

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**RENTAL ASSISTANCE FOR NON-
ELDERLY PERSONS WITH
DISABILITIES IN SUPPORT OF
DESIGNATED HOUSING PLANS**

FUNDING AVAILABILITY FOR RENTAL ASSISTANCE FOR NON-ELDERLY PERSONS WITH DISABILITIES IN SUPPORT OF DESIGNATED HOUSING PLANS

Program Overview

Purpose of the Program. The purpose of the voucher funding being made available under the Section 8 Housing Choice Voucher Program through this announcement is to enable non-elderly families with disabilities to rent affordable private housing. The vouchers will assist public housing agencies (PHAs) in providing sufficient alternative resources to meet the housing needs of those non-elderly disabled families who would have been housed by the PHA if occupancy in a designated public housing project/building (or portion thereof) were not restricted to elderly households, and assist PHAs who wish to continue to designate their buildings as "mixed elderly and disabled buildings" but can demonstrate a need for alternative resources for non-elderly disabled families.

Available Funds. Approximately \$20 million in one-year budget authority for approximately 3,600 Section 8 vouchers.

Eligible Applicants. Public housing agencies (PHAs), Indian Housing Authorities, Indian tribes and their tribally designated housing entities are not eligible to apply because the Native American Housing Assistance and Self-Determination Act of 1996 does not allow HUD to enter into new Section 8 annual contributions contracts (ACC) with IHAs after September 30, 1997. Further, IHAs would not otherwise have been eligible to apply under this announcement because the requirements of section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) regarding designated housing plan are not applicable to IHAs.

Application Deadline. **June 20, 2000.**

Match: None.

Additional Information

If you are interested in applying for funding under this program, please review carefully the **General Section** of this SuperNOFA and the following additional information.

I. Application Due Date, Application Kits, Further Information and Technical Assistance

Application Due Date. Submit your original and two copies of your completed application to HUD on or before 12:00 midnight, Eastern time, on June 20, 2000.

See the **General Section** of this SuperNOFA for specific procedures concerning the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

• Address for Submitting

Applications. Your completed application consists of an original and two copies. Submit the original application to Michael Diggs, Director, Grants Management Center, Department of Housing and Urban Development, 501 School Street, SW, Suite 800, Washington, DC 20024. Applications which are hand carried or sent via overnight delivery service should be delivered to this address. The Grants Management Center is the official place of receipt for all applications in response to this announcement of funding availability. Your application will be accepted at this address until 6:00 pm, Eastern time, on the application deadline.

After 6:00 pm on the application deadline date, applications will be accepted in the South Lobby of HUD Headquarters, 451 Seventh Street, SW, Washington, DC 20410, until 12:00 midnight Eastern time.

Submit one copy of your application concurrently to the Office of Public Housing, Special Application Center, Room 2401, 77 West Jackson Boulevard, Chicago, IL 60604 (312-886-9754).

Submit the second copy of your application to your local HUD Field Office HUB or local HUD Field Office Program Center. A listing of HUD Field Offices is attached to the **General Section** of this SuperNOFA.

For Application Kits. An application kit is not necessary for submitting an application in response to this announcement. This announcement contains all the information necessary for the submission of your application for voucher funding under this announcement.

For Further Information and Technical Assistance. You may contact George C. Hendrickson, Housing Program Specialist, Room 4216, Office of Public and Assisted Housing Delivery, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-1872, ext. 4064, or you may contact the Grants Management Center at (202) 358-0338. (These are not toll-free numbers.) Persons with hearing or speech impairments may access these numbers via TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339 (this is a toll-free number).

Prior to the application due date, George C. Hendrickson will be available

to provide general guidance and technical assistance about this announcement.

Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants to learn more about the program and preparation of an application. For more information about the date and time of this broadcast, you should consult the HUD web site at www.hud.gov.

II. Amount Allocated

(A) *Available Funding.* Approximately \$20 million in one-year budget authority is available for Section 8 rental vouchers for non-elderly disabled families in support of designated housing plans to designate public housing for occupancy by elderly families only, disabled families only, or elderly families and disabled families only. This funding is expected to provide assistance to approximately 3,600 non-elderly disabled families.

The FY 2000 HUD Appropriations Act allows the Secretary of HUD to transfer any unobligated funds for support of designated housing plans to assist non-elderly disabled families to the extent they are not needed to fund approvable applications related to designated housing plans during FY 2000.

Accordingly, any funds remaining unobligated under this announcement will first be used to fund any approvable applications under HUD's announcement for Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments and Section 202, Section 221(d)(3) and Section 236 Developments, for which there are insufficient funds. Any funds still remaining unobligated under this announcement for funding in support of designated housing plans shall be used to fund any approvable applications under HUD's announcement for Mainstream Housing Opportunities For Persons With Disabilities, for which there are insufficient funds.

(B) Voucher Funding.

(1) *Maximum Voucher Request.* A PHA may apply for only the number of units needed to house those non-elderly disabled families that otherwise would have been housed if not for the designation of a project/building (or portion thereof) for occupancy by the elderly only. The size of the units applied for must bear a direct relationship to the size of the units designated. PHAs are limited to applying for no more than a maximum of 200 units (vouchers).

(2) *Determination of Funding Amount for the PHA's Requested Number of Vouchers.* HUD will determine the

amount of funding that a PHA will be awarded under this announcement based upon an actual annual per unit cost using the following three-step process:

(a) HUD will extract the total expenditures for all the PHA's Section 8 tenant-based assistance programs and the unit months leased information from the most recent approved year end statement (form HUD-52681) that the PHA has filed with HUD. HUD will divide the total expenditures for all of the PHA's Section 8 tenant-based assistance programs by the unit months leased to derive an average monthly per unit cost.

(b) HUD will multiply the monthly per unit cost by 12 (months) to obtain an annual per unit cost.

(c) HUD will multiply the annual per unit cost derived, as provided in this announcement, by the Section 8 Housing Assistance Payments Program Contract Rent Annual Adjustment Factor (with the highest cost utility included) to generate an adjusted annual per unit cost.

Note: Applicants who do not currently administer a Section 8 certificate or voucher program shall have their voucher funding based upon the actual annual per unit costs of the PHA in their most immediate area administering a Section 8 certificate or voucher program, using the three step process described immediately above.

(3) *Preliminary Fee.* A preliminary fee of up to \$500 per unit for preliminary (start-up) expenses will be paid to PHAs that have not previously administered their own Section 8 tenant-based program that are selected for funding under this announcement. The preliminary fee will be provided to such PHAs only in their first year administering Section 8 vouchers.

(4) *Underfunding Corrections.* If prior to the award of funding under this Designated Housing announcement, HUD determines that any awardees under the FY 1999 Designated Housing NOFA have been underfunded, HUD will increase funding to the amount that the awardee should have received.

III. Program Description, Eligible Applicants, and Eligible Participants

(A) *Program Description.* This program provides Section 8 vouchers to assist non-elderly disabled families who would have been housed by a PHA if occupancy in the designated public housing project/building (or portion thereof) were not restricted to elderly households, and assist PHAs that wish to continue to designate their projects/buildings (or portions thereof) as "mixed elderly and disabled buildings" and can demonstrate a need for

alternative housing resources for non-elderly disabled families that is consistent with the jurisdiction's Consolidated Plan and the low-income housing needs of the jurisdiction.

(B) *Eligible Applicants.* A PHA established pursuant to State law may apply for funding under this announcement. A regional (multi-county) or State PHA is eligible to apply for funding. Indian Housing Authorities (IHAs), Indian tribes and their tribally designated housing entities are not eligible to apply because the Native American Housing Assistance and Self-Determination Act of 1996 does not allow HUD to enter into new Section 8 annual contributions contracts (ACC) with IHAs after September 30, 1997. Further, IHAs would not otherwise have been eligible to apply under this announcement because the requirements of section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) regarding designated housing plan are not applicable to IHAs.

Some PHAs currently administering the Section 8 voucher and certificate programs have, at the time of publication of this SuperNOFA, major program management findings from Inspector General audits, HUD management reviews, or independent public accountant (IPA) audits that are open and unresolved or other significant program compliance problems. HUD will not accept applications for additional funding from these PHAs as contract administrators if, on the application due date, the findings are either not closed, or sufficient progress toward closing the findings has not been made to HUD's satisfaction.

The PHA must also, to HUD's satisfaction, be making satisfactory progress in addressing any program compliance problems. If the PHA wants to apply for funding under this announcement, the PHA must submit an application that designates another housing agency, nonprofit agency, or contractor, that is acceptable to HUD. The PHA's application must include an agreement by the other housing agency, nonprofit agency, or contractor to administer the new funding increment on behalf of the PHA, and a statement that outlines the steps the PHA is taking to resolve the program findings and program compliance problems.

Immediately after the publication of this SuperNOFA, the local HUD Field Office will notify, in writing, those PHAs that are not eligible to apply without such an agreement. Concurrently, the local HUD Field Office will provide a copy of each such written notification to the Grants Management Center. The PHA may appeal the decision in writing, if HUD

has mistakenly classified the PHA as having outstanding management or compliance problems. Any appeal must be accompanied by conclusive evidence of HUD's error and must be received prior to the application deadline. The appeal should be submitted to the local HUD Field Office where a final determination shall be made. Concurrently, the local HUD Field Office shall provide the Grants Management Center with a copy of its written response to the appeal, along with a copy of the PHA's written appeal. Major program management findings are those that would cast doubt on the capacity of the PHA to effectively administer any new Section 8 voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(C) *Eligible Participants.* Only non-elderly disabled families that are income eligible under 24 CFR 982.201(b) and who live in public housing that has been designated for occupancy by the elderly, or non-elderly disabled families who are on the PHA's public housing waiting list, may receive a voucher awarded in conjunction with an approved designated housing plan. Such families need not be listed on the PHA's Section 8 waiting list in order to be offered and receive a Section 8 voucher. These families may be admitted to the Section 8 program as a special admission (24 CFR 982.203).

IV. Program Requirements and Definitions

In addition to the civil rights compliance and nondiscrimination requirements listed in the **General Section** of this SuperNOFA, grantees must meet the following program requirements: (A) *Affirmatively Furthering Fair Housing.* Each successful applicant will have a duty to affirmatively further fair housing. Applicants will be required to identify the specific steps that they will take to:

(1) Address the elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice;

(2) Remedy discrimination in housing; or

(3) Promote fair housing rights and fair housing choice.

Further applicants have a duty to carry out the specific activities cited in their responses under this announcement to address affirmatively furthering fair housing.

(B) *Certifications and Assurances.* Each applicant is required to submit signed copies of Assurances and Certifications. The standard Assurances

and Certifications are on Form HUD-52515, Funding Application, which includes the Equal Opportunity Certification, Certification Regarding Lobbying, and Certification Regarding Drug-Free Workplace Requirements.

(C) *Voucher Assistance Requirements.*

(1) *Section 8 regulations.* PHAs must administer the Section 8 vouchers received under this announcement in accordance with HUD regulations and requirements governing the Section 8 Housing Choice Voucher Program.

(2) *Section 8 admission requirements.* Section 8 assistance must be provided to eligible applicants in conformity with regulations and requirements governing the Section 8 Housing Choice Voucher Program and the PHA's administrative plan.

(3) *Turnover.* When a voucher under this announcement becomes available for reissue (e.g., the family initially selected for the program drops out of the program or is unsuccessful in the search for a unit), the rental assistance may be used only for another individual or family eligible for assistance under this announcement subject to appropriations for renewal funding, from the date the rental assistance is placed under an annual contributions contract (ACC).

(D) *PHA Responsibilities.* In addition to PHA responsibilities under the Section 8 Housing Choice Voucher Program and HUD regulations concerning nondiscrimination based on disability (24 CFR 8.28) and to affirmatively further fair housing, PHAs that receive voucher funding shall:

(1) Where requested by an individual, assist program participants to gain access to supportive services available within the community, but not require eligible applicants or participants to accept supportive services as a condition of participation or continued occupancy in the program.

(2) Identify public and private funding sources to assist participants with disabilities in covering the costs of structural alterations and other accessibility features that are needed as accommodations for their disabilities.

(3) Not deny persons who qualify for rental assistance under this program other housing opportunities, or otherwise restrict access to PHA programs to eligible applicants who choose not to participate.

(4) Provide Section 8 search assistance.

(5) In accordance with regulatory guidance, provide higher rent to owners necessary for the provision of accessible units and structural modifications for persons with disabilities.

(6) Provide technical assistance to owners for making reasonable

accommodations or making units accessible to persons with disabilities.

(E) *Definitions.*

(1) *Designated Housing Plan.* A HUD-approved designated housing plan required of PHAs seeking to designate a project/building (or portion thereof) for occupancy by elderly families only, disabled families only, or elderly and disabled families only. See section 10(a) of the Housing Opportunity Extension Act of 1996 (Pub. L. 104-120, approved March 28, 1996) as explained in Notice PIH 97-12 (HA), Requirements for Designation of Public Housing Projects. This Notice was extended by Notice PIH 99-21 (HA). Section 10(a) amended section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e).

(2) *Elderly Family.* A family whose head of household, spouse, or sole member is 62 years or older.

(3) *Non-elderly Disabled Family.* A family who is not elderly, and whose head, spouse, or sole member is a person with disabilities. The term "non-elderly disabled family" may include two or more such persons with disabilities living together, and one or more such persons with disabilities living with one or more persons who are determined essential to the care and well-being of the person or persons with disabilities (live-in aides).

(4) *Person with disabilities.* A person who—

(a) Has a disability as defined in section 223 of the Social Security Act (42 U.S.C. 423), or

(b) Is determined to have a physical, mental or emotional impairment that:

(i) Is expected to be of long-continued and indefinite duration;

(ii) Substantially impedes his or her ability to live independently; and

(iii) Is of such a nature that such ability could be improved by more suitable housing conditions, or

(c) Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)).

The term "person with disabilities" does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV).

Note: While the above definition of a "person with disabilities" is to be used for purposes of determining a family's eligibility for a Section 8 voucher under this announcement, the definition of a person with disabilities contained in section 504 of the Rehabilitation Act of 1973 and its implementing regulations must be used for purposes of meeting the requirements of Fair

Housing laws, including providing reasonable accommodations.

No individual shall be considered a person with disabilities for the purpose of determining eligibility solely on the basis of any drug or alcohol dependence.

(5) *Section 8 search assistance.*

Assistance to increase access by program participants to housing units in a variety of neighborhoods (including areas with low poverty concentrations) and to locate and obtain units suited to their needs.

V. Application Selection Process

After the Grants Management Center has screened PHA applications and disapproved any applications found unacceptable for further processing, the Grants Management Center will review all acceptable applications (exclusive of the Designated Housing Plan portion of the application—which is reviewed by the Special Application Center) to ensure that they are technically adequate and responsive to the requirements of this announcement of funding availability.

The Special Application Center will send to the Grants Management Center the following information on each designated housing plan submitted in conjunction with this announcement:

(1) A copy of the letter to the PHA approving or disapproving its designated housing plan.

(2) Special Application Center contact person and telephone number.

HUD Headquarters will fund on a first-come, first-serve basis all approvable applications from PHAs that are recommended for funding by the Grants Management Center and that the Special Application Center advises has an approved designated housing plan, based upon the date and time the application is received in the Grants Management Center. As PHAs are selected, the cost of funding the applications will be subtracted from the funds available. In the event approvable applications are received for more than the approximately \$20 million available under this announcement, funds will be transferred from the approximately \$20 million available under the announcement for non-elderly disabled families not receiving housing assistance in certain Section 8 project-based developments, or certain Section 202, Section 221(d)(3) or Section 236 developments, to the extent funds are not needed for approvable applications under that announcement. Applications will be funded for the total number of units requested by the PHA and approved by the Grants Management Center in accordance with this funding

announcement for support of Designated Housing Plans. When remaining budget authority is insufficient to fund the last selected PHA application in full, however, HUD Headquarters will fund that application to the extent of the funding available, unless the PHA's application indicates that the PHA will only accept a higher number of units. In that event, the next selected application shall be one that has indicated a willingness to accept the lesser amount of funding for the units available.

VI. Application Submission Requirements

(A) *Form HUD-52515*. All PHAs must complete and submit form HUD-52515, Funding Application, for the Section 8 Housing Choice Voucher Program (dated January 1996). This form includes all necessary certifications for Fair Housing, Drug Free Workplace and Lobbying Activities. The information entered in Section B of the form for bedroom size and number of requested units must bear a direct relationship to the bedroom size and number of units designated in the PHA's designated housing plan that will no longer be available for the future admission of non-elderly disabled families. Section C of the form should be left blank. A copy of Form HUD-52515 is included in the forms found in Appendix B to the **General Section** of the SuperNOFA. The form must be completed in its entirety, with the exception of Section C, signed and dated.

(B) *Letter of Intent and Narrative*. The PHA must state in its cover letter to the application whether the PHA will accept a reduction in the number of vouchers, and the minimum number of vouchers that the PHA will accept, since the funding is limited and HUD may only have enough funds to approve a smaller amount than the number of vouchers requested. The maximum number of vouchers that a PHA may apply for under this announcement is limited to 200.

(C) *Approvable Designated Housing Plan*. The application must include an approvable plan to designate housing in accordance with section 10(a) of the Housing Opportunities Extension Act of 1996 (Pub. L. 104-120, approved March 28, 1996) as explained in Notice PIH 97-12 (HA), Requirements for Designation of Public Housing Projects. This Notice was extended by Notice PIH 99-21 (HA).

(D) *Designated Housing Plan Previously Approved*. Any PHA wishing to rely on a designated housing plan previously approved by HUD that did not require Section 8 vouchers or

certificates for non-elderly disabled families or that now requires more Section 8 vouchers than previously justified, will require the PHA to submit the information required in paragraphs (A) and (B) above, a copy of the previously HUD-approved designated housing plan, and updated needs data supporting the need now for Section 8 vouchers not previously deemed necessary as an alternative housing resource. The updated needs data should indicate why the PHA does not have the appropriate resources to carry out the previously approved plan, identify the number of Section 8 vouchers needed for non-elderly disabled families, and address the housing needs in its consolidated plan.

Conversely, any PHA wishing to rely on a designated housing plan previously approved by HUD, contingent upon the PHA's future submission of an application for Section 8 certificates or vouchers as an alternative housing resource for non-elderly disabled families, will need to only submit the HUD-approval letter for the designated housing plan in lieu of the plan itself (updated needs data also unnecessary).

(E) *Statement Regarding the Steps the PHA Will Take to Affirmatively Further Fair Housing*. The areas to be addressed in the PHA's statement should include, but not necessarily be limited to:

(1) Elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice;

(2) Remedy discrimination in housing for persons with disabilities regardless of race, color, religion, sex, familial status, national origin, or nature of disability; or

(3) Promote fair housing rights and fair housing choice.

(F) *Program Summary*. Provide a separate, one paragraph statement describing how the vouchers being applied for will address the local housing needs of eligible disabled families in renting decent, safe, and affordable housing. Describe, where applicable, how the vouchers will be used to expand existing housing choices, and whether the PHA intends to use the vouchers to establish or expand upon its existing partnerships with local government, nonprofit agencies, or private industry groups. Also address any related notable local program activities, best practices, or accomplishments.

VII. Corrections to Deficient Applications

(A) *Acceptable Applications*. The **General Section** of the SuperNOFA

provides the procedures for corrections to deficient applications.

(B) *Unacceptable Applications*.

(1) After the 14-calendar day technical deficiency correction period, the Grants Management Center will disapprove all PHA applications that the Grants Management Center determines are not acceptable for processing. The Grant Management Center's notification of rejection letter must state the basis for the decision.

(2) Applications from PHAs for Section 8 rental assistance that fall into any of the following categories will not be processed:

(a) Applications that do not meet the fair housing and civil rights compliance threshold requirements of Section II(B) of the **General Section** of the SuperNOFA.

(b) The PHA has major program management findings in an Inspector General audit, HUD management review, or independent public accountant (IPA) audit for its voucher or certificate programs that are not closed or on which satisfactory progress in resolving the findings is not being made; or program compliance problems for its voucher or certificate programs on which satisfactory progress is not being made. The only exception to this category is if the PHA has been identified under the policy established in Section III(B) of this announcement and the PHA makes application with a designated contract administrator. Major program management findings are those that would cast doubt on the capacity of the PHA to effectively administer any new Section 8 voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(c) The PHA has failed to achieve a lease-up rate of 90 percent for its combined certificate and voucher units under contract for its fiscal year ending in 1998. Category (c) may be passed, however, if the PHA achieved a combined certificate and voucher budget authority utilization rate of 90 percent or greater for its fiscal year ending in 1998. In the event the PHA is unable to meet either of these percentage requirements, the PHA may still pass category (c) if the PHA submits information to the Grants Management Center, as part of its application, demonstrating that the PHA was able to either increase its combined certificate and voucher lease-up rate to 90 percent or greater for its fiscal year ending in 1999, or was able to increase combined certificate and voucher budget authority utilization to 90 percent or more for its fiscal year ending in 1999. PHAs that have been determined by HUD to have passed either the 90 percent lease-up, or

90 percent budget authority utilization requirement for their fiscal year ending in 1998 will be listed on the HUD Home Page site on the Internet's world wide web (<http://www.hud.gov>). A PHA not listed must either submit information in its application supportive of its 90 percent lease-up or 90 percent budget authority utilization performance for its fiscal year ending in 1999, or submit information as part of its application supportive of its contention that it should have been included among those PHAs HUD listed on the HUD Home Page as having achieved either a 90 percent lease-up rate or 90 percent budget authority utilization rate for fiscal years ending in 1998. Appendix A to this program section indicates the methodology and data sources used by HUD to calculate the lease-up and budget authority utilization percentage rates for PHAs with fiscal years ending in 1998. Any PHA wishing to submit information to the Grants Management Center in connection with its 1998 fiscal year or 1999 fiscal year for the purposes described immediately above (so as to be eligible under category (c) to submit an application) will be required to use

the same methodology and data sources indicated in Appendix A.

(d) The PHA is involved in litigation and HUD determines that the litigation may seriously impede the ability of the PHA to administer the rental vouchers.

(e) A PHA's application that does not comply with the requirements of 24 CFR 982.102 and the requirements of this announcement after the expiration of the 14-calendar day technical deficiency correction period will be rejected from processing.

(f) The PHA's application was submitted after the application due date.

(g) The application was not submitted to the official place of receipt as indicated in the paragraph entitled "Address for Submitting Applications" at the beginning of this announcement.

(h) The applicant has been debarred or otherwise disqualified from providing assistance under the program.

VIII. Environmental Requirements

In accordance with 24 CFR 50.19(b)(11) of the HUD regulations, tenant-based rental activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act of 1969 (NEPA) and are not subject to

environmental review under the related laws and authorities. This announcement provides funding for these activities under 24 CFR 982, which does not contain environmental review provisions because of the categorical exclusion of these activities from environmental review. Accordingly, under 24 CFR 50.19(c)(5), issuance of this announcement of funding availability is also categorically excluded from environmental review under NEPA.

IX. Authority

Authority for the approximately \$20 million in one-year budget authority for Section 8 rental vouchers (for non-elderly disabled families in support of designated housing plans to designate public housing for occupancy by elderly families only, disabled families only, or elderly families and disabled families only) is found in the Departments of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2000 (Pub.L. 106-74, approved October 20, 1999).

BILLING CODE 4210-32-P

APPENDIX A

**METHODOLOGY FOR DETERMINING LEASE-UP AND BUDGET
AUTHORITY UTILIZATION PERCENTAGE RATES**

Using data from the HUDCAPS system, HUD determined which PHAs met the 90% budget authority utilization or 90% lease-up criteria. The data used in the determination was based on PHA fiscal years ending in 1998. The budget authority utilization and lease-up rates were determined based upon the methodology indicated below.

Budget Authority Utilization

Percentage of budget authority utilization was determined by comparing the total contributions required to the annual budget authority (ABA) available for the PHA 1998 year combining the certificate and voucher programs.

Total contributions required were determined based on the combined actual costs approved by HUD on the form HUD-52681, Year End Settlement Statement. The components which make up the total contributions required are the total of housing assistance payments, ongoing administrative fees earned, hard to house fees earned, and IPA audit costs. From this total any interest earned on administrative fees is subtracted. The net amount is the total contributions required.

ABA is the prorated portion applicable to the PHA 1998 year for each funding increment which had an active contract term during all or a portion of the PHA year.

EXAMPLE:

PHA ABC

Fiscal year 10/1/97 through 9/30/98

HUD 52681 Approved Data:

HAP	\$2,500,000
Administrative Fee	\$ 250,000
Hard to House Fee	\$ 1,000
Audit	\$ 2,000
Total	\$2,753,000
Interest earned on administrative fee	(\$2,500)
Total contributions required	\$2,750,500

Calculation of Annual Budget Authority

<u>Increments</u>	<u>Contract Term</u>	<u>Total BA</u>	<u>ABA</u>
001	11/01/97-10/31/98	\$1,300,000	\$1,191,667
002	01/01/98-12/31/98	\$1,200,000	\$ 900,000
003	04/01/98-03/31/99	\$ 950,000	\$ 475,000
004	07/01/98-06/30/99	\$1,500,000	\$ 375,000
Totals		\$4,950,000	\$2,941,667

Budget Authority Utilization

Total contributions required	\$2,750,000
divided by	
Annual budget authority	\$2,941,667
equals	
Budget Authority Utilization	93.5%

Lease-up Rate

The lease-up rate was determined by comparing the contract units (funding increments active as of the end of the PHA 1998 year) to the unit months leased (divided by 12) reported on the combined HUD 52681, Year End Settlement Statement(s) for 1998.

Active funding increments awarded by HUD for special purposes such as litigation, relocation/replacement, housing conversions, etc. were excluded from the contract units as the Department recognizes that many of these unit allocations have special requirements which require extended periods of time to achieve lease-up.

EXAMPLE:

<u>Increments</u>	<u>Contract Term</u>	<u>Units</u>
001	11/01/97-10/31/98	242
002	01/01/98-12/31/98	224
003	04/01/98-03/31/99	178
004	07/01/98-06/30/99	280
Totals		924
Increment 003 litigation		(178)
Adjusted contract units		746

Unit months leased reported by PHA	8,726
divided by 12	727
Units Leased	727

Lease-up Rate

Units leased	727
divided by adjusted contract units	746
equals	
Lease-up Rate	97.4%