

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5341-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 Grant Programs. HUD is making available approximately \$1.43 billion in Fiscal Year 2009 for the programs. The purpose of the CoC Homeless Assistance Grant 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.

#### **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-5341-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:** The application deadline date is **November 9, 2009**. Applicants will be required to complete and submit their applications in *e-snaps* at [www.hud.gov/esnaps](http://www.hud.gov/esnaps). Applications must be received by no later than 11:59:59 pm eastern time on the application deadline date. Please see Section IV of this NOFA for application submission and timely receipt requirements.

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

1. *Available Funds:* Approximately \$1.43 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 HUD's FY2009 NOFAs, which was published on December 29, 2008. For more information on this requirement see Section I.A.4.u.

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 its CoC application available to its community for inspection (i.e., by request or post on local CoC website) and notify community members and key stakeholders that it is available upon request.

b. Please note that all sections of the FY2009 General Section published in the Federal Register are critical and must be carefully reviewed to ensure an application can be considered for funding. The Continuum of Care application uses an electronic system outside of [Grants.gov](http://Grants.gov), called *e-snaps*. Applicants for project funding will still be required to register with Dun and Bradstreet to obtain a DATA Universal Numbering System (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 the FY2009 General Section of HUD's FY2009 NOFAs.

Notification of the availability of the 2009 Continuum of Care application will be released via HUD's Homeless Assistance listserv. To join HUD's listserv, go to

<http://www.hud.gov/subscribe/maillinglist.cfm> and click on "Homeless Assistance Programs."

c. Grantees and project sponsors are responsible for keeping grant files and for knowing when grant terms will expire and should be able to anticipate when to apply for renewal funding.

Grantees and project sponsors may consult with their local HUD field offices about renewal dates. If a grantee fails to apply for a renewal in the appropriate year, it will not be eligible for renewal in the next funding competition.

d. Safe Havens (SH) are no longer designated as Transitional Housing (TH) or Permanent Housing (PH). Grantees seeking renewal for projects awarded prior to the 2008 competition that are classified as SH-TH or SH-PH will have an opportunity through the 2009 NOFA to change the classification of their project without a grant amendment. Remember, only projects in which program participants are tenants under a lease recognized as such under local law, qualify as SHP-PH. For more information on Safe Havens see Section I.A.4.z.

e. Up to 8 percent of a S+C grant may be used for eligible incurred administrative costs associated with the administration of housing assistance. These funds must be drawn down at least quarterly. Draws must be for eligible expenses already incurred in the period immediately preceding the draw or to be incurred during the period immediately following the draw. HUD will recapture all unspent funds at the end of the grant term. If administrative costs exceed 8 percent, recipients must pay for them from another source.

f. HUD strongly encourages CoCs whose Final Pro Rata Need (FPRN) is based on Preliminary Pro Rata Need (PPRN) to take advantage of the new selection criteria described in Section V.B.2.a and request only one year of funding for all eligible SHP renewal projects.

g. On May 20, 2009, President Obama signed into law the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The law amends the McKinney-Vento Homeless Assistance Act. While these changes will not go into effect immediately, HUD strongly encourages CoCs to begin implementing the following practices, as they will be required elements of the NOFA in 2010.

(1) The CoC will be required to certify that it will collaborate with local education agencies to assist in the identification of homeless families as well as inform these homeless families and youth of their eligibility for McKinney-Vento education services;

(2) The CoC will be required to certify that they will consider the educational needs of children when families are placed in emergency or transitional shelter and will, to the maximum extent practicable, place families with children as close to possible to their school of origin so as not to disrupt the children's education.

(3) Project applicants must certify that their programs will establish policies and practices that are consistent with, and do not restrict the exercise of rights provided by the education subtitle of the McKinney-Vento Act, and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness; and,

(4) Project applicants must certify that programs that provide housing or services to families will designate a staff person to ensure that children are enrolled in school and connected to the appropriate services within the community, including early childhood programs such as

Head Start, Part C of the Individuals with Disabilities Education Act, and McKinney-Vento education services.

## **Full Text Announcement**

### **I. Funding Opportunity Description**

#### *A. Program Description*

1. Overview. The purpose of the CoC Homeless Assistance Programs is to reduce the incidence of homelessness in CoC communities by assisting homeless individuals and families move to self-sufficiency and permanent housing. CoCs that sustain current successful interventions and advance HUD's national goals 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 2009.** This list includes all major changes to the CoC NOFA:

a. In an effort to streamline the renewal award process in 2009, HUD has modified the selection process so that eligible SHP and S+C renewal projects will be awarded as quickly as possible.

New projects will be awarded separately, after the project threshold review of the new project submissions and the scoring of the CoC applications have been completed. A project application will be required for new and renewal projects; however, for renewal projects, applicants will only be verifying basic project and budget information, selecting the grant term request, and certifying the request of renewal (see Section III.A.2 of this NOFA for information about eligible renewals). CoCs will not have to rank renewal projects in *e-snaps* in 2009.

b. In 2009, CoCs in Hold Harmless Need (HHN) status will not be able to reallocate funds to new projects. New project applications to be submitted must be either new projects within Final Pro Rata Need (FPRN) for CoCs in Preliminary Pro Rata Need (PPRN) status or projects that

will be funded with permanent housing bonus funds. HUD reserves the right to allow HHN reallocation in future competitions.

c. HUD has determined that the merger of one or more existing CoCs into a newly merged, larger CoC can result in effective and efficient planning, program delivery, Homeless Management Information System (HMIS) implementation and CoC competitiveness. In recognition of these advantages, HUD has adopted a new CoC Hold Harmless Merger policy for calculating FPRN that ensures CoCs will not lose FPRN by merging (see Section I.A.4.i of this NOFA).

d. The Certification of Consistency with the Consolidated Plan is a statutory form that is required to be submitted as part of the application. Previously, project applicants were responsible for submitting the associated Consolidated Plan certifications along with their project application. New this year, CoCs will be responsible for attaching the certification for all projects, new and renewal, that are requesting funding to the CoC portion of the application. CoCs will attach a signed form for each jurisdiction that includes the list of all associated new and renewal projects.

e. HUD encourages all projects to utilize the Neighborhood Stabilization Program (NSP), HUD-VASH and any HUD-managed American Recovery and Reinvestment Act (ARRA) programs, i.e., Community Development Block Grant-Recovery (CBDG-R), Tax Credit Assistance Program (TCAP), HPRP, NSP2, etc., as a source of leveraging. CoCs that identify coordination with NSP and any HUD-managed ARRA programs may receive extra points during the CoC application review process.

f. As part of the CoC application, CoCs will be required to address how they are participating in the new Homelessness Prevention and Rapid Re-Housing Program (HPRP), as indicated in the substantial amendment to the Consolidated Plan 2008 Action Plan.

- g. As a reminder, HUD will assess, as part of the project review process, applicant eligibility, capacity and quality. This review also considers an applicant's spending history on current homeless assistance grants, if applicable. HUD expects that grantees should be making draw-downs at least quarterly. HUD will be looking at this for both new project applications and as a condition of renewal awards.
- h. Also as a reminder, up to 8 percent of a S+C grant may be used for eligible incurred administrative costs associated with administration of housing assistance. These funds must be drawn down at least quarterly. Draws must be for eligible expenses already incurred in the period immediately preceding the draw or to be incurred during the period immediately following the draw. HUD will recapture all unspent funds at the end of the grant term. If administrative costs exceed 8 percent, recipients must pay for them from another source.
- i. Beginning in 2009, applicants for the S+C program will only be permitted to apply for 100 percent of the local Fair Market Rent (FMR) and will no longer be permitted to request any amount that is greater or less than the local FMR.
- j. The calculation of housing emphasis and leveraging for the CoC score will include only new project requests.
- k. For 2009, the Samaritan Bonus Initiative will be replaced with a Permanent Housing Bonus. CoCs will be able to use funds for homeless disabled individuals and families or for chronically homeless individuals. As creating new permanent housing beds for chronically homeless individuals is still a HUD priority, HUD strongly encourages CoCs to use at least a portion of available bonus funds to create a project that will exclusively serve the chronically homeless.
- l. New this year, Transitional Housing (TH), and Supportive Services Only (SSO) projects may serve persons being discharged from an institution (including prisons, mental health institutions,

hospitals) in which the person has been a resident for more than 90 days where no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing. Prior to this NOFA, the residency requirement in an institution was 30 or more consecutive days.

#### 4. Definitions and Concepts

a. *Annual Renewal Amount*. The maximum amount that an 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 unrenovable activities (acquisition, new construction, rehabilitation, and any administrative costs related to these activities). It is used to calculate a CoC's HHN 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 original grant term. Any funding for acquisition, rehabilitation, new construction—and any administrative costs related to these activities—is not renewable. If the grant included these activities, administrative costs must be recalculated and must not exceed 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 administrative 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-2880), required by law, in which an applicant certifies that it will adhere to certain statutory requirements, such as the Civil Rights Act of 1964.

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 used as a source of information for the Unmet Needs sections of the Housing Inventory Chart.

g. *Consolidated Plan Certification.* The statutory form 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. CoCs must submit a Consolidated Plan Certification for each jurisdiction and a list of all associated new and renewal projects, with the CoC application. Any new or renewal projects requesting funds in 2009 that are not included on a Consolidated Plan Certification will not be considered for conditional award. In support of its CoC Consolidated Plan Certification successful applicants and project sponsors must ensure that proposed activities are consistent with the jurisdiction's affirmatively furthering fair housing certification, including a jurisdiction's effort to increase fair housing choice, as specified in 24 CFR 91.225(a)(1).

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 community stakeholders involved in the decision making processes as the “Continuum of Care.”

i. *Continuum of Care Hold Harmless Merger*. A process where two or more CoCs that registered separately in the 2008 competition, at least one of which has a 2009 FPRN based on HHN and another of which has a 2009 FPRN based on PPRN, register together in the 2009 Competition. Under this process, HUD will calculate the newly merged CoC’s FPRN based on the higher FPRN for each CoC. This calculation is completed during CoC Registration. The newly merged CoC may use this process for calculating FPRN for the 2009 competition only.

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. The CoC lead agency is responsible for the coordination and oversight of the CoC planning efforts, and has the authority to certify and submit the CoC homeless assistance funding application. A state governmental entity is the only acceptable organization that may serve as the Lead Agency for multiple CoCs, due to the level of involvement and possible conflict of interest that comes with serving multiple CoCs. Under no other circumstance should one entity be identified as the Lead Agency for multiple CoCs.

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 2009 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 total ARA of all SHP grants expiring in that CoC during the period beginning January 1, 2010 and ending December 31, 2010 exceeds the PPRN for that CoC. The HHN is the amount needed to fund the expiring renewal grants for one year.

(3) *Continuum of Care Final Pro Rata Need (FPRN)*. The higher amount of: (1) PPRN or (2) HHN. In the case of CoCs who are eligible and approved by HUD for CoC Hold Harmless Merger, the FPRN will be based on the sum of the FPRN of each merging CoC. For more information, see Section I.A.4.i of this NOFA.

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.* The initial step in the electronic application process during which time a CoC claims geography, submits the CoC's SHP and S+C grants inventory worksheets and appoints a CoC Lead Agency that will be responsible for the submission of the electronic application to HUD. This process establishes the CoC's FPRN amount as well as the bonus amounts for which CoC's are eligible to apply. See Section I.A.5.b of this NOFA for a detailed explanation.

o. *Funding Category.* A funding category is a project submission category subject to NOFA selection priorities. There are four funding categories in the 2009 competition:

- (1) The Shelter Plus Care Renewal Funding Category includes eligible S+C renewal projects.
- (2) The Supportive Housing Program Renewal Funding Category includes eligible SHP renewal projects.
- (3) The Permanent Housing Funding Category covers one or more new SHP, S+C and Section 8 SRO projects applying for up to 15 percent of a CoC's Preliminary Pro Rata Need.
- (4) The Final Pro Rata Need (FPRN) Funding Category covers new SHP, Section 8 SRO, S+C projects submitted by only those CoC's whose FPRN is based upon their Preliminary Pro Rata Need (PPRN) being greater than Hold Harmless Need or have a FRPN based on COC Merger Hold Harmless. A CoC in PPRN status will only be able to submit new projects equal to the difference between the renewal amounts claimed in the SHP renewal funding category (2) above and these CoCs' FPRN.

Projects that are submitted in the Permanent Housing and FPRN Funding Categories that exceed the limits of the funding category in part will be reduced and projects that are totally outside the funding category limit will be automatically rejected.

p. *Grant Inventory Worksheet*. An inventory of all grants eligible for renewal in a particular year. HUD uses the grant inventory worksheets for SHP and S+C to determine which projects are eligible for renewal and the level of funding for which they are eligible to receive.

q. *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. HUD will allow only one applicant for HMIS dedicated grants within a CoC.

r. *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.

s. *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 project requests. HUD will count as housing activity all approvable new project 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.

t. *Housing Inventory*. A complete listing of the community's HUD and non-HUD funded beds.

u. *Match*. The McKinney-Vento Homeless Assistance Act is the primary federal statute that addresses the issues of homelessness in the United States. Three grant programs administered by HUD under this statute (the Supportive Housing program, the Shelter Plus Care program, and the Emergency Shelter Grants program) each impose a matching requirement for a grant awarded by HUD under the program. The SHP and S+C program regulations address the scope of the match requirement and the responsibility of the recipient of the grant to ensure that the funds that the recipient uses to satisfy HUD's match requirements are not prohibited to be used for match under any statute that may govern the matching funds (24 CFR Part 582 and 24 CFR Part 583).

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 HUD's FY2009 NOFAs.

Grantees and project sponsors must match rental assistance provided through the S+C 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.

v. *Permanent Housing Bonus.* The Permanent Housing Bonus will be available to CoCs to apply for funding to create one or more new permanent housing projects. CoCs may use project funds to serve homeless and disabled individuals or families, or chronically homeless individuals. While CoCs are no longer required to use bonus funds for projects that will exclusively serve 100 percent chronically homeless individuals, CoCs are encouraged to use bonus funds for this population whenever possible, as creating new beds for the chronically homeless remains a HUD priority. Demonstrating progress in reducing the chronic homeless population will continue to be a scored item in the CoC application.

To qualify for the Permanent Housing Bonus, each CoC must submit requests for one or more new permanent housing projects. Each CoC shall be eligible for a Permanent Housing Bonus amount up to 15 percent of the CoC's PPRN amount or \$6 million, whichever is less. Permanent Housing Bonus projects may be SHP, S+C, or SRO. Where permanent housing bonus funds are being requested under the SHP no more than 20 percent of the total of its eligible program activities (grant total minus administration costs up to five percent) may be used for case management. The remaining 80 percent must be used for eligible housing activities (i.e., acquisition, rehabilitation, new construction, leasing, or operations). Safe Havens do not qualify for the Permanent Housing Bonus.

w. *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.

Applicants and sponsors that submitted non-profit status documentation to the SF-424 into *e-snaps* in 2008 will not have to re-submit this again in 2009.

x. *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.

y. *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. Applicants and sponsors that submitted non-profit status documentation into *e-snaps* in 2008 will not have to re-submit this again in 2009.

z. *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. Any chronically homeless persons entering a Safe Haven will maintain their chronically homeless status, and will therefore be eligible for entrance into permanent housing bonus projects that serve the chronically homeless, including renewal Samaritan Housing Initiative projects.

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.

Safe Havens are no longer given Transitional Housing (TH) or Permanent Housing (PH) classifications. Therefore, grantees with projects renewing in 2009 that were originally awarded prior to the 2008 competition that are designated as Safe Haven-Transitional Housing (SH-TH) or Safe-Haven Permanent Housing (SH-PH) will be able to change the classification of their project without a grant amendment through the 2009 NOFA. Remember, only projects in which program participants are tenants under a lease recognized as such under local law, qualify as SHP-PH. Any project that is classified as SH-TH or SH-PH must designate itself as either Transitional Housing, Permanent Housing, or as a Safe Haven depending on its program design, in the 2009 application. This option is only available to those SH-TH or SH-PH projects that did not come in for renewal in 2008, as those projects were required to reclassify through that NOFA and cannot be reclassified again.

aa. *Samaritan Housing Initiative Renewals*. Projects funded under the Samaritan Housing Initiative (an Initiative funded between FY 2005 and FY 2008) that serve 100 percent chronically homeless individuals in permanent housing projects and are coming in for renewal.

bb. *SF-424, Application for Federal Assistance*. The application form required to be submitted by applicants requesting HUD Federal Assistance can be accessed on *e-snaps*.

## 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 2009 CoC NOFA emphasizes HUD's determination to integrate and align plans, including jurisdictional, state, and city ten-year plans (jurisdictional ten-year 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 experience in serving homeless veterans.

Through the American Recovery and Reinvestment Act of 2009 Congress designated \$1.5 billion for the new HPRP. Through this program, funds for prevention activities and rapid re-housing of individuals and families have been made available to eligible grantees including states, territories, metropolitan cities, and urban counties. These entities will award funds to local organizations as subgrantees through a local selection process. Grantees are required to coordinate planning activities with CoCs, who should be assisting in the coordination of

homeless assistance efforts between the HPRP grantees and homeless assistance service providers, as well as the development and maintenance of HMIS participant data submissions.

(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 2009 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. 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. The boundaries of identified CoC areas may not overlap.

HUD has determined that the merger of one or more existing CoCs into a new larger CoC can result in improved coordination of services, effective HMIS implementation, more efficient resource allocation and planning, and improved effectiveness for new resources. Merging smaller CoCs into larger CoCs also reduces the administrative burden of applying for funding at the local level and reviewing funding applications at the national level. HUD strongly encourages CoCs to merge where it is appropriate.

In recognition of these advantages, HUD has adopted a new CoC Hold Harmless Merger policy for calculating Final Pro Rata Need (FPRN) that ensures CoCs will not lose FPRN by merging. For more information on how existing CoCs can merge, see Section I.A.4.i.

(3) *CoC Components.* A CoC system typically consists of six 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) Rapid re-housing to help persons with lower barriers who are homeless successfully move to, and stay in, conventional housing units;

(d) Transitional housing with appropriate supportive services to help homeless individuals and families who need more assistance prepare to make the transition to permanent housing and independent living;

(e) 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, the new HPRP, and many other programs. In 2009, CoCs will be required to address how they are participating in the new HPRP, as indicated in the substantial amendment to the Consolidated Plan 2008 Action Plan.

(4) *CoC Lead Persons*. Regardless of the CoC structure and planning process, in 2009, *e-snaps* requires that each CoC select two persons, from the CoC Lead Agency, who are authorized to submit the CoC application and the project applications to HUD.

(5) *CoC Award*. Under the modified selection process, the CoC will receive its renewal funding for all eligible renewal projects shortly after the CoC application has been submitted to HUD. CoC application scores will determine the new project applications to be selected for award. The sum of funds awarded to a CoC's renewal and new projects is the total amount of monies awarded to a CoC's eligible projects.

b. *CoC Registration Process*. Each year, CoCs are required to register in *e-snaps*, prior to the beginning of the 2009 CoC competition. For more information on the CoC Registration Process see the "Notice of Fiscal Year (FY) 2009 Opportunity to Register and Other Important Information for Electronic Application Submission for Continuum of Care Homeless Assistance Program" (74 FR 45461).

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, HMIS 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 \$1.43 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.* SHP and S+C projects are eligible for renewal if they are approved by the CoC, have a signed grant agreement with HUD, are fully operational, and are expiring between January 1 and December 31, 2010. HMIS projects that were funded for one-year in the 2008 competition, as well as new PH and HMIS projects funded for one-year through the HHN Reallocation process in the 2008 competition, that have not yet signed a grant agreement with HUD will also be considered eligible for renewal if they are approved by the CoC. 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 Omnibus Appropriations Act, 2009 (H.R. 1105).



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 2009 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
<b>Authorizing Legislation</b>	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
<b>Implementing Regulations</b>	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
<b>Eligible Applicant(s)</b>	<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>
<b>Eligible Component(s)</b>	<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> </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>

	<ul style="list-style-type: none"> <li>•Innovative supportive housing</li> </ul>		
<b>Eligible Activities</b> , See footnotes 1, 2, and 3.	<ul style="list-style-type: none"> <li>•Acquisition</li> <li>•Rehabilitation</li> <li>•New construction</li> <li>•Leasing</li> <li>•Operating costs</li> <li>•Supportive services</li> <li>•Homeless Management Information Systems (HMIS)</li> </ul>	<ul style="list-style-type: none"> <li>• Rental assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Rental assistance</li> </ul>
<b>Eligible Populations</b> , 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> <li>• Homeless disabled individuals &amp; their families</li> </ul>	<ul style="list-style-type: none"> <li>• Homeless individuals</li> </ul>
<b>Populations Given Special Consideration</b>	<ul style="list-style-type: none"> <li>•Homeless individuals with disabilities</li> <li>•Homeless families with children</li> </ul>	<ul style="list-style-type: none"> <li>• Homeless individuals who are seriously mentally ill</li> <li>• Have chronic problems with alcohol and/or drugs</li> <li>• Have AIDS &amp; related diseases</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Initial Term of Assistance</b> , 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> </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>• 10 years</li> </ul>
<b>Renewal</b>	<ul style="list-style-type: none"> <li>•1 year for projects in CoCs under HHN Status</li> <li>•1, 2, or 3 years for projects in CoCs under PPRN status</li> </ul>	<ul style="list-style-type: none"> <li>• 1 year: TRA, SRA, and PRA without Rehab</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</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 new HMIS dedicated 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 and the project is fully operational. Additionally, HUD will consider an applicant eligible to apply for a renewal grant if it was awarded an HMIS project that was funded for one-year in the 2008 competition or a new project funded for one-year through the HHN Reallocation process in the 2008 competition, and has not yet signed a grant agreement with HUD. Project sponsors or sub-recipients are not eligible to apply for renewal of these projects. Renewal applicants must also have a DUNS number and be registered in the CCR. Grantees and project sponsors are responsible for keeping grant files and for knowing when grant terms will expire and should be able to anticipate when to apply for renewal funding. Grantees and project sponsors may consult with their local HUD field offices about renewal dates. If a grantee fails to apply for a renewal in the appropriate year, it will not be eligible for renewal in the next funding competition.

Under the 2002 and 2003 Appropriation Acts, funds for all grants awarded in those years will be available for use until September 30, 2009 and September 30, 2010 respectively. Projects that were awarded in 2002 and expired in 2009 were required to apply for renewal in the 2008 competition and, therefore, will not be eligible for renewal in the 2009 competition. Although the terms of all grants awarded in 2002 and 2003 should have expired before September 30, 2009 and September 30, 2010, respectively, HUD has discovered that, due to delays in signing the grant agreements or extensions, some grants have an expiration date in 2010 or later. Funds will not be available for expenditure after September 30, 2009 and September 30, 2010, respectively, for these grants. Recipients may not accelerate their spending rate. Field offices will monitor draws for affected grants to ensure that funds will be drawn only to reimburse the affected recipients for actual costs incurred in accordance with the project budget on, or before, the

availability of funds. Notwithstanding the expiration date of the SHP or S+C grant, if the grant was awarded in 2002 or 2003, but has an expiration date of 2010 or later, the applicant must apply for renewal in 2009. For 2002/2003 renewal grants, HUD reserves the right to make adjustments to the final award.

**B. Matching.** Applicants must meet the match requirements for SHP and S+C programs. For more information on matching see Section I.A.4.u 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 coming from 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) Permanent housing bonus projects will have additional eligibility requirements. (see Section I.A.4.v 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, awarded SHP and S+C projects with a contract expiring between January 1 and December 31, 2010, must be submitted as part of a CoC application; however, in 2009 they will be awarded through a modified selection process and will be announced as quickly as possible.

(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. Applicants that are victim service providers are prohibited from entering data into the local HMIS as required by the Violence Against Women Act of 2005 (H.R. 3402).

b. *Project Quality Threshold.* HUD will review new projects 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, however it will still be required to meet the requirements outlined in Section III.C.2.c. 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 capacity and performance for existing grant(s).

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

(8) Applicants must demonstrate that they will be able to meet all timeliness standards. Applicants with existing projects must be able to demonstrate that they have met all project renewal threshold requirements as described in Section III.C.2.c. HUD reserves the right to deny a new project request made by an existing applicant that is found to have significant issues related to capacity, performance, or unresolved audit/monitoring findings related to one or more existing SHP or S+C grants.

*c. Project Renewal Threshold.* A CoC must consider the need to continue funding for projects expiring in calendar year 2010. It is important that SHP and S+C renewal projects meet minimum project eligibility, capacity, timeliness and performance standards identified in this NOFA or they will be rejected from consideration for funding. When considering renewal projects for award, HUD will assess the following:

(1) An applicant's performance against plans and goals established in the initial application, as amended.

(2) Timeliness in the expenditure of grant funds, as HUD expects all projects to be drawing down funds at least quarterly through the course of the grant term. While most funds should be expended prior to the expiration of the grant, all funds must be drawn down within 90 days of the expiration of the grant term.

(3) Assisting participants achieve and maintain independent living, and record of success.

HUD will also consider if an applicant has been unwilling to accept technical assistance, has a continued history of inadequate financial management accounting practices, indications of mismanagement on the part of the recipient, drastic reduction in population served by the recipient, program changes made by the recipient without prior HUD approval, and loss of project site. HUD reserves the right to reject a request from an organization for the following reasons:

1. Outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
2. Audit finding for which a response is overdue or unsatisfactory;
3. History of inadequate financial management accounting practices;
4. Evidence of untimely expenditures on prior award; or
5. History of other major capacity issues that have significantly impacted the operation of the project and its performance.

d. *Civil Rights Thresholds*: In order for an application to be eligible for rating and ranking by HUD, applicants and their proposed project sponsors must meet the civil rights threshold requirements in Section III.C.2.c of the General Section of HUD's FY2009 NOFAs

### 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. Successful applicants will have a duty to affirmatively further fair housing when providing housing and housing related services for classes protected under the Fair Housing Act. In addition, successful applicants will be 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. These applicants and project sponsors must also comply with program regulations regarding affirmatively furthering fair housing, including affirmative outreach requirements in 24 CFR 582.330(c) (Shelter Plus Care Program), 24 CFR 583.325(c) (Supportive Housing Program), and 24 CFR 882.808(a)(2) (Section 8 Moderate Rehabilitation Programs). Instead of the actions for affirmatively further fair housing in the General Section of HUD's FY2009 NOFAs, 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. *Limited English Proficiency.* Executive Order 13166 seeks to improve access to federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency. Applicants obtaining federal financial assistance from HUD shall take reasonable steps to ensure meaningful access to their programs and activities to LEP individuals. As an aid to recipients, HUD published *Final Guidance to Federal Financial Assistance Requirements Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* in the Federal Register on January 22, 2007 (72 FR 2732). See Section III.C.4.f of the General Section for more information.

*c. Local Resident Employment.* To the extent that any housing assistance (including rental assistance) funded through the 2009 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 Development 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.

*d. 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 HUD's FY2009 NOFAs.

*e. 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.h(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.

f. *Expiring/Extended Grants.* If a SHP or S+C grant will be expiring in calendar year 2010, 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 2010, a grantee may apply for a renewal under the 2009 CoC NOFA to receive continued funding. Generally, if an eligible renewal project is not awarded funding in 2009, then the project will not be allowed to extend its grant to apply in the 2010 competition. S+C projects that are already in one-year renewal cycle may not be extended.

In 2009, it will be critical for CoCs to pay close attention to any grants that were originally awarded in 2002 or 2003 that have not yet been renewed. As stated previously, the funds associated with these grants will only be available for use through the end of Federal Fiscal Years 2009 and 2010 respectively. After that date, these funds will automatically be returned to the U.S. Treasury and will no longer be available for expenditure, even if the end date established in the grant agreement is later. Relevant situations include:

(1) A grant that was originally funded in 2002 that expires in 2009 but did not renew in 2008 competition and did not extend into 2010 or later should have submitted a request for renewal in the 2008 CoC Competition and, therefore, will not be renewed.

(2) A grant that was originally funded in 2002 that expires in, or has been extended to, 2010 or beyond must request a renewal in 2009. To be eligible for renewal this year, the grant recipient must operate the grant into 2010 using its own funds, until the renewal grant agreement is signed. Renewal grant agreements must be signed no later than March 31, 2010 or the renewal award will be deselected. The renewal grant will authorize the reimbursement of the recipient's expenditures for eligible costs incurred between September 30, 2009 and the date the renewal grant agreement is signed. The Operating Start Date in the Line of Credit Control System (LOCCS) for each of these renewal grant agreements will be adjusted to October 1, 2009.

(3) A grant that was originally funded 2003 and expires in, or has been extended to, 2010 or beyond must request a renewal in 2009. Renewal grant agreements must be signed no later than September 30, 2010 or the renewal award will be deselected. The Operating Start Date in LOCCS will be adjusted to October 1, 2010.

It is imperative that grantees adhere to the time limitation on the funds contained in the law. No extensions will be approved beyond the statutory availability of the funds for the grant.

*g. Promoting Energy Efficiency and Green Development.* In keeping with the Administration's policy priority of promoting energy efficient housing and green development, , 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 through the use of Energy Star techniques and products, and also encouraged to use Green

Development techniques. Refer to the General Section of HUD's FY2009 NOFAs for detailed information about this policy priority.

*h. Program-Specific Requirements.*

1. 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.

2. HUD allows funds for the rehabilitation of 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.

3. HUD will allow HMIS funds contained in the Training and Technical Assistance line item of the HMIS budget to 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 approved by HUD. 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.

(1) SHP – New Projects:

(a) Please note that applicants for new projects 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 one exception to this rule is: (1) 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 acquisition, 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 administrative 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.

(d) HUD strongly encourages CoCs whose Final Pro Rata Need (FPRN) is based on PPRN to take advantage of the new selection criteria described in Section V.B.2.a and request only one year of funding for all eligible SHP renewal projects.

(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.e 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 2009 FMRs and cannot be greater or less than 100 percent of the FMR.

(e) In order to expend funds within statutorily required deadlines, applicants funded for sponsor-based, and project-based, rental assistance without rehabilitation must execute the grant award and begin providing rental assistance, within two years. However, HUD strongly encourages all rental assistance to begin within 12 months. Applicants who are unable to begin rental assistance within this 12 month period should consult with the local field office. These applicants, and all other applicants, must continue to meet statutory deadlines regarding the obligation of grant funds as stated in the HUD Appropriations Act. See Section VI.B.3, for more information on timeliness standards.

(f) The Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 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.

(g) Up to 8 percent of an S+C grant may be used for eligible incurred administrative costs associated with administration of housing assistance. These funds must be drawn down at least



quarterly. Draws must be for eligible expenses already incurred in the period immediately preceding the draw or to be incurred during the period immediately following the draw. HUD will recapture all unspent funds at the end of the grant term. If administrative costs exceed 8 percent, recipients must pay for them from another source.

(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.

(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 awarded one year of renewal funding in 2008, the number of units requested for renewal this year must not exceed the number of units funded in 2008. 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 2009 Fair Market Rent(s) by 12 months. 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 [www.huduser.org](http://www.huduser.org). Requested amounts for S+C renewal projects must be based on the applicable 2009 FMRs and cannot exceed or be less than 100 percent of the FMR.

(c) Under the FY2009 HUD Appropriations Act, eligible S+C Program grants whose terms are expiring in 2010 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 2010, 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 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 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 2009 funding, the cost limitation is raised from \$21,500 to \$22,000 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 2009 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.** *e-snaps* provides 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. Once available, the application may be accessed at [www.hud.gov/esnaps](http://www.hud.gov/esnaps).

An applicant may obtain a copy of the General Section of HUD's FY2009 NOFAs and this NOFA online at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. Please note that all sections of the General Section of HUD's FY2009 NOFAs 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 uses an electronic system outside of Grants.gov called *e-snaps*. 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). Notification of the availability of the 2009 CoC application will be released via HUD's Homeless Assistance listserv. To join HUD's listserv, go to <http://www.hud.gov/subscribe/maillinglist.cfm> and click on "Homeless Assistance Programs."

**B. Content and Form of Application Submission.** The only option for submitting a viable application under this NOFA is to submit the entire CoC application, with all of its projects. Each application will consist of one CoC 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. Furthermore, any new project that is submitted into *e-snaps* but is rejected by the CoC during its ranking process will not be considered for review by HUD. The General Section of HUD's FY2009 NOFAs 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 application) and any number of Exhibits 2, depending on the number of projects and the type of programs proposed for funding.

b. Each CoC must submit the entire CoC application. The application will include the following parts, all of which will be submitted electronically either through *e-snaps* 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) 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);

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

(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 HUD's FY2009 NOFAs 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. See Section I.A.4.w & y of this NOFA for information on the documentation required to validate non-profit 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 has already uploaded a copy into *e-snaps* or if it is listed on HUD's Web site: <http://www.hud.gov/offices/adm/grants/codeofconduct/cconduct.cfm>. An applicant not listed on the website or whose Code of Conduct has recently been revised, must attach a copy of its Code of Conduct with its FY2009 CoC application. An applicant must also include a copy of its Code of Conduct if the information listed on the above website 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 HUD's FY2009 NOFAs for Discretionary Programs for additional information on Code of Conduct requirements.

(f) Applicant Certifications.

(3) Exhibit 2 Charts, Narratives and Attachments (In 2009, there will be two versions of the Exhibit 2 application—one for new projects and one for renewal projects), including:

(a) 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.1 of this NOFA. See also Section I.A.4.x 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 HUD's FY2009 NOFAs); and,

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

### 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 new Exhibit 2 project application(s) to the CoC approximately 30 days after the CoC application opens to allow for ample time for the CoC to review and process these applications prior to the submission deadline. CoCs will be required to attach renewal SHP and S+C Exhibit 2 project applications in 2009; however, CoCs will not have to provide a priority ranking to renewal SHP and S+C projects. CoCs will still be required to rank order all new projects.

b. Each CoC must submit its completed application to HUD on or before 11:59:59 p.m. ET on the CoC application deadline. **The deadline for submitting applications will be November 9, 2009.** CoCs may access the *e-snaps* Virtual Help Desk resources any time prior to 4:00 p.m ET on the application date. CoCs that are having technical difficulty should contact the *e-snaps* Help Desk immediately for assistance and document their attempts to obtain assistance. Please note, the "submit" button will not be available on the Submission Summary form until all required sections have been completed. CoCs should review this form to ensure that no sections

say “Please Complete.” Once an Exhibit 1 has been submitted, there will be a message on this page that says that the form has been submitted.

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 submission 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. This can be done at any time, before or after submission.

**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 FY2009 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 **26** 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. CoCs will also be scored based on the extent in which they have participated in the Annual Homeless Assessment Report (AHAR). Waivers of the Point-in-Time (PIT) standard for FY2009 must be received by the application submission deadline. To request a waiver, send a written request to 451 7<sup>th</sup> St., SW, Room 7262, Washington, D.C. 20410, Attn: Michael Roanhouse. Requests may also be sent via e-mail to [Michael.Roanhouse@hud.gov](mailto:Michael.Roanhouse@hud.gov).

**c. CoC Strategic Planning:** HUD will award **22** 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) Demonstrates leveraging of funds for new projects requested under this NOFA with other resources, including private, other public and mainstream services and housing programs for proposed projects and ongoing efforts; and,

(4) Demonstrates coordination efforts with local HPRP, NSP, HUD-VASH, and any HUD-managed ARRA programs.

**d. CoC Performance:** HUD will award **32** 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) for all projects within the CoC;

(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 2008;

(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 HUD's FY2009 NOFAs, HUD will award up to 2 points, within the 32 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 6 points based on the relationship between funds requested for housing activities (i.e., transitional and permanent) and funds requested for supportive service activities among new projects. HUD will count as a 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. HUD will award a greater number of points to CoCs that request a greater percentage of new funds for housing activities.

## **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. For new projects, the review process will consider applicant and sponsor eligibility and capacity as well as project eligibility and project quality as part of the threshold review. The renewal project threshold review will consider applicant and sponsor capacity and eligibility. New and renewal project threshold reviews are explained in Section III.C.2 of this NOFA, which covers eligible applicants and projects. HUD will award projects based on the funding categories defined in Section I.A.4.o.

(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. See the General Section of HUD's FY2009 NOFAs 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 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 the 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 S+C renewal projects.

(ii) HUD will fund all eligible SHP renewal projects.

(iii) The FY2009 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. To meet this requirement, HUD will first count all eligible renewal SHP permanent housing projects selected in Section V.B.2.ii. If this amount is insufficient to meet the 30 percent requirement then eligible new permanent housing projects will be selected in the following order until the 30 percent requirement is met:

(1) Eligible, new permanent housing projects (including SHP, S+C, and SRO) that fall within a CoCs FPRN, for those CoCs whose FPRN is based on PPRN, in rank order by CoC score. When CoC scores are tied, HUD will apply tie breaking rules described in Section V.B.2.c of this NOFA;

(2) Eligible Permanent Housing Bonus projects (see Section II.A.4.v for more information on the Permanent Housing Bonus) in rank order by CoC score. When CoC scores are tied, HUD will apply tie breaking rules described in Section V.B.2.c of this NOFA.

(iv) 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.

(vi) 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. 2.c of this NOFA. SHP, S+C and SRO new projects will be conditionally selected until all funds are expended. To be eligible for funding, all projects must be within the CoCs FPRN.

**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 S+C 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.



(ii) *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.

(iii) *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 Section 8 SRO 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 CoC.

(vi) HUD reserves the right to reduce the amount of all SHP-renewal grants within a CoC if the total of all SHP-renewal projects is greater than the CoC's FPRN. 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 CoCs 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 HUD's FY2009 NOFAs, if needed, on a consistent and uniform basis for all CoCs and applicants. HUD will expect responses to call backs 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.

## **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 for the applicable program.

2. *Applicant Debriefing*: See the General Section of HUD's FY2009 NOFAs 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. HUD's homeless assistance programs are measured in 2009 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, three of which relate directly to the CoC homeless assistance programs. These three indicators, as described below, will be collected in Exhibit 1:

(1) The percentage of formerly homeless individuals who remain housed in HUD permanent housing projects for at least 6 months will be at least 77 percent.

(2) The percentage of homeless persons who have moved from HUD transitional housing into permanent housing will be at least 65 percent.

(3) The employment rate of persons exiting HUD homeless assistance projects will be at least 20 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 permanently housing homeless persons and helping clients access mainstream service programs and jobs, are all aligned with this GPRA objective and its performance indicators.

c. Procurement of Recovered Materials. Please see the General Section of HUD's FY2009 NOFAs for further information.

d. Please reference the General Section of HUD's FY2009 NOFAs 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.

3. *Timeliness Standards.* The FY2009 HUD Appropriations Act requires HUD to obligate all FY2009 CoC homeless assistance funds by September 30, 2011, except for \$5,000,000 which is available until expended. All obligated funds remain available for expenditure until September 30, 2016, except funds for rehabilitation projects with ten year grant terms, 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. Grant terms, and associated grant operations, cannot extend beyond the availability of funds. Applicants must plan accordingly and only submit applications that can start operations in a timely manner with enough time to complete within the awarded grant term. 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 USC 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 services 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, 2011. The rehabilitation work must be completed and the HAP contract executed within twelve (12) months of execution of the ACC. 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. In accordance with program regulations at 24 CFR 582.300(d), 24 CFR 583.300(g), and 24 CFR 882.808(p), CoC applicants must maintain records and within the timeframe required, make any reports, including those pertaining to race, ethnicity, gender, and disability status that HUD may require. CoC applicants may report this data as part of their APR 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 HUD's FY2009 NOFAs, 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 *e-snaps*. Specifically, HUD will make available *e-snaps* Virtual Help Desk at [www.hudhre.info/helpdesk](http://www.hudhre.info/helpdesk). 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**

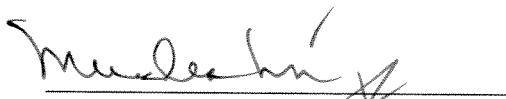
The information collection requirements contained in this document have been submitted for approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and the OMB approval number is 2506-0112. In accordance with the Paperwork Reduction Act, HUD 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 190 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.e above.

SEP 14 2009

Dated: \_\_\_\_\_



Mercedes Márquez  
Assistant Secretary for Community  
Planning and Development

[FR-5341-N-01]