



# Federal Register

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## **Part III**

## **Department of Housing and Urban Development**

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**Notice of Funding Availability (NOFA) for  
the Continuum of Care Homeless  
Assistance Program; Notice**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5220-N-01]

### Notice of Funding Availability (NOFA) for the Continuum of Care Homeless Assistance Program

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice of Funding Availability (NOFA).

**SUMMARY:** This notice of funding availability (NOFA) establishes the funding criteria for the Continuum of Care (CoC) Homeless Assistance Program. HUD is making available approximately \$1.42 billion in Fiscal Year 2008 for the program. The purpose of the CoC Homeless Assistance Program is to reduce the incidence of homelessness in CoC communities by assisting homeless individuals and families to move to self sufficiency and permanent housing.

#### Overview Information

A. *Federal Agency Name:* Department of Housing and Urban Development, Office of Community Planning and Development.

B. *Funding Opportunity Title:* Notice of Funding Availability for Continuum of Care (CoC) Homeless Assistance Programs.

C. *Announcement Type:* Initial Announcement.

D. *Funding Opportunity Number:* The **Federal Register** number is FR-5220-N-01. The OMB Approval number is 2506-0112.

E. *Catalog of Federal Domestic Assistance (CFDA) Numbers:*

1. 14.235, Supportive Housing Program (SHP).
2. 14.238, Shelter Plus Care (S+C) and
3. 14.249, Section 8 Moderate Rehabilitation Single Room Occupancy (SRO).

F. *Dates:* As more fully described in the body of this NOFA, CoCs and project applicants will be required to apply for the 2008 CoC competition electronically through HUD's *e-snaps* system. Because the application portion of the *e-snaps* system has not yet been launched, HUD is unable at this time to establish an application due date for the 2008 CoC competition. HUD will announce the application due date through a separate **Federal Register** notice once the *e-snaps* system is able to process funding applications. The application due date will be at least 60 days from the publication date of the **Federal Register** notice. As of today's publication, HUD anticipates an approximate application

due date of September 15, 2008. Please see section IV of this NOFA for application submission and timely receipt requirements.

#### G. *Additional Overview Content Information:*

1. *Available Funds:* Approximately \$1.42 billion is available for funding. Carried over or recaptured funds from previous fiscal years, if available, may be added to this amount.

2. *Eligible Applicants:* The program summary chart in section III.A.1 of this NOFA identifies the eligible applicants for each of the three programs under the CoC Homeless Assistance Programs.

3. *Match:* Matching funds are required from local, state, federal (as eligible) or private resources. Refer to the General Section of the SuperNOFA (73 FR 14883; March 29, 2008) for more information on this requirement.

#### 4. *Additional Notices:*

a. To encourage transparency at all levels of the CoC planning process, once a CoC has submitted the CoC application to HUD, the CoC is required to make Exhibit 1 available to its community for inspection (i.e., by request or post on local CoC Web site) and notify community members and key stakeholders that it is available upon request.

b. Please note that all sections of the General Section of the SuperNOFA are critical and must be carefully reviewed to ensure an application can be considered for funding, with the exception of reference to the Grants.gov application process. The Continuum of Care application will be using an electronic system outside of Grants.gov. Applicants for project funding will still be required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR). For more information see 73 FR 23483, April 30, 2008. Applicants are still encouraged to sign up for the Grants.gov notification service as the availability of the 2008 Continuum of Care application will be released via this Web site.

#### Full Text Announcement

##### I. Funding Opportunity Description

###### A. Program Description

1. *Overview.* The purpose of CoC Homeless Assistance Programs is to reduce the incidence of homelessness in CoC communities by assisting homeless individuals and families to move to self-sufficiency and permanent housing. CoCs that sustain current successful interventions and advance the goal of

ending chronic homelessness will be scored higher.

2. The authorizing legislation and implementing regulations for all programs covered by this NOFA are outlined on the chart in section III.A.1 of this NOFA.

3. *Changes for 2008.* This list includes all major changes to the CoC NOFA:

a. CoCs and project applicants will be required to apply for the 2008 CoC competition electronically through HUD's *e-snaps* system. *e-snaps* is not a part of <http://www.grants.gov>. To access training on *e-snaps*, see <http://esnaps.hudhre.info/training/>. If CoCs or applicants have additional questions they may contact the *e-snaps* Help Desk at [esnaps@hud.hre.info](mailto:esnaps@hud.hre.info), or by calling 1-877-6-esnaps (1-877-637-6277). More information is provided in section I.A.5.b of this NOFA.

b. CoCs were required to register their CoC in *e-snaps*, the electronic application system, prior to the beginning of the competition. For more information on the CoC registration process see 73 FR 23483; April 30, 2008.

c. CoCs may create multiple Samaritan Housing Initiative projects as long as the total amount of funding requested for all bonus projects does not exceed 15 percent of the CoC's Preliminary Pro Rata Need. For more information on the Samaritan Bonus Initiative see section I.A.4.y below.

d. HUD will continue to score CoC Homeless Assistance applications on a 100 point scale; however, the 40 need points previously allocated to projects will be redistributed into the existing point structure (see section V.A.1 of this NOFA for more information). Need will continue to be calculated through the higher of the formula that determines Preliminary Pro Rata Need or the Hold Harmless Need for the CoC.

e. As directed by Congress in the FY2008 HUD appropriation (Consolidated Appropriations Act, 2008, H.R. 2764), HUD will implement a Rapid Re-Housing for Families Demonstration Program through the 2008 CoC NOFA. This demonstration program will serve homeless households with dependent children. For more information see section I.A.4.w of this NOFA.

f. Safe Havens (SH) will no longer be given Transitional Housing (TH) or Permanent Housing (PH) classifications and grantees seeking renewal will have an opportunity through the 2008 CoC NOFA to change the classification of their project without a grant amendment. Under the newly defined Safe Haven SHP program type, any chronically homeless person entering a Safe Haven will maintain his/her status

as chronically homeless, and will therefore be eligible for entrance into Samaritan Housing Initiative projects. For more information on the characteristics of a Safe Haven see section I.A.x of this NOFA.

g. HUD is aware there has been some confusion over Shelter Plus Care (S+C) and new SRO grant amounts and is reminding grantees and applicants that S+C and new SRO grants may not exceed 100 percent of the Fair Market Rent (FMR) for the Metropolitan Statistical Area (MSA) and unit size.

h. CoCs that are in Hold Harmless Need status may seek to use the reallocation process to create new dedicated Homeless Management Information System (HMIS) projects. For more information on Hold Harmless Need status and the process for reallocating SHP renewal project funds to new permanent housing and/or HMIS dedicated projects, see section I.A.4.i of this NOFA.

i. HUD will allow only one applicant for HMIS-dedicated grants within a CoC.

j. HMIS funds contained in the Training and Technical Assistance line item of the HMIS budget may be used for travel, hotel, and per diem costs associated with the provision of technical assistance and training sessions by local HMIS staff; attendance at training sessions provided by local HMIS staff and/or outside trainers; attendance at HUD-sponsored HMIS training sessions or symposiums; attendance at HMIS vendor-sponsored user meetings; and attendance at other HMIS-related events as qualified and pre-approved by HUD Headquarters. Applicants may be asked to identify the number and type of HMIS training sessions for which they are requesting SHP funds prior to grant agreement. The approved budget will be limited to the reasonableness of travel expenses as listed in 24 CFR Parts 84 and 85.

k. HUD may, after selection and subject to funding availability and as supported by a lease or leases evidencing the rent increase, provide SHP renewal projects up to a 4% increase in the leasing line item not to exceed local FMR amounts.

l. HUD will no longer require that applicants/grantees funded for Tenant-based Rental Assistance, Sponsor-based Rental Assistance, and Project-based Rental Assistance without rehabilitation begin rental assistance within twelve (12) months of the date of HUD's grant award letter. These applicants/grantees and all other applicants/grantees must continue to meet statutory deadlines regarding the obligation of grant funds as stated in the HUD appropriations Act.

#### 4. Definitions and Concepts

a. *Annual Renewal Amount.* The maximum amount that a SHP grant can receive on an annual basis when renewed. It includes funds for only those eligible activities (operating, supportive services, leasing, HMIS and administration) that were funded in the original grant (or the original grant as amended), less the unrenewable activities (acquisition, new construction, rehabilitation, and any administration costs related to these activities). It is used to calculate a CoC's Hold Harmless Need amount.

To calculate the Annual Renewal Amount (ARA) for SHP grants, add up the amount of the renewable budget line items (i.e., operating, supportive services, leasing, HMIS, and administration) for all the years of the grant being renewed, and divide by the number of years in the grant term. Any funding for acquisition, rehabilitation, new construction—and any administration costs related to these activities—is not renewable. If the grant included these activities, administrative costs may only be calculated on 5 percent of the total of the eligible leasing, operating, HMIS, and supportive services costs contained in the initial grant. For example, if the initial three-year grant was for \$472,500 (\$150,000 for new construction, \$150,000 for operating costs, \$150,000 for supportive services, and \$22,500 for administration), the new construction costs, and any administration costs associated with it, would not be eligible for renewal. Thus, the total renewable amount would be \$315,000 (\$150,000 for operating costs, \$150,000 for supportive services, and \$15,000 for administration) and the ARA is \$105,000 (\$315,000 divided by the three-year grant term).

If the initial three-year grant was \$315,000 and did not include acquisition, rehabilitation or new construction costs (\$150,000 for operating costs, \$150,000 for supportive services, and \$15,000 for administration), the ARA would be \$105,000 (\$315,000 divided by the three-year grant term).

b. *Applicant.* An entity that applies to HUD for funds. See the CoC Homeless Assistance Programs Chart in section III.A.1 of this NOFA for a list of eligible entities. An applicant must submit a SF-424 (Application for Federal Assistance Form). If selected for funding, the applicant becomes the grantee and is responsible for the overall management of the grant, including drawing grant funds, distributing funds to project sponsors, overseeing project sponsors, reporting to HUD, providing performance data to the CoC for

community-level analysis, and collecting information to provide the CoC with counts of the homeless through HMIS. Applicants can submit applications for projects on behalf of project sponsors, who will actually carry out the proposed project activities. Applicants can also carry out their own projects. In these cases, the applicant is responsible for both administering and managing the grant (as the grantee), and carrying out the project activities (as the project sponsor).

c. *Applicant Certification.* The form (HUD-2991), required by law, in which an applicant certifies that it will adhere to certain statutory requirements, such as the Civil Rights Act of 1964.

d. *Central Intake.* An assessment hotline, a single point of entry, a central intake facility or a centralized group of people that is standardized across the CoC and has the responsibility of assessing homeless persons as a method for screening homeless individuals and families into appropriate housing placements and service needs.

e. *Chronically Homeless Person.* An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years. A disabling condition is defined as: (1) A disability as defined in section 223 of the Social Security Act; (2) a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes an individual's ability to live independently, and of such a nature that the disability could be improved by more suitable conditions; (3) a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act; (4) the disease of acquired immunodeficiency syndrome or any conditions arising from the etiological agency for acquired immunodeficiency syndrome; or (5) a diagnosable substance abuse disorder. The term "homeless" in this case means a person sleeping in a place not meant for human habitation (e.g., living on the streets), in an emergency homeless shelter, or in a Safe Haven as defined by HUD.

f. *Consolidated Plan.* A long-term housing and community development plan developed by state and local governments and approved by HUD (24 CFR part 91). The Consolidated Plan contains information on homeless populations and should be coordinated with the CoC plan. It can be a source of information for the Unmet Needs sections of the Housing Inventory Chart.

g. *Consolidated Plan Certification.* The form, required by law, in which a state or local official certifies that the proposed activities or projects are consistent with the jurisdiction's Consolidated Plan and, if the applicant is a state or unit of local government, that the jurisdiction is following its Consolidated Plan.

h. *Continuum of Care.* A collaborative funding and planning approach that helps communities plan for and provide, as necessary, a full range of emergency, transitional, and permanent housing and other service resources to address the various needs of homeless persons. HUD also refers to the group of service providers involved in the decision making processes as the "Continuum of Care."

i. *Continuum of Care Hold Harmless Need Reallocation.* A CoC whose Final Pro Rata Need is based on its Hold Harmless Need amount (see section I.A.4.l.(2) of this NOFA) may reallocate funds in whole or part from SHP renewal projects to create one or more new permanent housing projects and/or a new dedicated HMIS project. The Hold Harmless Need Reallocation process allows eligible CoCs to fund new permanent housing or dedicated HMIS projects by transferring all or part of funds from existing SHP grants eligible for renewal (that are expiring between January 1, 2009 and December 31, 2009). These new permanent housing projects may be for SHP (one, two or three years), S+C (five or ten years) and section 8 Moderate Rehabilitation (ten years). New HMIS projects may be for one, two or three years. New permanent housing projects and dedicated HMIS SHP projects being created through this process will be funded under the conditional renewal standards described in section 5.B.2.a.(iii). Like all projects submitted under the 2008 CoC NOFA, these projects must meet eligibility and quality standards established by HUD in order to be conditionally selected for funding. These reallocated funds may not be used to supplement a new Samaritan Housing Initiative project or a Rapid Re-Housing for Families Demonstration Project. This Hold Harmless Need Reallocation Process is not available to a CoC in Preliminary Pro Rata Need Status.

j. *Continuum of Care Lead Agency.* Agency or organization designated by the CoC primary decision making body to be the entity that submits the CoC application.

k. *Continuum of Care Lead Agency Contact.* Person(s) with the authority to submit the Continuum of Care Homeless Assistance Grants Competition

application on behalf of the CoC, usually the Executive Director or CEO of the CoC Lead Agency.

l. *Continuum of Care Need Amounts*

(1) *Continuum of Care Preliminary Pro Rata Need (PPRN).* Amount of funds a CoC could receive based upon the geography that HUD approves as belonging to that CoC. To determine the homeless assistance need of a particular jurisdiction, HUD will use nationally available data, including the following factors as used in the Emergency Shelter Grants (ESG) program: data on poverty, housing overcrowding, population, age of housing, and growth lag. Applying those factors to a particular jurisdiction provides an estimate of the relative need index for that jurisdiction compared to other jurisdictions applying for assistance under the 2008 CoC NOFA. Each year, HUD publishes the PPRN for each jurisdiction. A CoC's PPRN is determined by adding the published PPRN of each jurisdiction within the HUD-approved CoC.

(2) *Continuum of Care Hold Harmless Need (HHN).* The amount of funds a CoC is eligible to receive where the ARA of all SHP grants expiring in that CoC during the period beginning January 1, 2009 and ending December 31, 2009 exceeds the PPRN for that CoC. The HHN is the amount needed to fund the expiring renewal grants for one year. To provide communities with maximum flexibility in addressing current needs, CoCs have the discretion to not fund or to reduce one or more SHP renewal project applications through the HHN Reallocation process and still receive the benefit of the hold harmless need amount if the CoC proposes to use that amount of reduced renewal funds for new permanent supportive housing or dedicated HMIS SHP projects.

(3) *Continuum of Care Final Pro Rata Need (FPRN).* The higher amount of: (1) PPRN and (2) HHN.

m. *Continuum of Care Primary Decision Making Group.* This group manages the overall planning effort for the CoC, including, but not limited to, the following types of activities: setting agendas for full Continuum of Care meetings, project monitoring, determining project priorities, and providing final approval for the CoC application submission. This body is also responsible for the implementation of the CoC's HMIS, either through direct oversight or through the designation of an HMIS implementing agency. This group may be the CoC Lead Agency or may authorize another entity to be the CoC Lead Agency under its direction.

n. *Continuum of Care Registration.* A step in the electronic application

process during which time a CoC claims geography and appoints a CoC Lead Agency that will be responsible for the submission of the electronic application to HUD. See section I.A.5.b of this NOFA for a detailed explanation.

o. *Current Inventory.* A complete listing of the community's HUD- and non-HUD-funded beds and supportive services.

p. *Homeless Management Information Systems (HMIS).* An HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics of service needs of men, women, and children experiencing homelessness, while also protecting client confidentiality. It is designed to aggregate client-level data to generate an unduplicated count of clients served within a community's system of homeless services. An HMIS may also cover a statewide or regional area, and include several CoCs. HMIS can provide data on client characteristics and service utilization.

q. *Homeless Person.* As defined by the McKinney Act (42 U.S.C 11302), a homeless person is a person sleeping in a place not meant for human habitation or in an emergency shelter; and a person in transitional housing for homeless persons who originally came from the street or an emergency shelter. The programs covered by this NOFA are not for populations who are at risk of becoming homeless.

r. *Housing Emphasis.* The relationship between funds requested for housing activities (i.e., transitional and permanent) and funds requested for supportive service activities. Housing emphasis will be calculated on eligible new and renewal projects within FPRN, eligible Samaritan Housing Initiative projects, eligible Rapid Re-Housing for Families Demonstration Program projects and eligible S+C renewal projects. HUD will count as housing activity 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 will be excluded from this calculation.

s. *Match.* Grantees and project sponsors must match SHP funds provided for acquisition, rehabilitation, and new construction with an equal amount of cash from other sources. Since SHP by statute can pay no more than 75 percent of the total operating budget for supportive housing, agencies must provide at least a 25 percent cash match of the total annual operating costs. In addition, for all SHP funding

for supportive services and HMIS, applicants must provide a 20 percent cash match. This means that of the total supportive services budget line item, no more than 80 percent may be from SHP grant funds. For more information see section III.B of the General Section of the SuperNOFA.

Grantees and project sponsors must match rental assistance provided through the Shelter Plus Care Program in the aggregate with supportive services. Shelter Plus Care requires a dollar for dollar match; the recipient's match source can be cash or in kind.

Documentation of the match requirement must be maintained in the grantee's financial records on a grant-specific basis.

t. *Private Nonprofit Status.* Private nonprofit status is documented by submitting either:

(1) A copy of the Internal Revenue Service (IRS) ruling providing tax-exempt status under section 501(c)(3) of the IRS Code; or (2) documentation showing that the applicant is a certified United Way agency; or (3) a certification from a licensed CPA that no part of the net earnings of the organization inures to the benefit of any member, founder, contributor, or individual; that the organization has a voluntary board; that the organization practices nondiscrimination in the provision of assistance; and that the organization has a functioning accounting system that provides for each of the following (mention each in the certification):

(a) Accurate, current and complete disclosure of the financial results of each federally sponsored project.

(b) Records that identify adequately the source and application of funds for federally sponsored activities.

(c) Effective control over and accountability for all funds, property and other assets.

(d) Comparison of outlays with budget amounts.

(e) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the use of the funds for program purposes.

(f) Written procedures for determining the reasonableness, allocability and allowability of costs.

(g) Accounting records, including cost accounting records, which are supported by source documentation.

u. *Project Sponsor.* An entity that is responsible for carrying out the proposed project activities. A project sponsor does not submit an SF-424 (Application for Federal Assistance), unless it is also the applicant. To be eligible to be a project sponsor, the organization must meet the same

program eligibility standards as applicants, as outlined in section III.A.1 of this NOFA. The only exception to this standard is under the Sponsor-based rental assistance (SRA) component of the S+C Program, where a sponsor must be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization; therefore, eligible project sponsors for this component are statutorily precluded from applying for S+C funding.

v. *Public Nonprofit Status.* Public nonprofit status is documented for community mental health centers by including a letter or other document from the authorized state official stating that the applicant is organized and in good standing under state law as a public nonprofit organization.

w. *Rapid Re-Housing for Families Demonstration Program.* HUD will implement through the 2008 CoC NOFA a demonstration program for households with dependent children residing on the street or in emergency shelters as directed by Congress in the Consolidated Appropriations Act for 2008 (H.R. 2764). Through this focused effort on assisting this population, HUD will both learn more about how to best serve families who are homeless and also contribute to the research that has already been done in this area.

Each CoC may submit no more than one project under the Rapid Re-Housing for Families Demonstration Program. That project must have a grant term of three-years and may request up to 30 percent of the CoC's PPRN or \$2 million, whichever is less. Grants awarded under the Rapid Re-Housing for Families Demonstration Program will be administered in accordance with the requirements of the SHP program, TH component, with the exception that the eligible activities are limited to administration, leasing (up to 18 months), and supportive services; that the grantee must participate in the evaluation phase; and that they must comply with all Rapid Re-Housing Demonstration Program requirements established in this NOFA. No more than 30 percent of the total eligible program activities (grant total minus administration costs up to five percent) may be used for supportive services, including case management. Eligible supportive services are limited to housing placement, case management, legal assistance; literacy training, job training, mental health services, childcare services, and substance abuse services. Eligible housing activities include leasing only. One household may receive leasing dollars one time for three to six months or twelve to fifteen

months, as determined at the time of the assessment. Households are expected to independently sustain housing, either subsidized or unsubsidized, at the end of the leasing subsidy; therefore, it is crucial that households are appropriately assessed. The Rapid Re-Housing Demonstration program will include an evaluation phase, which will focus on determining the efficacy of the assessment process and the housing/service intervention related to how successfully households are able to independently sustain housing after receiving short-term leasing assistance.

x. *Safe Haven.* A Safe Haven is a form of supportive housing funded and administered under the Supportive Housing Program serving hard-to-reach homeless persons with severe mental illness who are on the streets and have been unwilling or unable to participate in supportive services.

All projects classified as Safe Havens (SH) must have the following characteristics:

(1) Located in a facility, meaning a structure, or structures, or clearly identifiable portion of a structure or structures;

(2) Provide 24-hour residence for eligible persons who may reside for an unspecified duration;

(3) Provide private or semiprivate accommodations;

(4) Overnight capacity is limited to no more than 25 persons;

(5) Provide low-demand services and referrals for the residents of the safe haven;

(6) Prohibit the use of illegal drugs in the facility; and,

(7) Must target homeless individuals with serious and persistent mental illness, primarily from the streets.

Safe Havens may also provide for the common use of kitchen facilities, dining rooms, and bathrooms.

New in 2008, any chronically homeless persons entering a Safe Haven, as defined by above, will maintain their chronically homeless status, and will therefore be eligible for entrance into Samaritan Housing Initiative projects.

Grantees with renewal projects submitted in 2008 that are designated as Safe Haven-Transitional Housing (SH-TH) or Safe-Haven Permanent Housing (SH-PH) will be required, in 2008, to change the classification of their project without a grant amendment. Each project that is currently designated as either a SH-TH or SH-PH will, in the 2008 application, designate itself as either Transitional Housing, Permanent Housing, or as a Safe Haven depending on its program design.

y. *Samaritan Housing Initiative.* To qualify for the Samaritan Housing

Initiative, each CoC must submit one or more new permanent housing projects under the Samaritan Housing Initiative (an initiative designed to develop permanent housing projects that serve exclusively chronically homeless persons). Each CoC shall be eligible for a Samaritan Bonus Amount up to 15 percent of the CoC's PPRN amount or \$6 million, whichever is less. Samaritan Housing Initiative projects may be SHP, S+C, or SRO. For projects applying under the SHP, each project can request no more than 20% of the total of its eligible program activities (grant total minus administration costs up to five percent) for case management. Safe Havens do not qualify for the Samaritan Bonus Initiative.

Rental assistance under the S+C and section 8 Moderate-Rehabilitation programs is an eligible housing activity under the Samaritan Housing Initiative.

*z. SF-424, Application for Federal Assistance.* The application cover sheet required to be submitted by applicants requesting HUD Federal Assistance.

#### 5. Continuum of Care Processes

##### a. CoC Planning Process.

(1) A CoC system is developed through a community-wide or region-wide process involving the coordination of nonprofit organizations (including those representing persons with disabilities), state and local government agencies, public housing agencies, community and faith-based organizations, other homeless providers, service providers, housing developers, private health care associations, law enforcement and corrections agencies, school systems, private funding providers, and homeless or formerly homeless persons to successfully address the complex and interrelated problems related to homelessness. The 2008 CoC NOFA emphasizes HUD's determination to integrate and align plans, including jurisdictional, state, and city ten-year plans (jurisdictional ten-year plans) encouraged by the U.S. Interagency Council on Homelessness and Consolidated Plans. These plans serve as a vehicle for a community to comprehensively identify each of its needs and to coordinate a plan for addressing them. A CoC should address the specific needs of each homeless subpopulation: those experiencing chronic homelessness, veterans, persons with serious mental illnesses, persons with substance abuse issues, persons with HIV/AIDS, persons with co-occurring diagnoses (these may include diagnoses of multiple physical disabilities or multiple mental disabilities or a combination of these two types), victims of domestic violence, youth, and any others. To

ensure that the CoC system addresses the needs of homeless veterans, it is particularly important that CoCs involve veteran service organizations with specific experiencing in serving homeless veterans.

(2) *CoC Geographic Area.* In deciding what geographic area a CoC will cover as part of its CoC strategy, CoCs should be aware that a key factor in being awarded funding under the 2008 CoC NOFA will be the strength of a CoC process when measured against the CoC rating factors described in this NOFA. When a CoC determines what jurisdictions to include in its CoC strategy area, include only those jurisdictions that are fully involved in the development and implementation of the CoC strategy.

The more jurisdictions a CoC includes in the CoC, the larger the pro rata need share that will be allocated to the strategy area (as described in section I.A.5.a.(1) and section I.A.5.a.(2) of this NOFA). If a CoC is located in a rural county, it may wish to consider working with larger groups of contiguous counties to develop a region-wide or multi-county CoC strategy covering the combined service areas of these counties. Areas covered by CoC strategies cannot overlap.

(3) *CoC Components.* A CoC system typically consists of five basic elements, as follows:

(a) A system of outreach, engagement, and assessment for determining the needs and conditions of individuals or families who are homeless, and necessary support to identify, prioritize, and respond to persons who are chronically homeless;

(b) Emergency shelters with appropriate supportive services to help ensure that homeless individuals and families receive adequate emergency shelter and referral to necessary service providers or housing search counselors;

(c) Transitional housing with appropriate supportive services to help homeless individuals and families prepare to make the transition to permanent housing and independent living;

(d) Permanent housing, or permanent supportive housing, to help meet the long-term needs of homeless individuals and families; and,

(e) Prevention strategies, which play an integral role in a community's plan to eliminate homelessness by effectively intervening for persons at risk of homelessness or those being discharged from public systems—e.g., corrections, foster care, mental health, and other institutions—so that they do not enter the homeless system. By law, prevention activities are ineligible

activities in the three programs included in this NOFA but are eligible for funding under the Emergency Shelter Grants (ESG) program and many other programs.

(4) Regardless of the CoC structure and planning process, the 2008 electronic application process will require that each CoC select up to two persons, from the CoC Lead Agency, who are authorized to submit the CoC application and the project applications to HUD.

(5) Once the CoC application has been submitted and scored the CoC will receive its conditional award. This is the total amount of monies conditionally awarded to a CoC's eligible projects including, new and renewal SHP and S+C projects, new SRO Moderate-Rehabilitation projects, Samaritan Housing Initiative and Rapid Re-Housing for Families Demonstration projects.

b. *CoC Registration Process.* CoCs were required to register in the electronic database, e-snaps, prior to the beginning of the 2008 CoC competition. For more information on the CoC Registration Process see 73 FR 23483; April 30, 2008.

6. *CoC Funding* is provided through the programs briefly described below. Please refer to the CoC Homeless Assistance Programs Eligibility Chart in section III.A.1 of this NOFA for a more detailed description of each program:

a. *The Supportive Housing Program (SHP)* provides funding for the development and/or operation of transitional housing, permanent supportive housing, safe havens, and services that help homeless persons transition from homelessness to living as independently as possible. Services are also funded to assist in achieving the goal of self-sufficiency. See section I.A.4.s of this NOFA for SHP match requirements.

b. *The Shelter Plus Care (S+C) Program* provides funding for rental assistance and requires a dollar match in supportive services for every dollar of rental assistance. This gives applicants flexibility in devising appropriate housing and supportive services for homeless persons with disabilities.

c. *The Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program* provides rental assistance on behalf of homeless individuals in connection with the moderate rehabilitation of SRO dwellings. The SRO Program has no match requirements.

## II. Award Information

A. *Amount Allocated.* Approximately \$1.42 billion is available for funding.

Carried over or recaptured funds from previous fiscal years, if available, may be added to this amount.

B. *Distribution of Funds*: HUD will not specify amounts for each of the three programs: SHP, S+C, and section 8/SRO. Instead, the distribution of funds among the three programs will depend largely on locally determined priorities and overall demand.

1. *Renewals*. HUD reserves the authority to conditionally select for one year of funding eligible SHP renewal projects that fall below the National

Funding Line and would not otherwise receive funding for these projects. HUD reserves the right to establish a minimum CoC scoring threshold for these projects. The funding of these renewal projects allows homeless persons to continue to be served and move towards self-sufficiency. Not renewing these projects would likely result in the closure of these projects and displacement of the homeless people being served. Shelter Plus Care Renewals will continue to be funded outside of the competitive ranking

process, as required in the 2008 Consolidated Appropriations Act (H.R. 2764).

2. *Grant Terms*. See chart in section III.A.1 of this NOFA for information on the term of assistance for each of the three CoC programs covered under the 2008 CoC NOFA.

### III. Eligibility Information

#### A. Eligible Applicants

1. Eligible applicants for each program are those identified in the following chart:

| Elements  | Supportive housing  | Shelter plus care  | Section 8 SRO  |
|---|---|--|--|
| Authorizing Legislation .....                   | Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11381.  | Subtitle F of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11403.   | Section 441 of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11401.  |
| Implementing Regulations .....                  | 24 CFR part 583 .....   | 24 CFR part 582 .....  | 24 CFR part 882, subpart H, except that all persons receiving rental assistance must meet the McKinney-Vento definition of homelessness. |
| Eligible Applicant(s) .....                     | <ul style="list-style-type: none"> <li>• States .....</li> <li>• Units of general local government.</li> <li>• Special purpose units of government, e.g., PHAs.</li> <li>• Private nonprofit organizations</li> <li>• Community Mental Health Centers that are public nonprofit organizations.</li> </ul>                                 | <ul style="list-style-type: none"> <li>• States .....</li> <li>• Units of general local government.</li> <li>• PHAs.</li> </ul>  | <ul style="list-style-type: none"> <li>• PHAs.</li> <li>• Private nonprofit organizations.</li> </ul>                                    |
| Eligible Component(s) .....                     | <ul style="list-style-type: none"> <li>• Transitional housing .....</li> <li>• Permanent housing for disabled persons only.</li> <li>• Supportive services not in conjunction with supportive housing.</li> <li>• Safe Havens .....</li> <li>• Innovative supportive housing ..</li> <li>• Homeless Mgmt. Info. System (HMIS).</li> </ul> | <ul style="list-style-type: none"> <li>• Tenant-based housing .....</li> <li>• Sponsor-based housing.</li> <li>• Project-based housing.</li> <li>• SRO-based housing.</li> </ul>   | <ul style="list-style-type: none"> <li>• SRO housing.</li> </ul>   |
| Eligible Activities. See footnotes 1, 2, and 3. | <ul style="list-style-type: none"> <li>• Acquisition .....</li> </ul>   | <ul style="list-style-type: none"> <li>• Rental assistance .....</li> </ul>  | <ul style="list-style-type: none"> <li>• Rental assistance.</li> </ul>   |
|   | Rehabilitation including accessibility requirements.  |  |  |
|   | <ul style="list-style-type: none"> <li>• New construction including accessibility requirements.</li> <li>• Leasing.</li> <li>• Operating costs.</li> <li>• Supportive services.</li> </ul>  |  |  |
| Eligible Populations. See footnote 2.           | <ul style="list-style-type: none"> <li>• Homeless individuals and families.</li> </ul>  | <ul style="list-style-type: none"> <li>• Homeless disabled individuals ..</li> </ul>   | <ul style="list-style-type: none"> <li>• Homeless disabled individuals.</li> </ul>   |
|   |   | <ul style="list-style-type: none"> <li>• Homeless individuals &amp; their families.</li> <li>• Homeless persons who are seriously mentally ill.</li> <li>• Have chronic problems with alcohol and/or drugs.</li> <li>• Have AIDS &amp; related diseases</li> </ul> |  |
| Populations Given Special Consideration.        | <ul style="list-style-type: none"> <li>• Homeless persons with disabilities.</li> <li>• Homeless families with children</li> </ul>  | <ul style="list-style-type: none"> <li>• 5 years: TRA, SRA, and PRA without rehab.</li> <li>• 10 years SRO, and PRA with rehab.</li> </ul>   | <ul style="list-style-type: none"> <li>• N/A.</li> </ul>   |
| Initial Term of Assistance. See footnote 4.     | <ul style="list-style-type: none"> <li>• 2 or 3 years for new SHP .....</li> <li>• 1, 2 or 3 years for new HMIS ...</li> <li>• 1, 2 or 3 years for new reallocated projects.</li> </ul>   |  | <ul style="list-style-type: none"> <li>• 10 years.</li> </ul>  |

Footnote 1: Homeless prevention activities are statutorily ineligible under these programs.

Footnote 2: Persons at risk of homelessness are statutorily ineligible for assistance under these programs.

Footnote 3: Acquisition, construction, rehabilitation, leasing, and operating costs are statutorily ineligible for assistance under Shelter Plus Care and Section 8 SRO.

Footnote 4: The term of a new grant with funds for acquisition, construction or rehabilitation also includes the time to acquire the property, complete construction and begin operating the project, which may be no greater than 39 months. A one year initial term may be requested only for HMIS or hold harmless reallocated new permanent housing projects.

2. *Renewal Applicants.* An applicant is eligible to apply for renewal of a grant only if it has a signed grant agreement for the project directly with HUD for SHP or S+C programs. Project sponsors or sub-recipients are not eligible to apply for renewal of these projects. Reminder, renewal applicants must also have a DUNS number and be registered in the CCR.

#### B. Matching

Applicants must meet the match requirements for SHP and S+C programs. For more information on matching see section I.A.4.s of this NOFA and/or applicable program regulations.

#### C. Other Project Eligibility Requirements

1. *Eligible Activities.* Eligible activities for the SHP, S+C, and SRO Programs are outlined in the preceding CoC Homeless Assistance Programs Chart at Section III.A.1 of this NOFA.

##### 2. Threshold Requirements

a. *Project Eligibility Threshold.* HUD will review all projects to determine if they meet the following eligibility threshold requirements. If HUD determines that these standards are not met by a specific project or activity, the project or activity will be rejected from the competition.

(1) Applicants and project sponsors must meet the eligibility requirements of the specific program as described in program regulations, and provide evidence of eligibility and capacity, and submit the required certifications as specified in this NOFA.

(2) The population to be served must meet the eligibility requirements of the specific program as described in the program regulations, and the application must clearly establish eligibility of program participants.

(3) The only persons who may be served by permanent housing projects are those who come from the streets, emergency shelters, safe havens, or transitional housing. Persons in transitional housing must have originally come from the streets or emergency shelter. As participants leave currently operating projects, participants who meet this eligibility standard must replace them.

(4) Samaritan Housing Initiative Projects and Rapid Re-Housing for Families Demonstration Projects will have additional eligibility requirements. The additional eligibility requirements for Samaritan Housing Initiative Projects are described in section I.A.4.y of this NOFA. The additional eligibility requirements for Rapid Re-Housing for Families Demonstration Projects are

provided in section III.C.2.a.(12) of this NOFA.

(5) Projects that involve rehabilitation or new construction must certify that they will meet the accessibility requirements of section 504 of the Rehabilitation Act of 1973, and the design and construction requirements of the Fair Housing Act and the accessibility requirements of the Americans with Disabilities Act, as applicable.

(6) The project must be cost-effective, including costs associated with construction, operations and supportive services with such costs not deviating substantially from the norm in that locale for the type of structure or kind of activity.

(7) For those applicants applying for the Innovative component of SHP, whether or not a project is considered innovative will be determined on the basis that the particular approach proposed is new and can be replicated.

(8) Renewal applications must be submitted as part of a CoC application.

(9) Under the Sponsor-based rental assistance S+C component, an applicant must subcontract the funding awarded with an eligible project sponsor: A private nonprofit organization or a community mental health agency established as a public nonprofit organization that owns or leases the housing where participants will reside.

(10) For the section 8 SRO program, only individuals meeting HUD's definition of homeless are eligible to receive rental assistance. Therefore, any individual occupying a unit at commencement of the unit's rehabilitation will not receive rental assistance if they return to their unit (or any other) upon completion of its rehabilitation.

(11) Applicants agree to participate in a local HMIS system when it is implemented in their community.

(12) Applicants for Rapid Re-Housing for Families Demonstration Programs must meet the following additional project eligibility thresholds.

(a) The CoC in which the applicant is applying must have centralized intake as defined in this NOFA (see section I.A.4.) for households with dependent children.

(b) The population to be served must be households with dependent children who have lived in emergency shelters or on the streets for at least seven consecutive days, must be able to independently sustain housing at the end of the short-term housing assistance, and must have at least one moderate barrier to housing. A moderate barrier to housing is defined as:

(i) A financial strain that is not ongoing and will not impact the ability to independently sustain housing once re-housed (in subsidized or unsubsidized housing);

(ii) Inadequate employment or a loss of employment. The family most appropriate for this demonstration should have, or be willing to obtain, employment that increases the income of the household to such a degree that it can independently sustain housing at the end of the short-term housing assistance;

(iii) Inadequate childcare resources;

(iv) A head of household with a low level of education or low command of the English language, but who is willing to obtain the language skills and/or education level necessary to obtain employment and maintain housing;

(v) Legal problems. HUD leaves it to the discretion of the individual communities to determine which legal problems it is able to address;

(vi) Mental health diagnosis that do not greatly impact the household's ability to independently sustain housing;

(vii) A history of substance abuse, without any active use;

(viii) Poor rental history, including up to three evictions; and,

(ix) Poor credit history.

(c) The agency must have one assessment tool that it uses to assess all families.

b. *Project Quality Threshold.* HUD will review new projects, including those requested as part of HHN Reallocation, to determine if they meet the following quality threshold requirements with clear and convincing evidence. A S+C or SHP project renewal will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received. The housing and services proposed must be appropriate to the needs of the program participants and the community. HUD will assess the following:

(1) That the type, scale and general location of the housing fit the needs of the participants and that the housing is readily accessible to community amenities.

(2) That the type, scale and location of the supportive services fit the needs of the participants and the mode of transportation to those services is described.

(3) That the specific plan for ensuring clients will be individually assisted to obtain the benefits of the mainstream health, social service, and employment programs for which they are eligible is provided.



(4) How participants are helped to obtain and remain in permanent housing is described.

(5) How participants are assisted to both increase their incomes and live independently using mainstream housing and service programs is described.

(6) Applicants and project sponsors must evidence satisfactory performance for existing grant(s).

(7) For expansion projects, applicants must clearly articulate the part of the project that is the expansion.

(8) In addition to meeting the quality threshold standards above, applicants for Rapid Re-Housing for Homeless Families Demonstration projects must meet the following quality threshold standards:

(a) The applicant's experience in forming relationships with landlords and maintaining an affordable housing stock is described.

(b) The type, scale, and general location of the centralized intake meets the needs of the participants is provided.

(c) The specific plan for assessing households with dependent children and for ensuring that all households are placed in appropriate housing is described.

(d) The applicant's connection with mainstream, community based social services is described.

(e) The applicant and project sponsors must evidence satisfactory performance for existing projects serving homeless households with dependent children and existing Rapid Re-Housing for Families projects.

c. *Project Renewal Threshold.* A CoC must consider the need to continue funding for projects expiring in calendar year 2009. HUD will not fund competitive renewals out of order on the priority list except as may be necessary to achieve statutory, regulatory or NOFA funding requirements as detailed in this NOFA. It is important that SHP renewals and S+C non-competitive renewals meet minimum project eligibility, capacity and performance standards identified in this NOFA or they will be rejected from consideration for either competitive or non-competitive funding.

d. *Civil Rights Thresholds:* Applicants and the project sponsors must be in compliance with the threshold requirements of the General Section of the SuperNOFA.

### 3. Program Requirements

a. Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. If you are a successful

applicant, you will have a duty to affirmatively further fair housing when providing housing and housing related services for classes protected under the Fair Housing Act. As successful applicants you required to certify that they will comply with the requirements of the Fair Housing Act (42 U.S.C. 3601–19), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101), and will affirmatively further fair housing. You are also required to comply with the program regulations regarding affirmatively furthering fair housing. Instead of the actions for affirmatively further fair housing in the General Section of the SuperNOFA, successful applicants must affirmatively further fair housing by requiring each project sponsor to (a) adopt actions and procedures and maintain records of the implementation of the actions and procedures taken to affirmatively further fair housing; (b) make information available on the existence and location of facilities and services that are accessible to persons with a disability; and (c) ensure that reasonable steps are taken to inform all eligible persons on the availability of the project so that they may apply for the housing or services provided.

b. *Local Resident Employment.* To the extent that any housing assistance (including rental assistance) funded through the 2008 CoC NOFA is used for housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair, and replacement) or housing construction, then it is subject to section 3 of the Housing and Urban Rehabilitation Act of 1968, and the implementing regulations at 24 CFR Part 135. Section 3, as amended, requires that economic opportunities generated by certain HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be given to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

c. *Relocation.* The SHP, S+C, and SRO programs are subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). These requirements are explained in HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. Also see General Section of the SuperNOFA.

d. *Environmental Reviews.* All CoC assistance is subject to the National Environmental Policy Act and applicable related Federal environmental authorities. Conditional selection of projects under the CoC Homeless Assistance competition is subject to the environmental review requirements of 24 CFR 582.230, 583.230 and 882.804(c), as applicable. The recipient, its project partners and their contractors may not acquire, rehabilitate, convert, lease (under S+C/ TRA where participants are required to live in a particular structure or area as described in section III.C.3.g(3)(a) of this NOFA), repair, dispose of, demolish or construct property for a project under this CoC NOFA, or commit or expend HUD or local funds for such eligible activities, until the responsible entity has completed the environmental review procedures required by Part 58 and the environmental certification and Request for Release of Funds (RROF) have been approved or HUD has performed an environmental review under Part 50 and the recipient has received HUD approval of the property. The expenditure or commitment of Continuum of Care assistance or non-federal funds for such activities prior to this HUD approval may result in the denial of assistance for the project under consideration. If the program receiving HUD assistance is exclusively for the provision of services and none of the above stated activities are included, and the services provided meet the requirements of an exemption or exclusion listed at 24 CFR 58.34 or 58.35(b), the responsible entity may determine and record that no further environmental review is required, citing the appropriate exemption or exclusion.

e. *Expiring/Extended Grants.* If a SHP or S+C grant will be expiring in calendar year 2009, or if a S+C Program grant has been extended beyond its original five-year term and is projected to run out of funds in FY 2009, a grantee may apply for a renewal under the 2008 CoC NOFA to receive continued funding. Generally, if a renewal project is not awarded funding in 2008, then the project will not be allowed to extend its grant to apply in the 2009 competition.

f. *Promoting Energy Efficiency and Energy Star.* In keeping with the Administration's policy priority of promoting energy efficient housing while protecting the environment, applicants applying for new construction or rehabilitation funding, who maintain housing or community facilities or provide services in those facilities, are encouraged to promote energy efficiency and are specifically

encouraged to purchase and use Energy Star-labeled products. Refer to the General Section of the SuperNOFA for detailed information about this policy priority.

*g. Program-Specific Requirements.*

Please be advised that where an applicant for the SHP funding is a state or unit of general local government that utilizes one or more nonprofit project sponsor(s) to administer the homeless assistance project(s), administrative funds provided as part of the SHP grant must be passed on to the nonprofit organization(s) in proportion to the administrative burden borne by them for the SHP project(s). HUD will consider states or units of general local government that pass on at least 50 percent of the administrative funds made available under the grant as having met this requirement. This requirement does not apply to either the SRO Program, since only PHAs administer the SRO rental assistance, or to the S+C Program, since paying the costs associated with the administration of these grants is ineligible by regulation.

New this year, HUD will award funds to rehabilitate leased property. However, certain conditions must be met during Technical Submission and, if they are not met, the award will be withdrawn. The recipient must have a lease for 25 or more years with a landowner that is not the applicant, the project sponsor, a parent or affiliated organization and must submit it to HUD for approval. The landowner must execute and record against the land the lease and the HUD form Use and Repayment Covenant. Under certain circumstances, where the useful life of the improvements is greater than 25 years, the recipient may be required to repay the residual value of the improvements.

*(1) SHP—New Projects:*

(a) Please note that applicants for new grants can request 2 or 3 years worth of funds for operating, supportive services and leasing costs and that the grant term will be the 2 or 3 years requested. However, if an applicant also requests funds for acquisition, construction or rehabilitation, the grant term will be the 2 or 3 years, plus the time to acquire the property, complete construction and begin operating the project (no greater than 39 months). The two exceptions to this rule are: (1) New permanent housing projects and HMIS projects proposed under HHN Reallocation may request one year of funding; and (2) new HMIS projects may request one year of funding.

(b) HUD will require recordation of a HUD-approved use and repayment

covenant (a form may be obtained from the field office) for all grants of funds for acquisition, rehabilitation or new construction. The covenant will enforce the use and repayment requirements found at section 423(b)(1) and (c) of the McKinney-Vento Act and must be approved by HUD counsel before execution and recordation. Proof of recordation must be provided to HUD counsel before funds for rehabilitation or new construction may be drawn down.

(c) All project sponsors must meet applicant eligibility standards as described in section III.A.1 of this NOFA. As in past years, HUD will review project sponsor eligibility as part of the threshold review process. Project sponsors for new projects are required to submit evidence of their eligibility with the application.

*(2) SHP—Renewal Projects*

(a) For the renewal of a SHP project, applicants from a CoC whose final FPRN is based on PPRN may request funding for one (1), two (2) or three (3) years; whereas applicants from a CoC whose FPRN is based upon HHN may request funding for only one (1) year.

(b) The total request for each renewable project cannot exceed the Annual Renewal Amount received in the current grant for that project. Because capital costs cannot be renewed, grants being renewed whose original expiring award included "hard" development costs (acquisition, new construction, and rehab) may only renew eligible line items and cannot exceed five percent to be used for administration costs. For more information on the Annual Renewal Amount see section I.A.4.a of this NOFA.

(c) HUD will recapture SHP grant funds remaining unspent at the end of the previous grant period when it renews a grant.

*(3) S+C—New Projects*

(a) A project may not include more than one component, e.g., combining Tenant-based Rental Assistance (TRA) with Sponsor-based Rental Assistance (SRA) is prohibited within the same grant. Under the TRA component, in order to help provide supportive services or for the purposes of controlling housing costs, a grantee may require participants to live in a particular structure for the first year of assistance or to live in a particular area for the entire rental assistance period. Where this option is exercised, an environmental review and clearance must be performed prior to any commitment to lease a particular structure or unit for participant occupancy as described in section

III.C.3.d of this NOFA, Environmental Reviews.

(b) *S+C/SRO Component.* If an applicant is a state or a unit of general local government, that applicant must subcontract with a public housing agency to administer the S+C assistance. Also, no single project may contain more than 100 units.

(c) *S+C SRA Component.* Project sponsors must submit proof of their eligibility to serve as a project sponsor.

(d) Requested amounts must be based on the applicable 2008 FMRs and cannot exceed 100 percent of the FMR.

(e) The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and the relevant subparts of the implementing regulations at 24 CFR Part 35, such as subparts A, B, J, and R apply to activities under this grant program.

(4) *S+C Renewal Projects.* HUD encourages the consolidation of appropriate S+C renewal grants when the grants are under the same grantee, have the same component and expire in the same year. However, renewal requests for expiring S+C grants that have not yet been combined should submit separate project applications (Exhibit 2) as individual renewal grants. Where the grantee wishes to consolidate the renewal grants, this action will be subsequently accomplished by the field office at the point of renewal grant agreement execution. The field office will receive instructions for this process in the S+C Operating Procedures guidance for 2008 awards.

(a) For the renewal of a S+C project, including S+C/SROs, the grant term will be one (1) year, as specified by Congress. For S+C grants having been awarded one year of renewal funding in 2007, the number of units requested for renewal this year must not exceed the number of units funded in 2007. As is the case with SHP, HUD will recapture S+C grant funds remaining unspent at the end of the previous grant period when it renews a grant. The one-year term of non-competitively awarded S+C renewal projects may not be extended.

(b) For the first time renewal of S+C rental assistance that is Tenant-based (TRA), Sponsor-based (SRA), or Project-based (PRA), an applicant may request up to the amount determined by multiplying the number of units under lease at the time of the application for renewal funding by the applicable 2008 Fair Market Rent(s) by 12 months. For S+C grants awarded one-year of renewal funding in 2007, the number of units requested for renewal this year may not exceed the number of units funded in 2007. For first-time S+C/SRO renewals,

the number of units must not exceed the number of units under grant agreement and Housing Assistance Payment (HAP) contract.

Current FMRs can be found at <http://www.huduser.org>. Requested amounts must be based on the applicable 2008 FMRs and cannot exceed 100 percent of the FMR.

(c) Under the FY 2008 HUD Appropriations Act, eligible S+C Program grants whose terms are expiring in 2009 and S+C Program grants that have been extended beyond their original five-year terms but which are projected to run out of funds in 2009, will be renewed for one year provided that they are determined to be needed by the CoC. These projects must also demonstrate that applicants and project sponsors meet eligibility, capacity and performance requirements described in this NOFA. Non-competitive S+C renewals should be submitted by the application deadline. A CoC's FPRN does not include S+C renewals since these projects are being funded outside of the competition.

(d) The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and the relevant subparts of the implementing regulations at 24 CFR Part 35, such as subparts A, B, J, and R apply to activities under this grant program.

(5) *Section 8 Moderate Rehabilitation SRO Program—New Projects*. As an applicant, the following limitations apply to the section 8 SRO program:

(a) SRO assistance may not be provided to more than 100 units in any structure.

(b) Under 24 CFR 882.802, applicants that are private nonprofit organizations must subcontract with a public housing agency to administer the SRO assistance.

(c) Under 24 CFR 882.802, rehabilitation must involve a minimum expenditure of \$3,000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to upgrade conditions to comply with HUD's physical condition standards in 24 CFR Part 5, subpart G.

(d) Under section 441(e) of the McKinney-Vento Act and 24 CFR 882.805(d)(1), HUD publishes the SRO per unit rehabilitation cost limit each year to take into account changes in construction costs. This cost limitation applies to eligible rehabilitation costs that may be compensated for in the Housing Assistance Payments (HAP) contract rents. For purposes of Fiscal Year 2008 funding, the cost limitation is raised from \$21,000 to \$21,500 per unit to take into account increases in

construction costs during the past 12-month period.

(e) The SRO Program is subject to the Federal standards at 24 CFR Part 882, subpart H.

(f) Individuals assisted through the SRO Program must meet the definition of homeless individual found at section 103 of the McKinney-Vento Act.

(g) Resources outside the program pay for the rehabilitation, and rehabilitation financing. The rental assistance covers operating expenses of the SRO housing, including debt service for rehabilitation financing. Units may contain food preparation or sanitary facilities or both.

(h) Requested amounts must be based on the applicable 2008 FMRs and cannot exceed 100 percent of the FMR.

(6) *Section 8 Moderate Rehabilitation SRO Program—Renewals*. This NOFA is not applicable to the renewal of funding under the section 8 SRO program. The renewal of expiring section 8 SRO projects is not part of the competitive CoC application process. Rather, expiring section 8 SROs will be identified at the beginning of the applicable year by the public housing agency and HUD field office. One-year renewal funds for expiring section 8 SRO HAP contracts will be provided by HUD under a separate, non-competitive process. For further guidance on section 8 SRO renewals, please contact the local HUD field office.

#### IV. Application and Submission Information

##### A. Addresses To Request Application Package

The electronic system will provide a submission summary that lists the elements required to complete the application. A CoC will not be able to submit an application to HUD until all required elements are completed. The application may be accessed at <http://www.hud.gov/esnaps>.

An applicant may obtain a copy of the General Section of the SuperNOFA and this NOFA online at <http://www.hud.gov/offices/adm/gov/fundsavail.cfm>. Please note that all sections of the General Section of the SuperNOFA are critical and must be carefully reviewed to ensure an application can be considered for funding, with the exception of reference to the Grants.gov application process. The Continuum of Care program will be using an electronic system outside of *Grants.gov*. Applicants will still be required to register with Dun and Bradstreet, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR). Applicants are still

encouraged to sign up for the Grants.gov notification service as the availability of the 2008 Continuum of Care application will be released via this Web site.

##### B. Content and Form of Application Submission

The only option for submitting a viable application under this NOFA is to submit the entire Continuum of Care application, with all of its projects. Each application will consist of one Continuum of Care Exhibit (Exhibit 1) and submissions from one or more applicants and project sponsors (Exhibits 2). HUD will not accept any projects not connected to a community-wide or region-wide CoC. The General Section of the SuperNOFA contains certifications that the applicant will comply with fair housing and civil rights requirements, program regulations, and other Federal requirements, and (where applicable) that the proposed activities are consistent with the HUD-approved Consolidated Plan of the applicable state or unit of general local government.

##### 1. Continuum of Care Application Submission Requirements

a. A completed application for a CoC will include one Exhibit 1 (CoC) and any number of Exhibits 2, depending on the number of projects and the type of programs proposed for funding. For example, if your CoC is proposing five SHP Renewal projects and one S+C New project, then the CoC would submit one Exhibit 1 and six Exhibits 2.

b. Each CoC must submit the entire CoC application. The application will include the following parts, which will be submitted electronically either through a database or as an uploaded attachment (For more information see the Training on *e-snaps* at <http://esnaps.hudhre.info/training/>):

(1) Exhibit 1 Charts, Narratives and Attachments, including:

(a) HUD-40090-1: the CoC plan with all charts completed as applicable;

(b) HUD-27300, America's Affordable Communities Initiative/Removal of Regulatory Barriers with supporting documentation;

(c) HUD-2994-A, You Are Our Client! Grant Application Survey (optional).

(2) Applicant Documents, including:

(a) SF-424 Application for Federal Assistance. Submit one SF-424 for each applicant applying for one or more projects in the CoC. Each SF-424 must also include the applicant's DUNS number. Please see the General Section of the SuperNOFA for more information on obtaining a DUNS number and CCR Registration.

(b) The SF-424 Supplement, Survey on Ensuring Equal Opportunities for Applicants, is for private nonprofit applicants only and completion/submission of this survey is voluntary.

(c) Documentation of Applicant Eligibility. All applicants must attach documentation of eligibility as defined in the chart in section III.A.3 of this NOFA. Also see section I.A.8.m & o of this NOFA for information on the documentation required to validate nonprofit status.

(d) SF-LLL, Disclosure of Lobbying of Activities, must be attached as applicable.

(e) Applicant Code of Conduct. All applicants for HUD funding must have a Code of Conduct on file with HUD. An applicant is prohibited from receiving an award of funds from HUD if it fails to meet this requirement for a Code of Conduct. An applicant who previously submitted an application and included a copy of its code of conduct *will not* be required to submit another copy if the applicant is listed on HUD's Web site: <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm>, and if the information has not been revised. An applicant not listed on the Web site must attach a copy of its Code of Conduct with its FY2008 CoC application. An applicant must also include a copy of its Code of Conduct if the information listed on the above Web site has changed (e.g., the person who submitted the previous application is no longer your authorized organization representative, the organization has changed its legal name or merged with another organization, or the address of the organization has changed, etc.). See the General Section of the SuperNOFA for additional information on Code of Conduct requirements.

(f) HUD 40090-4, Applicant Certifications.

(3) Exhibit 2 Charts, Narratives and Attachments, including:

(a) HUD-40090-2: the Project application with charts and narratives completed as applicable;

(b) Only sponsors for new projects must include information related to eligibility as defined in the chart in section III.A.3 of this NOFA. See also section I.A.8.n of this NOFA for information on the documentation required to validate sponsor eligibility.

(b) HUD-96010, Program Outcome Logic Model must be attached for each project (for Logic Model instructions, see the General Section of the SuperNOFA);

(c) HUD-2880, Applicant/Recipient Disclosure/Update Report must be attached for each project; and;

(d) HUD-2991, Certification of Consistency with Consolidated Plan.

#### C. Submission Dates and Times

##### 1. Application Deadline Date

a. HUD strongly suggests that CoCs require applicants applying for one or more projects to submit completed electronic Exhibit 2 project application(s) to the CoC on or before August 15, 2008 to allow for ample time for the CoC to review and process these applications prior to the submission deadline.

b. Each CoC must submit its completed application to HUD on or before 4 p.m. EDT on the deadline date. At 4:01 p.m. EDT the electronic system will be closed. The deadline is during business hours so that CoCs may access Help Desk resources until the application system is closed.

c. CoCs must print a copy of the Submission Summary before closing their browser after the CoC application has been submitted to HUD. This is your receipt of submission and proof of compliance with the submission deadline. Applicants whose applications are determined to be late, who cannot provide HUD with a record of submission that verifies the application was submitted prior to the submissions deadline date and time will not receive funding consideration.

d. HUD strongly suggests that each CoC and all project applicants utilize the "Export to PDF" functionality of *e-snaps* to print a hard copy of all submission documents for their records.

#### D. Intergovernmental Review

Not Applicable.

#### E. Funding Restrictions

Not Applicable.

#### F. Other Submission Requirements

1. Waiver of Electronic Submission Requirements. The regulatory framework of HUD's electronic submission requirement is the final rule established in 24 CFR 5.1005. CoCs seeking a waiver of the electronic submission requirement must request a waiver in accordance with 24 CFR 5.1005. HUD's regulations allow for a waiver of the electronic submission requirement for good cause. For the 2008 Continuum of Care competition, HUD is defining good cause as follows: (1) There are no computers that could be used by applicants and/or the CoC Lead Agency that are newer than 5 years anywhere within the CoC, or (2) there are no computers that could be used by applicants and/or the CoC Lead Agency anywhere within the CoC, or (3) there is no Internet access that could be used by

applicants and/or the CoC Lead Agency anywhere within the CoC. HUD will grant waivers only at the CoC level and not at the individual project applicant level, and only to CoCs that were validated by HUD during the required CoC Registration process. If the waiver is granted, the Office of Special Needs Assistance Programs' response will include instructions on how many copies of the paper application must be submitted, as well as where to submit them. CoCs that are granted a waiver of the electronic submission requirement will not be afforded additional time to submit their applications. Therefore, CoCs seeking a waiver of the electronic submission requirement should submit their waiver request with sufficient time to allow HUD to process and respond to the request. CoCs should also allow themselves sufficient time to submit their application so that HUD receives the application by the established deadline date. For this reason, HUD strongly recommends that if a CoC finds it cannot submit its application electronically and must seek a waiver of the electronic grant submission requirement, it should submit the waiver request to the Office of Special Needs Assistance Programs no later than 30 days after the publication date of this NOFA. To expedite the receipt and review of such requests, CoCs may fax their written requests to Ann Marie Oliva, Director, at (202) 401-0805. If HUD does not have sufficient time to process the waiver request, a waiver will not be granted. Paper applications received without a prior approved waiver and/or after the established deadline will not be considered.

#### V. Application Review Information

##### A. Criteria

##### 1. Criteria for Scoring the CoC Application

HUD will award up to 100 points as follows:

a. *CoC Housing, Services, and Structure*: HUD will award 14 points based on the extent to which a CoC's application demonstrates:

(1) The existence of a coordinated, inclusive, and outcome-oriented community process, including organizational structure(s) and decision-making processes for developing and implementing a CoC strategy;

(2) That this process includes nonprofit organizations (such as veterans service organizations, organizations representing persons with disabilities, faith-based and other community-based organizations, and other groups serving homeless and other low-income persons), state and local

governmental agencies, public housing agencies, housing developers and service providers, school systems, law enforcement, hospital and medical entities, funding providers, private businesses and business associations, jurisdictional ten-year planning bodies, and homeless or formerly homeless persons;

(3) That the CoC has a process in place to achieve fair and impartial project review and selection, with representation and input from diverse parties such as those outlined under Criteria for Application Review (See section V.B.1 of this NOFA);

(4) That a well-defined and comprehensive strategy has been developed which addresses the components of a CoC system (i.e., outreach, intake and assessment, emergency shelter, transitional housing, permanent supportive housing, and prevention), and that the strategy has been designed to serve all homeless subpopulations in the community (e.g., seriously mentally ill, persons with multiple diagnoses, veterans, persons with HIV/AIDS), including those persons living in emergency shelters, supportive housing for homeless persons, or in places not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; and,

(5) A CoC has created, maintained, and built upon a community-wide inventory of housing and services for homeless families and individuals (both HUD and non-HUD funded); identified the full spectrum of needs of homeless families and individuals; and coordinated efforts to fill gaps between the current inventory and existing needs. The coordinated effort must appropriately address all aspects of the continuum, especially permanent housing.

**b. Homeless Needs and Data Collection:** HUD will award 24 points based on 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 the progress in the planning, implementation and operation of an HMIS system covering at a minimum all street outreach, emergency shelters and transitional housing programs so that a reliable, unduplicated count of homeless persons on the street and in shelters may be conducted. CoCs are cautioned to carefully read HUD guidance on the timing, and acceptable methods, for conducting Sheltered and Unsheltered Point-in-Time (PIT) counts to ensure maximum points. Waivers of the PIT standard for FY 2008 must be received by the submission deadline. To

request a waiver, send a written request to 451 7th St., SW., Room 7262, Washington, DC 20410, Attn: Michael Roanhouse.

**c. CoC Strategic Planning:** HUD will award 16 points based on the extent to which a CoC's application demonstrates:

(1) The existence of, and alignment with, a performance-based 10-year strategy for ending chronic homelessness that establishes specific action steps to achieve the five objectives listed in section VI.B.1.a, with measurable achievements. It should be integrated with other ten-year plans in the community to eliminate chronic homelessness (if applicable), the local HUD Consolidated Plan, and other state and local plans related to homelessness;

(2) The Continuum's progress in working with the appropriate local government entity to develop and implement a discharge policy for persons leaving publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in persons entering the homeless system;

(3) Proposes projects that are consistent with identified unmet needs;

(4) Provides estimates of renewal funds needed through 2013 for SHP and S+C projects; and,

(5) Demonstrates leveraging of funds requested under this NOFA with other resources, including private, other public, and mainstream services and housing programs for proposed projects and ongoing efforts.

**d. CoC Performance:** HUD will award 28 points based upon the CoC's progress in reducing homelessness, including chronic homelessness. CoC Performance will be measured by demonstrating:

(1) That the CoC has taken specific action steps and made progress toward achieving its goals;

(2) That the CoC has increased the number of permanent housing beds for the chronically homeless and made progress toward eliminating chronic homelessness;

(3) Program participants' success in moving to and maintaining permanent housing as reported in the most recent Annual Progress Report (APR);

(4) The extent to which participants successfully become employed and access mainstream programs. These measures emphasize HUD's determination to assess grantees' performance in the prior program year and to determine if they are meeting the overall goal of the homeless assistance

grants under which they are funded. Both housing and supportive services-only projects will be assessed;

(5) That the CoC has no unexecuted grants awarded prior to 2007;

(6) That projects within the CoC have policies and practices in place to hire, and have hired, low and very-low income employees and subcontractors under Section 3 of the Housing and Urban Development Act of 1968;

(7) That projects within the CoC incorporate energy-efficiency measures in the design, construction, rehabilitation, and operation of housing or community facilities; and,

(8) The Removal of Regulatory Barriers to Affordable Housing: As provided for in the General Section of the SuperNOFA, HUD will award up to 2 points, within the 28 points for this rating factor, based on the extent to which the CoC's application demonstrates a local plan and/or existing policy to remove regulatory barriers to the production of affordable housing. Applicable activities include the support of state and local efforts to streamline processes, eliminate redundant requirements, statutes, regulations, and codes that impede the availability of affordable housing. The response (one questionnaire per CoC) should be submitted for consideration as a completed HUD Form 27300, Questionnaire for HUD's Removal of Regulatory Barriers. The Continuum should submit the questionnaire for the local jurisdiction where the majority of its CoC assistance will be provided. The completed questionnaire must include appropriate documentation, where requested, and identify a point of contact.

**e. Emphasis on Housing Activities:** HUD will award 18 points based on the relationship between funds requested for housing activities (i.e., transitional and permanent) and funds requested for supportive service activities among renewed projects. HUD will count as housing activity 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 will be excluded from this calculation. CoCs are not required to have 100 percent housing activities to receive the full 18 points for this scoring criteria.

**2. Criteria for Scoring of Rapid Re-Housing for Families Demonstration Projects.** All projects applying for the Rapid Re-Housing for Families Demonstration Program will be considered for funding based upon the following review, ranking, and

conditional selection process. HUD will award up to 100 points (as described below) and add this score to the CoC score to determine the project's final score.

a. Applicant Experience in Operating Rapid Re-Housing for Families Projects: HUD will award up to 25 points based upon the applicant's ability to demonstrate:

(1) Previous, specific agency and staff experience operating Rapid Re-Housing projects for homeless households with dependent children and/or agency and staff experience operating traditional housing programs for homeless households with dependent children.

(2) That performance for previous projects serving households with dependent children and/or Rapid Re-Housing for Families projects was measured.

b. Assessment Process: HUD will award up to 20 points based upon the applicant's ability to demonstrate:

(1) Appropriate criteria for determining whether a family is eligible for the demonstration project (see section III.C.2.a.(11) of this NOFA).

(2) The types of services and referrals that will be made to households based upon the assessment, regardless of whether the family is eligible for the demonstration program, is described.

(3) A single homeless family assessment tool (that is attached to the application) that is used across the entire CoC.

c. Applicant Relationship with Mainstream Community Social Services: HUD will award up to 15 points based upon an applicant's ability to demonstrate that it has a variety of mainstream, community-based social services with which it routinely connects, including any with which it has Memorandums of Understanding or formal agreements.

d. Applicant Ability to Maintain an Affordable Housing Stock: HUD will award up to 15 points based upon an applicant's ability to demonstrate:

(1) A formalized process for providing outreach to local landlords that is already used across the CoC.

(2) A process through which the applicant already maintains relationships with local landlords.

(3) A formalized protocol for dealing with conflicts between landlords and program participants.

(4) A system in place to locate landlords for participation in the project and to track the units that may be leased with grant funds (i.e., a Web-based housing locator, distribution list).

e. CoCs Centralized Intake for Households with Dependent Children: HUD will award up to 20 points based

upon an applicant's ability to demonstrate that centralized intake (see section I.A.4.d of this NOFA) exists for households with dependent children within the CoC that is well advertised to the community and easily accessible by households with dependent children.

f. CoCs HMIS Bed Coverage Rate for Households with Dependent Children: HUD will award up to 5 points on a sliding scale for a CoCs HMIS coverage of emergency shelters serving households with dependent children. Full points will be awarded if a CoC has a bed coverage rate (the total number of emergency shelter beds for households with dependent children entered into the HMIS as listed in the Housing Inventory Chart divided by the total number of year-round emergency shelter beds for households with dependent children from the Housing Inventory Chart—not including the total number of beds provided by domestic violence providers) of at least 65 percent for emergency shelters serving households with dependent children. In the case of a tie between projects, preference will be given to those communities who participated in AHAR 3.

h. Geographic Diversity. HUD has determined that geographic diversity is an appropriate consideration in selecting projects for the Rapid Re-Housing for Families Demonstration Program. To this end, HUD reserves the right to fund eligible project(s) with the highest total score in each of the 10 HUD regions. In making this determination, HUD will also consider population to ensure that urban and rural communities are selected.

#### *B. CoC and Project Review and Selection Process*

##### *1. Review, Rating, and Ranking*

Two types of reviews will be conducted—selection criteria rating for the overall CoC application and threshold review for applicants and projects. Applicant and Sponsor Eligibility and Capacity as well as Project Eligibility and Project Quality are threshold reviews. Threshold reviews are explained in section III.C.2 of this NOFA, which covers eligible applicants and projects. The projects will then be ranked nationally from highest to lowest.

(a) HUD may employ rating panels to review and rate all or part of CoC applications according to the rating criteria in sections V.A.1 and V.A.2 above. See the General Section of the SuperNOFA for more information on rating panels.

(b) *Threshold Review: Applicant and project sponsor eligibility, capacity and*

*quality.* HUD will review project applications to ensure that the applicant and project sponsor meet the eligibility and capacity standards outlined in this Section. If HUD determines these standards are not met, the project will be rejected from the competition. General information on eligibility, capacity and performance standards is below. For more detailed information regarding eligibility, capacity and performance standards see section III.C.3.g(4)(c) of this NOFA.

(i) Applicants must be eligible to apply for the specific program. See section III.A.1 of this NOFA.

(ii) Applicants and project sponsors must demonstrate ability to carry out the project(s). With respect to each proposed project, this means that, in addition to knowledge of and experience with homelessness in general, the organization carrying out the project, its employees, or its partners, must have the necessary experience and knowledge to carry out the specific activities proposed, such as housing development, housing management, and service delivery.

(iii) If an applicant or the project sponsor is a current or past recipient of assistance under a HUD McKinney-Vento Act program, there must have been no delay in meeting applicable program timeliness standards (see section VI.B.3 of this NOFA) unless HUD determines that the delay in project implementation was beyond the applicant's or the project sponsor's control, there are no serious unresolved HUD monitoring findings, and no outstanding audit findings of a material nature regarding the administration of the program.

##### *2. Conditional Selection and Adjustments to Funding*

###### *a. Conditional Selection Priorities.*

(i) HUD will fund all eligible one-year Shelter Plus Care renewal projects.

(ii) HUD will competitively fund up to \$23.75 million in Rapid Re-Housing for Families.

(iii) HUD will fund all SHP renewal projects and HMIS new projects for at least one year if they are within a CoC's Final Pro Rata Need (HUD has determined that the Congressional goal of enhancing homeless data collection at the CoC level is best achieved by assisting CoCs seeking dedicated Homeless Management Information Systems (HMIS) to receive Supportive Housing Program funds. To this end, HUD reserves the right to fund, for at least one year, lower-rated eligible dedicated HMIS projects. HUD also reserves the right to establish a

minimum CoC scoring threshold for these projects).

(iv) HUD intends to fund at least 4,000 beds for chronically homeless persons in projects serving 100 percent CH (could include Samaritan Initiative projects, reallocated projects and other new projects submitted by CoCs in PPRN status).

(v) After meeting the funding priorities of section V.B.2.a.i–iv of this NOFA, HUD will proceed to competitively fund by projects in rank order by CoC score. When CoC scores are tied, HUD will apply tie breaking rules described in section V.B.3.2.c of this NOFA. SHP, SPC and SRO new projects and the remaining terms of renewal projects will be conditionally selected until all funds are expended. To be eligible for funding, all projects must be within the CoCs Final Pro Rata Need.

b. *Adjustments to Funding:* HUD may also be required to adjust the selection of competitive projects as follows:

(i) The FMRs used in calculating award amounts for Shelter Plus Care and/or SRO applications will be those in effect at the time the grants are approved, which may be higher or lower than those in effect at the time of application. This only applies to projects requesting 100 percent of FMR in Exhibit 2.

(ii) *Thirty Percent Permanent Housing Requirement.* Local priorities notwithstanding, the FY 2008 HUD Appropriations Act requires that not less than 30 percent of this year's Homeless Assistance Grants appropriation, excluding amounts provided for renewals under the S+C Program, must be used to fund projects that meet the definition of permanent housing. Safe Havens will not count towards the permanent housing requirement. Projects meeting the definition of permanent housing are:

(1) New and renewal projects under SHP that are designated as permanent housing for homeless persons with disabilities. HUD will award no less than 30 percent of the total FY 2008 Homeless Assistance Grants application, excluding amounts for S+C renewals, for permanent housing projects unless an insufficient number of approvable permanent housing projects are submitted; (2) New S+C projects; and (3) SRO projects.

In order to meet this permanent housing funding requirement and stay within the total funding amount available, initially selected Supportive Services Only (SSO) and non-permanent housing projects will be deselected, if necessary, to add an adequate number of permanent housing projects, even if

they are lower scoring housing projects. HUD will, if necessary, first proceed to de-select new SSO projects, initially selected, starting with lowest scoring new projects and proceeding to higher scoring new SSO projects initially selected. If the funding line is still exceeded, HUD will proceed to de-select the lowest scoring new non-permanent housing projects initially selected and proceed to higher scoring new non-permanent housing projects. Finally, if the funding line is still exceeded HUD will proceed to de-select SSO and then other non-permanent housing renewal projects until sufficient permanent housing projects are within the funding line.

(iii) *Geographic Diversity.* HUD has determined that geographic diversity is an appropriate consideration in selecting homeless assistance projects in the competition. HUD believes that geographic diversity can be achieved best by awarding grants to as many CoCs as possible. To this end, in instances where any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa does not have at least one funded CoC, HUD reserves the right to fund eligible project(s) with the highest total score in the CoC.

(iv) *Distribution of Selections.* In accordance with section 429 of the McKinney-Vento Act, HUD will award Supportive Housing Program funds as follows: Not less than 25 percent for projects that primarily serve homeless families with children; not less than 25 percent for projects that primarily serve homeless persons with disabilities; and not less than 10 percent for supportive services not provided in conjunction with supportive housing. After projects are rated and ranked, based on the factors described above, HUD will determine if the conditionally selected projects achieve these minimum percentages. If not, HUD will skip higher-ranked projects in order to achieve these minimum percentages.

In accordance with section 463(a) of the McKinney-Vento Act, at least 10 percent of competitive S+C funds will be awarded for each of the four components of the program: Tenant-based Rental Assistance; Sponsor-based Rental Assistance; Project-based Rental Assistance; and Single Room Occupancy (provided there are sufficient numbers of approvable projects to achieve these percentages). After projects are rated and ranked, based on the factors described above, HUD will determine if the conditionally selected projects achieve these minimum percentages. If necessary,

HUD will skip higher-ranked projects in order to achieve these minimum percentages.

In accordance with section 455(b) of the McKinney-Vento Act, no more than 10 percent of the assistance made available for S+C in any fiscal year may be used for programs located within any one unit of general local government. In accordance with section 441(c) of the McKinney-Vento Act, no city or urban county may have SRO section 8 projects receiving a total of more than 10 percent of the assistance made available under this program. HUD is defining the 10 percent availability this fiscal year as \$10 million for S+C and \$10 million for section 8 SRO. However, if the amount awarded under either of these two programs exceeds \$100 million, then the amount awarded to any one unit of general local government (for purposes of the S+C Program) or city or urban county (for the purposes of the section 8 SRO Program) cannot exceed 10 percent of the actual total amount awarded for that program.

(v) *Funding Diversity.* HUD reserves the right to reduce the amount of a grant, if necessary, to ensure that no more than 10 percent of assistance made available under this NOFA will be awarded for projects located within any one unit of general local government or within the geographic area covered by any one Continuum of Care.

If HUD exercises a right it has reserved under this NOFA, that right will be exercised uniformly across all applications received in response to this NOFA.

c. *Tie-breaking Rules.* HUD will break ties among CoCs with the same total score by comparing scores received by the projects for each of the following scoring factors, in the order shown: Overall CoC score, CoC Housing, Services and Structure, CoC Strategic Planning, CoC Performance, CoC Enrollment and Participation in Mainstream Programs, Housing Emphasis, and Housing and Employment Performance. The final tie-breaking factor is the priority number of the competing projects on the applicable CoC priority list(s).

### 3. Corrections to Deficient Applications

HUD reserves the right to respond to both unanticipated system defects, ambiguities, and technical difficulties in application submissions through a flexible implementation of its authority to cure application deficiencies through callbacks and written inquiries seeking clarification and additional information. HUD will exercise the authority for curing deficiencies as stated in the General Section of the SuperNOFA, if



needed, on a consistent and uniform basis for all CoCs and applicants. HUD will expect responses to callbacks and inquiries to be returned in an expedited manner, generally within 14 days of receiving a HUD request. Upon proper publication in the **Federal Register**, HUD reserves the right to extend the competition deadline for good cause related to technical difficulties in the implementation of *e-snaps*.

## VI. Award Administration Information

### A. Award Notices

#### 1. Action on Conditionally Selected Applications

HUD will notify conditionally selected applicants in writing. HUD may subsequently request them to submit additional project information, which may include documentation to show the project is financially feasible; documentation of firm commitments for cash match; documentation showing site control; information necessary for HUD to perform an environmental review; a copy of the organization's Code of Conduct; and such other documentation as specified by HUD in writing to the applicant, that confirms or clarifies information provided in the application. HUD will notify SHP, SRO, S+C and S+C/SRO applicants of the deadline for submission of such information. If an applicant is unable to meet any conditions for fund award within the specified timeframe, HUD reserves the right not to award funds to the applicant and add them to funds available for the next competition.

#### 2. Applicant Debriefing

See the General Section of the SuperNOFA for applicant debriefing procedures.

#### 3. Appeals Process

Applicants may appeal the results of HUD's review and selection process if they believe a HUD error has occurred. Appeals must be submitted in writing to the Assistant Secretary for Community Planning and Development and must state what HUD error the applicant believes has occurred.

### B. Administrative and National Policy Requirements

#### 1. Administrative and Other Program Requirements

a. The Government Performance and Results Act (GPRA) requires Federal agencies to measure the performance of their programs. HUD captures this information not only from monitoring visits and APRs, but also on the data gathered in annual competitions. For example, the description of methods

used in determining the project priority order submitted in Exhibit 1 provides verification that projects are performing satisfactorily and are effectively addressing the needs for which they were designed. HUD's homeless assistance programs are measured in 2008 by the objective to "end chronic homelessness and to move homeless families and individuals to permanent housing." This objective has a number of measurable indicators, five of which relate directly to the Continuum of Care homeless assistance programs. These five indicators, as described below, will be collected in Exhibit 1:

(1) At least 415 functioning CoC communities will have a functional Homeless Management Information System (HMIS) by Fiscal Year 2008.

(2) The percentage of formerly homeless individuals who remain housed in HUD permanent housing projects for at least 6 months will be at least 71.5 percent.

(3) The percentage of homeless persons who have moved from HUD transitional housing into permanent housing will be at least 63.5 percent.

(4) The employment rate of persons exiting HUD homeless assistance projects will be at least 19 percent.

b. To achieve this objective and each of these measurable indicators, HUD needs your community's help. The emphasis in this year's competition on housing chronically homeless persons, helping clients access mainstream service programs and jobs, and implementing HMIS are all aligned with this GPRA objective and its performance indicators.

c. Executive Order 13202, "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects." Please see the General Section of the SuperNOFA for further information.

d. Procurement of Recovered Materials. Please see the General Section of the SuperNOFA for further information.

e. Please reference the General Section of the SuperNOFA for other administrative requirements.

#### 2. Sanctions

Should HUD determine, in its sole discretion, that sufficient evidence exists to confirm that the entity responsible for convening and managing the CoC process in a community has failed to follow locally established or accepted procedures governing the conduct of that process or has failed to provide for a fair process, including a project priority selection process that

gives equal consideration to projects proposed by nonprofit organizations, HUD reserves the authority to impose sanctions up to and including a prohibition on that entity and the individuals comprising that entity from participating in that capacity in the future. In making this determination, HUD will consider as evidence court proceedings and decisions, or the determinations of other independent and impartial review bodies. This authority cannot be exercised until after a description of procedural safeguards, including an opportunity for comment and appeal, and the specific process and procedures for imposing a prohibition or debarment, have been published in the **Federal Register**.

#### 3. Timeliness Standards

The FY 2008 HUD appropriations act requires HUD to obligate all FY 2008 CoC homeless assistance funds by September 30, 2010, except for \$5,000,000 which is available until expended. All obligated funds will remain available for expenditure until September 30, 2015, except for ten-year projects which remain available until expended.

The applicant is expected to initiate the approved projects promptly in accordance with section VI.B.3 of this NOFA. In addition, HUD will take action if the grantee fails to satisfy the following timeliness standards:

(1) *SHP*: HUD will deselect an award if the grantee does not demonstrate site control within one (1) year of the date of its grant award letter, as required by the McKinney-Vento Act (see 42 U.S.C. 11386(a)(3)) and implemented in program regulations at 24 CFR 583.320(a). HUD may deobligate SHP funds if the following additional timeliness standards are not met:

(a) Construction activities do not begin within eighteen (18) months of the date of HUD's grant award letter and be completed within thirty-six (36) months after that notification.

(b) Activities that cannot begin until construction activities are completed, such as supportive service or operating activities that will be conducted within the building being rehabilitated or newly constructed, do not begin within three (3) months after construction is completed.

(c) All activities that may proceed independent of construction activities, including HMIS and supportive services, do not begin within twelve (12) months of the date of HUD's grant award letter. HUD may deselect or terminate a grant agreement if the grantee is not in compliance with this requirement. HUD may reduce a grant



agreement term to one (1) year where implementation delays have reduced the amount of funds that reasonably can be used in the original term.

(2) *S+C Except SRO Component.* HUD may deselect an award or deobligate S+C funds if an applicant/grantee does not meet the following timeliness standards:

(a) For Project-based Rental Assistance with rehabilitation, the applicant/grantee must complete the rehabilitation within twelve (12) months of the date of HUD's grant award letter.

(3) *Section 8 Moderate Rehabilitation SRO Program and SRO Component of the S+C Program.* For the section 8 SRO program and the SRO component of the S+C program projects awarded under this NOFA, the Annual Contributions Contract (ACC) must be executed no later than September 30, 2010. The rehabilitation work must be completed and the HAP contract executed within twelve (12) months of execution of the Annual Contributions Contract. HUD may reduce the number of units or the amount of the annual contribution commitment if, in HUD's determination, the Public Housing Agency fails to demonstrate a good faith effort to adhere to this schedule.

#### C. Reporting

1. Once conditionally selected applications advance to full award and execution of a grant agreement, grantees are required to submit an Annual Performance Review (APR) and a completed Logic Model showing outputs and outcomes achieved for the year to both HUD Headquarters and the respective Field Office each year. Grantees must also respond to the management questions contained in the Logic Model. Completed Logic Models may be submitted to [SNAPS\\_LOGIC\\_MODEL@hud.gov](mailto:SNAPS_LOGIC_MODEL@hud.gov). Questions regarding the logic model submission process can be sent to [SNAPS\\_LOGIC\\_MODEL\\_QUESTIONS@hud.gov](mailto:SNAPS_LOGIC_MODEL_QUESTIONS@hud.gov). HUD will post Frequently Asked Questions about the Logic Model on <http://www.hudhre.info>.

In addition, applicants must report race and ethnicity data for beneficiaries of HUD programs in conformity with form 27061 HUD Race and Ethnic Data Reporting Form. CoC applicants may report this data as part of their Annual Performance Report submission to HUD.

Also, Grantees who expend \$500,000 or more in a year in Federal awards are reminded they must have a single or program-specific audit for that year in accordance with the provisions of 24

CFR part 45 and OMB Circular No. A-133.

2. *Section 3 Reporting Regulations.* Pursuant to 24 CFR 135.3(a)(2), the section 3 requirements apply to housing and community development assistance that is used for housing rehabilitation, housing construction and other construction. Grantees doing any of these activities must submit HUD-60002 to the Office of Fair Housing and Equal Opportunity (FHEO) at the time they submit their APR to the Office of Special Needs Assistance Programs. This form may be completed electronically at <http://www.hud.gov/offices/fheo/section3/section3.cfm>.

#### VII. Agency Contacts

##### A. For Further Information

Individuals may contact the HUD Field Office serving their area, at the telephone number shown in the General Section of the SuperNOFA, or individuals may contact the NOFA Information Center at 1-800-483-8929. Individuals who are hearing- or speech-impaired should use the Information Relay Service at 1-800-877-8339 (these are toll-free numbers).

##### B. For Technical Assistance

HUD will make appropriate resources available for technical assistance related to the new electronic application in FY 2008. Specifically, HUD will make available an electronic application Help Desk at 1-877-6ES-NAPS (1-877-637-6277) or via e-mail at [esnaps@hudhre.info](mailto:esnaps@hudhre.info). To address technical or other questions, HUD Field Office staff also will be available to help citizens identify organizations in the community that are involved in developing the CoC system. HUD staff and contractors cannot provide CoCs and applicants with guidance that will result in a competitive advantage for any CoC or project applicant.

Following conditional selection of applications, HUD staff will be available to assist selected applicants in clarifying or confirming information that is a prerequisite to the offer of a grant agreement or Annual Contributions Contract by HUD. However, between the application deadline and the announcement of conditional selections, HUD will accept no information that would improve the substantive quality of a CoCs application pertinent to HUD's funding decision.

##### C. Satellite Broadcast

HUD will hold one or more information broadcasts via satellite for

potential applicants to learn more about the program and preparation of the application. Viewing of these broadcasts, which will provide critical information on the application process, is highly recommended. For more information about the date and time of the broadcast, individuals should consult the HUD Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

#### VIII. Other Information

##### A. Paperwork Reduction Act

The information collection requirements contained in this document have been submitted for approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and the OMB approval number is 2506-0112. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 196 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, semi-annual reports and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

##### B. Findings and Certifications

###### 1. Environmental

This NOFA provides funding under, and does not alter the environmental requirements of 24 CFR parts 582 and 583 and subpart H of 24 CFR part 882. Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). For environmental review of activities funded under this NOFA, see the requirements described at section III.C.3.d above.

Dated: July 1, 2008.

**Nelson R. Bregón,**

*General Deputy Assistant Secretary for Community Planning and Development.*

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