

demonstrates leveraging of funds requested under this program section of the SuperNOFA with other resources, including private, other public, and mainstream services and housing programs. To achieve the highest rating for this factor, applicants must evidence explicit Continuum-wide strategies to coordinate homeless assistance with mainstream health, social services and employment programs for which homeless populations may be eligible, and to use those benefits as appropriate and practicable to help offset supportive service costs of the programs that would otherwise be paid for with HUD funding. These include 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, the Welfare-to-Work grant program, and Veterans Health Care. To the extent that such mainstream benefits supplement, and ideally reduce, HUD's coverage of supportive service costs, greater resources will be available for housing.

(d) *Emphasis on housing.* HUD will award up to 10 points based upon the relationship between funds requested for housing activities and funds requested for supportive service activities among projects assigned 40 need points (excluding S+C renewals). Points will be awarded on a sliding scale with the Continuums with the highest percentage of approvable requests for funds for housing activities receiving the highest points. HUD will count as housing activity all approvable funds for rental assistance and approvable funds for acquisition, rehabilitation, construction, leasing and operations when used in connection with housing. HMIS costs will be excluded from this calculation as either a housing or supportive service cost.

(5) *Need.* HUD will award up to 40 points for need. There is a three-step approach to determining the need scores to be awarded to projects:

(a) *Determining relative need:* 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 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 this program section of the SuperNOFA.

(b) *Applying relative need:* HUD will then apply that relative need index to the total amount of funding estimated to be competitively available under this program section of the SuperNOFA to determine a jurisdiction's pro rata need. However, in order to promote permanent housing for the homeless, if a CoC's number one priority project qualifies as an eligible, new permanent housing project, then the full amount of that project's housing eligible activities, up to the lesser of 100 percent of the CoC's preliminary pro rata need or \$750,000, will be added to the final pro rata need amount for the Continuum. For this purpose, HUD will consider the same housing activities identified in Section D above as counting toward the permanent housing bonus. HUD also reserves the right to adjust pro rata need, if necessary, to address SHP project renewals.

(c) *Awarding need points to projects:* Once the pro rata need is established, it is applied against the priority project list in the application. Starting from the highest priority project, HUD proceeds down the list to award need points to each project. An eligible project will receive the full 40 points for need if at least one half of its requested amount falls within the pro rata need amount for that CoC. Thereafter, HUD proceeds further down the priority project list and awards 15 points for need to each project if at least one half of its requested amount falls within the "second level" of pro rata need amount for that CoC. The "second level" is the amount between the pro rata need and twice the pro rata need for the CoC. Remaining projects each receive 10 points. If projects are not prioritized for the Continuum, then all projects will receive 10 points for Need.

In the case of competing CoC applications from a single jurisdiction or service area, projects in the application that received the highest score out of the possible 60 points for CoC are eligible for up to 40 points under Need. Projects in the competing applications with lower CoC scores are eligible for only 10 points under Need.

(6) *Ranking.* HUD will add the score for CoC to the Need score to obtain a total score for each project. The projects will then be ranked from highest to lowest according to the total combined score.

(7) *Conditional Selection and Adjustments to Funding.*

(a) *Conditional Selection.* Whether a project is conditionally selected, as described in Section V (B) below, will depend on its overall ranking compared to others, except that HUD reserves the right to select lower rated eligible

projects in order to meet the 30 percent overall permanent housing requirement. (See Section V (A)(8) for additional selection information.)

When insufficient funds remain to fund all projects in the competition having the same total score, HUD will first fund permanent housing projects if necessary to achieve the 30 percent overall permanent housing requirement. HUD will then break ties among the remaining projects with the same total score by comparing scores received by the projects for each of the following scoring factors, in the order shown: Need, Overall CoC score, CoC Process and Strategy, CoC Gaps and Priorities, and CoC Supplemental Resources. The final tie-breaking factor is the priority number of the competing projects on the applicable CoC priority list(s).

(b) *Adjustments to Funding.* The Secretary of HUD has determined that geographic diversity is appropriate to carrying out homeless assistance programs in an effective manner. 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) receiving 40 Need points in the CoC with the highest total score in that jurisdiction. To qualify for funding, the total score for these first level projects on the CoC priority list must be at least 65 points. In the case of two or more CoCs with the same total score, HUD will use the tie-breaking rules described above. In addition, if the highest priority project passing threshold requirements within a CoC fails to meet the criteria for receiving 40 Need points, HUD reserves the right to reduce the total requested amount for that project to allow it to qualify for 40 Need points. Finally, if the total amount that would be awarded for first level projects in a CoC exceeds the final pro rata need amount for that COC by more than \$200,000, the lowest priority first level project being selected for funding will be reduced to the amount necessary to ensure that the total sum being awarded for such projects does not exceed the final pro rata need amount by more than \$200,000. HUD may otherwise adjust funding of applications in accordance with the provisions of Section VI(E) of the General Section of the SuperNOFA. In addition, HUD reserves the right to ensure that a project that is applying for, and eligible for,