

**DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

---

**MAINSTREAM HOUSING  
OPPORTUNITIES FOR PERSONS  
WITH DISABILITIES**

Billing Code 4210-32-C



**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 access affordable private housing.

*Available Funds.* Approximately \$53.9 million in five-year budget authority, derived from Section 811 funding, 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 2002. Specifically, any portion of the \$40 million in one-year budget authority contained in FY 2002 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 approved applications under these programs will be added to the approximately \$53.9 million in five-year budget authority available under this announcement. This one-year budget authority will be used only for non-elderly disabled families.

See section II(A) of this funding announcement which fully addresses (1) the source of the \$53.9 million in five-year budget authority appropriated by Congress for FY 2002 under Section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), and (2) the source of the non-Section 811 funds comprising one-year budget authority which may also be available under this funding announcement. All future references in this funding announcement to five-year budget authority or one-year budget authority, respectively, are based upon these funding sources.

*Eligible Applicants.* PHAs and nonprofit disability organizations that provide services to disabled families are eligible to apply for the \$53.9 million in five-year budget authority for applications submitted in FY 2002. While PHAs and nonprofit disability organizations are eligible to apply for the \$53.9 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). PHAs or nonprofit disability organizations that fall into any of the categories in section VII(B)(2) of this announcement are ineligible to have an application funded under this announcement. 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 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 22, 2002.  
*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 July 22, 2002. See the paragraphs titled "Mailed

*Applications" and "Applications Sent by Overnight/Express Mail Delivery" in section I of this funding announcement regarding the specific time on the application due date by which applications are to be submitted.* This application deadline date is firm. In the interest of fairness to all competing PHAs and nonprofit disability organizations, HUD will not consider any application that is received after the application deadline. Applicants should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems. HUD will not accept, at any time during the competition under this funding announcement, application materials sent via facsimile (FAX) transmission.

*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. The Grants Management Center (GMC) is the official place of receipt for all applications in response to this announcement of funding availability. Applications not submitted to the GMC will not be considered. 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.

*New Security Procedures.* In response to the terrorist attacks in September 2001, HUD has implemented new security procedures that impact on application submission procedures. Please read the following instructions carefully and completely. HUD will not accept hand delivered applications. Applications sent to Headquarters may be mailed using the United States Postal Service (USPS) or may be shipped via the following delivery services: United Parcel Service (UPS), FedEx, DHL, or Falcon Carrier. No other delivery services are permitted into HUD Headquarters without escort. You must, therefore, use one of the four carriers listed above.

*Mailed Applications.* Your application will be considered timely filed if your application is postmarked on or before 12:00 midnight on the application due date and received by the GMC on or within fifteen (15) days

of the application due date. *All applicants must obtain and save a Certificate of Mailing showing the date when you submitted your application to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was timely filed.*

*Applications Sent by Overnight/Express Mail Delivery.* If your application is sent by overnight delivery or express mail, your application will be timely filed if it is received before or on the application due date, or when you submit documentary evidence that your application was placed in transit with the overnight delivery/express mail service by no later than the application due date. Due to new security measures, you must use one of four carrier services that do business with HUD Headquarters regularly. These services are UPS, DHL, FedEx, and Falcon Carrier. Delivery by these services must be made during HUD's Headquarters business hours, between 8:30 AM and 5:30 PM Eastern Time, Monday to Friday. If these companies do not service your area, you should submit your application via the United States Postal Service.

*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) 358-0221. (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](http://www.hud.gov).

## II. Amount Allocated

(A) *Available Funding for Mainstream Program.* Approximately \$53.9 million in five-year funding is available for approximately 1,900 vouchers. This allocation is consistent with the FY 2002 HUD Appropriations Act which provides that the Secretary of HUD may designate up to 25 percent of the amounts earmarked for supportive housing for persons with disabilities, under section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), for tenant-based assistance. The \$53.9 million in five-year budget authority made available to applicants under this Mainstream Program funding announcement does not exceed 25 percent of the \$240.9 million made available for the Section 811 Program under the FY 2002 HUD Appropriations Act.

All of the approximately \$53.9 million in funding is for use in the housing of elderly and non-elderly disabled families. HUD will supplement the \$53.9 million of five-year budget authority with additional funding of up to as much as \$40 million in one-year budget authority initially earmarked for (1) housing choice vouchers for non-elderly disabled families in support of designated housing plans, and (2) 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 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. The FY 2002 HUD Appropriations Act states that to the extent the Secretary determines that the FY 2002 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.

(B) *Funding for the Section 811 Program.* The Section 811 Program of Supportive Housing for Persons With Disabilities, located elsewhere in the SuperNOFA, provides capital advances and project rental assistance in FY 2002. 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 \$53.9 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 2002 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 only 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 2002 Mainstream Program; i.e., a PHA or nonprofit disability organization receiving five-year budget authority funding shall be funded for no more than 75 vouchers; a PHA receiving a combination of five-year and one-year budget authority shall be funded for no more than 75 vouchers; and a PHA receiving only one-year budget authority funding shall be funded for no more than 75 vouchers.

(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 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 two 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.

**Note:** Applicants who do not currently administer a housing choice voucher program shall have their voucher funding based upon the actual annual per unit costs of the PHA in their most immediate area administering a housing choice voucher program, using the two 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 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.

### 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 access affordable private housing of their choice.

The Mainstream Program will assist PHAs and nonprofit 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 for the five-year budget authority funding available under this funding announcement. Only PHAs are eligible to apply for the one-year budget authority funding that may be available under this funding announcement. PHAs or nonprofit disability organizations that fall into any of the categories in section VII(B)(2) of this announcement are ineligible to have an application funded under this announcement. 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 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 of 75 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.

(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. Such organizations have frequently in the past demonstrated a capacity to assist disabled families, as well as have an in-depth knowledge of the disability community.

(i) A nonprofit disability organization 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.

(c) In some cases a PHA currently administering the housing choice voucher program has, at the time of publication of this SuperNOFA, been designated by HUD as a troubled PHA under the Section 8 Management Assessment Program (SEMAP), or has major program management findings from Inspector General audits that are unresolved. HUD will not accept an application from such a PHA as a contract administrator if, on the application due date, the troubled PHA designation under SEMAP has not been removed by HUD, or the findings are not resolved. If the PHA wants to apply for funding under this announcement, the PHA must submit an application that designates another contractor that is acceptable to HUD. The PHA's application must include an agreement by the other contractor to administer the new funding increment on behalf of the PHA, and (in the instance of a PHA with unresolved major program management findings) a statement that outlines the steps the PHA is taking to resolve the program findings.

*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 have been designated by HUD as troubled under SEMAP, and those PHAs with unresolved major program management findings 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 Director of the Grants Management Center. The PHA may appeal the decision, in writing, if HUD has mistakenly classified the PHA as having unresolved major program findings. The PHA may not appeal its designation as a troubled PHA under SEMAP. Any appeal with respect to unresolved major program management findings must be accompanied by conclusive evidence of HUD's error (i.e., documentation showing that the finding has been cleared) 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 the PHA's written appeal and the Field Office's written response to the 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.* An 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, under section 501(c)(3) of the Internal Revenue Code, 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 to persons with disabilities;

(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 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 statewide 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 must be selected from the PHA's or nonprofit disability organization's housing choice voucher waiting list. Additional information on those families and individuals eligible to receive a voucher is located at the following HUD Web site: [www.hud.gov/offices/pih/programs/hcv](http://www.hud.gov/offices/pih/programs/hcv).

#### 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 their 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; (b) work with the local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and (c) 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. The only exception to this requirement shall be for nonprofit disability organizations which shall not be required to comply with the requirements of 24 CFR part 903, subpart B as concerns the requirement for a PHA Plan.

(2) *Housing Choice Voucher Program Admission Requirements.* Housing choice voucher assistance must be provided to eligible disabled families 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 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). 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 should open the waiting list for applications from disabled families. PHAs and nonprofit organizations must take care to keep track of the number of disabled vouchers they have been awarded under this funding announcement versus the number of such vouchers that have actually been issued to disabled families.

(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.* Disabled family means a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

**Note:** This definition applies to the approximately \$53.9 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 2002 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 2002 beyond the approximately \$53.9 million initially available.

(2) *Person with disabilities.* Means a person who:

(a) Has a disability as defined in 42 U.S.C. 423;

(b) Is determined, pursuant to HUD regulations, 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 the ability to live independently could be improved by more suitable housing conditions;

(c) Has a developmental disability as defined in 42 U.S.C. 6001;

(d) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;

(e) For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on 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.

(F) *Homeownership and Family Self-Sufficiency (FSS).* Applicants are encouraged to establish or expand upon an existing housing choice voucher homeownership program, as well as complete the closing process on homeownership units. Applicants are also encouraged to fill slots under a mandatory FSS program and to establish a voluntary FSS program and fill slots thereunder where a mandatory FSS program is not required.

(G) *Increasing the Participation of Faith-Based and Community-Based Organizations in HUD Program Implementation.* HUD believes that grassroots organizations; e.g., civic organizations, congregations, and other community-based and faith-based organizations, have not been effectively utilized. These grassroots organizations have a strong history of providing vital community services such as assisting the homeless and preventing homelessness; counseling individuals and families on fair housing rights; providing elderly housing opportunities; developing first time homeownership programs; increasing homeownership and rental housing opportunities; developing affordable and accessible housing in neighborhoods across the country; and creating economic development programs. The goal of this policy priority is to make HUD's housing choice voucher program more effective, efficient, and accessible by expanding opportunities for faith-based and community-based organizations to participate in developing solutions for their own neighborhoods. PHAs are encouraged to coordinate with and otherwise involve faith-based and other community-based organizations in those activities under the housing choice voucher program where their services, expertise and knowledge may be most effective.

(H) *Conducting Business in Accordance With Core Values and Ethical Standards.* To reflect core values, all applicants shall develop and maintain a written code of conduct in the PHA administrative plan that (1) requires compliance with the conflict of interest requirements of the Housing Choice Voucher Program at 24 CFR 982.161, and (2) prohibits the solicitation or acceptance of gifts or gratuities, in excess of a nominal value, by any officer or employee of the PHA,

or any contractor, subcontractor or agent of the PHA. The PHA's administrative plan shall state PHA policies concerning PHA administrative and disciplinary remedies for violation of the PHA code of conduct. The PHA should inform all officers, employees and agents of its organization of the PHA's code of conduct.

#### 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, (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. The form must be completed in its entirety, with the exception of Section C, signed and dated. 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 following HUD Web site: [www.hud.gov](http://www.hud.gov). (On the HUD Web site click on "handbooks and forms," then click on "forms," then click on "HUD-5" and click on "HUD-52515." In addition, the Form HUD-52515 will also be posted with the Mainstream funding announcement at the following HUD Web site: [www.hud.gov/offices/adm/grants/fundsavail.cfm](http://www.hud.gov/offices/adm/grants/fundsavail.cfm).

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

PHAs and nonprofit disability organizations that do not currently administer a housing choice voucher program must identify the nearest PHA (including the full name, address, and tel. no.) that does administer a housing choice voucher program. This information will be necessary for HUD to calculate annual per unit costs for voucher funding awarded under this funding announcement for such PHAs and nonprofit disability organizations (see section II (C) (3) of this funding announcement).

(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 equaling 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 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 2002 Mainstream Program funding that may be available beyond the approximately \$53.9 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 \$53.9 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 and Nonprofit Organization Will Take to Affirmatively Further Fair Housing.* The areas to be addressed in the PHA's and nonprofit organization's statement must include, but not necessarily be limited to:

(1) The examination of the PHA's and nonprofit organization'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; (b) work with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and (c) 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.

The applicant's statement must fully address the above areas. A general statement that the applicant will promote fair housing choice by reason of not discriminating on the basis of race, color, religion, etc. will not be sufficient.

(G) *Moving to Work (MTW) PHA Certification.* See Section VII (B)(2)(c) regarding the 97 percent lease-up or budget authority utilization certification to be submitted by an MTW PHA not required to report under SEMAP.

(H) *Form HUD-2993.* All PHAs must complete and submit form HUD-2993, Acknowledgement of Application Receipt. In addition to the PHA entering its name and address on the form, the full title of the program under which the PHA is seeking funding must also be entered. This form is located in the General Section of the SuperNOFA and is also available at the following HUD Web site: [www.hud.gov](http://www.hud.gov). On this Web site click on "handbooks and forms."

## 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 applications from PHAs and nonprofit disability organizations 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. The applicant may request an applicant debriefing. Beginning not less than 30 days after the awards for assistance are announced in the **Federal Register**, and for not longer than 120 days, HUD will, upon receiving a written request from the applicant, provide a debriefing to the requesting applicant. Applicants requesting to be debriefed must send a written request to Michael Diggs, Director, Grants Management Center, Department of Housing and Urban Development, 501 School Street, SW, Suite 800, Washington, DC 20024.

(2) Applications from PHAs or nonprofit disability organizations 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 is designated as troubled by HUD under SEMAP, or has major program management findings in an Inspector General audit for its voucher or certificate programs that are unresolved. 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 PHA has failed to achieve a lease-up or budget authority utilization rate of 97 percent for its combined certificate and voucher units under contract for its fiscal year ending on either September 30, 2000; December

31, 2000; March 31, 2001; or June 30, 2001. PHAs that have been determined by HUD to have passed either the 97 percent lease-up, or 97 percent budget authority utilization requirement for their fiscal year ending on either September 30, 2000; December 31, 2000; March 31, 2001; or June 30, 2001, will be listed with the Mainstream funding announcement at the following HUD Web site: [www.hud.gov/offices/adm/grants/fundsavail.cfm](http://www.hud.gov/offices/adm/grants/fundsavail.cfm). A PHA not listed may submit monthly lease-up and budget authority utilization information (following the methodology of Appendix A of this announcement and using the format in Appendix B which also includes a blank version of the format) as part of its application supportive of its contention that it should have been included among those potential applicants HUD listed on the HUD web site as having achieved either a 97 percent lease-up rate or 97 percent budget authority utilization rate for fiscal years ending on either September 30, 2000; December 31, 2000; March 31, 2001; June 30, 2001; or subsequent full fiscal year not yet processed by HUD but certified by the applicant. Unless utilization information is submitted on the blank form in Appendix B, the application will otherwise be determined ineligible for funding under this announcement.

**Note:** The lease-up and budget authority utilization requirement shall not apply to applicants not currently administering a voucher program, or to new units associated with funding increments obligated during the applicant's last fiscal year and units obligated for litigation. In addition, lease-up or budget authority utilization rates of 96.5 percent but less than 97 percent shall be rounded up to 97 percent.

Moving to Work (MTW) agencies that are required to report under the Section 8 Management Assessment Program

(SEMAP) shall be held to the 97 percent lease-up and budget authority utilization requirements referenced above. 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 97 percent lease-up or budget authority utilization requirements.

(d) The PHA or nonprofit disability organization is involved in litigation and HUD determines that the litigation may seriously impede the ability of the applicant 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 PHA did not have its PHA plans approved by HUD for the FY 2000 plan cycle on the application due date for this funding announcement. (This category of ineligibility does not apply to nonprofit disability organizations whose housing choice voucher program is based solely upon previously approved housing choice vouchers under the Mainstream Program.)

#### VIII. Environmental Requirements

In accordance with 24 CFR 50.19(b)(11) and 58.35(b)(1) 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. Activities under the homeownership option of this program are categorically excluded from NEPA requirements and excluded from other environmental requirements under 24 CFR 58.5 in accordance with 24 CFR 58.35(b)(5), but PHAs and nonprofit organizations are responsible for the environmental requirements in 24 CFR 982.626(c).

#### 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 2002 (Pub.L. 107-73, approved November 26, 2001). This FY 2002 Appropriations Act also authorized appropriations for housing choice vouchers to assist non-elderly disabled families affected by the designation of a public housing development under section 7 of the United States Housing Act of 1937, as amended; the establishment of preferences in accordance with section 651 of the Housing and Community Development Act (HCDA) of 1992, or the restriction of occupancy to elderly families in accordance with section 658 of the HCDA Act. The FY 2002 Appropriations Act allows the Secretary to transfer any unobligated funds for these purposes, to the extent they are not needed, to assist other non-elderly disabled families. Therefore, any funds remaining unobligated under these program sections will be used to fund applications under the Mainstream Program in the SuperNOFA.

**BILLING CODE 4210-32-P**

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

Using data from the HUDCAPS system, HUD determined which PHAs met the 97% budget authority utilization or 97% lease-up criteria. The data used in the determination was based on PHA fiscal years ending September 30, 2000; December 31, 2000; March 31, 2001; or June 30, 2001. 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 year ending September 30, 2000; December 31, 2000; March 31, 2001; or June 30, 2001, for the PHA's combined certificate and voucher program. Annual budget authority associated with new funding increments obligated during the last PHA fiscal year and annual budget authority for litigation were excluded.

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 year for each funding increment which had an active contract term during all or a portion of the PHA year. ABA is adjusted for new funding increments obligated during the last PHA fiscal year and for litigation funding increments.

**EXAMPLE:**

PHA ABC

Fiscal year 10/1/99 through 9/30/00

HUD 52681 Approved Data:

HAP	\$2,150,000
Administrative Fee	\$ 215,000
Hard to House Fee	\$ 1,000

Audit	\$ 2,000
Total	\$2,368,000
Program receipts other than Annual Contributions	(\$2,500)

**Total contributions required** **\$2,365,500**

Calculation of Annual Budget Authority

<u>Increments</u>	<u>Contract Term</u>	<u>Total BA</u>	<u>ABA</u>
001	11/01/99 -10/31/00	\$1,300,000	\$1,191,667
002	01/01/00-12/31/00	\$1,200,000	\$ 900,000
003	04/01/00-03/31/01	\$ 950,000	\$ 475,000
004	07/01/00-06/30/01	\$1,500,000	\$ 375,000
Totals		\$4,950,000	<b>\$2,941,667</b>
ABA associated with litigation			(\$475,000)
Total ABA			(\$2,466,667)

**Budget Authority Utilization**

<b>Total contributions required</b>	<b>\$2,365,500</b>
divided by	
<b>Annual budget authority</b>	<b>\$2,466,667</b>
equals	
<b>Budget Authority Utilization</b>	<b>95.9%</b>

**Lease-up Rate**

The lease-up rate was determined by comparing the reserved units (funding increments active as of the end of the PHA year) to the unit months leased (divided by 12) reported on the combined HUD 52681, Year End Settlement Statement(s) for September 30, 2000; December 31, 2000; March 31, 2001; or June 30, 2001.

Units associated with new funding increments obligated during the last PHA fiscal year and units obligated for litigation were excluded from the reserved units.

**EXAMPLE:**

<u>Increments</u>	<u>Contract Term</u>	<u>Units</u>
001	11/01/99-10/31/00	242
002	01/01/00-12/31/00	224
003	04/01/00-03/31/01	178

---

004	07/01/00-06/30/01	280	
Totals			924
Increment 003 litigation		(178)	
<b>Adjusted contract units</b>	<b>746</b>		

Unit months leased reported by PHA	8,726
divided by 12	727
<b>Units Leased</b>	<b>727</b>

**Lease-up Rate**

Units leased	727
divided by adjusted contract units	746
equals	
<b>Lease-up Rate</b>	<b>97.5%</b>

## APPENDIX B

## Example

Main Street HA 12/31/01 Year End January 1, 2001 through December 31, 2001

ACC units applicable: 653 (Litigation and new units obligated during the fiscal year are excluded)

Month	Total HAP	UMLs	Admin Fee	HH Fee	Requirements	Cumulative Total	Annual Budget Authority (ABA)
January	\$291,874	623	\$29,119	\$0	\$320,993	\$320,993	\$295,650
February	\$211,945	620	\$30,058	\$1,125	\$243,128	\$564,121	\$295,650
March	\$234,521	618	\$29,961	\$450	\$264,932	\$829,053	\$295,650
April	\$226,489	620	\$30,058	\$750	\$257,297	\$1,086,350	\$295,650
May	\$240,414	616	\$29,864	\$675	\$270,953	\$1,357,303	\$295,650
June	\$245,600	614	\$29,767	\$825	\$276,192	\$1,633,495	\$295,650
July	\$251,300	615	\$29,815	\$675	\$281,790	\$1,915,285	\$309,103
August	\$265,304	611	\$29,621	\$900	\$295,825	\$2,211,110	\$309,103
September	\$285,504	610	\$29,573	\$375	\$315,452	\$2,526,562	\$309,103
October	\$298,503	612	\$29,670	\$525	\$328,698	\$2,855,260	\$309,103
November	\$325,008	628	\$30,445	\$300	\$355,753	\$3,211,013	\$309,103
December	\$355,006	640	\$31,027	\$225	\$386,258	\$3,597,271	\$309,105
Totals	\$3,231,468	7,427	\$358,978	\$6,825		\$3,597,271	\$3,628,520

Leaseup Rate: 94.78% (UMLs/ACC units)  
 ABA Utilization 99.14% (Requirements/ABA)

Certification:

\_\_\_\_\_  
 Executive Director

\_\_\_\_\_  
 Section 8 Program Administrator

HA Name and fiscal year end:  
 ACC Units applicable in fiscal year: \_\_\_\_\_

Month	Total HAP	UMLs	Admin Fee	Hard to House Fee	Requirements	Cumulative Total	Annual Budget Authority (ABA)
Totals							

Leaseup Rate: 0.00% (UMLs/ACC units)  
 ABA Utilization: 0.00% (Requirements/ABA)

Certification:

\_\_\_\_\_

Executive Director

\_\_\_\_\_

Section 8 Program Administrator