

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

**MAINSTREAM HOUSING
OPPORTUNITIES FOR PERSONS
WITH DISABILITIES (MAINSTREAM
PROGRAM)**

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 \$53.6 million in five-year budget authority, derived from FY 2003 Section 811 funding, for approximately 1,800 vouchers is available to public housing agencies (PHAs) and nonprofit organizations.

See section II (A) of this funding announcement, which fully addresses the source of the \$53.6 million in five-year budget authority appropriated by Congress for FY 2003 under Section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA) (42 U.S.C. 12701 *et seq.*), available under this funding announcement. All future references in this funding announcement to five-year budget authority are based upon this funding source.

Eligible Applicants. PHAs and nonprofit organizations that provide services to disabled families are eligible to apply. PHAs or nonprofit 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, (25 U.S.C. 4101 *et seq.*) 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)(1) 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 heretofore having served only certain types of disabled persons. The Housing Choice Voucher Program regulations provide at 24 CFR 982.207(b)(3) 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 organizations that receive funding under this announcement; as such organizations must comply with the regulatory requirements applicable to the Housing Choice Voucher Program.

Application Deadline. June 18, 2003.
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 midnight of June 18, 2003. This application deadline date is firm. In the interest of fairness to all competing PHAs and nonprofit organizations, HUD will not consider any application that is submitted 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. *See the paragraph titled "ADDRESSES AND APPLICATION SUBMISSION PROCEDURES" in the General Section of the SuperNOFA regarding HUD's mailing, delivery and receipt procedures pertinent to the submission of your application.*

Address for Submitting Applications. Your completed application consists of one original and one copy. Submit your original application and one copy to: Grants Management Center, Mail Stop: Mainstream Program, 2001 Jefferson Davis Hwy, Suite 703, Arlington, VA 22202.

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 the SuperNOFA.

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.

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 Housing and Voucher Programs, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-0477, 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.

II. Amount Allocated

(A) *Available Funding for Mainstream Program.* Approximately \$53.6 million in five-year funding is available for approximately 1,800 vouchers. This allocation is consistent with the Consolidated Appropriations Resolution, FY 2003 (Pub. L. 108-7, approved February 20, 2003), which provides that the Secretary of HUD may designate up to 25 percent of the amounts appropriated for supportive housing for persons with disabilities, under section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), for tenant-based assistance. The five-year budget authority made available to applicants under this Mainstream Program funding announcement does not exceed 25 percent of the \$248,886,653 million (dollar amount after rescission action) made available for the section 811 Program under the FY 2003 HUD Appropriations Act. All of the approximately \$53.6 million in Mainstream funding is for use in the housing of elderly and non-elderly disabled families.

(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 2003. 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 14 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) *Funding Methodology.* HUD will select applications for funding that meet all of the application submission requirements in section VI of this NOFA and that score a sufficient number of points under the selection criteria listed in section V of this NOFA. Applications will be ranked from highest to lowest score in descending order, with the highest ranked application selected first for funding, and so forth. Where two or more applicants have exactly the same score under the selection criteria in section V (B) of this NOFA and insufficient funding remains to fund all of them, applicants will be funded in the order of the exact percentage of disabled persons at or below the poverty level that is in each applicant's primary market area. The applicant with the highest percentage will be funded first, etc.

HUD will limit the number of applications selected for funding from any State to 10 percent of the budget authority available for the Mainstream Program. 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.

When remaining budget authority is insufficient to fund the last selected

application in full, the application will be funded 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 the one indicating a willingness to accept the lesser amount of funding for the units available.

(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 50 vouchers. No more than 50 vouchers will be awarded to any applicant under the FY 2003 Mainstream Program.

(3) *Determination of Funding Amount for the Applicant's Requested Number of Vouchers.* HUD will determine the amount of funding that an applicant will be awarded under this announcement based upon an actual annual per unit cost {except for Moving to Work (MTW) agencies in which 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 the PHA's housing choice voucher program 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 the PHA's housing choice voucher program 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 start-up expenses will be paid to applicants selected for funding under this announcement who have not previously administered their own housing choice voucher program. The preliminary fee will be provided to such applicants only in their first year of 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 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 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. PHAs or nonprofit 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 an 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 50 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 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. In the past, such organizations have frequently demonstrated a capacity to assist disabled families, as well as have

an in-depth knowledge of the disability community.

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

Immediately after the publication of this SuperNOFA, the Office of Public Housing in the local HUD Field Office will notify, in writing, those PHAs and nonprofit organizations that have been designated by HUD as troubled under SEMAP, and those PHAs and nonprofit organizations with unresolved major program management findings or other significant program compliance problems 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

applicant may appeal the decision, in writing, if HUD has mistakenly classified the applicant as having unresolved major program findings or other significant program compliance problems. The applicant may not appeal its designation as troubled under SEMAP. Any appeal with respect to unresolved major program management findings or other significant program compliance problems must be accompanied by conclusive evidence of HUD's error (i.e., documentation showing that the finding has been cleared or the program compliance problem has been resolved) 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 applicant's written appeal and the Field Office's written response to the appeal. Copies of all letters of ineligibility and matters that relate to PHA appeals referenced in this paragraph must be submitted to the GMC by the Field Office so as to be received by the GMC no later than 10 days after the application deadline date. Major program management findings, or significant program compliance problems, are those that would cast doubt on the capacity of the applicant to effectively administer any new housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements. (Note: If any additional PHAs or nonprofit disability organizations fall into the above category prior to HUD's announcement of awards under this NOFA, but subsequent to the local HUD Field Office's notification of the GMC addressed above, the Field Office shall immediately notify the GMC of the applicant's name and the category into which the applicant falls, i.e., designated as troubled under SEMAP, major unresolved OIG management findings, or other significant program compliance problems. As indicated in Section VII(B)(2) of this NOFA, an applicant must be eligible for funding at the time of the application due date, as well as at such subsequent time of HUD's selection of awardees. No PHA appeals, based upon Field Office letters of ineligibility issued after the application deadline date, shall be considered for purposes of eligibility for funding under this funding announcement.)

(2) *Nonprofit Organization.* A nonprofit organization may submit only one application under this

announcement. For purposes of the Mainstream Program, a nonprofit organization shall be defined as 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;

(iv) Practice nondiscrimination in the provision of assistance; and

(v) Provide services to the disabled as part of its ongoing activities and responsibilities.

(b) A nonprofit organization meeting the definition of a nonprofit 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 at least "standard" during the first fiscal year of its receiving Mainstream Program funding under this funding announcement.

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

HUD or State-related housing programs, etc.).

Nonprofit 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 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, may receive a voucher awarded under the Mainstream Program. Applicants with disabilities must be selected from the PHA's or nonprofit 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: <http://www.hud.gov/offices/pih/programs/hcv>.

IV. Program Requirements and Definitions

(A) *Civil Rights and Fair Housing.* To be eligible to receive funding under this funding announcement, the applicant must meet all the civil rights and fair housing requirements detailed in Sections V (B)(2), (C) and (D) of the General Section of the SuperNOFA.

(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 organizations which shall not be required to comply with the requirements of 24 CFR part 903, subpart B concerning 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 from the date the rental assistance is placed under an annual contributions contract (ACC). In addition, any renewal by HUD of the five-year voucher funding (where the source of the renewal funding is Section 811 derived) shall require the continued reissuance of the vouchers to disabled families.

If there is ever an insufficient pool of disabled families on the PHA's or nonprofit organization's housing choice voucher waiting list, the PHA or nonprofit 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 organization's housing choice voucher waiting list is closed, and if the PHA or nonprofit 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 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 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 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 to the approximately \$53.6 million in five-year budget authority available under this funding announcement.

(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.

(2) *Person with disabilities.*

(a) Means a person who:

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

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental or emotional impairment that:

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

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

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions;

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

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

(c) 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., faith communities, civic organizations, and other community-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 other community-based organizations to participate in developing solutions for their own neighborhoods. Applicants 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 PHAs 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 shall inform all

officers, employees and agents of its organization of the PHA's code of conduct.

(I) *Pre-Award Accounting System Surveys*. See Section V (B)(5) of the General Section of the SuperNOFA regarding those applicants that may be subject to HUD's arranging for a pre-award survey of an applicant's financial management system.

V. Application Selection Process

(A) *Rating and Ranking*. 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 organizations that are recommended for funding by the Grants Management Center unless HUD receives approvable applications for more funds than are available. HUD will select applicants to be funded based upon the methodology indicated in Section II (C)(1) of this NOFA. Applications meeting all the application submission requirements of Section VI of this NOFA will be rated and ranked on the basis of their score under the selection criteria in Section V (B) of this NOFA. The maximum score under the selection criteria is 100 points.

(B) Selection Criteria

(1) Selection Criterion 1, Disabled Persons at or Below the Poverty Level. (40 points)

(a) *Description*: This criterion assesses the number of disabled persons at or below the poverty level in the primary market area served by the applicant, as a percentage of such disabled persons on a national basis using 2000 census data. The primary market area is defined as the geographic area in which the applicant is legally authorized to operate and where the vouchers will be issued. (See section VI (I) of this NOFA regarding the description of the primary market area required to be included in each PHA's/nonprofit organization's application.) A table listing all the cities and counties with a population of 10,000 or more persons within the nation (States and territories) will be listed with this funding announcement at the following HUD Web site: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. Also indicated on the table will be the number of disabled persons/percentage of such disabled persons at or below the poverty level within each city or county, as a

percentage of the number of disabled persons at or below the poverty level within the nation. An applicant (and the GMC during the review of applications) will use the table to determine the percentage of disabled persons at or below the poverty level that is in the applicant's primary market area. The percentage will determine the number of points that the applicant is eligible for under Selection Criterion 1.

(b) *Rating and Assessment*: Points will be assigned based upon the number of disabled persons at or below the poverty level in the applicant's primary market area, as a percentage of such persons within the nation. For each tenth of one percent (.001) within the applicant's primary market area the applicant will receive 5 points. Percentages of .0015, .0025, etc. or higher but less than the next whole tenth of one percent, i.e., .002, .003, etc. shall be rounded to the next whole tenth of a percentage point. An applicant having a primary market area with a population of 10,000 or fewer for which disability percentages are not listed on the table will receive 5 points under Selection Criterion 1. Likewise, an applicant having a primary market area comprised of more than one community with a population of 10,000 or fewer shall receive a total of 5 points for all such communities combined. A maximum of 40 points is available under Selection Criterion 1 regardless of how high a percentage of disabled persons at or below the poverty level is located within the applicant's primary market area.

(2) Selection Criterion 2, Lease-Up and Budget Authority Utilization. (25 points)

(a) *Description*: This criterion focuses on a PHA's and nonprofit organization's success in leasing its housing choice vouchers, and using the budget authority associated with its vouchers. While a PHA or nonprofit organization must have either a lease-up or budget authority utilization rate of at least 97 percent under section VII (B)(2)(c) of this NOFA in order to have an acceptable application, Selection Criterion 2 provides for the award of selection points to those PHAs having a voucher lease-up rate or a budget authority utilization rate of 99 percent or higher. The lease-up and budget authority utilization percentages for a PHA's or nonprofit organization's voucher program will be calculated by HUD based upon the methodology indicated in Appendix A of this NOFA, and shall cover fiscal years ending December 31, 2001; March 31, 2002; June 30, 2002; and September 30, 2002.

Lease-up or budget authority utilization rates of a half or more of one percentage point will be rounded to the next highest percentage point for purposes of qualifying for the points available under Selection Criterion 2 (for example, 98.5 percent will be rounded up to 99 percent). PHAs or nonprofit organizations that meet either the 97 percent lease-up or budget authority utilization threshold requirement in section VII(B)(2)(c) of this NOFA, or that have a 99 percent or higher lease-up or budget authority utilization rate and qualify for the points available under Selection Criterion 2 will be listed with this funding announcement at the following HUD Web site: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. A PHA or nonprofit organization not listed may submit information with its application, following the methodology of Appendix B and using the format of Appendix C which includes a completed example and the blank form format to be filled out and submitted with the PHA's or nonprofit organization's application, for its fiscal year December 31, 2001; March 31, 2002; June 30, 2002; September 30, 2002 or subsequent fiscal year not yet processed by HUD but certified by the applicant.

See Section VI (G) of this NOFA regarding the certification requirement applicable to MTW PHAs in connection with qualifying for the points available under Selection Criterion 2.

(b) *Rating and Assessment*: The GMC will assign point values as follows:

- *25 points*: The PHA or nonprofit organization has a lease-up or budget authority utilization rate for its voucher program of 99 percent.

Note: PHAs or nonprofit organizations without a voucher program or whose total voucher program is excluded (annual budget authority associated with new funding increments obligated during the applicant's last fiscal year and annual budget authority for litigation) from the lease-up/budget authority utilization calculation as per the methodology in Appendix A of this funding announcement may also be eligible to receive 25 points under Selection Criterion 2. In order to get the 25 points, the PHA or nonprofit organization will be required to submit a certification statement with its application certifying that it will lease all vouchers it is awarded under this NOFA within 180 days of the award of funding.

(3) Selection Criterion 3, Area-Wide Housing Opportunities (15 Points)

(a) *Description*: This criterion addresses the voluntary efforts that an applicant may take to provide area-wide housing opportunities for families. The efforts described in response to this criterion must be beyond those required

by federal law or regulation such as the portability provisions of the Housing Choice Voucher Program. Applicants should take note that the difference between being eligible for 15 points versus 10 points under this selection criterion requires undertaking efforts to end chronic homelessness on the part of disabled families.

(b) *Rating and Assessment*: The GMC will assign point values as follows:

- *15 points*: The applicant provides information indicating that it will provide housing counseling for disabled families that want to move to low-poverty or non-minority areas, or the applicant has established a contractual relationship with a PHA, nonprofit agency or local governmental entity to provide housing counseling for disabled families that want to move to low-poverty or non-minority areas. In addition, the applicant must target not less than 10 percent of the vouchers awarded under this funding announcement to assisting those disabled families that are chronically homeless as defined in section II (H) of the General Section of the SuperNOFA, and as part of the counseling provided to such families undertake two or more of the activities listed in that section. (The five PHAs approved for the FY 1993 Moving to Opportunity (MTO) for Fair Housing Demonstration, the 11 PHAs approved under the Housing Search Assistance Program (HSAP), and any other PHAs that receive housing counseling funds from HUD (e.g., in settlement of litigation involving the desegregation or demolition of public housing, regional opportunity counseling, or mixed population projects) may qualify for points under this assessment, but these PHAs must identify all activities to be undertaken, other than those funded by HUD, to expand housing opportunities.)

- *10 points*: The applicant provides information indicating that it will provide housing counseling for disabled families that want to move to low-poverty or non-minority areas, or the applicant has established a contractual relationship with a PHA, nonprofit agency or local governmental entity to provide housing counseling for disabled families that want to move to low-poverty or non-minority areas. (The five PHAs approved for the FY 1993 Moving to Opportunity (MTO) for Fair Housing Demonstration, the 11 PHAs approved under the Housing Search Assistance Program (HSAP), and any other PHAs that receive housing counseling funds from HUD (e.g., in settlement of litigation involving the desegregation or demolition of public housing, regional

opportunity counseling, or mixed population projects) may qualify for points under this assessment, but these PHAs must identify all activities to be undertaken, other than those funded by HUD, to expand housing opportunities.)

- *5 points*: The applicant provides information indicating that it has implemented other initiatives that have resulted, and will continue to result, in expanding housing opportunities for disabled families in areas that do not have undue concentrations of poverty or minority families.

(4) Selection Criterion 4, Commitments From Outside Agencies (10 Points)

(a) *Description*: The applicant documents that it has entered into agreements with one or more organizations to assist disabled families with moving costs, security deposits, utility hook-up fees, utility deposits, medical care, transportation, educational opportunities, employment and child care.

(b) *Rating and Assessment*: The GMC will assign points as follows:

- *10 points*: The applicant provides copies of the agreements that it has entered into with three or more organizations to assist disabled families with moving costs, security deposits, utility hook-up fees, utility deposits, medical care, transportation, educational opportunities, employment and child care. The applicant must also provide information indicating it has taken one or more of the activities to promote the participation of grass-roots and other community-based organizations indicated in Section II (6) of the General Section of the SuperNOFA, as relates to the aforementioned agreements. The applicant's provision of the former, but not the latter information, shall result in the application receiving no more than 8 points under this Selection Criterion 4, as indicated below.

- *8 points*: The applicant provides copies of the agreements that it has entered into with three or more organizations to assist disabled families with moving costs, security deposits, utility hook-up fees, utility deposits, medical care, transportation, educational opportunities, employment and child care.

- *5 points*: The applicant provides copies of the agreements it has entered into with two organizations to assist disabled families with moving costs, security deposits, utility hook-up fees, utility deposits, medical care, transportation, educational opportunities, employment and child care.

- *3 points:* The applicant provides copies of the agreements it has entered into with one organization to assist disabled families with moving costs, security deposits, utility hook-up fees, utility deposits, medical care, transportation, educational opportunities, employment and child care.

(5) Selection Criterion 5, Achieving Results and Program Evaluation (10 Points)

(a) *Description:* This criterion emphasizes HUD's determination to ensure that applicants meet commitments made in their applications and assess their performance in meeting performance goals. HUD requires Mainstream Program applicants to develop an effective, quantifiable, outcome oriented *monitoring and evaluation plan* for measuring performance and determining that *goals* have been met. The plan must include *interim products or activities* that lead to the ultimate achievement of the applicant's goals. *Performance indicators* must also be developed by the applicant to measure performance. Performance indicators must be objectively quantifiable and measure actual achievements against planned achievements. The applicant's evaluation and monitoring plan must identify what it is going to measure, how it will be measured, and the steps that will be taken to make adjustments to the plan if performance targets are not met within established deadlines.

An example of a goal is that the applicant will have 100 percent of the Mainstream vouchers under lease by disabled families within 180 days of the effective date of the Annual Contributions Contract (ACC) for the funding increment. Examples of interim activities to achieve such a goal might include assisting disabled families with transportation to rental properties, efforts to identify and provide lists of accessible units, approval of exception payment standards, or use of special housing types. An example of related performance indicators might include assisting disabled families with transportation needs within 24 hours of a disabled family's request to visit a potential rental unit, and that 50 percent of all the Mainstream vouchers are to be under lease within 90 days of the ultimate goal of having all vouchers under lease within 180 days.

Examples of other areas in which applicants may wish to consider establishing goals are with respect to Selection Criterion 3, Selection Criterion 4, any one or more of the areas to be addressed in the applicant's

Mainstream Program Operating Plan (see Section IV (D) of this NOFA), etc.

(b) *Rating and Assessment:* The GMC will assign points as follows:

- *10 points:* The applicant submits a monitoring and evaluation plan meeting the descriptive requirements outlined immediately above.

VI. Application Submission Requirements

Applicants are requested to *read this section very carefully, as it addresses the specific information that must be in the applications submitted to HUD* under this NOFA. Applications failing to provide this information will be determined either ineligible for processing, or in the instance of an application having a curable (correctable) technical deficiency (see the General Section of the SuperNOFA), the applicant will be requested to submit additional information.

Those application submission items identified below in this Section VI as "not curable" shall mean that any item, e.g., Mainstream Program Operating Plan, for which the applicant does not provide all the requested information shall result in the application being determined ineligible for processing. The turnaround times established by HUD in the instance of curable technical deficiencies are relatively brief, so the initial submission of a carefully prepared and complete application is extremely important. Applicants should also *carefully review sections VII (B)(2)(b) and (c)* of this funding announcement to determine if their SEMAP designation, OIG status, existence of significant program compliance problems, or voucher lease-up/budget authority utilization rate will require the submission of additional information with their application.

(A) *Form HUD-52515.* All applicants must complete and submit Form HUD-52515, Funding Application, for the Housing Choice Voucher Program. This form includes all necessary certifications for Fair Housing, Drug Free Workplace, and Lobbying Activities. Applicants are *required 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 are to enter the applicant'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: <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: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.)

In the instance of a nonprofit organization that does not currently manage a housing choice voucher program, the nonprofit organization shall fill in Section B, Proposed Assisted Dwelling Units, on the form by either using numbers based 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 organization may reference that part of its application addressing the requirements of Section VI (E) of this announcement. For Qualification as an HA, the nonprofit organization must submit information validating its qualifications as a nonprofit organization as defined in section III (B)(2) of this announcement. The submission of enabling legislation is not required to accomplish this purpose, but a legal opinion supportive of the applicant's status as a nonprofit organization, as defined in the first sentence of section III (B)(2)(a) of this announcement is required.

The Form HUD-52515 must be signed and dated by the applicant. The signature and date shall signify that the information provided on the form is complete and accurate, and that all other information provided by the applicant in its application (including any certifications) are complete and accurate.

(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 funding, or a nonprofit organization applying for five-year funding. The applicant also must 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 an amount smaller than the number of vouchers requested. The maximum number of vouchers that an applicant may apply for under this announcement is limited to 50.

The letter of intent and narrative should also include information addressing how the applicant meets the selection criteria in section V (B) of this NOFA. Failure of the applicant to provide information in connection with selection criteria 1 and 2 shall result in the GMC scoring the applicant solely on the basis of information HUD already has on-hand. *Failure of the applicant to provide the information called for under selection criteria 3, 4 and 5 shall be considered not curable, but shall not make the application ineligible for processing. Failure to provide the information shall simply mean that the applicant is ineligible for the points under the categories for which it failed to provide the information requested in this funding announcement.*

PHAs and nonprofit organizations that do not currently administer a housing choice voucher program must identify the nearest PHA (including the full name, address, and telephone 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 organizations (see section II (C)(3) of this funding announcement).

(C) *Description of Need for Mainstream Program Vouchers.* The PHA's and nonprofit 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. 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).}

Failure of the applicant to provide the information required under this section (C) shall be determined not curable and the application deemed ineligible for processing.

(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 organization or PHA (if any) under a contract to administer the Mainstream Program vouchers, or to otherwise provide services.

Failure of the applicant to provide the information required under this section (D) shall be determined not curable and the application deemed ineligible for processing.

(E) *Certification Applicable to Nonprofit Organizations.* A nonprofit 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 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 organization has administered or the rental housing the nonprofit organization has managed.

Failure of the applicant to provide the information required under this section (E) shall be determined not curable and the application deemed ineligible for processing.

(F) *Statement Regarding the Steps the PHA and Nonprofit Organization Will Take to Affirmatively Further Fair Housing.* The statement must include specific steps to address the categories outlined in sections V (D)(1), (2) and (3) in the General Section of the HUD SuperNOFA.

(G) *Moving to Work (MTW) PHA Certification.* MTW agencies required to report under SEMAP, as well as those MTW agencies not required to report

under SEMAP, shall be required to meet the 97 percent lease-up and budget authority utilization requirement addressed in Section VII (B)(2)(c) of this funding announcement. MTW agencies must submit a certification with their application certifying as to their voucher lease-up and budget authority utilization percentages. Submission of Appendix B information by MTW PHAs is not required.

Failure of the applicant to provide the certification required under this section (G) shall be determined not curable and the application deemed ineligible for processing.

(H) *Form HUD-2993.* All applicants must complete and submit Form HUD-2993, Acknowledgement of Application Receipt. In addition to the applicant's entering its name and address on the form, the full title of the program under which the applicant 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: <http://www.hud.gov>. On this web site click on "handbooks and forms."

(I) *Identification of Primary Market Area.* Each applicant must specify in the application its primary market area, *i.e.*, the geographic area in which it is legally authorized to operate and where the vouchers will be issued. This information may be different from that entered by such an applicant on the Form HUD-52515, as the form calls for the applicant to identify its "legal area of operation" which may be far more geographically expansive than the specific city, county, or area within a State where a PHA (particularly a regional or State PHA), or nonprofit organization intends to issue the vouchers. This information is critical because, as indicated in section V (B)(1)(a) of this funding announcement, the geographic area in which the vouchers are intended to be issued and in which the applicant is legally authorized to operate a Housing Choice Voucher Program will be used by the applicant (and subsequently by the GMC during the review of applications) to determine the percentage of the nation's housing needs for disabled persons at or below the poverty level that are within the applicant's primary market area. For example, although an applicant may be legally authorized to operate throughout the entire county in which it is located, if the vouchers will be issued only in two cities within that county then the primary market area is those two cities and not the entire county. Conversely, if the applicant is planning to issue vouchers to all cities within a county, then the applicant

must list the county only and not list the individual cities within that county (the county is the sum of all housing needs for cities within a county). If, in addition to the county, there are individual cities outside the county where the applicant also will be issuing vouchers, the PHA then also must list these cities. A State PHA or nonprofit organization legally authorized to operate throughout the entire State, but which intends to issue the fair share vouchers in only one county, must list solely that county as its primary market area. In addition, the primary market area shall not include a geographic area in which the applicant is issuing vouchers, outside its normal, legally authorized area of operation, based upon an agreement with another agency/PHA to issue vouchers in the other agency's/PHA's jurisdiction.

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. {Note: The submission by applicants of clarifications or corrections of technical deficiencies under this funding announcement must be provided to HUD within 7 calendar days (not the 14 calendar days indicated in the General Section of the SuperNOFA) of receipt of the HUD notification.}

(B) *Unacceptable Applications.* (1) After the 7-calendar day technical deficiency correction period, the Grants Management Center will disapprove all applications from PHAs and nonprofit organizations that the Grants Management Center determines are not acceptable for processing. The Grants 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. (See the General Section of the SuperNOFA for additional information regarding a debriefing.) 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 organizations that fall into any of the following categories will not be processed:

(a) PHAs or nonprofit organizations that do not meet the fair housing and civil rights compliance threshold requirements of sections V(B)(2), (C) and (D) of the General Section of the SuperNOFA.

(b) The applicant is designated as troubled by HUD under SEMAP, or has major program management findings in an Inspector General audit for its voucher program that are unresolved, or has other significant program compliance problems that are not resolved. Major program management findings, or significant program compliance problems, are those that would cast doubt on the capacity of the applicant to effectively administer any new housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements. The only exception to this category is if the applicant has been identified under the policy established in section III (B)(1)(c) of this announcement and the applicant makes application with a designated contract administrator.

(c) The PHA or nonprofit organization has failed to achieve a lease-up or budget authority utilization rate of 97 percent for its voucher units under contract for its fiscal year ending on either December 31, 2001; March 31, 2002; June 30, 2002; or September 30, 2002. Applicants 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 December 31, 2001; March 31, 2002; June 30, 2002; or September 30, 2002, will be listed with the Mainstream funding announcement at the following HUD Web site: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. An applicant 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 December 31, 2001; March 31, 2002; June 30, 2002; September 30, 2002; or subsequent full fiscal year not yet processed by HUD but certified by the applicant. Applicants not listed on the aforementioned HUD

Web site must submit utilization information using the blank form in Appendix B, as 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.)

See section VI (G) of this funding announcement which addresses the certification to be submitted by MTW agencies in connection with the 97 percent lease-up and budget authority utilization requirements referenced above.

(d) The PHA or nonprofit 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 982.103 and this program section after the expiration of the 7-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 2001 plan cycle on the application due date for this funding announcement. (This category of ineligibility does not apply to nonprofit 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 Consolidated Appropriations

Resolution, FY 2003 (Pub. L. 108-7, approved February 20, 2003).

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

Using data from the HUDCAPS system, HUD determined which PHAs and nonprofit organizations met the 97% budget authority utilization or 97% lease-up requirement addressed in section VII (B)(2)(c) of this NOFA. The data used in the determination were based on PHA and nonprofit organization fiscal years ending December 31, 2001; March 31, 2002; June 30, 2002; and September 30, 2002. 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 or nonprofit organization fiscal year ending December 31, 2001; March 31, 2002; June 30, 2002; or September 30, 2002, for the PHA's or nonprofit organization's voucher program. Annual budget authority associated with new funding increments obligated during the last PHA or nonprofit organization 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 that 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/nonprofit organization year for each funding increment that had an active contract term during all or a portion of the PHA/nonprofit organization year. ABA is adjusted for new funding increments obligated during the last PHA/nonprofit organization fiscal year and for litigation funding increments.

EXAMPLE:

PHA ABC

Fiscal year 10/1/01 through 9/30/02.

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	11/01/01 -10/31/02	\$1,300,000	\$1,191,667
002	01/01/02-12/31/02	\$1,200,000	\$ 900,000
003	04/01/02-03/31/03	\$ 950,000	\$ 475,000
004	07/01/02-06/30/03	\$1,500,000	\$ 375,000
Totals		\$4,950,000	\$2,941,667
ABA associated with litigation			(\$475,000)
Total ABA			(\$2,466,667)

Budget Authority Utilization

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

Lease-up Rate

The lease-up rate was determined by comparing the reserved units (funding increments active as of the end of the PHA/nonprofit organization year) to the unit months leased (divided by 12) reported on the combined HUD 52681, Year End Settlement Statement(s) for December 31, 2001; March 31, 2002; June 30, 2002; or September 30, 2002.

Units associated with new funding increments obligated during the last PHA/nonprofit organization 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/ 01-10/31/02	242

002	01/01/02-12/31/02	224
003	04/01/02-03/31/03	178
004	07/01/02-06/30/03	280
Totals		924
Increment 003 litigation		(178)
Adjusted contract units		746

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

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

APPENDIX B

Example

Main Street HA 12/31/02 Year End, January 1, 2002 through December 31, 2002

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							

Lease-up Rate: (UMLs/ACC 0.00% units)

ABA Utilization: (Requirements/A 0.00%BA)

Certification:

 Executive Director

 Section 8 Program Administrator