

important that you involve veteran service organizations with specific experience in serving homeless veterans. A CoC system 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, victims of domestic violence, youth, and any others. The term "co-occurring diagnoses" may include diagnoses of multiple physical disabilities or multiple mental disabilities or a combination of these two types.

Your application is more likely to be given a high score under the CoC scoring factors if the application demonstrates the achievement of three basic goals:

- That you have provided maximum participation by 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.
- That you have created, maintained and built upon a community-wide inventory of housing and services for homeless families and individuals; identified the full spectrum of needs of homeless families and individuals; and coordinated efforts to fill gaps between the current inventory and existing needs. This coordinated effort must appropriately address all aspects of the continuum, especially permanent housing.
- That you have instituted a CoC-wide strategy to coordinate homeless assistance with mainstream health, social services and employment programs for which homeless individuals and families may be eligible. These programs include Medicaid, Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funded through the Mental Health Block Grant and Substance Abuse Block Grant, Workforce Investment Act, Welfare-to-Work grant program, and Veterans Health Care.

Should HUD determine, in its sole discretion, that sufficient evidence exists to confirm that the entity responsible for convening and managing the CoC process in a community has failed to follow locally established or

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

In deciding what geographic area you will cover in your CoC strategy, you should be aware that the single most important factor in being awarded funding under this competition will be the strength of your CoC strategy when measured against the CoC rating factors described in this program section of the SuperNOFA. When you determine what jurisdictions to include in your CoC strategy area, include only those jurisdictions that are involved in the development and implementation of the CoC strategy.

The more jurisdictions you include in the CoC strategy area, the larger the pro rata need share that will be allocated to the strategy area (as described in Section V(A)(5) of this program section of the SuperNOFA). However, it would be a mistake to include jurisdictions that are not fully involved in the development and implementation of the CoC strategy since this would adversely affect the CoC score. If you are a rural county, you 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.

Since the basic concept of a CoC strategy is to create a single, coordinated, inclusive homeless assistance system for an area, the areas covered by CoC strategies should not overlap. If the geography included in your CoC strategy geographically overlaps to the extent that it competes with another application, projects within the CoC application that receive the highest CoC score will be eligible for up to 40 Need points. Projects in the competing CoC application with the lower CoC score will be eligible for only 10 Need points. In no case will the same geographical area be used more than one

time in assigning Need points. The local HUD Field Office can help you determine if any of the areas proposed for inclusion by your CoC system is also likely to be claimed under another CoC system in this competition.

(2) *Prioritizing*. In HUD's view, project priority decisions are best made through a local process, which includes nonprofit organizations. Again this year, you must list all projects proposed for funding in priority order from the highest priority to the lowest, and indicate the applicant, project sponsor, and term for each project. Generally, this priority order will mean, for example, that if HUD has funds available only to award 8 of 10 proposed projects, then it will award funding to the first eight eligible projects listed, except as may be necessary to achieve the 30 percent overall permanent housing requirement—in which case higher priority non-permanent housing projects may be de-selected to fund lower priority permanent housing projects. Since you are now able to closely calculate your Continuum of Care's total pro rata need amount using information provided to you from HUD, and now that you no longer need to carry the large cost burden imposed by Shelter Plus Care five-year renewals, the tiering of projects (splitting into two or more projects by year or by units) on your priority list is not permitted.

To promote permanent housing, a special incentive is being provided to CoC systems that place an eligible, new permanent housing project in the number one priority slot on the priority list. The only eligible activities that will be counted toward the incentive for the number one priority project are housing activities and for SHP, administration. For the SHP program, housing activities include acquisition, new construction, rehabilitation, leasing of housing and operating costs for housing. Because S+C and SRO provide only rental assistance, they are by definition housing activities and are eligible as well. See Section V(A)(5)(b) of this program section of the SuperNOFA for a description of this incentive.

HUD will use this priority list to award up to 40 points per project under the "Need" scoring factors. Higher priority projects will receive more points under Need than lower priority projects. A project priority chart is included in the application kit and you should complete and submit it. If you do not submit clear project priority designations for the continuum, or if HUD, at its sole discretion, cannot determine priority designations, then HUD will give all projects the lowest score for Need.