

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**MAINSTREAM HOUSING
OPPORTUNITIES FOR PERSONS
WITH DISABILITIES**

FUNDING AVAILABILITY FOR MAINSTREAM HOUSING OPPORTUNITIES FOR PERSONS WITH DISABILITIES (MAINSTREAM PROGRAM)

Program Overview

Purpose of the Program. The purpose of this program is to provide vouchers under the Housing Choice Voucher Program to enable persons with disabilities (elderly and non-elderly) to rent affordable private housing.

Available Funds. Approximately \$54.1 million in five-year budget authority for approximately 1,900 vouchers is available to public housing agencies (PHAs) and nonprofit disability organizations.

Applications are also being invited from PHAs for one-year budget authority funding (non-Section 811 funds) that HUD anticipates may be available for the Mainstream Program in FY 2001. Specifically, any portion of the \$40 million in one-year budget authority contained in FY 2001 appropriations related to designated housing plans; preferences in occupancy for the elderly in certain types of Section 8 project-based developments; or restrictions in occupancy to elderly only in certain types of Section 202, Section 221(d)(3), or Section 236 developments remaining unobligated and not needed to fund approvable applications under these programs will be added to the approximately \$54.1 million in five-year budget authority available under this announcement. This one-year budget authority will be used only for non-elderly disabled families.

Eligible Applicants. PHAs and nonprofit disability organizations that provide services to disabled families are eligible to apply for the \$54.1 million in five-year budget authority for applications submitted in FY 2001. While PHAs and nonprofit disability organizations are eligible to apply for the \$54.1 million in five-year budget authority available under this announcement, only PHAs are eligible to apply for the one-year budget authority that may also be available under this announcement {see Section II(A) of this announcement regarding the possibility of one-year funding also being available for the Mainstream Program}. 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 housing choice voucher (Section 8) annual contributions contracts (ACC) with IHAs after September 30, 1997.

The vouchers that HUD will provide under this announcement must be made available to eligible disabled families regardless of their type of disability. (See the definition of disabled family in Section IV(E) of this announcement.) The Mainstream Program vouchers must not be issued by the administering agency on the basis of any preference system favoring any particular type of disability over another, nor shall the vouchers be issued solely on the basis of an administering agency's waiting list which is based on that agency's having heretofore served only certain types of disabled persons. The Housing Choice Voucher Program regulations provide at 24 CFR 982.207(c) that a PHA may give preference for admission of families that include a person with disabilities; however, the PHA may not give preference for admission of persons with a specific disability. This regulatory requirement is also applicable to nonprofit disability organizations who receive funding under this announcement as such organizations must comply with the regulatory requirements applicable to the Housing Choice Voucher Program.

Application Deadline. July 20, 2001.

Match. None.

Additional Information

If you are interested in applying for funding under the Mainstream 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 completed application (an original and one copy) to HUD on or before 12:00 midnight, Eastern time, on July 20, 2001.

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

Address for Submitting Applications. Your completed application consists of one original and one copy. Submit your original application and one copy 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.

A copy of the application is not required to be submitted to the local HUD Field Office. For ease of reference, the term "local HUD Field Office" will be used in this announcement to mean the local HUD Field Office Hub and the 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 for the Mainstream Program.

For Further Information and Technical Assistance. Prior to the application due date, 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. Subsequent to application submission, 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).

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 for Mainstream Program.* Approximately \$54.1 million in five-year funding is available for approximately 1,900 vouchers. This allocation is consistent with the FY 2001 HUD Appropriations Act. The FY 2001 HUD Appropriations Act provides that the Secretary of HUD may designate up to 25 percent of the amounts earmarked for capital advances including amendments to the capital advance contracts for supportive

housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), for project rental assistance, for amendments to contracts for project rental assistance and supportive services associated with the housing of persons with disabilities as authorized by section 811 of NAHA. The FY 2001 HUD Appropriations Act made \$217 million available for the Section 811 Program. The \$54.1 million made available to applicants under this Mainstream Program funding announcement is no more than 25 percent of this \$217 million.

All of the approximately \$54.1 million in funding is for use in the housing of elderly and non-elderly disabled families. HUD will supplement the Mainstream Program funding with additional funding, up to as much as \$40 million in one-year budget authority for housing choice vouchers for non-elderly disabled families in support of designated housing plans, for non-elderly disabled families who are not currently receiving housing assistance in certain Section 8 project-based developments due to the owners establishing preferences for the admission of elderly families, and for nonelderly disabled families not being housed in certain section 202, section 221(d)(3) and section 236 developments (or portions thereof) where the owners have restricted occupancy to elderly families. The FY 2001 HUD Appropriations Act states that to the extent the Secretary determines that the FY 2001 appropriations related to designated housing plans and certain types of Section 8 project-based developments and certain types of section 202, section 221(d)(3) and section 236 developments are not needed to fund applications, the funds may be used for other non-elderly disabled families. Any such remaining funds will be used to supplement funding for the Mainstream Program. As a result, as much as \$40 million in one-year budget authority may be available in additional funding in FY 2001 for the Mainstream Program.

(B) *Funding for the Section 811 Program.* The Section 811 Program of Supportive Housing for Persons With Disabilities provides capital advances and project rental assistance in FY 2001 elsewhere in this SuperNOFA. The Section 811 Program of Supportive Housing for Persons With Disabilities will provide funding to nonprofit organizations (sponsors) for the development and operation of small, scattered-site housing to enable adults with disabilities to live as independently as possible in the

community. The capital advance does not need to be repaid as long as the housing is used for its intended purpose for at least 40 years. The project rental assistance funds cover the difference between the HUD-approved operating expenses of the housing and the tenant's contribution towards rent which is 30 percent of adjusted income. The types of housing that are typically developed through the program are small group homes for no more than six persons, independent living projects containing individual apartment units for no more than 18 persons, and condominium units. Sponsors are required to ensure that residents have access to any necessary supportive services but cannot require the acceptance of such as a condition of occupancy.

(C) *Housing Choice Voucher Funding.*

(1) *Lottery.* HUD will select approvable applications for funding by lottery in the event approvable applications are received for more funding than is available under this Mainstream Program announcement. In such event, a separate lottery will be held first to select applications for funding for the \$54.1 million available in five-year budget authority available under this announcement, and a separate lottery will be held to select applications for funding for whatever amount of one-year budget authority may be available during FY 2001 for the Mainstream Program. PHAs should clearly indicate in their applications if they are applying for both five-year and one-year funding in order to ensure their inclusion in both lotteries. This would allow the last selected application (if a PHA) under the five-year funding lottery to be automatically funded with one-year budget authority for the remaining number of vouchers requested, but for which there was insufficient five-year budget authority at the point the PHA was selected in the five-year funding lottery. This would also allow a PHA to be automatically included in the lottery for one-year budget authority funding if not fortunate enough to be selected for any funding in the five-year budget authority lottery. PHAs applying for one-year funding must make it clear in their applications that they have a sufficient number of non-elderly disabled families to support the number of vouchers being requested. *As indicated earlier in this announcement, one-year budget authority funding is for use by PHAs solely for non-elderly disabled families, whereas five-year budget authority is for use by PHAs and nonprofit disability organizations for both elderly and non-elderly disabled families.*

(2) *Maximum Voucher Request.* There is a limit on the number of vouchers that may be requested. An eligible applicant may apply for a maximum of 75 vouchers. No more than a grand total of 75 vouchers will be awarded to any applicant under the FY 2001 Mainstream Program.

(3) *Determination of Funding Amount for the Applicant's Requested Number of Vouchers.* HUD will determine the amount of funding that an applicant will be awarded under this announcement based upon an actual annual per unit cost {except that for Moving to Work (MTW) agencies the per unit cost will be calculated in accordance with the agency's MTW Agreement for MTW units} using the following three step process:

(a) HUD will extract the total expenditures for all the PHA's housing choice voucher and certificate 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 housing choice voucher and certificate 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 costs derived under paragraph (b) above by the Housing Choice Voucher (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. For a PHA whose jurisdiction spans multiple annual adjustment factor areas, HUD will use the highest applicable annual adjustment factor.

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

(4) *Preliminary Fee.* A preliminary fee of up to \$500 per unit for preliminary (start-up) expenses will be paid to applicants that have not previously administered their own housing choice voucher or certificate program that are selected for funding under this announcement. The preliminary fee will be provided to such applicants only in their first year administering housing choice vouchers.

(e) *Underfunding Corrections.* If prior to the award of Mainstream Program

funding under this announcement, HUD determines that any awardees under the FY 2000 Mainstream Program funding announcement have been underfunded due to an error attributable to HUD, funding will be increased to the amount that the awardee should have received.

III. Program Description, Eligible Applicants and Eligible Participants

(A) *Program Description.* The Secretary has established a Mainstream Housing Opportunities for Persons with Disabilities Program (Mainstream Program) to provide vouchers to enable persons with disabilities to rent affordable private housing of their choice.

The Mainstream Program will assist PHAs and non-profit disability organizations in providing housing choice vouchers to a segment of the population recognized by HUD's housing research as having one of the worst housing needs of any group in the United States; i.e., very low-income households with adults with disabilities. In addition, the Mainstream Program will assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

(B) *Eligible Applicants.* Public housing agencies (PHAs) and nonprofit disability organizations that provide services to the disabled {as defined in Section IV(E) of this announcement} are eligible applicants. Indian Housing Authorities (IHAs), Indian tribes and their tribally designated housing entities are not eligible to apply for new increments of housing choice voucher funding because the Native American Housing Assistance and Self-Determination Act of 1996 does not allow HUD to enter into new housing choice voucher annual contributions contracts (ACC) with IHAs after September 30, 1997.

(1) *PHAs.* (a) A PHA established pursuant to State law may apply for funding under this announcement. A regional (multi-county) or State PHA is also eligible to apply for funding. A PHA may submit only one application under this announcement. This one application per PHA limit applies regardless of whether or not the PHA is a State or regional PHA, except in those instances where such a PHA has more than one PHA code number due to its operating under the jurisdiction of more than one HUD Field Office. In such instance, a separate application under each code shall be considered for funding, with the cumulative total of vouchers applied for under the applications not to exceed the maximum number of vouchers the PHA

is eligible to apply for under section II(C)(2) of this announcement; i.e., no more than the number of vouchers the same PHA would be eligible to apply for if it only had one PHA code number.

Two or more divisions within State government comprising separate PHAs shall require the State to determine which division shall submit an application to HUD under this funding announcement. As with other PHAs, only one application per PHA shall be considered (see sole exception referenced immediately above).

(b) PHAs are encouraged to involve nonprofit disability organizations that provide services to disabled families, as defined in Section III(B)(2) of this announcement, in the administration of the Mainstream Program's vouchers.

(i) Such nonprofit disability organizations could function as either a contract administrator for the PHA's Mainstream vouchers, or as a subcontractor responsible for providing case management services or assisting disabled families to locate suitable housing, gain access to supportive services, or identify private funding sources to cover the costs of unit modifications needed as a reasonable accommodation.

(ii) Such contractual arrangements must, however, ensure equal opportunity among the wide variety of disabled populations in the PHA's service area. PHAs are being encouraged to seek out nonprofit disability organizations to assist in the administration of the Mainstream vouchers due to such organizations' capacity for assisting disabled families, as well as their in-depth knowledge of the disability community.

(c) Some PHAs currently administering the housing choice 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 applicants 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 Office of Public Housing in 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 (i.e., documentation showing that the finding has been cleared or satisfactory progress toward closing the findings or addressing compliance problems has been made) 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. The local HUD Field Office shall, concurrent with its response to the PHA, 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 housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(2) *Nonprofit Disability Organization.* A private organization, no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual, that provides services to persons with disabilities and has received a federal tax-exempt designation from the U.S. Internal Revenue Service.

(a) The nonprofit entity must:

- (i) Have a voluntary board;
- (ii) Be authorized by its charter or State law to enter into a contract with the Federal Government to provide housing assistance;
- (iii) Have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles; and

(iv) Practice nondiscrimination in the provision of assistance.

(b) A nonprofit disability organization meeting the definition of a nonprofit disability organization as defined in this Section III(B)(2), and wishing to apply for the funding available under this announcement must have the capacity to:

(i) Comply with the Housing Choice Voucher Program (Section 8) Management Assessment Program (SEMAP) certification requirements under 24 CFR part 985.

(ii) Carry out such housing choice voucher and SEMAP specific related activities as making determinations as to rent reasonableness, performing housing quality standards (HQS) inspections and enforcement, conducting annual reexaminations of participant families, as well as otherwise meeting housing choice voucher program requirements under 24 CFR part 982.

(iii) Manage the Mainstream Program vouchers in a manner equivalent to an overall performance rating under SEMAP (24 CFR part 985) of "standard" during the first fiscal year of its receiving Mainstream Program funding.

(iv) Administer rental housing programs or manage rental housing, as demonstrated by a specific list of rental housing programs the nonprofit disability organization has administered or the rental housing the organization has managed (e.g. private rental housing, HUD or State-related housing programs, etc.).

Nonprofit disability organizations are encouraged to seek out PHAs in their geographic area to develop cooperative contractual relationships under the Mainstream Program, and to enhance services to disabled families. In addition to contacting local PHAs, nonprofit disability organizations may also wish to contact regional (multi-county), or state-wide PHAs who may be applying for Mainstream Program funding.

(C) *Eligible Participants.* Only a disabled family that is income eligible under 24 CFR 982.201(b)(1), as well as otherwise eligible under the regulations at 24 CFR 982.201(b), may receive a voucher awarded under the Mainstream Program. While elderly and non-elderly disabled families are eligible to receive a voucher awarded to a PHA or nonprofit disability organization using five-year budget authority under this announcement, only non-elderly disabled families are eligible to receive a voucher awarded to a PHA using one-year budget authority that may be available for the Mainstream Program under this announcement. Applicants with disabilities will be selected from the PHA's or nonprofit disability

organization's housing choice voucher waiting list.

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) Examine its own programs or proposed programs, including an identification of any impediments to fair housing (identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice in the Consolidated Plan); develop a plan to (a) address those impediments in a reasonable fashion in view of the resources available; and (b) work with the local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and maintain records reflecting these analyses and actions;

(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) *Housing Choice Voucher Program Regulations.* Applicants must administer the Mainstream Program in accordance with HUD regulations and requirements governing the Housing Choice Voucher Program.

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

If there is ever an insufficient pool of disabled families on the PHA's or nonprofit disability organization's

housing choice voucher waiting list, the PHA or nonprofit disability organization shall conduct outreach to encourage eligible persons to apply for this special allocation of vouchers. Outreach may include contacting independent living centers, advocacy organizations for persons with disabilities, and medical, mental health, and social service providers for referrals of persons receiving such services who would benefit from housing choice voucher assistance. If the PHA's or nonprofit disability organization's housing choice voucher waiting list is closed, and if the PHA or nonprofit disability organization has insufficient applicants on its housing choice voucher waiting list to use all awarded vouchers under this announcement, the PHA or nonprofit disability organization shall open the waiting list for applications from disabled families.

(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 for five years for the five-year funding or for one year for the one-year funding under this announcement from the date the rental assistance is placed under an annual contributions contract (ACC).

(D) *PHA and Nonprofit Disability Organization Responsibilities.* In addition to the responsibilities under the Housing Choice Voucher Program and HUD regulations concerning nondiscrimination based on disability (24 CFR 8.28) and to affirmatively further fair housing, PHAs and nonprofit disability organizations 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 in covering the costs of modifications that need to be made to their units as a reasonable accommodation for their disabilities.

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

(4) Provide housing choice voucher search assistance.

(5) In accordance with regulatory guidance, provide higher rents 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.* The following definitions apply.

(1) *Disabled Family.* A family whose head, spouse, or sole member is a person with disabilities. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may include a person with disabilities who is elderly. {Note: This definition applies to the approximately \$54.1 million in five-year budget authority available under the Mainstream Program, as well as to any one-year budget authority that may be available. This definition shall be modified, however, to be limited solely to non-elderly disabled families (families whose head, spouse or sole member is disabled and under the age of 62) regarding any funding available and awarded from the approximately \$40 million in FY 2000 for designated housing allocation plans, or in connection with certain Section 8 project-based developments or certain section 202, section 221(d)(3) or section 236 developments. See Section II(A) of this announcement regarding the possibility of additional Mainstream Program funding during FY 2001 beyond the approximately \$54.1 million available as announced under this announcement.}

(2) *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 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 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.

(3) *Housing choice voucher 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 and disapproved any applications found unacceptable for further processing, the Grants Management Center will review all acceptable applications to ensure that they are technically adequate and responsive to the requirements of this announcement. HUD Headquarters will fund all applications from PHAs and nonprofit disability organizations that are recommended for funding by the Grants Management Center unless HUD receives approvable applications for more funds than are available. If HUD receives approvable applications for more funds than are available, HUD will select applicants to be funded by lottery. A separate lottery will be held first for those PHAs and nonprofit disability organizations seeking funding under the five-year budget authority available under this announcement, and a separate lottery will next be held for those PHAs seeking funding under the one-year budget authority that may be available under this announcement. (Nonprofit disability organizations are not eligible to apply for the one-year budget authority that may be available under this announcement.) All applicants identified by the Grants Management Center as having submitted technically adequate and responsive applications will be included in the lottery. As applicants are selected, the cost of funding the applications will be subtracted from the funds available. In order to achieve geographic diversity, HUD Headquarters will limit the number of applications selected for funding from any State to 10 percent of

the budget authority available for the Mainstream Program. The 10 percent limit shall be applied first during the lottery for the five-year funding and shall continue over into the lottery for any one-year funding that may be available. This, for instance, may result in a State reaching the 10 percent limit prior to the start of the lottery for any one-year funding that may be available, and therefore any PHAs from that State would not be eligible for any further Mainstream funding. If establishing this geographic limit would result, however, in unreserved budget authority, HUD may modify this limit to assure that all available funds are used.

Applications will be funded for the total number of units requested by the applicant and recommended for approval by the Grants Management Center (not to exceed 75 units) in accordance with this announcement. When remaining budget authority is insufficient to fund the last selected application in full, HUD Headquarters will fund that application to the extent of the funding available, unless the applicant indicates that it 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 applicants must complete and submit Form HUD-52515, Funding Application, for the Housing Choice Voucher Program (Section 8), (dated January 1996). This form includes all necessary certifications for Fair Housing, Drug Free Workplace and Lobbying Activities. PHAs are requested to enter their housing authority code (for example, CT002), telephone number, facsimile number and electronic mail address in the same space at the top of the form where they are also to enter the PHA's name and mailing address. 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. Copies of the form may also be downloaded from the HUD Home page site on the Internet's world wide web (<http://www.HUD.gov>). (On the HUD website click on "handbooks and forms," then click on "forms," then click on "HUD-5" and click on "HUD-52515." The form must be completed in its entirety, with the exception of Section C, signed and dated.

In the instance of a nonprofit disability organization that does not currently manage a housing choice

voucher or certificate program, the nonprofit disability organization shall fill in Section B, Proposed Assisted Dwelling Units, of the form HUD-52515, by either basing the numbers the organization enters in this section on information requested from the nearest public housing agency, based upon its housing choice voucher waiting list, or based upon information from local advocacy groups and local public and private service agencies familiar with the needs of elderly and non-elderly persons with disabilities, census data, and pertinent information from the Consolidated Plan applicable to the applicant's jurisdiction. Section C, Average Monthly Adjusted Income, should be left blank. Section F, New HA Information, requires information on Financial and Administrative Capability and Qualification as a HA. For Financial and Administrative Capability, a nonprofit disability organization may reference that part of its application addressing the requirements of section VI(E) of this announcement. For Qualification as a HA, the nonprofit disability organization should submit information validating its qualifications as a nonprofit disability organization as defined in Section III(B)(2) of this announcement. The submission of enabling legislation is not required, but a legal opinion supportive of the applicant's status as a nonprofit disability organization, as delineated in Section III(B)(2) of this announcement, is required.

(B) *Letter of Intent and Narrative.* The applicant must state in its cover letter to the application whether it is a PHA applying for five-year and/or one-year funding, or a nonprofit disability organization applying for five-year funding. The applicant must also indicate the number of vouchers being requested, whether it will accept a reduction in the number of vouchers, and the minimum number of vouchers the applicant 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 an applicant may apply for under this announcement is limited to 75.

(C) *Description of Need for Mainstream Program Vouchers.* The PHA's and nonprofit disability organization's application must demonstrate a need for Mainstream Program vouchers by providing information documenting that the demand for housing for non-elderly and elderly persons with disabilities in connection with a request for five-year funding under this announcement

would equal or exceed the requested number of vouchers. If the PHA is requesting one-year funding, the demand for housing for non-elderly disabled persons must be demonstrated as equalling or exceeding the number of vouchers being requested. The applicant must assess and document the housing need for elderly and non-elderly persons with disabilities using a range of sources including, but not limited to: census data, information from the applicant's waiting list (both public housing and housing choice voucher), statistics on recent public housing admissions and housing choice voucher and certificate use, data from local advocacy groups and local public and private service agencies familiar with the housing needs of elderly and non-elderly persons with disabilities, and pertinent information from the Consolidated Plan [including the Analysis of Impediments to Fair Housing Choice (AI)] applicable to the applicant's jurisdiction. (See 24 CFR 91.205(d).) The applicant's demonstrated need for vouchers must clearly support need on the basis of only non-elderly disabled families when requesting one-year funding. This distinction is important, as any FY 2001 Mainstream Program funding that may be available beyond the approximately \$54.1 million under this announcement, must be used to assist only non-elderly disabled families and will be available only to PHAs. (See Section II(A) of this announcement regarding the possibility of substantially more Mainstream Program funding being available beyond the approximately \$54.1 million.)

(D) *Mainstream Program Operating Plan.* The application must include a description of an adequate plan for operating a program to serve eligible disabled families, including:

(1) A description of how the applicant will carry out its responsibilities under 24 CFR 8.28 to assist recipients in locating units with needed accessibility features; and

(2) A description of how the applicant will identify private or public funding sources to help participants cover the costs of modifications that need to be made to their units as reasonable accommodations to their disabilities.

(3) A description of how the applicant will use a nonprofit disability organization or PHA (if any) under a contract to administer the Mainstream Program vouchers, or to otherwise provide services.

(E) *Certification Applicable to Nonprofit Disability Organizations.* A nonprofit disability organization applying for funding available under this announcement must provide a

certification stating that the applicant can meet the capacity requirements applicable to a nonprofit disability organization delineated in Section III(B)(2)(b) of this announcement. The certification must specifically list the four capacity requirements from that paragraph, and must specifically list the rental housing programs the nonprofit disability organization has administered or the rental housing the nonprofit disability organization has managed.

(F) *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) The examination of the PHA's own programs or proposed programs, including an identification of any impediments to fair housing (identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice in its Consolidated Plan); and a description of a plan to (a) address those impediments in a reasonable fashion in view of the resources available; and (b) work with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and the maintenance of records reflecting this analyses and actions;

(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.

(G) *Moving to Work (MTW) PHA Information and Certification.* See Section VII(B)(2)(c) regarding the information to be submitted by an MTW PHA required to report under the Section 8 Management Assessment Program (SEMAP) but not meeting the 95 percent lease-up or budget authority utilization requirements, or the lease-up or budget authority utilization certification to be submitted by an MTW PHA not required to report under SEMAP.

(H) *Multifamily Tenant Characteristics System (MTCS) Reporting Certification.* In order to be eligible to submit an application under this announcement, the PHA must have had a minimum reporting rate of not less than 85 percent for housing choice voucher and certificate resident records to HUD's MTCS (see 24 CFR part 908 and Notices PIH 98-30, 99-2 and 2000-13) for the period ending December 1999, and must submit a certification with its application certifying to having met this requirement. In the event a PHA received less than an 85 percent rate of reporting under MTCS for this period, the PHA will still be considered

to have passed the threshold requirement if: (1) it subsequently achieved a minimum reporting rate of not less than 85 percent for public housing resident records under the MTCS as of the December 2000 reporting period; or (2) the PHA was granted forbearance by HUD under the applicable procedures under PIH Notice 2000-13 for the semi-annual assessment period ending December 2000. In this latter instance, the PHA must submit a certification with its application indicating that it has either achieved such a minimum reporting rate as of the December 2000 reporting period, or that it has obtained a forbearance from HUD for the semi-annual assessment period ending December 2000.

VII. Corrections to Deficient Applications

(A) *Acceptable Applications.* The application must include all of the information specified in section VI, Application Submission Requirements, of this announcement. 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 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) If the applicant is a PHA and 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)(1)(c) 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 housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(c) If the applicant is a PHA and the PHA has failed to achieve a lease-up rate of 95 percent for its combined certificate and voucher units under contract for its fiscal year ending in 1999. Category (c) may be passed, however, if the PHA achieved a combined certificate and voucher budget authority utilization rate of 95 percent or greater for its fiscal year ending in 1999. 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 95 percent or greater for its fiscal year ending in 2000, or was able to increase combined certificate and voucher budget authority utilization to 95 percent or more for its fiscal year ending in 2000. PHAs that have been determined by HUD to have passed either the 95 percent lease-up, or 95 percent budget authority utilization requirement for their fiscal year ending in 1999 will be listed on a HUD website: (www.hud.gov/grants), along with this funding announcement. A PHA not listed must either submit information (following the format of Appendix A of this announcement) in its application supportive of its 95 percent lease-up or 95 percent budget authority utilization performance for its fiscal year ending in 2000, or submit information (following the format of Appendix A of this announcement) as part of its application supportive of its contention that it should have been included among those PHAs HUD listed on the HUD website as having achieved either a 95 percent lease-up rate or 95 percent budget authority utilization rate for fiscal years ending in 1999. 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 1999. Any PHA wishing to submit information to the Grants Management Center in connection with its 1999 fiscal year or 2000 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.

Moving to Work (MTW) agencies that are required to report under the Section 8 Management Assessment Program (SEMAP) shall be held to the 95 percent

lease-up and budget authority utilization requirements referenced above, except where such an MTW agency provides information in its application demonstrating to HUD that a lower percentage is the result of the implementation of specific aspects of its program under its MTW Agreement with HUD. MTW agencies which are not required to report under SEMAP must submit a certification with their application certifying that they are not required to report under SEMAP, and that they meet the 95 percent lease-up or budget authority utilization requirements.

PHAs not currently administering a certificate or voucher program, or who received voucher funding for the first time for FY 2000 will not be subject to the 95 percent lease-up or budget authority utilization requirements of this section (c).

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

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

(f) The 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.

(i) The applicant has failed to achieve a minimum 85 percent submission rate for housing choice voucher and certificate resident records to HUD's Multifamily Tenant Characteristics System (MTCS), (see 24 CFR part 908 and Notices PIH 98-30 and 2000-13), for the period ending December 1999, and December 2000, and did not receive HUD forbearance.

VIII. Environmental Requirements

In accordance with 24 CFR 50.19(b)(11) of the HUD regulations, tenant-based rental activities 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.

IX. Authority

Authority for this program is found in the Departments of Veteran's Affairs and

Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2001 (Pub. L. 106-377, approved October 27, 2000). This FY 2001 Appropriations Act authorized appropriations for housing choice vouchers to assist non-elderly disabled families affected by the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992, or the restriction of occupancy to elderly families in accordance with section 658 of the Act. The FY 2000 Appropriations Act also allows the Secretary to transfer any unobligated funds for this purpose to assist non-elderly disabled families to the extent they are not needed under Sections 651 and 658 for such families. Therefore, any funds remaining unobligated under this program section of this SuperNOFA will be used first to

fund any approvable applications under the Rental Assistance for Non-Elderly Persons With Disabilities in Support of Designated Housing Plans program for which there are insufficient funds. Thereafter, any funds still remaining unobligated will be used to fund applications under the Mainstream Program in the SuperNOFA.

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 95% budget authority utilization or 95% lease-up criteria. The data used in the determination was based on PHA fiscal years ending in 1999. 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 1999 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 1999 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 10/1/98 THROUGH 9/30/99
[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

Increments and contract term	Total BA	ABA
001 11/01/98-10/31/99	\$1,300,000	\$1,191,667
002 01/01/99-12/31/99	1,200,000	900,000
003 04/01/99-03/31/00	950,000	475,000
004 07/01/99-06/30/00	1,500,000	375,000
Totals	4,950,000	2,941,667 (budget authority)
Utilization:		
Total contributions required divided by	2,750,000	
Annual budget authority equals	2,941,667	
Budget authority utilization (percent)	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 1999 year) to the unit months leased (divided by 12) reported on the combined HUD 52681, Year End Settlement Statement(s) for 1999.

Active funding increments awarded by HUD for special purposes such as litigation, relocation/replacement, housing conversions, Welfare to Work, and new units awarded to the PHA during the last 12 months 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

Increments contract term	Units
001 11/01/98-10/31/99	242
002 01/01/99-12/31/99	224
003 04/01/99-03/31/00	178
004 07/01/99-06/30/00	280
Totals	924
Increment 003 litigation	(178)

Increments contract term	Units
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 (percent)	97.4

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