

of units of general local governments that are participating jurisdictions (PJs). Each PJ must spend at least 15 percent of its grants on housing that is owned, developed or sponsored by nonprofit CHDOs. PJs use their HOME grants to fund housing programs that meet local needs and priorities and have a great deal of flexibility in designing their local HOME programs within the guidelines established by the HOME program statute and regulations. PJs may use HOME funds to help renters, new homebuyers or existing homeowners through rehabilitation of substandard housing, acquisition of standard housing (including downpayment assistance), or new construction of housing or tenant-based rental assistance. HOME works well with other HUD programs such as Community Development Block Grant (CDBG), Empowerment Zones/Enterprise Communities (EZ/EC) and HOPE VI to complement comprehensive neighborhood revitalization and economic revitalization strategies.

In July 2001, Secretary Martinez declared a national goal to end chronic homelessness within a decade. As part of HUD's overall effort to reduce or eliminate chronic or episodic homelessness, grants awarded to PJs under this competition must be used to provide permanent housing to persons meeting the definition of chronically homeless. A chronically homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years. For the purposes of this NOFA, the term "homeless" means a person sleeping in a place not meant for human habitation (e.g., living on the streets or in an emergency shelter). The term "disabling condition" is defined as a diagnosable substance use disorder, serious mental illness, developmental disability or chronic physical illness or disability, including the co-occurrence of two or more of these conditions. A disabling condition limits an individual's ability to work or perform one or more activities of daily living.

(B) *Eligible Applicants.* For the purposes of this competition, eligible applicants are existing participating jurisdictions in the regular HOME Program that have received an annual HOME formula allocation each year since FY 2000. The projects funded through this NOFA must be carried out by nonprofit organizations that have been currently determined by the PJ to meet the definition of CHDO. CHDOs selected by a PJ to carry out these

projects are expected to establish partnerships with other community-based organizations, including grass-roots faith-based organizations, with experience in serving the chronically homeless, in order to ensure that appropriate supportive services are available to tenants on an ongoing basis. Information on such organizations active in your area may be obtained through local Continuum of Care networks. A list of contact persons for established continua of care that have submitted applications to HUD for homeless assistance funding under the McKinney-Vento Act (42 U.S.C. 11301 *et seq.*) can be found in Appendix 3.

(C) *Eligible Projects.* The only eligible projects under this NOFA are CHDO set-aside rental projects permitted under the regular HOME formula program, except that rental housing units produced using these funds must be permanent housing units with occupancy during the HOME affordability period limited to persons having met the definition of chronically homeless at the time they are selected as tenants. An eligible set-aside project is one where a CHDO owns, develops or sponsors the housing produced. Funds awarded in this competition are subject to all regular HOME Program regulations (24 CFR part 92), including the 24-month commitment deadline and five-year expenditure deadline. As permitted in the regular HOME Program, up to five percent of the total of a participating jurisdiction's regular HOME formula allocation plus funds awarded in this competition may be used to pay for CHDO operating costs necessary in carrying out projects funded through this NOFA (see 24 CFR 92.208). In order to ensure the ongoing viability of projects funded under this NOFA, long-term operating support may be needed from other sources such as the Shelter Plus Care Program through which rental assistance may be obtained. You should identify these potential sources of support and make provision now for obtaining them as part of your planning for the use of funds awarded under this NOFA, should you be selected. Existing continuum of care networks will be of assistance as well in this effort.

(D) *Ineligible Activities:* See 24 CFR 92.214 of the regular HOME Program regulations. Except for the development and support of the acquisition, rehabilitation or new construction of rental housing, activities that are otherwise eligible in the regular HOME Program (*i.e.*, homeownership and tenant-based rental assistance) are ineligible uses of funds under this competition.

#### IV. Threshold and Program Requirements

##### (A) *Threshold Requirements:*

(1) *Ineligible Applicants.* HUD will not consider an application from an ineligible applicant.

(2) *Compliance with Fair Housing and Civil Rights Laws.*

(a) All applicants and their subrecipients must comply with all Fair Housing and Civil Rights laws, statutes, regulations, and Executive Orders as enumerated in 24 CFR 5.105(a), as applicable.

(b) If you, the applicant:

(i) Have been charged with a systemic violation of the Fair Housing Act alleging ongoing discrimination;

(ii) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an on-going pattern or practice of discrimination; or,

(iii) Have received a letter of non-compliance findings, identifying on-going or systemic noncompliance, under Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, or Section 109 of the Housing and Community Development Act; and

If the charge, lawsuit, or letter of findings has not been resolved to HUD's satisfaction before the application deadline, you may not apply for assistance under this NOFA. HUD will not rate and rank your application. HUD's decision regarding whether a charge, lawsuit, or a letter of findings has been satisfactorily resolved will be based upon whether appropriate actions have been taken to address allegations of on-going discrimination in the policies or practices involved in the charge, lawsuit, or letter of findings. Examples of actions that may be taken prior to the application deadline to resolve the charge, lawsuit, or letter of findings, include, but are not limited to:

(i) a voluntary compliance agreement signed by all parties in response to the letter of findings;

(ii) a HUD-approved conciliation agreement signed by all parties;

(iii) a consent order or consent decree; or

(iv) a judicial ruling or a HUD Administrative Law Judge's decision that exonerates the respondent of any allegations of discrimination.

(3) *Conducting Business In Accordance with Core Values and Ethical Standards.*

Entities subject to 24 CFR parts 84 and 85 (most non-profit organizations and state, local and tribal governments or government agencies or instrumentalities that receive federal awards of financial assistance) are required to develop and maintain a