommends the following ranking order for the Chicago CoC-funded projects for FY2014:

Tier 1
<ol style="list-style-type: none"> 1. Renewal Projects by 2014 Evaluation Instrument Scores up to \$54,525,435 2. Project Component Change Project 3. CoC Planning Costs 4. Renewal HMIS 5. SSO Project for Coordinated Assessment System 6. New Projects
Tier 2
<ol style="list-style-type: none"> 1. Remaining Renewal Projects by 2014 Evaluation Instrument Scores

Considerations for HEARTH FOTG Ranking Recommendation

Renewal Project Ranking

The HEARTH FOTG felt that it was important to not prioritize one program model over another, as each serves an important role within the CoC; therefore, the group wanted the recommendation to reflect all program types based on scores. Since Shelter Plus Care (SPC) projects did not have 3 years of scores to average, there was concern that these projects would have lower scores and be disadvantaged. The HEARTH FOTG did not feel that this supported a fair method for ranking. Additionally, the 3-year average scenario included a larger number of total beds lost to the CoC. The HEARTH FOTG decided to endorse project ranking based on FY2014 Evaluation Instrument scores only. It was recommended that future ranking decisions include more than one year's score as a best practice.

New Projects Created through Reallocation

With this recommendation, five (5) permanent housing projects will be placed into Tier 2. The HEARTH FOTG looked at the subpopulations served (chronically homeless dedicated beds, family beds, individuals with substance use barriers, HIV/AIDS, mental health barriers, domestic violence, etc.), as well as the geography of these projects and unit configurations. There was much debate on whether to place renewals that were underperforming in Tier 1 or to prioritize new projects based on HUD guidance and the need to address poor performing projects. The HEARTH FOTG recommended placing the two new chronically homeless permanent supportive housing projects created from reallocation into Tier 1. With a vote of three in favor and two opposed, there was not a group consensus with this decision and the projects were placed at the bottom of Tier 1.

Project Straddling Tier 1 and Tier 2 Funding Line

There is one permanent housing project that straddles the Tier 1 and Tier 2 line (\$59,568 in Tier 1, \$429,943 in Tier 2). HUD considers any project in this situation as Tier 2. Rather than potentially losing the entire \$489,511 grant, the HEARTH FOTG made the recommendation that the agency be required to split the grant in order to preserve \$59,568 for the CoC. This will help maintain the ARD for the upcoming competitions.

Project Component Change Ranking

There is one project that was approved for a Project Component Change to move from Supportive Services Only to a Permanent Supportive Housing project. Because this is adding new units to our system for chronically homeless individuals, the HEARTH FOTG placed this project into Tier 1. The agency has committed to operating the Supportive Services Only project without HUD funding.

CoC Planning, HMIS and Coordinated Assessment SSO Ranking

The HEARTH FOTG determined that HUD funding for CoC Planning, HMIS, and Coordinated Assessment serves as a critical resource for administrative work in advancing the Chicago CoC. There was a unanimous decision to recommend placing these three projects in Tier 1 ranked per the HUD funding priorities.

Endorsement by Chicago Planning Council on Homelessness

After reviewing alternate recommendations and amendments, the Planning Council on Homelessness voted to support the HEARTH FOTG recommendation with the amendment to place all new projects into Tier 2.

Scenarios Analyzed for HEARTH FOTG Ranking Recommendation

In addition to lengthy consideration of system impacts, Plan 2.0, and federal priorities, HEARTH FOTG explored four various ranking scenarios:

- Project ranking based on 2014 Evaluation Instrument score only
- Project ranking based on the 3-year average of Evaluation Instrument scores (2011-2014)
- Project ranking based on HUD funding priorities and 2014 Evaluation Instrument Scores only
- Project ranking based on HUD funding priorities and 3-year average of Evaluation Instrument scores (2011-2014)

Option 1 - 1 Year of Scores Ranking based on 2014 Evaluation Instrument (EI) Score Only		Option 1-1 Year Tier 2 Ranking	Option 1-3 Year Tier 2 Ranking	Years of Scored Evaluations on Record	FAM UNITS	INDV UNITS	TOTAL UNITS	TOTAL BEDS
Component Type								
Tier 2: 5 PH Projects 1 Project Straddles Tiers (Tier 1: \$59,568; Tier 2: \$429,943) 161 Units (49 FAM, 112 INDV) 240 Total Beds	PH/RRH	1	2	2	25	29	54	108
	PH/RRH	2	n/a: Tier 1	2	0	35	35	35
	PH/RRH	3	n/a: Tier 1	2	14	12	26	41
	PH/RRH	4	n/a: Tier 1	2	10	5	15	25
	PH/RRH	5	3	3	0	31	31	31
					49	112	161	240
Option 1 - 3 Years of Scores Ranking based on Average of 2011-14 Evaluation Instrument (EI) Scores Only		Option 1-3 Year Tier 2 Ranking	Option 1-1 Year Tier 2 Ranking	Years of Scored Evaluations on Record	FAM UNITS	INDV UNITS	TOTAL UNITS	TOTAL BEDS
Component Type								
Tier 2: 5 PH Projects 1 Project Straddles Tiers (Tier 1: \$306,015; Tier 2: \$253,878) 155 Units (79 FAM, 76 INDV) 314 Total Beds	PH/RRH	1	n/a: Tier 1	2	34	6	40	95
	PH/RRH	2	1	2	25	29	54	108
	PH/RRH	3	5	2	0	31	31	31
	PH/RRH	4	n/a: Tier 1	1	20	0	20	70
	PH/RRH	5	n/a: Tier 1	3	0	10	10	10
					79	76	155	314

Option 2 - 1 Year of Scores Ranking based on HUD priorities and 1 year of scores within program types		Option 2- 1 Year Tier 2 Ranking	Option 2- 3 Years Tier 2 Ranking	Years of Scored Evaluations on Record
Component Type				
Tier 2: 1 SSO CRS, 2 HMIS, 2 SSO 1 Project Straddles Tiers (Tier 1: \$14,1505; Tier 2: \$147,961) 0 Units 0 Total Beds	SSO CRS	1	1	Exempt
	HMIS	2	2	Exempt
	HMIS	3	3	Exempt
	SSO	4	4	3
	SSO	5	5	3

Option 2 - 3 Years of Scores Ranking based on HUD priorities and 3 years of scores within program types		Option 2- 3 Years Tier 2 Ranking	Option 2- 1 Year Tier 2 Ranking	Years of Scored Evaluations on Record
Component Type				
Tier 2: 1 SSO CRS, 2 HMIS, 2 SSO 1 Project Straddles Tiers (Tier 1: \$14,1505; Tier 2: \$147,961) 0 Units 0 Total Beds	SSO CRS	1	1	Exempt
	HMIS	2	2	Exempt
	HMIS	3	3	Exempt
	SSO	4	4	3
	SSO	5	5	3