

It is important to be aware that VA places great emphasis on responsibility and accountability. VA has procedures in place to verify the completion of the capital grant as well as monitor services provided to homeless veterans and outcomes associated with the services provided in grant and per diem-funded programs. VA is also implementing new procedures to further this effort. Applicants should be aware of the following:

All awardees that are conditionally selected in response to *this NOFA* must meet the Life Safety Code of the National Fire and Protection Association as it relates to their specific facility. VA will conduct an inspection prior to awardees being able to submit request for payment to ensure this requirement is met.

Upon capital grant completion each program seeking per diem will have a liaison appointed from a nearby VA medical facility to provide oversight and monitor services provided to homeless veterans in the per diem-funded program.

Monitoring will include at least an annual review of each per diem program's progress toward meeting internal goals and objectives in helping veterans attain housing stability, adequate income support, and self sufficiency as identified in each per diem program's original application. Monitoring will also include a review of the agency's income and expenses as they relate to this project to ensure per diem payment is accurate.

Each per diem-funded program will participate in VA's national program monitoring and evaluation system administered by VA's Northeast Program Evaluation Center (NEPEC). It is the intention of VA to develop specific performance targets with respect to housing for homeless veterans. NEPEC's monitoring procedures will be used to determine successful accomplishment of these housing outcomes for each per diem-funded program.

VA encourages all eligible and interested entities to review this NOFA and consider applying for funds to provide service for homeless veterans.

Authority: VA's Homeless Providers Grant and Per Diem Program is authorized by Public Law 107-95, § 5(a)(1) the Homeless Veterans Comprehensive Assistance Act of 2001 codified at 38 U.S.C. §§ 2011, 2012, 2061, 2064 and has been extended through Fiscal Year 2005. The program is implemented by the interim final rule codified at 38 CFR part 61.0. The interim final rule was published in the **Federal Register** on March 19, 2003, the

regulations can be found in their entirety in 38 CFR, §§ 61.0 through 61.82. Funds made available under this Notice are subject to the requirements of those regulations.

Allocation: Approximately \$8 million is available for the capital grant component. Per diem payments to capital grant recipients are subject to the recipients maintaining the program for which the grant was awarded, the availability of funds and reauthorization of the program past September 30, 2005.

Funding Priorities: VA establishes the following three funding priorities in order to: (1) Implement the provisions of Public Law 107-95 regarding geographical dispersion and non-duplication of service. In this round of capital grant funding, VA expects to award funding to create 800 community-based supported housing beds.

The Urban Institute's analysis of data collected through the 1996 Survey of Homeless Providers and Clients indicates that 21 percent of the homeless population is found in rural and suburban locations. Over the last eight rounds of grants, VA awarded approximately \$63 million to help establish 271 projects for homeless veterans. Additionally, VA has provided operational funds in the form of per diem for 1,378 beds. **Funding priority 1.** Seven states have no grant or per diem funded programs for homeless veterans. These states are Alaska, Idaho, Kansas, Montana, North Dakota, New Hampshire, and Wyoming. Eligible entities whose projects are located in these states will be considered in the first funding priority. Based on the amount of funding available approximately \$1.4 million is available for funding priority 1. Of those eligible entities in the first funding priority, that are legally fundable, the highest scoring applicants from each state will be funded first, followed by the second highest scoring applicants from each state, until enough projects totaling approximately \$1.4 million are identified for funding. Applicants not funded in this priority will be placed in the third funding priority.

Funding priority 2. Also, only three grant and per diem-funded programs are affiliated with Indian Tribal Governments. Eligible Indian Tribal Governments will be considered in the second funding priority. Based on the amount of funding available approximately \$1.4 million is available for funding priority 2. Of those Indian Tribal Governments in the second funding priority, that are legally fundable, the highest scoring applicants will be funded first, until enough

projects totaling approximately \$1.4 million are identified for funding. Applicants not funded in this priority will be placed in the third funding priority.

Funding priority 3. Finally, VA is encouraging interested, state and local governments, faith-based, and community-based organizations to apply for funding under this NOFA. Based on the amount of funding available approximately \$6.2 million is available for funding priority 3. Eligible entities that are state and local governments, faith-based, and community-based organizations, along with those applicants not selected in the first or second priority will be considered in the third funding priority. Of those eligible entities that are legally fundable, the highest-ranked applications for which funding is available, will be conditionally selected for eligibility to receive a capital grant in accordance with their ranked order until enough projects totaling approximately \$6.2 million are identified for funding or until funding is expended.

Methodology: VA will review all capital grants applicants in response to this notice of funding availability as follows: VA will group the applicants into the funding priorities categories. Applicants will then be ranked within their respective funding category based on score and any ranking criteria set forth in that funding category only if the applicant scores at least 600 cumulative points from paragraphs (b) (c) (d) (e) and (i) of the interim final rule published in the **Federal Register**, March 19, 2003, §§ 61.13.

The highest-ranked application for which funding is available, within the highest funding category, will be conditionally selected in accordance with their ranked order until VA reaches the projected bed totals for each category. If funds are still available after selection of those applications in the highest priority group, VA will continue to conditionally select applicants in lower priority categories in accordance with the selection method set forth in the interim final rule § 61.14.

Application Requirements: The specific grant application requirements will be specified in the application package. Applicants should be careful to complete the proper application package. Submission of the incorrect application package will result in the application being rejected at threshold. The packages include all required forms and certifications. Selections will be made based on criteria described in the application, Interim Final Rule, and NOFA. Applicants who are