

selection under this competition is not awarded funds that duplicate activities.

(8) *Additional Selection*

Considerations. HUD also will apply the limitations on funding described below in making conditional selections.

In accordance with the appropriation for homeless assistance grants in the Fiscal Year 2003 Appropriation Act for HUD, HUD will use not less than 30 percent of the total FY 2003 Homeless Assistance Grants appropriation, excluding amounts provided for renewals under the Shelter Plus Care Program, to fund projects that meet the definition of permanent housing. Projects meeting the definition of permanent housing for this purpose are: (1) New Shelter Plus Care projects, (2) Section 8 SRO projects, and (3) new and renewal projects under the Supportive Housing Program that are designated as either permanent housing for homeless persons with disabilities or Safe Havens projects having the characteristics of permanent housing for homeless persons with disabilities, including leases with the program participants, that, in addition, have been assigned at least 15 Need points, and which are submitted as part of either a "consolidated" or "associated"

Continuum of Care application receiving at least 20 points under the Continuum of Care scoring factor. However, no Continuum of Care application may receive more than 30 percent of its pro rata need, up to \$3 million, for "second-level" permanent housing projects assigned 15 Need points that are selected for funding under this procedure. (See Section V(A)(5)(c) for definition of "second-level".) As stated above, HUD will award no less than 30 percent of the total FY 2003 Homeless Assistance Grants appropriation, excluding amounts for Shelter Plus Care renewals, for permanent housing projects unless an insufficient number of approvable permanent housing projects are submitted. In order to meet this permanent housing funding requirement and stay within the total funding amount available, initially selected Supportive Service Only (SSO) and non-permanent housing projects may need to be de-selected to add an adequate number of permanent housing projects, even if they are lower scoring housing projects. As a result, within a Continuum, higher priority SSO and non-permanent housing projects may need to be de-selected to include lower priority permanent housing projects. This is because HUD will initially select projects (permanent housing, SSO and other non-permanent housing alike) until the 30 percent permanent housing

requirement is met. Since this will likely exceed the total funding amount available for award, HUD will, if necessary, first proceed to de-select new SSO projects initially selected, starting with lowest scoring new projects and proceeding if needed to the lowest scoring new non-permanent housing projects initially selected. If the funding line is still exceeded, HUD will proceed to de-select SSO and non-permanent housing renewal projects until all selected projects are within the funding line.

In accordance with section 429 of the McKinney-Vento Act, HUD will award Supportive Housing 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, as amended by the Housing and Community Development Act of 1992, at least 10 percent of Shelter Plus Care 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 Section 8 Moderate Rehabilitation of Single Room Occupancy Dwellings for Homeless Individuals (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 Shelter Plus Care 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 Shelter Plus Care 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 Shelter Plus Care program) or city or urban county (for the purposes of the SRO program) could be up to 10 percent of the actual total amount awarded for that program.

Lastly, 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 program section of the SuperNOFA will be awarded for projects located within any one unit of general local government or within the geographic area covered by any one Continuum of Care. If HUD exercises a right it has reserved under this program section of the SuperNOFA, that right will be exercised uniformly across all applications received in response to this program section of the SuperNOFA.

(B) *Action on Conditionally Selected Applications.* HUD will notify conditionally selected applicants in writing. As necessary, HUD will 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, where applicable; 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, but instead either to use them to select the next highest ranked application(s) from the original competition for which there are sufficient funds available; or to add them to funds available for the next competition for the applicable program.

(C) *Applicant Debriefing.* See Section VII(E)(2) of the General Section of the SuperNOFA.

VI. Application Submission Requirements

The application kit provides the application materials, including Form HUD-424 and certifications, that must be used in applying for homeless assistance under this SuperNOFA.