

should consult the HUD Web site at <http://www.hud.gov>.

## II. Amount Allocated

Approximately \$1.060 billion is available for this Continuum of Care (CoC) competition in FY 2003. Any unobligated funds from previous CoC competitions or additional funds that may become available as a result of deobligations or recaptures from previous awards or budget transfers may be used in addition to 2003 appropriations to fund applications submitted in response to this program section of this SuperNOFA. The FY 2003 HUD Appropriation Act requires HUD to obligate all Continuum of Care homeless assistance funds by September 30, 2005. These funds will remain available for expenditure for five years following that date. The funds available for the CoC program can be used under any of three programs that can assist in creating community systems for combating homelessness. The three programs are:

- (1) Supportive Housing (SHP);
- (2) Shelter Plus Care (S+C); and
- (3) Section 8 Moderate Rehabilitation Single Room Occupancy for Homeless Individuals (SRO).

The chart in Appendix A to this program section of this SuperNOFA summarizes key aspects of the programs, and also provides the citations for the statutes and regulations that authorize these programs. The regulations listed in the chart provide more detailed descriptions of each of the programs.

As noted in Appendix A, for FY 2003, the minimum term of assistance for all new SHP projects is two (2) years. The minimum term for new HMIS is one (1) year. Any requests for one-(1) year terms for new SHP projects will be automatically changed to a two-year term if funded. In this case, the one-year budget will be doubled and the applicant will provide the difference between the awarded SHP amount and the two-year total budget. If the applicant does not agree to these conditions, the award will be deselected. The renewal term of expiring SHP projects will remain at the applicant's choice of one-, two- or three-year term.

As in previous funding availability announcements for the CoC Homeless Assistance Programs, HUD will not specify amounts for each of the three programs this year. Instead, the distribution of funds among the three programs will depend largely on locally determined priorities and overall demand. Local priorities notwithstanding, the FY 2003 HUD

Appropriations Act requires that not less than 30 percent of this year's Homeless Assistance Grants appropriation, excluding amounts provided for one-year renewals under the Shelter Plus Care Program, must be used for permanent housing projects. (See Sections V(A)(5)(b) and V(A)(8) of this program section of the SuperNOFA for additional information.) Since this permanent housing set-aside requirement is expected to continue to be part of future competitions and may affect project funding selections as described below, you are strongly encouraged to begin planning as soon as possible for new permanent housing projects to be included as part of your submission in this and future competitions.

Secretary Martinez has established as a HUD priority the elimination of chronic homelessness in ten years. Continuums, therefore, are strongly encouraged within the rating and ranking process to use the funds available in this NOFA to target the chronic homeless in their communities. Such projects awarded through any of the three programs will contribute to the Department's priority of ending chronic homelessness.

Under the FY 2003 HUD Appropriations Act, eligible Shelter Plus Care Program grants whose terms are expiring in FY 2004, and Shelter Plus Care Program grants that have been extended beyond their original five-year terms but which are projected to run out of funds in FY 2004, will be renewed for one year provided that they are determined to be needed by the CoC as evidenced by their inclusion on the priority chart. These projects must also meet the applicant and sponsor eligibility and capacity requirements described in Section V(A)(1) of this NOFA. However, these S+C renewal projects will not count against a continuum's pro rata need amount. On the other hand, no S+C renewal adjustment will be made to a CoC's pro rata need amount since these projects are being funded outside of the competition. Please be advised that S+C renewal applications that are not submitted as part of either a "consolidated" or "associated" CoC application will not be considered as eligible for funding. (See Section VI for a description of the three options for submitting applications.) Non-competitive S+C renewals should be submitted by the application deadline.

## III. Program Description; Eligible Applicants; Eligible Activities

### (A) Program Description

(1) *Developing Continuum of Care Systems.* The purpose of the Continuum of Care Homeless Assistance Programs is to fund projects that will fill gaps in locally developed CoC systems to assist homeless persons, especially the chronically homeless, to move to self-sufficiency and permanent housing. The process of developing a CoC system to assist homeless persons is part of the community's larger effort of developing a Consolidated Plan. For a community to successfully address its often complex and interrelated problems, including homelessness, the community must marshal its varied resources—community and economic development resources, social service resources, housing and homeless assistance resources—and use them in a coordinated and effective manner. The Consolidated Plan serves as the vehicle for a community to comprehensively identify each of its needs and to coordinate a plan of action for addressing them.

In addition to prevention, a CoC system consists of four basic components:

(a) A system of outreach and assessment for determining the needs and conditions of an individual or family who is 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 finders;

(c) Transitional housing with appropriate supportive services to help those homeless individuals and families who are not prepared to make the transition to permanent housing and independent living; and

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

A CoC system is developed through a community-wide or region-wide process involving nonprofit organizations (including those representing persons with disabilities), government agencies, public housing authorities, faith-based and other community-based organizations and other homeless providers, housing developers and service providers, private businesses and business associations, law enforcement agencies, funding providers, and homeless or formerly homeless persons. To ensure that the CoC system addresses the needs of homeless veterans, it is particularly