

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**RENTAL ASSISTANCE FOR NON-
ELDERLY PERSONS WITH
DISABILITIES RELATED TO
CERTAIN DEVELOPMENTS**

FUNDING AVAILABILITY FOR RENTAL ASSISTANCE FOR NON-ELDERLY PERSONS WITH DISABILITIES RELATED TO CERTAIN TYPES OF SECTION 8 PROJECT-BASED DEVELOPMENTS AND SECTIONS 202, 221(d)(3) AND 236 DEVELOPMENTS

Program Overview

Purpose of the Program. The purpose of this program is to provide housing choice vouchers to 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, or in certain types of Section 202, Section 221(d)(3), or Section 236 developments where the owners are restricting occupancy in the developments (or portions thereof) to elderly families. The vouchers will enable non-elderly disabled families to rent affordable housing.

Available Funds. Approximately \$20 million in one-year budget authority for approximately 3,500 Section 8 vouchers.

Eligible Applicants. Public housing agencies (PHAs), 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.

Application Deadline. June 15, 2001.

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 15, 2001.

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 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 on the application deadline until 6:00 pm Eastern time. After 6:00 pm on the application deadline, 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 your 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 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. 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.* Approximately \$20 million in one-year

budget authority is available to provide assistance to approximately 3,500 non-elderly disabled families (who are not currently receiving housing assistance in certain Section 8 project-based developments due to the owners establishing a preference for the admission of elderly families, and for non-elderly 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).

In the event approvable applications are received for more than the approximately \$20 million announced as available under this announcement, funds will be transferred from the approximately \$20 million available under the funding announcement for Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans program to the extent funds remain unobligated after funding all approvable applications under that announcement.

Any funding remaining unobligated under this announcement providing assistance for non-elderly persons with disabilities related to certain developments will be used first to fund any approvable applications under the announcement for Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans, for which there may be insufficient funds. Any funds still remaining unobligated will be used to fund any approvable applications under the announcement for Mainstream Housing Opportunities for Persons with Disabilities for which there are insufficient funds.

(B) *Voucher Funding, Preliminary Fees and Underfunding Corrections.*

(1) *Voucher Funding.*

(a) *Maximum Voucher Request.* PHAs are limited to applying for no more than a maximum of 200 units (vouchers). A PHA may apply only for the number of units needed to house:

(i) Those non-elderly disabled families who are on the waiting list of an owner of a Section 8 project-based development identified in Section III(A)(1) of this announcement where the owner elected to provide preferences to elderly families and to house other non-elderly disabled families residing in the community who would qualify for one- or zero-bedroom units; and/or

(ii) Those non-elderly disabled families who are on the waiting list of an assisted housing development identified in Section III(A)(2) of this announcement, or are otherwise residing in the community, but in either

instance are not being housed in these assisted housing developments where the owners have restricted occupancy in the developments (or portion thereof) to elderly. Non-elderly disabled families in this second category would also need to qualify for one- or zero- bedroom units.

Note: The PHA may apply for a two-bedroom unit under this Section II(B) in such instances where a non-elderly disabled family requires the extra bedroom for purposes of a live-in aide, or for medical equipment.

(b) *Determination of Funding Amount for the PHA's Requested Number of Vouchers.* HUD will determine the amount of funding that you 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:

(i) HUD will extract the total expenditures for all your housing choice (Section 8) 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 your housing choice (Section 8) programs by the unit months leased to derive an average monthly per unit cost.

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

(iii) HUD will multiply the annual per unit cost derived under paragraph (ii) above by the Housing Choice Voucher (Section 8) Housing Assistance Payments Program Contract Rent Annual Adjustment Factor (with the highest 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: If you do not currently administer a housing choice certificate or voucher program, your voucher funding will be based upon the annual actual per unit costs of a PHA in your most immediate area administering a housing choice certificate or voucher program, using the three step process described immediately above.

(2) *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 housing choice program that are selected for funding under this announcement. The preliminary fee will be provided to such PHAs only in their first year administering housing choice vouchers.

(3) *Underfunding Corrections.* If prior to the award of funding HUD determines that any awardees under the FY 2000 NOFA for the same purpose 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.* This program provides housing choice vouchers to 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, or in certain types of Section 202, Section 221(d)(3), or Section 236 developments where the owners are restricting occupancy in the developments (or portions thereof) to elderly families. The vouchers will enable non-elderly disabled families to rent affordable housing. The specific types of developments covered under these two broad categories are as follows:

(1) Section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611 allowed owners of the following covered Section 8 project-based developments (limited to only such developments originally designed primarily for occupancy by elderly families) to provide preferences to elderly families in selecting tenants for available assisted units in those projects:

(a) Section 8 New Construction Program, 24 CFR part 880;

(b) Section 8 Substantial Rehabilitation Program, 24 CFR part 881;

(c) State Housing Agencies Program (insofar as involving new construction and substantial rehabilitation), 24 CFR part 883;

(d) New Construction Set-Aside for Section 515 Rural Rental Housing Projects Program, 24 CFR part 884; and

(e) Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects (insofar as involving substantial rehabilitation), 24 CFR part 886, subpart C.

(2) Section 658 of the 1992 Act provides that an owner of a Federally assisted project (or portion thereof) that was designed for occupancy for elderly families may continue to restrict occupancy in such project (or portion) to elderly families in accordance with the rules, standards, and agreements governing occupancy in such housing in effect at the time of the development of the housing. The *three types of assisted*

housing developments covered by Section 658 are as follows:

(a) Housing assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the National Affordable Housing Act (NAHA);

(b) Housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears an interest rate determined under section 221(d)(5); and

(c) Housing insured, assisted or held by the Secretary or a State or State Agency under section 236 of the National Housing Act.

(B) *Eligible Applicants.*

(1) 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. 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 been assigned 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(B)(1)(a) 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).

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.

(2) 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 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 with 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 the 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 (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. 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 housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(C) *Eligible Participants.* Eligible participants include non-elderly disabled families who were on the waiting list (at the time of the PHA's application) of a covered development identified in this announcement where the owner had exercised a preference for the admission of elderly families, or

restricted occupancy to elderly families, respectively, at the time the PHA received the names of these families from the owner of the development(s) for purposes of requesting housing choice vouchers in response to this announcement. These non-elderly disabled families need not be listed on the PHA's housing choice voucher waiting list in order to be offered and receive housing choice voucher assistance; i.e., it is sufficient that their names are on the waiting list for a covered development at the time their names are provided to the PHA by the owner. Eligible participants also include other non-elderly disabled families residing in the community who would qualify for a one- or zero-bedroom unit. (See the note in this announcement at the end of Section II(B)(1)(a) for those limited instances in which a PHA could also apply for funding for a two-bedroom unit.) Non-elderly disabled families must be income eligible under 24 CFR 982.201(b)(1) in order to receive a rental voucher, as well as otherwise eligible for assistance under the regulations at 24 CFR part 982.201(b).

IV. Program Requirements and Operations

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 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); 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.* PHAs must administer the housing choice vouchers received under this announcement in accordance with HUD regulations and requirements governing the Housing Choice Voucher Program.

(2) *Housing Choice Voucher admission requirements.* Housing choice vouchers must be provided to eligible applicants in conformity with regulations and requirements governing the 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 voucher 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 voucher funding is placed under an annual contributions contract (ACC).

If there is ever an insufficient pool of disabled families on the PHA's housing choice voucher waiting list, the PHA 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 housing choice voucher waiting list is closed, and if the PHA has insufficient applicants on its housing choice voucher waiting list to use all awarded vouchers under this announcement, the PHA shall open the waiting list for applications from disabled families.

(D) *PHA Responsibilities.* In addition to PHA 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 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 modifications that need to be made to their units as a reasonable accommodation for their disabilities.

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

(4) Provide housing choice voucher 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.

PHAs are encouraged to coordinate with/involve nonprofit disability organizations in their meeting the requirements of paragraphs 1, 2, 4 and 6 immediately above. PHAs are encouraged to seek out nonprofit disability organizations in this regard due to such organizations' capacity for assisting disabled families, and their in-depth knowledge of the disability community and the available resources to assist disabled persons.

(E) *Definitions.*

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

(2) *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).

(3) *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 housing choice 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.

(4) *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 all applications and disapproved any found unacceptable for further processing, the Grants Management Center will review all remaining applications to ensure that they are technically adequate and responsive to the requirements identified in this program section of this SuperNOFA.

HUD Headquarters will fund on a first-come, first-serve basis all approvable applications that are recommended for funding by the Grants Management Center, based upon the date and time the application is received in the Grants Management Center. As applications 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, funds will be transferred from the approximately \$20 million available under the Rental Assistance for Non-elderly Persons with Disabilities in Support of Designated Housing Plans

program to the extent such funds have not been obligated under that program for approvable applications.

Applications will be funded for the total number of units requested and recommended for approval by the Grants Management Center. When remaining budget authority is insufficient to fund the last selected application in full the Grants Management Center will fund that application to the extent of the funding available, unless the application indicates that the PHA will only accept a higher number of units. In that event, HUD will fund the next selected application that has indicated a willingness to accept the lesser amount of funding for units available.

VI. Application Submission Requirements

(A) *Form HUD-52515.* All PHAs 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 number (for example, CT002), telephone number, facsimile number, and electronic mail address in the same space at the top of the form where they also 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.

(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 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) *Demonstration of Need: Certification/Waiting List Information and Other Non-Elderly Disabled Families Residing in the Community.* In order to support the number of vouchers being requested on the form HUD-

52515, the PHA's application must include:

(1) A certification from the owner of a covered development (see the different types of covered developments listed in Section III(A)(1) and (2) of this announcement), stating the specific type of covered development, preferences are provided to elderly families in selecting tenants (Section 8 project-based developments) or occupancy in the development (or portion thereof) is restricted to elderly families (assisted housing developments), and the number of non-elderly disabled families on the owner's waiting list for the development. (PHAs may contact the local HUD Field Office's Director, Multifamily Division, to get the names, addresses and telephone numbers of the developments falling under Section III(A)(1) and (2) in this announcement. The PHA will then need to contact the management/owners of these developments within their jurisdiction to verify that the development is a covered development. Owners of covered developments are encouraged to cooperate with PHAs and provide the required certification (if applicable) in a timely manner, along with the names, addresses and telephone numbers of those families on the development's waiting list that are non-elderly disabled families.)

(2) PHAs must also submit information supportive of the number of other non-elderly disabled families residing in the community who would qualify for one-bedroom or zero-bedroom units (not on the waiting lists of covered developments). (See the note at the end of Section II(B)(1)(a) of this announcement which identifies those limited instances in which a PHA may apply for funding for a two-bedroom unit.) The application must demonstrate a need for vouchers by providing information documenting that the demand for housing for non-elderly disabled families would equal or exceed the requested number of vouchers (not to exceed 200). The PHA must assess and document the need using a range of sources including, but not limited to: census data, information from the PHA's waiting list (both public housing and housing choice voucher), statistics on recent public housing admissions and certificate and voucher use, data from local advocacy groups and local public and private service agencies familiar with the housing needs of non-elderly disabled families, and pertinent information from the Consolidated Plan (including the Analysis of Impediments to Fair Housing Choice) applicable to the PHA's jurisdiction. (See 24 CFR 91.205(d).)

(D) *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 developed 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 analysis 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.

(E) *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.

(F) *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 Notices 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 (as provided in the General Section), the Grants Management Center will disapprove all applications that the Grants Management Center determines are not acceptable for processing. The notification of rejection letter will state the basis for the decision.

(2) Applications that fall into any of the following categories will not be processed:

(a) Applications that do not meet the threshold fair housing and civil rights compliance 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)(2) 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) 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, it may still pass category (c) if it submits information to the GMC, as part of its application, demonstrating that it 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 with this funding announcement on a HUD website: (www.hud.gov/grants). A PHA not listed must either submit information (following the format of Appendix A of this NOFA) 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 NOFA) 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 funding utilization rate for fiscal years ending in 1999. Appendix A of this NOFA 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 GMC 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 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	2,750,000	
divided by		
Annual budget authority	2,941,667	
equals		
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 twelve 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 and 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)
Adjusted contract units	746

Increments and contract term	Units
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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