

(3) *Project renewals.* If your SHP or S+C grant will be expiring in calendar year 2004, or if your S+C Program grant has been extended beyond its original five-year term and is projected to run out of funds in FY 2004, you must apply under this CoC program section of the SuperNOFA to get continued funding.

Your local needs analysis process must consider the need to continue funding for projects expiring in calendar year 2004. HUD will not fund competitive renewals out of order on the priority list except as may be necessary to achieve the 30 percent overall permanent housing requirement. HUD reserves the authority to use FY 2004 funds, if available, to conditionally select for one year of funding lower-rated eligible SHP renewal projects that are assigned 40 need points in either a "consolidated" or "associated" CoC application receiving at least 20 points under the CoC scoring factor that would not otherwise receive funding for these projects.

It is important that SHP renewals and S+C non-competitive renewals meet minimum project eligibility and capacity standards identified in this program section of the SuperNOFA or they will be rejected from consideration for either competitive or non-competitive funding.

For the renewal of an SHP project, you may request funding for one (1), two (2) or three (3) years. The total amount of the request cannot exceed the average yearly amount received in total for leasing, supportive services, and/or operations for the grant being renewed, plus up to five percent for administration.

For the renewal of an S+C project, including S+C SROs, the grant term will be one (1) year, as specified by Congress. For the renewal of S+C rental assistance that is Tenant-based (TRA), Sponsor-based (SRA) or Project-based (PRA), you may request up to the amount determined by multiplying the number of units under lease at the time of your application for renewal funding by the applicable current Fair Market Rent(s) by 12 months, except that for S+C grants having been awarded one year of renewal funding in 2002, the number of units requested for renewal this year may not exceed the number of units funded in 2002. While full funding of existing grants may be requested, there is no guarantee that the entire amount will be awarded. 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.

The renewal of S+C SROs will also be non-competitively awarded in this application process. The process for determining renewal funding amounts for S+C SROs, however, is substantially similar to the Section 8 Mod Rehab SRO program and is described in the application kit.

This program section of the SuperNOFA is not applicable to the renewal of funding under the Section 8 Mod Rehab SRO program. The renewal of expiring SRO projects is not part of the competitive SuperNOFA process. Rather, expiring SROs will be identified at the beginning of the applicable year by the public housing authority and HUD field office. One-year renewal funds will be provided by HUD under a separate, non-competitive process. For further guidance on Section 8 Mod Rehab SRO renewals, please contact your local HUD Field Office.

As a project applicant, you are eligible to apply for renewal of a grant only if you have executed a grant agreement for the project directly with HUD. If you are a project sponsor or subrecipient who has not signed such an agreement, you are not eligible to apply for renewal of these projects. HUD will reject applications for renewal submitted by ineligible applicants. If you have questions about your eligibility to apply for project renewal, contact the local HUD field office. To be considered an applicant when applying as part of a "consolidated" application, you must be an eligible applicant for the program for which you are applying, and you must submit an original, signed Form HUD-424 and the necessary certifications and assurances. (See Section VI for a description of the three options for submitting an application.) Only public housing authorities and private nonprofits are eligible applicants for the Section 8 Mod Rehab Single Room Occupancy SRO program. If you are a unit of general local government acting as an applicant for a consolidated application and plan to include a request for Section 8 SRO funds, you must have a public housing authority or nonprofit listed as the Section 8 SRO applicant and they must submit a signed Form HUD-424, along with all necessary certifications and assurances applicable to the Section 8 SRO project.

(B) *Eligible Applicants.* See Appendix A.

(C) *Eligible Activities.* See Appendix A.

IV. Program Requirements

(A) *Statutory and Regulatory Requirements.* If your project is selected for funding as a result of the competition, you will be required to

coordinate and integrate your homeless program with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health Block Grant and Substance Abuse Block Grant, Workforce Investment Act, Welfare-to-Work grant program and Veterans Health Care. In addition, as a condition for award, any governmental entity serving as an applicant must agree to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from 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 homelessness for such persons. While the state or local governmental entity having jurisdiction in the area of the Continuum's application has the formal responsibility to enact the discharge policy, the Continuum is expected to actively involve itself in the planning and implementation of the discharge policy. Starting in 2003, the effort of a CoC in this area will be rated in Exhibit 1 of the application. This condition for award is intended to emphasize that States and units of general local government are primarily responsible for the care of these individuals, and to forestall attempts to use scarce McKinney-Vento Act funds to assist such persons in lieu of State and local resources.

(B) Program specific requirements follow:

(1) *SRO Program.* As an applicant, you need to know that the following limitations apply to the Section 8 SRO program:

- Under section 8(e)(2) of the United States Housing Act of 1937, no single project may contain more than 100 assisted units;
- Under 24 CFR 882.802, applicants that are private nonprofit organizations must subcontract with a Public Housing Authority to administer the SRO assistance;
- Under section 8(e)(2) of the United States Housing Act of 1937 and 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 the Housing Quality Standards.