DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENT OF VETERANS AFFAIRS

[Docket No. FR–4805–N–01]

Notice of Funding Availability (NOFA) for the Collaborative Initiative To Help End Chronic Homelessness

AGENCIES: Office of Community Planning and Development, HUD; Substance Abuse and Mental Health Services Administration, and Health Resources and Services Administration, HHS; Substance Abuse, Mental Health and Provider Care Services, VA.

ACTION: Notice of funding availability.

SUMMARY: This notice announces a $35 million initiative to help end chronic homelessness. The initiative, coordinated by the U.S. Interagency Council on the Homeless (ICH), involves the participation of three Council members: The Department of Housing and Urban Development, the Department of Health and Human Services, and the Department of Veterans Affairs. The initiative supports the Administration's goal to end chronic homelessness by seeking to create a collaborative and comprehensive approach to addressing homelessness.

SUPPLEMENTARY INFORMATION:

1. Title of Initiative

Collaborative Initiative to Help End Chronic Homelessness: Notice of Funding Availability

2. Departments

Department of Housing and Urban Development
Department of Health and Human Services
Department of Veterans Affairs

3. Date of Issuance

January 27, 2003.

4. Deadline for Receipt of Applications

April 14, 2003.

5. Authority

Housing and Urban Development, 42 U.S.C. 11303
Veterans Affairs, 38 U.S.C. 1710, 1712 and 1722
Health and Human Services/Substance Abuse and Mental Health Services Administration, Section 509 and 520 of the Public Health Service Act
Health and Human Services/Health Resources and Services Administration, Section 330, 42 U.S.C. 254b

6. Introduction

The U.S. Interagency Council on the Homeless (ICH) is coordinating a $35 million joint initiative with the Departments of Housing and Urban Development (HUD), Health and Human Services (HHS), and Veterans Affairs (VA) to support the Administration's initiative to end chronic homelessness. This initiative seeks to create a collaborative and comprehensive approach to addressing the problems of homelessness of our most vulnerable citizens. This collaboration among the departments offers housing and service funding through a consolidated application. Applicants must show how the funds they are requesting will be part of a comprehensive and integrated community strategy to use funding sources, including mainstream services resources, to assist persons who are chronically homeless and homeless families with a disabled adult member (as defined in this NOFA) to move from the streets and emergency shelters into stable housing and receive the range of services and other support needed to promote and maintain greater self-sufficiency.

Funds will be awarded by HUD, two agencies within HHS, and VA based on one consolidated application. This application requests a description of the comprehensive approach (Section 1) being taken by each applicant, and includes four Agency-Specific application sections (Sections 2–5) tied to the four federal funding streams. Applications must address both the overall approach and specific technical requirements established by the participating agencies. Funding provided by HUD must be used to provide permanent housing; HHS/SAMHSA (Substance Abuse and Mental Heath Services Administration) funds will be directed toward substance abuse treatment, mental health and related supportive services; and HHS/HRSA (Health Resources and Services Administration) funds will be used for primary health care services. Applicants will be able to obtain additional resources from local VA facilities by addressing the specific needs of chronically homeless veterans in their application.

7. Background and Purpose

Research indicates that as many as 150,000 people experience chronic homelessness in this country each year. People experiencing chronic homelessness often have an addiction or suffer from a disabling physical or mental condition and are homeless for extended periods of time or experience multiple episodes of homelessness. For the most part, they get help for a short time but soon fall back to the streets and shelters. Because the needs of these persons are not comprehensively addressed, they cycle through the homeless system and consume a significant portion of available resources. In fact, research indicates that these individuals consume more than half of all homeless services. As such, there are significantly fewer resources available for 90 percent of the homeless—including families—who, with a little assistance, could often exit homelessness relatively quickly. By addressing the housing and service needs of persons who are chronically homeless, we will have more resources available to meet the needs of other homeless people. When persons who are chronically homeless have access to basic assistance like housing and treatment, they have fewer problems and are less likely to need expensive emergency interventions. The research makes it clear that one of our best hopes for ending homelessness of every sort depends on addressing chronic homelessness. We are setting policy and taking action based on that research.

Goals: The purpose of this initiative is to assist states and communities in ending or substantially reducing chronic homelessness. The goals are as follows:

1. Increase the effectiveness of integrated systems of care for persons experiencing chronic homelessness and homeless families with a disabled adult member by providing comprehensive services and treatment and linking them to housing.

2. Create additional permanent housing for persons experiencing chronic homelessness and homeless families with a disabled adult member. A critical element in ending chronic homelessness is the provision of adequate housing resources. As such, HUD's funds may be used only for permanent housing activities. For the purpose of this NOFA, permanent housing is defined as housing that has no limit imposed on the length of a resident's stay in the project and includes the Safe Havens program in addition to other programs described in HUD's Agency-Specific Section (Section 2).

3. Increase the use of mainstream resources (*e.g.* Medicaid, Temporary Assistance for Needy Families, Food Stamps, Substance Abuse Prevention and Treatment Block Grants, Mental Health Block Grants, Social Services Block Grants, State Children's Health Insurance Program, *etc.*) that pay for

services and treatment for this population. Existing mainstream resources are available, but underused in serving chronically homeless persons and homeless families with a disabled adult member.

4. Replicate service, treatment, and housing models that have proven to be effective based on sound evidence.

5. Support the development of infrastructures that sustain the housing, services, treatments, and inter-organizational partnerships beyond this federal initiative.

8. Target Population

This initiative targets persons experiencing chronic homelessness, including veterans. 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 (4) episodes of homelessness in the past three (3) years.''

Not more than 10 percent of the funds awarded will be targeted to projects that will serve homeless families with a disabled adult member. For the purpose of this NOFA, a family is defined as two or more adults, one of whom has a disabling condition as defined below.

Two key terms in the above description of the population to be served that need to be defined are ''homeless'' and ''disabling condition.'' For the purpose 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 homeless shelter.'' For the purpose of this NOFA, 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.''

One applicant may serve both chronically homeless individuals and homeless families with a disabled adult member, but must complete separate applications for each population. No one project and no one application may serve both populations.

9. Funding

This notice is intended to simplify the application process, bring consistency and uniformity to the application and selection process, and facilitate funding opportunities available from these three departments by awarding grants in a coordinated fashion. By announcing this notice as a joint effort, the participating federal agencies believe applicants will be better able to coordinate and integrate services within communities to avoid duplication, close gaps, and comprehensively serve those persons most in need of housing and services.

Although funds will come from separate federal agencies for specific components of the housing and service plans, awards will be made on the basis of a comprehensive review by all involved agencies. This is to ensure that applicants have addressed and can provide for each of the four core elements—(1) housing, (2) mental health and substance abuse treatment, (3) primary care, and (4) veteran's services. In order to be eligible for funds from any of the participating agencies, applicants must address each of these elements, even if they are not requesting funding for a particular element. Applicants will address these elements in the Agency-Specific sections of the application. Even if not requesting funding from each of the four agencies, the applicant must still complete the appropriate section of each agency's portion of the application form. For example, provision of primary care services is a required core element, but applicants may use other resources instead of applying for HHS/HRSA funds to provide these services. The Agency-Specific sections will specify which questions pertain to applicants not seeking funding from each of the partnering federal agencies.

The term of the grant award will vary depending on the funding sources being used. The overall intent is to make the program available for three to five years, based on availability of appropriations. The entirety of the HUD and VA funds will be awarded at the beginning of the grant term, in FY 2003, for the life of the project. HHS funds will be awarded on an annual basis, subject to the availability of appropriations.

- Approximately $20 million is expected to be awarded by HUD for terms of three to five years to fund permanent housing activities. HUD's funds may be used under specified components of the Supportive Housing Program, which funds acquisition, minor rehabilitation, leasing, and operating costs for permanent housing for up to three (3) years, or specified components of the Shelter Plus Care Program, which provides rental assistance to tenants for five (5) years.
- Approximately $7 million is expected to be available from HHS/SAMHSA in FY 2003 to fund mental health and substance abuse services. Awarding of FY 2003 funds is contingent on passage of a permanent HHS appropriation for FY 2003. Awards in FY 2004 and 2005 will be subject to the availability of appropriations and will be reduced in size in order to increase grantees' reliance on mainstream resources and alternate sources of funding.
- Approximately $3 million is expected to be available from HHS/HRSA in FY 2003 to fund primary health care services. These funds will be awarded as supplemental awards to existing Section 330 Health Centers. The awarding of FY 2003 HHS/HRSA funds is contingent on passage of a permanent HHS appropriation for FY 2003. Subject to availability of appropriations, funds may be available for FY 2004 and FY 2005.
- Subject to availability of appropriations, approximately $5 million of in-kind support is expected to be available from VA to fund services for chronically homeless veterans for grant terms of three years.

Of the $35 million available, no grant award for an individual project will exceed $3.5 million in total grant funds from all federal partners in this initiative. In addition, HUD will not award more than $2 million to any one project or applicant for housing activities. HHS/SAMHSA will not award more than $700,000 to any one project or applicant for mental health and substance abuse services for the first year of funding. Also, HHS/HRSA will not award more than $300,000 per project per year. The awarding of HHS funds in FY 2004 and FY 2005 will be subject to continued availability of funds and progress achieved by the grantee.

In making the funding decisions, if funds from one source are exhausted, but funds from other sources remain available, applicants may still receive available funds if they can demonstrate an ability to provide the services or housing with alternate sources of support. This situation will be handled in the form of a conditional award or deferred decision.

10. Application Submission

The HUD Headquarters building, in which the U.S. Interagency Council on the Homeless is currently located, has implemented security procedures that apply to application submission. Please read the following instructions carefully and completely.

- No hand deliveries will be accepted.
- Applications may only be shipped using DHL, Falcon Carrier, Federal Express (FedEx), United Parcel Service (UPS), or the United States Postal Service (USPS).

• All mailed applications must be postmarked on or before midnight of the due date established by this Notice of Funding Availability (NOFA) and must be received within 30 calendar days of the due date.

• All applicants who mail applications must have a Certificate of Mailing (USPS Form 3817) as their documentary evidence that the application was filed on time.

Addresses: Since four federal partners will be involved in reviewing applications, provide one original and four copies of your application to the U.S. Interagency Council on the Homeless, Room 2204, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410. The application deadline submission date is April 14, 2003.

Applications Sent by Overnight/Express Mail Delivery: If your application is sent by overnight delivery or express mail, your application will be considered timely if it is placed with the delivery service by the application deadline. You may be required to submit documentary evidence that your application was placed in transit with the overnight delivery/express mail service no later than the application due date. Delivery must be made between 8:30 a.m. and 5:30 p.m. Eastern time, Monday through Friday.

11. General Guidance on Application Development

This NOFA provides the application procedures and requirements for funding under this initiative, and is divided into separate sections. Section 1, the Comprehensive Approach, explains the requirements and rating factors applicable to the Comprehensive Approach section of the application. Sections 2–5, the Agency-Specific sections of this NOFA, provide descriptions of the specific programs for which funding is made available and describes any additional procedures and requirements that are applicable to a specific component of the comprehensive program. Please be sure you read both the Comprehensive Approach and the Agency-Specific sections of this NOFA to ensure that you respond to all the requirements for funding.

Applicant Eligibility: One organization is expected is take the lead in submitting the consolidated application. This lead organization is expected to submit the consolidated application, which identifies the consortium arrangements, and is responsible for coordinating this consortium over the term of the grant. The lead organization must be a non-profit or public entity. The entities that partner with the lead organization must meet one or more of the agency-specific eligibility criteria. See the Agency-Specific sections of the NOFA to determine your eligibility to apply for specific funds. Participation by eligible non-profit organizations, including faith-based and other community-based organizations, is encouraged.

Additionally, applicants must commit that any proposed project will exclusively serve those individuals who are chronically homeless or homeless families with a disabled adult member as defined in this notice.

Technical Assistance: Before the application due date, agency staff will be available to provide you with general guidance and technical assistance about this NOFA. However, staff are not permitted to assist in preparing your application. For technical questions on program issues, contact the U.S. Interagency Council on the Homeless at 1–866–450–2273 (this number may also be dialed as 1–866–450-CARE) (these are toll-free telephone numbers). Persons with hearing and/or speech challenges may access the above telephone number by TTY (text telephone) by calling the Federal Relay Service at 1–800–877–8339 (this is a toll-free number). The Council will be able to put applicants in contact with the federal agency best able to answer technical questions.

Satellite Broadcast: HUD, HHS, and VA are planning to hold an information broadcast via satellite for potential applicants to learn more about this initiative and preparation of the applications. For more information about the date and time of the broadcast, consult the web pages listed below.

Application Submission: To apply for funding under this NOFA, the lead applicant must submit a cover letter, as described in the Application Kit, and a signed Memorandum of Agreement between all participating entities. The Agency-Specific sections of the application require an agency-specific SF–424 and set of assurances and certifications, plus additional forms, certifications, and other information required for their specific programs. All of the required forms for each agency can be found in the application kit.

12. Application Kits

You can download the application kit and required forms from the following federal Web sites:

www.ich.gov
http://www.hud.gov/offices/cpd/homeless/apply/index.cfm
http://www.hrsa.gov/grants/homeless.htm
http://www.samhsa.gov
http://www.va.gov/homeless/page.cfm?pg=20

13. Review Process

Applications submitted in response to this NOFA will be reviewed for threshold criteria and technical merit. Threshold criteria are described below, and additional threshold criteria are included in the Agency-Specific sections.

Overall threshold requirements are that:

• All applicants and all participating partners must be non-profit or public entities;

• Each application must address all aspects of housing and service provision, even if the applicant is not requesting funds for one or more of these elements;

• The application is received by the specified receipt date;

• The application is complete; and

• The application conforms to the instructions for format, including page limitations, as described in the Application Kit.

Technical merit has two components—the merit of the Comprehensive Approach and the merit of activities proposed under each Agency-Specific section. An application must pass both reviews in order to receive funding. The maximum total score for any applicant under this NOFA is 200 points. These points are divided between the Agency-Specific sections and the Comprehensive Approach section. The Agency-Specific sections are worth a total of 100 points. Within these 100 points, HUD's portion is worth 30 points, the HHS/SAMHSA section is worth 25 points, the HHS/HRSA portion is worth 25 points, and the VA section is worth 20 points. If an application is deficient in one Agency-Specific section, the entire application will be disqualified. Deficiency is defined as scoring below 40 percent of the allotted points for any agency's section.

The U.S. Interagency Council on the Homeless (ICH) will serve as the central point for the receipt of applications. Upon receipt at ICH, applications will be sent to HUD, HHS, and VA where each agency will review its Agency-Specific section first for threshold criteria and then, for those applications passing the threshold, for technical merit. (See the Agency-Specific sections for each agency's criteria.)

Applications that pass all four agency's reviews will move to the next stage of review. In this stage, an interdisciplinary, interdepartmental team will review and score each

application's Comprehensive Approach using the six rating criteria described in Section 1—Comprehensive Approach. The Comprehensive Approach is scored up to an additional 100 points, broken down among these six rating criteria. Only those applications with a Comprehensive Approach that is acceptable to all federal partners involved will be funded.

Ranking: The score for all ranking factors will be summed to obtain a total score for each project submitted under the collaborative NOFA. The projects will then be ranked from highest to lowest nationally according to the total combined score.

Selection and Adjustments to Funding: (a) *Selection*—Projects will be awarded based on national ranking as described above and according to the provisions for geographical diversity described below. The awarding of funds may be conditional upon receipt of further information, as requested by the federal agencies involved.

When insufficient funds remain to fund all projects requesting funding that receive the same total score, ties will be broken among such projects by comparing scores received by the projects for each of the following scoring factors, in the order shown: Soundness of Approach, Capacity, and Coordination.

(b) *Adjustments to Funding*—In order to ensure maximum geographic diversity in the awards, no individual project applicant and no one unit of general local government will be awarded more than 10 percent of the total amount of available resources under this collaborative NOFA. The federal departments reserve the right to make selections out of rank order to provide for geographic distribution of funds.

Additional selection considerations: In order to be eligible for funding under this notice, applicants must commit that funds will be used exclusively to serve those individuals who are chronically homeless as that term is defined in this notice except that no more than 10 percent of these funds will be awarded to projects committed to serving disabled homeless families as that term is defined in the notice.

14. General Reporting/Evaluation Requirements

Grantees must submit annual progress reports and a final report to the ICH and to the grant-administering agencies. ICH and the federal partners will use this information to determine progress of the grantees toward meeting their goals. Consistent with the main objective of this initiative, grantee performance will be measured by the number of persons experiencing chronic homelessness and homeless families with a disabled adult member moved off the streets and out of shelters and placed into permanent housing. It is expected that local evaluations will include measuring progress toward accomplishing the tasks described in the grant application and providing for collection of quantitative and qualitative data that permits measurement of progress toward achieving the outputs and outcomes envisioned by the goals and objectives contained in the application. Grantees must collect outcome information on clients served to be compared against benchmarks throughout the term of the grant.

The annual progress and final reports shall include, but are not limited to, narrative and empirical information on the following: (1) Type and number of housing units provided; (2) characteristics of the clients and residents served; (3) a description of the services and treatments provided, including funding sources other than from this grant; (4) description of the collaborations and partnerships established over the course of the grant; (5) the extent to which services are financed by mainstream programs and how financing patterns change during the duration of the grant program; (6) any revisions or refinements to the benchmark estimate of persons experiencing chronic homelessness in the target community; and (7) other such information as prescribed by the federal partners.

As a condition of award, grantees funded under this initiative agree to fully cooperate with any organization funded by one or more of the sponsoring federal agencies to conduct an independent evaluation of the full initiative.

15. Post-Award Requirements

The federal partners will each provide post-award support, as appropriate, to grantees through technical assistance on clinical, programmatic, and evaluation issues. The Agency-Specific portions of this NOFA may specify further post-award requirements. Please refer to these sections for this information.

16. General Outline of Application

While the funding for this initiative will come from HUD, HHS, and VA, one overall application will be required, including Agency-Specific sections, each of which may specify program-specific SF–424s, sets of assurances and certifications, and additional forms. A cover letter and memorandum of agreement between all participating entities are required, as described in the application kit. The overview of each Section is as follows:

1. *Comprehensive Approach:* The applicant will be required to submit a description of its approach that is comprehensive in nature and includes: (1) A description of the problem; (2) the target population; (3) a description of the method by which potential clients will be identified and referred to the program; (4) the gaps in housing and supportive services; (5) provision for client-level comprehensive service planning; (6) the coordination of the housing with needed supportive services to assure access to these resources by the target population; (7) a planning process that addresses leveraging of resources and sustainability of services and treatment beyond the availability of these federal funds; (8) capacity of the providers to deliver housing, treatment, and services; (9) an implementation plan with a firm schedule of major action steps; (10) the budget and fiscal controls; and (11) how progress toward reducing chronic homelessness will be monitored and measured.

2. HUD Section-Permanent Housing: The applicant will be required to submit a description of how HUD funds will be used to develop permanent housing, a budget, and a budget narrative. A description of housing activities for which funds are requested from HUD should also be included in this section. Additionally, the applicant must complete several mandatory applicant certifications, which are provided. If not requesting HUD funding, the applicant is required to explain how the permanent housing units needed to house individuals served by the proposed project will be provided.

3. HHS/SAMHSA Section-Substance Abuse Treatment, Mental Health, and Related Supportive Services: The applicant will be required to submit an application (Public Health Service Application Form 5161–1) that describes how HHS/SAMHSA funds will be used to provide substance abuse treatment, mental health services and related supportive services, a budget, and a budget narrative for these components of the comprehensive approach. If not requesting SAMHSA funding, the applicant is required to explain how the substance abuse and mental health services will be provided.

4. HHS/HRSA Section-Primary Health Care Services: The applicant will be required to submit an application (Public Health Service Application Form 5161–1) that describes how HHS/HRSA funds will be used to provide primary health care services and

coordination of care with other providers involved in the collaboration. Applicants are limited to existing Health Center grantees (including Health Care for the Homeless grantees) currently funded under Section 330 of the Public Health Service PHS Act (PHS Act). Applicants are limited to existing Health Centers, since funding for this initiative is coming from the Health Center funding line and consequently the requirements of Section 330 of the PHS Act apply to the recipients of those funds. In addition, existing Health Center grantees receive certain privileges, including coverage under the Federal Tort Claims Act, ability to receive higher Medicare and Medicaid reimbursement rates, and reduced price pharmaceuticals. It would be inappropriate to provide these privileges to a new group of grantees who had not been approved through the extensive, comprehensive application process to achieve Section 330 Health Center status.

Applications should be submitted as a proposed supplemental grant and will be funded as such. Further instructions appear in this section. If not requesting HRSA funding, the applicant is required to explain how the primary health care services will be provided.

5. *VA Section—Substance Abuse, Mental Health and Primary Care Services Targeted to Veterans:* The applicant is required to submit a detailed description of how a collaborative relationship with VA will be created and sustained in an effort to provide services to chronically homeless veterans. The chronically homeless veterans to be served will be those veterans housed in or being provided services through this joint initiative and who meet the definition of homeless as put forth in this NOFA. Although funding will not be awarded directly to the recipient of the grant, funding is available for the VA facility that partners with the applicant. VA facilities can include medical centers or programs under the direction of medical centers including VA outpatient clinics. If not requesting VA services, the applicant is required to explain how the needs of chronically homeless veterans will be addressed.

Statement of Support: The Council and the three agency Council members (HUD, HHS and VA) participating in this initiative look forward to receiving applications that set out a comprehensive and integrated community strategy to use funding sources to assist persons who are experiencing chronic homelessness and homeless families with a disabled adult member.

Dated: December 20, 2002.

Mel Martinez,

Secretary, Department of Housing and Urban Development.

Tommy G. Thompson,

Secretary, Department of Health and Human Services.

Anthony J. Principi,

Secretary, Department of Veterans Affairs.

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SECTION 1

COMPREHENSIVE APPROACH

Billing Code 4210-29P

Section 1: Comprehensive Approach—100 Points

I. Overview

The purpose of the Comprehensive Approach is to demonstrate that the applicant and the providers of all four core elements—(1) permanent housing, (2) mental health and substance abuse treatment and related supportive services, (3) primary care, and (4) veteran's services—are working in collaboration to integrate housing and services for persons experiencing chronic homelessness and disabled homeless families. This comprehensive strategy will use funding sources, including mainstream services resources, to provide a holistic approach to ending chronic homelessness.

Eligible Applicants

Although the lead applicant must submit the comprehensive approach as a part of the consolidated application, it is expected that the lead applicant and the relevant partner agencies will have collaborated in developing the comprehensive approach. It is up to the partner entities to provide sufficient and appropriate resources to plan and coordinate this collaborative effort throughout the grant period.

Funding Criteria

- Threshold Requirements.
- Technical Merit.
- Availability of Funds.

II. Rating Criteria for the Comprehensive Approach

The Comprehensive Approach will not receive technical review if any one of the Agency-Specific sections score below 40 percent of the allotted points as the result of technical review of each agency's section.

The Comprehensive Approach will be reviewed using the following six criteria:

1. Documentation of Need and Extent of the Problem

This will include the extent to which the applicant demonstrates understanding of the unique characteristics of the target population, in terms of the overall number of homeless persons, disabled homeless families, and chronically homeless persons and their characteristics. The applicant must include a preliminary estimate of the number of persons experiencing chronic homelessness in the target community to establish a benchmark of need, and the method by which this estimate was derived. The narrative will also include a detailed assessment of the community resources currently available to meet the permanent housing and supportive services needs of the target population and the extent to which gaps in available services are identified and documented. *Points:* 10.

2. Soundness of Approach and Adequacy/Appropriateness of Delivery System

The Federal partners will consider the adequacy of the comprehensive approach, including the method by which potential clients will be identified and referred to the program, and the method by which the needs of the target population will be addressed. This includes: The extent to which a comprehensive range of services and treatment is available; the availability of permanent housing units that meet housing quality standards; and, the adequacy of the proposed service delivery model that coordinates treatment, services and supports with housing. The quality of the comprehensive approach will also be judged on the comprehensiveness of the content, feasibility of approach, and provision for linkages and coordination of services. In particular, the comprehensive approach needs to be the foundation for establishing sustainable service programming beyond the life of the Federal grant. Issues such as resource leveraging, establishing entitlements, and enrollment in mainstream service delivery are critical components of a sound comprehensive approach. *Points:* 25.

3. Capacity of the Applicant and Relevant Partner Agencies and Staff

This will include the demonstrated capacity of the lead applicant and other organizations that will be involved in the proposed project to provide appropriate permanent housing, primary care, mental health and substance abuse treatment, and supportive services. It will also include the appropriateness of the management and organizational capability of all organizations involved in this initiative. The Federal partners will take into account: The applicants' past performance in managing funds; the timely use of funds received from Federal, state or local programs; past success in meeting performance targets for completion of activities; and, the number of persons to be served or targeted for assistance. For those persons with service needs not eligible under this NOFA, capacity also includes the ability of the partnering entities to obtain necessary services for these persons. For example, a person with a developmental disability or persons living with AIDS and requiring home health care may have service needs beyond the scope of this NOFA. Partnering entities must explain how these needs will be met. *Points:* 20.

4. Appropriateness of Budget and Fiscal Controls

This will include a review of the following: How the proposed program is a cost-effective approach to meeting the needs of the target population; the resources required to achieve the goals and objectives; the expectations regarding Federal grant support and maximization of non-grant revenue relative to the proposed plan, including a description of leveraging resources; and the total grant dollars per client/unit and total cost per client/unit. *Points:* 15.

5. Collaboration

This will include the extent to which the lead applicant can coordinate the participation of all partner agencies/organizations, sub-contractors, consultants, sub-recipients, and members of consortia that are firmly committed to the project. Memoranda of agreement from the major providers of housing and services will be required to prove the collaboration efforts of the partners. In addition, specific plans on how the project will systematically assist clients in accessing major Federal, State and local programs, such as Medicaid, TANF, SSI, SSDI, and VA Health Care, must be described. *Points:* 20.

6. Adequacy/Appropriateness of Evaluation Plan

The Federal partners will consider the appropriateness and adequacy of the overall plan for evaluating and monitoring the process and outcomes of the project, both for the lead organization and for all the partners, to ensure that the goals of the initiative are being met. This will include plans to comply with all requirements for each agency (*i.e.* Government Performance Results Act, Annual Performance Report) and the proposed approaches for gathering quantitative and qualitative data on the target population. Applicants must demonstrate the existence of a data collection system to track the goals/objectives of the project. *Points:* 10.

III. Reporting and Evaluation Requirements

The lead applicant must submit annual progress reports and a final report to the ICH and to the four Federal agencies. The annual progress and final

reports shall include, but are not limited to, narrative and empirical information on the following: description of the collaborations and partnerships established over the course of the grant; description of a strategic planning process; the extent to which services are financed by mainstream programs and how financing patterns change during the duration of the program; the extent to which barriers in accessing housing and services are reduced; numbers of clients served and permanent housing provided, any revisions or refinements to the benchmark estimate of persons experiencing chronic homelessness in the target community, and other such information as prescribed by the Federal partners.

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SECTION 2

HUD SECTION

Billing Code 4210-29P

Section 2: HUD Section—30 Points

I. Purpose

The purpose of the housing component of this collaborative NOFA is to provide permanent housing for chronically homeless persons and disabled homeless families when proposed as part of homeless assistance projects in which housing is directly linked to needed supportive services funded through other components of this NOFA or through other sources.

Eligible Applicants

The chart in Appendix 1—HUD of this announcement identifies the eligible applicants for the McKinney-Vento Act programs through which housing funds are available.

II. Amount Allocated

Approximately $20 million in funding is available under the housing component of this collaborative NOFA. Funds for housing will be awarded for new projects under only one of the following two McKinney-Vento Act programs:

A. Supportive Housing Program (Permanent Housing or Safe Havens Components only); or,

B. Shelter Plus Care (Tenant-Based, Sponsor-Based, and Project-Based without Rehabilitation components only)

III. Program Descriptions

A. Supportive Housing Program (SHP)

1. Purpose and Eligible Activities

The SHP program promotes the development of supportive housing and services that help homeless persons transition from homelessness to living as independently as possible. Each project submitted under SHP must be classified under one of the program components described below. Eligible activities under this NOFA are limited to: acquisition, minor rehabilitation (*e.g.* reconfiguring a doorway for handicap accessibility), leasing, operating costs, and limited administrative expenses. Not eligible for funding are new construction, major rehabilitation, or services costs. New construction is not included, as this activity often requires a substantial amount of time to develop the project and the emphasis of this initiative is to provide housing as soon as possible. Supportive services are not an eligible activity because HUD wants to devote the resources it provides through this initiative to the provision of housing; the resources being made available by HHS and VA for this initiative can be used to provide supportive services needs in the project.

2. SHP Components

The following SHP components are eligible for funding under this NOFA:

a. Permanent Housing for Persons with Disabilities. Permanent Housing projects provide long-term housing and supportive services (provided with other funds) that are designed to enable homeless persons with disabilities to live as independently as possible. Permanent housing can be provided at one site or in scattered sites. Further, Permanent Housing may be tenant-based, meaning that the tenant can choose the housing. This is consistent with the philosophy of supported housing. This approach focuses on identification and engagement through assertive outreach to individuals and families, immediate placement in permanent housing, and availability of appropriate supportive services. All Permanent Housing for Persons with Disabilities projects must comply with the program size limitations, as described in Section 424(c) of the McKinney Act.

b. Safe Havens. Safe Havens are projects targeted to hard-to-reach homeless persons who have severe mental illness and are on the streets. The goal of a Safe Haven is to serve as a small, highly supportive environment where an individual can feel at ease, out of danger, and subject to limited service demands. Tenants can move directly into housing with few explicit services required. It is hoped that after a period of stabilization in a Safe Haven, residents will be more willing to participate in services and referrals and will eventually be ready to move to more traditional forms of housing. Safe Havens may serve as an entry point to the service system and provide access to basic services such as food, clothing, bathing facilities, telephones, storage space, and a mailing address. Safe Havens are not appropriate housing for homeless families with disabilities.

The specific criteria that must be exhibited by a Safe Haven are:

- No limit on length of stay.
- Provision of 24-hour residence.
- Provision of private or semiprivate accommodations.
- Overnight occupancy limited to 25 persons.
- May also provide supportive services to eligible persons who are not residents on a drop-in basis.

B. Shelter Plus Care

1. Shelter Plus Care (S+C)—Purpose and Eligible Activities

Shelter Plus Care serves only homeless persons who have disabilities and may be administered on a tenant-, sponsor-, or project-based level. S+C components were designed to give applicants flexibility in devising appropriate housing and supportive services for homeless persons with disabilities. Rental assistance provided through the S+C program must be matched in the aggregate by the recipient on a dollar for dollar basis with supportive services. Federal funds received from the other participating agencies under this NOFA are eligible to be counted as matching funds. Rental assistance is the only eligible activity for this program.

2. S+C Program Components

The following S+C program components are eligible for funding under this NOFA:

a. Tenant-Based S+C—Tenant-Based S+C assisted units may be of any type, and clients may retain the rental assistance even if they move, as long as they stay within a S+C unit. Assisted projects may provide supportive services to clients, either by the applicant or a third party, in a variety of ways, from structured to very low-demand.

b. Sponsor-Based S+C—Sponsor-Based S+C provides rental assistance through contract(s) between the grant recipient and a nonprofit organization(s), called a sponsor. The nonprofit organization may be a private nonprofit organization or a community mental health center established as a public nonprofit organization. The assisted units must be owned or leased by the sponsor. After a grant is awarded should the sponsor lose its capacity to own or lease the assisted units, the grantee must identify an alternate sponsor in order to continue to serve the original number of persons proposed to be served.

c. Project-Based without Rehabilitation S+C—Project-Based without Rehabilitation S+C provides rental assistance through a contract with a building owner(s). An applicant must enter into a contract with the building owner(s) for the full five-year period of assistance. The building owner must agree to accept eligible S+C participants to live in an assisted unit for this time period.

C. Match

Applicants must match Supportive Housing Program funds provided for acquisition and minor rehabilitation (new construction, major rehabilitation, and supportive services are not eligible activities under this collaborative NOFA) with an equal amount of funds from other sources; for operating costs, since by law SHP can pay no more than

75 percent of the total operating budget for supportive housing, applicants must provide at least 25 percent of the total annual operating costs. The cash source may be the applicant, the Federal Government, State and local governments, or private resources. In-kind contributions are not eligible as match under SHP.

Applicants must match rental assistance provided through the Shelter Plus Care Program on a dollar for dollar basis with supportive services.

D. Statutory and Regulatory Requirements

An applicant selected for funding as a result of the competition will be required to coordinate and integrate the homeless project with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State 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, SSI, SSDI, and Healthcare for Homeless Veterans Program. 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. 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.

E. Special Provisions Applicable to This Notice

1. Only new SHP and S+C projects, including expansions of HUD-funded existing projects, will be funded.

2. Any project submitted under this NOFA must be coordinated with the Continuum of Care plan for its region and must submit a certification of consistency with the applicable Continuum of Care plan.

3. Only the following components of the SHP will be funded under this NOFA: Permanent Housing and Safe Havens.

4. Only tenant-, sponsor-, and project-based without rehabilitation components of S+C will be funded.

5. The term of all proposed SHP projects must be three (3) years. The term of all proposed S+C projects must be five (5) years.

6. New construction and substantial rehabilitation activities will not be eligible SHP activities under this notice. Minor rehabilitation activities, such as those required to remove lead-based paint or conform a unit to ADA standards, are eligible. All other activities eligible under the SHP program are eligible for purposes of this NOFA. See Appendix 1—HUD for eligible activities.

7. Applicants are encouraged to use approaches that can rapidly move chronically homeless persons into housing with necessary supportive services.

8. All SHP and S+C statutory and regulatory provisions, other than those specifically amended by this NOFA, apply to the use of those funds.

F. Other Program-Specific Requirements

Where an applicant for Supportive Housing Program funding is a State or unit of general local government that utilizes one or more nonprofit organizations to administer the homeless assistance project(s), administrative funds provided as part of the SHP grant must be passed on to the nonprofit organization(s) in proportion to the administrative burden borne by them for the SHP project(s). States or units of general local government that pass on at least 50 percent of the administrative funds made available under the grant will be considered as having met this requirement. (**Note:** This requirement does not apply to the S+C Program, since paying the costs associated with the administration of these grants is ineligible by regulation. For the S+C program, administrative costs associated with the administration of rental assistance are eligible, but are capped at eight (8) percent of the total grant award).

G. Timeliness Standards

As an applicant, you are expected to initiate your approved projects promptly in accordance with the instructions of this announcement. In addition, if you fail to satisfy the following timeliness standards being established specifically for funding awarded under this collaborative NOFA, the awarded funding may be withdrawn in whole or in part:

1. Supportive Housing Program

- Your award may be deselected if you do not demonstrate site control within three (3) months of the date of your grant award letter.
- Your award may be deselected if the following additional timeliness standards are not met:

—You must complete any minor rehabilitation activities permitted under the terms of your SHP award within nine (9) months of the date of the grant award letter.

—You must begin all activities that may proceed independent of minor rehabilitation activities within six (6) months of the date of the grant award letter.

2. Shelter Plus Care Program Components

Your award may be deselected if you do not meet the following timeliness standard: For Tenant-based Rental Assistance, for Sponsor-based Rental Assistance, and for Project-based without Rehabilitation Rental Assistance, you must begin providing the rental assistance to at least a majority of the awarded units within six (6) months of the date of the grant award letter.

IV. Selection

A. Review, Rating, and Conditional Selection

The same review, rating, and conditional selection process will be used for all proposed SHP/PH, SHP/Safe Havens and S+C projects. The factors described in the General Section of this NOFA together with all agency-specific factors will be used to assign points. To review and rate applications, expert panels may be used. In order to obtain certain expertise and outside points of view, including views from other Federal agencies, these panels may include persons not currently employed by HUD, HHS or VA. Only those projects passing threshold criteria will be rated. Paragraphs (1), (2), and (3) below describe the threshold reviews that will be conducted. Paragraph (4) describes the HUD-specific rating factors that will be applied to those projects requesting housing funds.

1. Applicant eligibility

The identity of each applicant submitting an application in response to this component of the collaborative NOFA will be reviewed to ensure that each such entity meets the eligibility requirements of the program for which it is seeking assistance. If it is determined that these standards are not met, the project will be rejected.

2. Project eligibility

Proposed projects submitted in response to this component of the collaborative NOFA will be reviewed to determine if they meet the following eligibility standards. If it is determined that the following standards are not met by a specific project or activity, the project or activity will be rejected or reduced.

(a) The activities being proposed must meet the eligibility requirements as specified in this notice. Please note that for the SHP/PH, SHP/Safe Havens and S+C programs, these requirements are more restrictive than defined by program statute and regulation. At least one of the activities for which assistance is requested must be determined eligible or the proposed project will be rejected from the competition.

(b) The population to be served must meet the eligibility requirements as specified in this notice. Please note that for SHP/PH, SHP/Safe Havens and the S+C programs, these requirements are more restrictive than defined by program statute and regulation.

(c) The project must be cost-effective and such costs must not deviate substantially from the norm in the locale for the kind of activity being proposed.

3. 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).

(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 stated in this NOFA, 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:

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

(b) A HUD-approved conciliation agreement signed by all parties;

(c) A consent order or consent decree; or

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

4. Rating Factors

The permanent housing section of the application will be scored using the following rating factors (total of 30 points):

a. Applicant Capacity. Up to 10 points will be awarded based on the project applicant's experience specifically in providing housing, especially for the population assisted by this NOFA. The points will also be based on the applicant's performance in administering housing activities, especially in serving the population to be assisted by this NOFA.

b. Timeliness. Up to 10 points will be based on the demonstrated ability of the applicant and project sponsor to execute the program in a timely manner. This includes the applicant and project sponsor's ability to achieve rapid project start-up (*e.g.* environmental review, site control, permitting, minor rehabilitation, and occupancy).

c. Project (Housing) Quality. Up to 10 points will be awarded based on the extent to which an applicant demonstrates how the housing is appropriate to the needs of the persons to be served. The application should demonstrate the following:

- How the type (*e.g.* apartments, group home) and scale (*e.g.* number of units, number of persons per unit) of the proposed housing will fit the needs of the participants.
- That the basic community amenities (*e.g.* medical facilities, grocery store, recreation facilities, schools, etc.) will readily be accessible to your clients.
- That the housing will be accessible to persons with disabilities in accordance with applicable laws.
- That services and treatment will be linked to permanent housing so that the target population will be sustained in that housing.
- That any innovative aspect, if included, of a proposed project is fully described and evidence of the unique nature of the project is demonstrated.
- The extent to which the project integrates program recipients into the community being served.

B. Action on Selected Applications

Selected applicants, including those conditionally selected, will be notified in writing. As necessary, conditionally selected applicants will subsequently be requested 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 the performance of an environmental review, where applicable; and such other documentation as specified in writing to the applicant, that confirms or clarifies information provided in the application. Conditionally selected applicants will be notified of the deadline for submission of such information. If a conditionally selected applicant is unable to meet any conditions for fund award within the specified timeframe, those funds may be withdrawn and instead used to select the next highest ranked application(s) from the competition for which there are sufficient funds available.

V. Application Submission Requirements

A. Required Materials

The application provides the application materials, including the SF–424 and certifications that must be used in applying for homeless assistance under this notice. In addition to the required narratives, the items that you must submit as part of the application for funding are the following:

1. SF–424
2. Applicant Certification
4. Consolidated Plan Certification(s)
5. Continuum of Care Plan Certification
6. Special Projects Certifications-Discharge Policy and Mainstream Programs
7. Disclosure of Lobbying Activities

B. Certification Requirements

The application also contains certifications that the applicant will comply with fair housing and civil rights requirements and other Federal requirements, and (where applicable) that the proposed activities are consistent with the HUD-approved Consolidated Plan of the applicable State or unit of general local government, including the Analysis of Impediments to Fair Housing Choice and the Action Plan to address these

impediments. Projects funded under this NOFA will also coordinate with the regional Continuum of Care process and will provide a certification of consistency with the applicable Continuum of Care plan, if any. Projects funded under this NOFA shall operate in a fashion that does not deprive any individual of any right protected by the Fair Housing Act (42 U.S.C. 3601–19), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 109 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301) or the Age Discrimination Act of 1974 (42 U.S.C. 6101).

VI. Corrections to Deficient Applications

After the application due date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information you, the applicant, may want to provide. HUD may contact you to clarify an item in your application or to correct technical deficiencies. HUD may not seek clarification of items or responses that improve the substantive quality of your response to any rating factors. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application and will do so on a uniform basis for all applicants. Examples of curable (correctable) technical deficiencies include failure to submit the proper certifications or failure to submit an application that contains an original signature by an authorized official. In each case, HUD will notify you in writing by describing the clarification or technical deficiency. HUD will notify applicants by facsimile or by USPS, return receipt requested. Clarifications or corrections of technical deficiencies in accordance with the information provided by HUD must be submitted within 14 calendar days of the date of receipt of the HUD notification. (If the due date falls on a Saturday, Sunday, or Federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday or Federal holiday.) If the deficiency is not corrected within this time period, HUD will reject the application as incomplete, and it will not be considered for funding.

VII. Environmental, Local Resident Employment, and Relocation Requirements

A. Environmental Requirements

All assistance is subject to the National Environmental Policy Act and applicable related Federal environmental authorities. Section 208 of Pub. L. 106–377 (114 Stat. 1441, approved October 27, 2000) amended section 443 of the Stewart B. McKinney-Vento Homeless Assistance Act to provide that for purposes of environmental review, projects shall be treated as assistance for special projects that are subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, and shall be subject to HUD's regulations implementing that section. The effect of this provision is that environmental reviews for project activities are to be completed by responsible entities (States or units of general local government) in accordance with 24 CFR part 58, whether or not the applicant is itself a State or a unit of general local government. Applicants (such as PHAs or nonprofit organizations) that are not States or units of general local government must request the unit of general local government to perform the environmental review. This statutory provision supersedes those portions of 24 CFR 582.230 and 583.230 that provide for automatic HUD environmental review in the case of applications from such entities. With this exception, conditional selection of projects is subject to the environmental review requirements of 24 CFR 582.230 and 583.230 as applicable. Recipients may not commit or expend any assistance or nonfederal funds on project activities (other than those listed in 24 CFR 58.22(c), 58.34 or 58.35(b)) until HUD has approved a Request for Release of Funds and environmental certification from the responsible entity. The expenditure or commitment of assistance or nonfederal funds for such activities prior to this HUD approval may result in the denial of assistance for the project under consideration.

B. Local Resident Employment

To the extent that any housing assistance funded through this collaborative NOFA is used for housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair, and replacement), then it is subject to section 3 of the Housing and Urban Development Act of 1968, and the implementing regulations at 24 CFR part 135. Section 3, as amended, requires that economic opportunities generated by certain financial assistance for housing and community development programs shall, to the greatest extent feasible, be given to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

C. Relocation

The SHP and S+C programs are subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). These requirements are explained in HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. Any person or family that moves, even temporarily, as a direct result of acquisition, rehabilitation or demolition for a project that is assisted through one of these programs (whether or not HUD funded the acquisition, rehabilitation or demolition) is entitled to relocation assistance. Displacement that results from leasing a unit in a structure may also trigger relocation requirements. Relocation assistance can be expensive. To avoid unnecessary costs, it is important to provide occupants with timely information notices, including a general information notice to be sent at the time the application is submitted to HUD. HUD Handbook 1378 contains guideform information notices. The HUD field office can provide a copy of the handbook and copies of appropriate information booklets to be provided to occupants. Accordingly, if the site is occupied, the applicant should contact the HUD field office in the planning stage to obtain advice, including help in estimating the cost of required relocation assistance.

VIII. Authority

The Supportive Housing Program is authorized by Title IV, Subtitle C, of the Stewart B. McKinney-Vento Homeless Assistance Act (McKinney-Vento Act), 42 U.S.C. 11381. Funds made available under this section of the collaborative NOFA for the Supportive Housing Program are subject to the program regulations at 24 CFR part 583. The funds are also subject to the requirements of this NOFA.

The Shelter Plus Care program is authorized by Title IV, Subtitle F, of the McKinney-Vento Act, 42 U.S.C. 11403. Funds made available under this section of the collaborative NOFA for the Shelter Plus Care program are subject to the program regulations at 24 CFR part 582. The funds are also subject to the requirements of this NOFA.

IX. Finding and Certifications

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with the HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection during regular business hours in the Office of the General Counsel, Regulations Division, Room 10276, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410–0500.

APPENDIX I–HUD.—ELIGIBLE APPLICANTS AND ACTIVITIES

Elements	Supportive housing	Shelter plus care
Authorizing Legislation	Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act.	Subtitle F of Title IV of the McKinney-Vento Homeless Assistance Act.
Implementing Regulations	24 CFR part 583	24 CFR part 582.
Eligible Applicant(s)	• States • Units of general local government • Special purpose units of government such as Public housing agencies (PHAs). • Private nonprofit organizations • CMHCs that are public nonprofit organizations.	• States. • Units of general local government. • PHAs.
Eligible Components	• Permanent Housing for Persons with Disabilities. • Safe Havens	• Tenant-based. • Sponsor-based. • Project-based.
Eligible Activities [1] [2]	• Acquisition • Minor Rehabilitation • Leasing • Operating Costs • Administrative Costs (limited to 5% of the grant award).	• Rental assistance. • Costs of administering rental assistance (limited to 8% of the grant award).
Eligible Populations [2]	• Chronidcally Homeless Persons • Disabled Homeless Families	• Chronically Homeless Persons. • Disabled Homeless Families.
Term of Assistance	3 years	5 years.

[1] Homeless prevention activities are statutorily ineligible under these programs.
[2] Persons at risk of homelessness are statutorily ineligible for assistance under these programs.

BILLING CODE 4210–29–P

SECTION 3

HHS/SAMHSA SECTION

Billing Code 4210-29P

Section 3: HHS/SAMHSA Section—Substance Abuse Treatment, Mental Health Services and Supportive Services—25 points

I. Overview

A. Purpose

The purpose of the substance abuse and mental health services component of this collaborative NOFA is to ensure that the target population receives, as part of a comprehensive system of services, the mental health and substance abuse treatment they need to achieve the highest level of recovery possible. Specific objectives are to reduce or eliminate symptoms, increase independence and community functioning, and avoid relapse. Recognizing the high prevalence of co-occurring mental health and substance abuse disorders, another objective is to improve the effectiveness of mental illness and substance abuse treatment by ensuring that the appropriate level of service integration is achieved. To achieve these objectives, an overall goal is to increase the reliance on mainstream programs for funding behavioral health services to the maximum extent possible.

Background: People who experience chronic homelessness tend to have disabling mental health and substance abuse problems. Recent estimates suggest that at least 40 percent have substance use disorders and 20 percent have serious mental illnesses. Often individuals have more than one of these conditions. An estimated 50 percent of adults with serious mental illnesses who are homeless also have a co-occurring substance use disorder. Among veterans who are homeless, one-third to nearly one-half have co-occurring mental and addictive disorders. These problems not only contribute to persons' risk for becoming homeless, but also to the difficulty they experience in overcoming it.

People who are chronically homeless require a broad range of services and supports that are coordinated with each other and linked to permanent housing. SAMHSA has identified evidence-based and promising practices that are effective in preventing and ending homelessness among people with serious mental illnesses and substance use disorders. These include: outreach and engagement, housing with appropriate supports, multidisciplinary treatment teams/intensive case management, integrated treatment for co-occurring disorders, motivational interventions, modified therapeutic communities, and self-help programs.

B. Eligibility

Eligible entities are States, political subdivisions of States, Indian tribes and tribal organizations, and public or private non-profit entities, including community-based and faith-based providers of homeless services, health care, housing and other closely linked services for persons experiencing chronic homelessness. The lead applicant need not be a direct provider of substance abuse treatment or mental health services.

In addition to meeting these criteria, SAMHSA requires that any agency that will be using SAMHSA funds to provide substance abuse or mental health services must be licensed and have been providing services for a minimum of two years prior to the date of the application. The reason for this is to ensure that there is minimal start-up time required in providing services to the target population by experienced providers.

For proof of two years experience and licensing, you must include copies of licenses for this period or a copy of your Articles of Incorporation as an appendix in your application. Examples are copies of an organization's prior and current year operator's licenses, *i.e.*, (1) *Issue Date:* 5/1/2001, *Expiration Date:* 4/30/2002, (2) *Issue Date:* 5/1/2002, *Expiration Date:* 4/30/2003.

II. Amount Allocated

Approximately $7 million is available in FY2003 for this component and approximately 10 awards will be made. Subject to the availability of future funds, grantees will receive additional funds in grant years 2 and 3 for substance abuse and mental health services on a declining basis: 100 percent for Grant Year 1; 70 percent for Grant Year 2; and 40 percent for Grant Year 3. To qualify for continuation funds, grantees are required to demonstrate that the difference in grant amounts in Grant Years 2 and 3 is being offset by increasing revenue from mainstream financing resources such as Medicaid, Block Grants, State general funds, local sources, etc. The purpose of this provision is to increase long-term reliance on mainstream programs and to improve program sustainability after termination of discretionary grant funds.

In order to promote successful continuation by attending to mainstream financing opportunities early, applicants must address the types of mainstream funding that will be sought, an assessment of the extent of eligibility among the target population, projections of potential revenues and discussion of the administrative actions that will be taken to capture the target revenue. Special attention should be paid to needed billing and collection mechanisms.

III. Program Description

A. Allowable Activities

Funds must be used to provide substance abuse treatment, mental health services, and supportive services that promote entry to and maintenance in permanent housing. Examples of allowable activities in each of these areas are the following:

- Street outreach and engagement
- Assertive community treatment/intensive case management
- Supportive housing
- Substance abuse treatment including detox, residential treatment, intensive outpatient, and outpatient treatment
- Mental health services including treatment for trauma and post traumatic stress disorder
- Integrated/coordinated treatment for co-occurring disorders
- Motivational interventions
- Modified therapeutic communities
- Medications management
- Self-help programs
- Psychosocial rehabilitation
- Assistance in accessing income support and entitlement
- Supportive employment
- Discharge planning
- Parental skills training
- Child care and family support
- Transportation

Examples of how these services can be provided include the following:

- Strengthen or expand an existing program to include persons who are chronically homeless by providing street outreach and engagement.
- Provide treatment and services to persons participating in homeless programs.
- Provide treatment and supportive services to maintain persons in stable housing.
- Develop referral linkages with community service providers to create a ''no wrong door'' approach for accessing treatment and services.
- Enable participation in treatment and/or services by providing transportation or child care.
- Providing for the coordination efforts of partnering entities.
- Managing the implementation of the comprehensive approach.
- Developing a strategic plan for accessing mainstream programs and sustaining the initiative.
- Monitoring the evaluation of the comprehensive approach.
- Build linkages among substance abuse treatment providers and/or

mental health service providers, housing providers, and homeless service providers.

• Provide emergency funds to enable persons to remain housed, including purchase groceries or household supplies, pay utility bills, etc.

• Create sustainability of services by getting clients on Medicaid, Medicare, Supplemental Security Insurance (SSI) and Social Security Disability Insurance (SSDI). Using mainstream Federal, state and local resources (such as Mental Health Block Grant (MHBG), Substance Abuse Prevention and Treatment Block Grant (SAPTBG), Social Services Block Grant, Temporary Assistance for Needy Families (TANF) etc.) to fund services beyond this initiative.

• Train direct care providers and others in the system serving the target population about provision of substance abuse treatment and/or mental health services to persons who are homeless.

B. Funding Restrictions

SAMHSA funds may NOT be used to:

• Pay for housing (other than residential substance abuse treatment).

• Provide services to incarcerated populations (defined as those persons in jail, prison, detention facilities, or in custody where they are not free to move about in the community).

• Carry out syringe exchange programs, such as the purchase and distribution of syringes and/or needles.

• Pay for treatment of diseases other than substance abuse and mental health disorders; *e.g.*, SAMHSA funds may not be used to pay for pharmacologies for HIV antiretroviral therapy, STDs, TB and hepatitis B and C.

IV. Application Selection Process

A. Funding Criteria

Decisions to fund a SAMHSA grant are based on:

1. Threshold requirements.
2. Technical Merit.
3. Availability of funds.
4. Evidence of non-supplantation of funds.
5. Continued funding contingent on ability to fund services in the second and third years of this initiative through other resources such as Medicaid, Mental Health Block Grant (MHBG), Substance Abuse Prevention and Treatment Block Grant (SAPTBG).

B. Threshold Requirements

Applications will not be accepted for review by SAMHSA and will be returned for the following reasons:

1. The applicant organization is ineligible.

2. Proof of at least two years of service provision and licensure by the lead applicant is not attached.

C. Agency-Specific Review Criteria for Technical Merit

The determination of the technical merit of the substance abuse and mental health section of the application will be based on the quality, feasibility and comprehensiveness of the project narrative, described in the SAMHSA Section of the Application Kit. A maximum of 25 points can be earned for specific behavioral health criteria. For example, a perfect score for Section A will result in a rating of 10 points.

D. SAMHSA Review Criteria:

1. Substance Abuse Treatment and Mental Health Services (10 Points)

Points will be awarded based on the extent to which the substance abuse and mental health services array proposed for clients of the grant conforms to identified needs, is accessible, appropriately coordinated or integrated, and is evidence-based.

2. Sustainability (7 Points)

Points will be awarded based on the thoroughness and feasibility of the applicant's plan to obtain mainstream funding for the substance abuse and mental health services offered to clients in years 2 and 3 of the grant program. The assessment of readiness to identify appropriate mainstream sources and to pursue billing and collection activity will form an important predictor of the applicant's ability to obtain continuation grant funding by meeting mainstream financing goals described above.

3. Evaluation/Methodology (3 Points)

Points will be awarded based on the extent to which the proposed local evaluation will ensure objective measurement of progress toward achieving the goals and objectives of the grant. The criteria will also address the extent to which the proposed output and outcome data collection will accommodate CMHS and CSAT GPRA data reporting requirements. Special emphasis will be placed on the applicant's ability to identify and enroll clients in mainstream entitlement programs and collect mainstream reimbursements for substance abuse and mental health treatment services.

4. Project Management: Implementation Plan, Organization, Staff, Equipment/Facilities, and Other Support (5 Points)

Points will be awarded based on the adequacy of resources dedicated to accomplishing the substance abuse and mental health objectives of the grant program. Resources include quantity and quality of proposed staffing, strength of implementation planning, and ability to leverage other behavioral health resources.

E. Evaluation Requirements

Applicants may allocate no more than 15 percent of grant funds to their local evaluation activities including collection of GPRA measures.

1. Government Performance and Results Act. The Government Performance and Results Act (GPRA) mandates accountability and performance-based management by Federal agencies, focusing on results or outcomes in evaluating effectiveness of Federal activities and on measuring progress toward achieving national goals and objectives. Grantees must comply with GPRA data collection and reporting requirements, including the collection of CSAT and CMHS Core Client Outcomes.

2. Local Evaluation. Grantees will be expected to develop a plan for evaluating their programs. At minimum, the local evaluations should include both process and outcome evaluations using GPRA client outcome measures and other measures as appropriate. Grantees should describe linkages to GPRA measures.

F. Post-Award Requirements

SAMHSA will provide post award support to grantees through technical assistance on mental health and substance abuse services. Grantees will be required to attend (and, thus must budget for) one jointly sponsored SAMHSA/HRSA technical assistance meeting in the first year of the grant, and one meeting in each of the remaining years. Each meeting will be two days. A minimum of three persons must attend, which can include housing, mental health, and substance abuse representatives. Consumers are encouraged to attend. These meetings will be held in the Baltimore/Washington, DC area.

The applicant must notify the Single State Agency (SSA) within 30 days of receipt of an award. Notify the SSA for mental health for projects providing mental health services; the SSA for substance abuse for projects providing substance abuse treatment services; and the SSA for mental health and substance abuse if serving populations with co-occurring disorders.

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SECTION 4

HHS/HRSA SECTION

Billing Code 4210-29P

Section 4: HHS/HRSA Section—Health Resources and Services Administration With a Focus on Primary Health—25 Points

I. Overview

A. Purpose

To increase the access of chronically homeless persons and homeless families with a disabled adult member to cost-effective and integrated primary health care services provided by existing programs and providers, as part of an effort to eradicate chronic homelessness and eliminate health disparities for chronically homeless people.

It is the intent of HRSA to continue to support health services to chronically homeless people and disabled homeless families in these areas/locations given the continued need for cost-effective, community-based primary care services. Therefore, the proposed projects must exclusively serve chronically homeless individuals and/or disabled homeless families as defined in this notice.

Funding will be awarded pursuant to section 330 of the Public Health Service Act.

B. Eligible Applicants

Primary Health Care Services: Applicants are limited to existing Health Center Grantees (including Health Care for the Homeless grantees) currently funded under section 330 of the Public Health Service Act. Applications should be submitted as a proposed supplemental grant and will be funded as such.

Applicants are limited to existing Health Centers, since funding for this initiative is coming from the Health Center funding line and consequently the requirements of section 330 of the PHS Act apply to the recipients of those funds. In addition, existing Health Center grantees receive certain privileges, including coverage under the Federal Tort Claims Act, ability to receive higher Medicare and Medicaid reimbursement rates, and reduced price pharmaceuticals. It would be inappropriate to provide these privileges to a new group of grantees who had not been approved through the extensive, comprehensive application process to achieve section 330 Health Center status.

II. Amount Allocated

Approximately $3 million will be available from HHS/HRSA as supplemental awards to existing section 330 health centers in FY 2003 to fund primary health care services. HHS/HRSA will not award more than $300,000 per project per year.

The awarding of FY 2003 HHS funds is contingent on passage of a permanent HHS appropriation for FY 2003. Subject to availability of appropriations, funds may be available for FY 2004 and FY 2005.

III. Program Description

Health Centers (HCs) are designed to provide accessible, affordable personal health care services to low-income individuals and families. HCs provide family-oriented primary and preventive health care services for people living in rural and urban medically underserved communities and for medically underserved populations. Specifically, HCs provide services that include: primary and preventive health care; outreach; dental care; essential ancillary services; mental health and substance abuse services; case management services; and enabling services such as transportation.

HCs exist in areas where economic, geographic, or cultural barriers limit access to primary health care for a substantial portion of the population, and they tailor services to the needs of the community. HCs demonstrate cost effective responsiveness, empower underserved communities and populations, reduce infant mortality rates, lower hospital admission rates and length of hospital stays for patients, lower patients' health costs, and provide care for specific conditions that meets or exceeds protocols for the general population.

IV. Funding Criteria

A. The applicant thoroughly describes the proposed program for the delivery of primary health care and related services to be provided to the target population.

B. The health care program is designed in a manner that is appropriate to meet the unique needs of homeless people in the proposed service area.

C. The applicant presents evidence of arrangements in place for the delivery of each of the required services. Required services include:

—Primary health care;
—Provision of or arrangements for emergency health services;
—Referral for inpatient hospitalization;
—Case management services;
—Outreach services;
—Entitlement eligibility assistance;
—Supplemental/additional services, including oral health services; and,
—Provision of or arrangements for accessing mental health and substance abuse services.

D. The applicant provides, for each service offered, information on:

—The location of services;
—The service setting (*e.g.*, clinic, van, shelter site);
—The arrangements in place to ensure the availability of services (*i.e.*, whether through direct provision by the applicant or provision through subcontract or referral agreement);
—Arrangements to guarantee access to the services; and,
—Continuity of care.

E. Signed letters of commitment or memoranda of understanding are included for all subcontractor and referral arrangements.

V. Application Selection Process

Only those applications that satisfy the threshold criteria will be rated. The threshold criteria are:

A. Applicants for HRSA funds must be a section 330 Health Center program. A copy of the FY 2002 Notice of Grant Award must accompany the request for HRSA funds.

B. Health centers applying for HRSA funds must not be designated as an exceptional/high risk grantee at the time of application. Note that HRSA may exclude from funding any Health Center which is significantly out of compliance with section 330 program expectations.

An application must be given a satisfactory rating in order to receive further consideration. Those applications that are determined to be acceptable will be then reviewed for the comprehensive approach.

If an application does not meet the aforementioned threshold criteria, the entire application will be rejected.

VI. Application Submission

Applicants should submit: (1) A copy of the most recent Notice of Grant Award document from the Health Center program; (2) a completed Public Health Service Application Form 5161–1, including budget pages and a Project Narrative as described below.

A. Project Narrative

The Project Narrative describes your project and your project's relationship to the primary applicant or other providers in this collaboration. It is made up of the following sections:

1. Project Summary (Points: 8)

The project summary is intended to be a brief synopsis of the proposed design of the primary care component of the collaborative initiative.

The applicant should summarize the need for health services in the target population and the organization's proposed response to that need. The following issues should be addressed.

a. Overview of the Population. (1) Provide a brief description of the target

population for this project and the nature of their health care needs.

(2) Describe any major issues or barriers to care faced by the target population.

b. Overview of the Organization. (1) Provide a brief history of the organization proposing to provide primary care and related services, including a discussion of the size and nature of the client population currently being served.

(2) Describe the experience of the organization in meeting the needs of chronically homeless persons.

c. Identify unique characteristics and significant accomplishments of the organization.

2. Project Plan (Points: 15)

a. Relationship of HC to other providers in this collaboration.

b. Identify how many people will be served and the number of projected encounters at full operational capacity at the proposed new collaborative program.

c. Describe any unique characteristics regarding the health care needs of persons to be served under this initiative.

d. Describe the proposed service delivery model and the services to be provided.

e. Describe the proposed staffing for the new collaborative program.

f. Provide evidence of arrangements in place for the delivery of each of the required services. *Required services include:*

—Primary health care;
—Provision of or arrangements for emergency health services;
—Referral for inpatient hospitalization;
—Case management services;
—Outreach services;
—Entitlement eligibility assistance;
—Supplemental/additional services, including oral health services; and,
—Coordination with other providers of services, including providers of mental health and substance abuse services.

g. For each service offered, provide information on:

—The location of services;
—The service setting (*e.g.*, clinic, van, shelter site, patient's residence);
—The arrangements in place to ensure the availability of services (*i.e* whether through direct provision by the applicant or provision through subcontract or referral agreement);
—Arrangements to guarantee access to the services;
—Continuity of care; and,
—Coordination of care with other providers involved in the collaboration.

3. Readiness (Points: 2)

a. Where appropriate, include agreement from site sponsor to allow applicant organization to provide services at specified location(s).

b. Services must be available within 90 days of the award of program funds.

B. Budget Narrative

1. *Describe the annual budget for years 1, 2, and 3 in terms of:*

1. The total resources required to achieve the goals and objectives of the new collaborative program;

2. The expectations regarding Federal grant support and maximization of non-grant revenue relative to the proposed plan. The applicant must demonstrate that the Federal funds will not supplant other funds, and must make maximum use of third party revenues, including Medicaid;

3. The total cost per client;

4. The total grant dollars per client,

5. One-time minor capital needs; and

6. Applicant should itemize the estimated value of in-kind resources, including equipment, rent, personnel, renovations and alterations, pharmaceuticals, *etc.*

VII. Post-Award Requirements

HRSA will provide post-award support to grantees through technical assistance on primary health care services. Grantees will be required to attend (and, thus must budget for) one jointly sponsored SAMHSA/HRSA technical assistance meeting in the first year of the grant, and one meeting in each of the remaining years. Each meeting will be two days. A minimum of two persons must attend. These meetings will be held in the Baltimore/Washington, DC area.

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SECTION 5

VA SECTION

Billing Code 4210-29P

Section 5: VA Section—20 Points

I. Overview

Although funding will not be awarded directly to the recipient of the grant, funding is available for the VA facility that partners with the applicant. VA facilities can include medical centers or programs under the direction of medical centers including VA outpatient clinics. The applicant will be required to submit a plan that describes in detail how a collaborative relationship with VA will be created and sustained in an effort to provide services to chronically homeless veterans. The chronically homeless veterans to be served will be those veterans housed in or being provided services through the program developed by the collaborative initiative grant recipient and who meet the definition for homeless as put forth in this NOFA.

If it is anticipated that the project will not be serving veterans, the applicant will be asked to demonstrate why veterans will not be participating in the project. If it is anticipated that veterans will be served but it is unlikely a VA facility will be available to engage in partnering, the applicant will be asked to demonstrate other sources of providing substance abuse, mental health and primary care services for those chronically homeless veterans.

II. Amount Allocated

Up to $5.0 million will be made available for up to three years. Funds available for each project will be in an approximate amount equivalent to the proportionate yearly salary of full-time employees (FTE) to provide professional care or care-coordination/case management for chronically homeless veterans participating in the program and for FTE to assist in data collection and evaluation. Funding will be made available to the VA facility that enters into a collaborative relationship with the recipient of this grant.

III. Program Description

It is expected that these FTEs will provide necessary and appropriate care for chronically homeless veterans which can include but is not limited to: case management; direct medical care, mental health or substance abuse treatment; assistance with veterans benefits; vocational development; and housing referrals. The goal is to provide comprehensive, project- and community-linked substance abuse, mental health and primary care services for chronically homeless veterans. FTE assigned data evaluation duties will be responsible for data collection through participant interviews, tracking program participants and record keeping for the purposes of the program study.

IV. Application Selection Process

A. Review and Rating

The factors described in the General Section of this NOFA together with all agency-specific factors will be used to assign points.

To be eligible for the VA section of this NOFA, the application will undergo a VA threshold review prior to rating to ensure:

1. Forms, time and adequacy: application must be filed in the form prescribed by VA in the application process and within the time established in the NOFA;

2. Application eligibility: the applicant must be a non-profit or public entity, as described in the General Section of the NOFA;

3. Eligible population to be served: the population proposed to be served must be chronically homeless veterans. Homeless is defined in this NOFA. A veteran is a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable. Such veterans must also be enrolled in VA's health care system.

B. Rating Criteria

The applicant who intends to apply under this VA section of the Joint NOFA must submit a signed Memorandum of Agreement (one original and four copies) between the applicant and its partnering VA facility, and a Program Plan (one original and four copies). Much of the information that will be used to determine the ranking of application and ultimately the likelihood of funding will be from the Comprehensive Section of the application.

Applications will be rated and ranked on the criteria listed below.

1. *Need:* Up to 5 points will be awarded based on the applicant's demonstrated understanding of the needs of the chronically homeless veteran population proposed to be served in the specified area or community. Ratings will be made based on the extent to which applicants demonstrate:

a. Identified gaps in services for chronically homeless veterans and how the program will address, and if appropriate, fill those gaps; and

b. An understanding of the homeless population to be served and its unmet housing, substance abuse, mental health, and primary care needs.

2. *Plan:* Up to 10 points will be awarded based on the extent to which the application presents a clear, well-conceived, and thorough plan for assisting chronically homeless veterans. The plan should include, at a minimum:

a. A detailed discussion of the nature of the collaboration between VA and the other partners;

b. How the collaboration will be sustained for the benefit of chronically homeless veterans; and

c. How the collaboration will be linked on a short-term as well as long-term, strategic level with the total project conceptualization and design.

3. *Ability:* Up to 5 points will be awarded based on the extent to which those who will be involved in carrying out the project have experience in activities similar to those proposed in the application. This includes activities involving housing, the planning and delivery of substance abuse and mental health treatment and primary care as well as activities regarding the accessing and/or delivery of VA benefits, medical and mental health care, and other VA related services.

Any applicant scoring a zero in the Need, Plan, or Ability criteria of the VA section, or any applicant scoring less than 8 points (40%) for a total score on all VA criteria will be eliminated from the competition and will not be eligible for any part of this grant funding.

Projects that will not be serving veterans will not be required to complete these sections of the application. However, the applicant will be asked to demonstrate how it was determined that services for chronically homeless veterans are not needed for the project.

V. Application Submission

A. Required Materials

The application provides the application materials. In addition to the narratives, the applicant will be required to submit a Memorandum of Agreement with its partnering VA facility.

B. Memorandum of Agreement (MOA)

To be eligible for the VA section of this NOFA, the applicant must submit a Memorandum of Agreement in addition to the application materials. The collaborative relationship must be documented in a jointly signed Memorandum of Agreement between a local VA facility and the applicant of this grant specifically stating the terms of the agreement. At a minimum, the terms of the agreement should include:

1. Number of chronically homeless veterans expected to be served by the grant recipient and the extent and level of services that will be provided by the VA facility;

2. Process and outcome measures clearly delineated and linked to service delivery and responsibilities for collection, compilation, and reporting of these measures; and

3. How services provided by the FTE funded under this section will be integrally linked in a comprehensive fashion with the intent of the collaborative initiative grant recipient's project and the strategic plans of the project in an effort to break the cycle of homelessness.

[FR Doc. 03–1801 Filed 1–24–03; 8:45 am]

BILLING CODE 4210–29–P