DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
[Docket No. FR-5332-N-02]
Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2009 Rental Assistance for Non-Elderly Persons with Disabilities

AGENCY: Office of the Assistant Secretary for Public and Indian Housing HUD.
ACTION: Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA) for Rental Assistance for Non-Elderly Persons with Disabilities.
SUMMARY: The Omnibus Appropriations Act, 2009 (Public Law 111-8) makes available $30 million for incremental Section 8 Housing Choice Vouchers (HCV) for non-elderly disabled families served by entities (which this NOFA will limit to public housing agencies (PHAs)) with demonstrated experience and resources for supportive services). This money should fund approximately 4,000 HCVs. Approximately 3,000 HCVs under this NOFA will enable non-elderly disabled families to access affordable housing (Category 1). Approximately 1,000 HCVs under this NOFA will enable non-elderly persons with disabilities to transition from nursing homes and other health care institutions into the community (Category 2).
FOR FURTHER INFORMATION CONTACT: Questions regarding specific HCV program requirements should be directed to Phyllis Smelkinson by phone at 202-402-4138 or via email at Phyllis.A.Smelkinson@hud.gov or to the NOFA Information Center at 800-HUD-8929 (a toll-free number). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at 800-877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

I. BACKGROUND

The Omnibus Appropriations Act, 2009 (Public Law 111-8) made available $30 million for incremental Section 8 HCV for non-elderly disabled families served by entities (which this NOFA will limit to PHAs) with demonstrated experience and resources in providing supportive services. On June 22, 2009, (FR 29504), HUD published its proposed NOFA entitled "HUD's Fiscal Year (FY) 2009 Rental Assistance for Non-Elderly Persons with Disabilities." HUD solicited public comment in order to permit the Department to better design the distribution of this assistance, particularly as it relates to transitioning non-elderly disabled families out of nursing homes and this NOFA's tie-in to the Money Follows the Person (MFP) Demonstration program administered by the Department of Health and Human Services (HHS), and to address other threshold issues.

All public comments were considered during the development of the final NOFA. In response to the public comments, HUD made some changes to the NOFA. HUD added, for example, a definition of the Money Follows the Person (MFP) in section I.D.5., and established, as an amount, the maximum number of HCVs for which a PHA may apply, rather than basing the maximum as a percentage of PHA units (see, section II.A.1). In response to public comments, HUD also amended the demonstration of experience criteria of the PHA, and clarified in section III.C.1.b. that, upon turnover, Category 2 HCVs are reserved for Category 2 families on the PHA wait list.

HUD appreciates the public comments submitted in response to its June 22, 2009, proposed NOFA, and believes that the comments have helped improve the method of distribution of this assistance. A fuller discussion of HUD's responses to public comments follows.

RESPONSE TO PUBLIC COMMENTS

The comments submitted by the public and HUD's responses to those comments are presented below and addressed by topic. Approximately 175 comments were received in response to the June 22, 2009, proposed NOFA.

Comment: PHAs should not be the only entities eligible to apply for these HCVs. Those agencies awarded 5-year Mainstream HCVs, and other state and local agencies should be eligible to apply.

HUD Response: By law, HCVs authorized under section 8(o) of the United States Housing Act (USHA) of 1937 must be administered by PHAs. Five-year Mainstream vouchers are authorized under Section 811 of the Cranston Gonzalez Act as opposed to section 8(o), which is why non-PHAs are ineligible to apply for and administer the tenant-based assistance under this NOFA.

Comment: The definition of nursing homes and/or other institutions in which Category 2 families must reside prior to receiving a HCV should be expanded to include other facilities such as licensed residential services and community-based congregate settings, psychiatric hospitals, and board and care facilities.

HUD Response: Psychiatric hospitals (private or state-owned) are included in Category 2, but the PHA is able to accept a person transitioned from a psychiatric hospital only if the funding is available to provide the needed services and support for the transitioned person. Funding for 1915(c) waiver services is not available under the MFP program for individuals 21 to 65 years of age who are transitioned from a psychiatric hospital because the Federal statute does not permit Medicaid reimbursement for care in these facilities. However, services and support may be available for individuals 21 to 65 years of age under a state's regular Medicaid plan or under a state's Mental Health Authority for those individuals who are not Medicaid-eligible. Residential services, community-based congregate settings, and board and care facilities are not considered to be "institutions." Therefore, individuals in such settings would not qualify for Category 2 HCVs, but could qualify for Category 1 HCVs.

Comment: The demonstration of experience should not be limited to those PHAs as defined in the NOFA, but should be expanded to include those PHAs that operate non-HCV programs that serve families (which include single persons) with disabilities or those PHAs that have agreements with local service providers of non-elderly disabled families.

HUD Response: HUD agrees that demonstration of experience should be expanded to include those PHAs that operate non-HCV programs that serve non-elderly disabled families (which include single persons). In addition, HUD has removed the demonstration of experience criteria for the PHS having established a preference for non-elderly disabled families in its administrative plan.

Comment: The waiting list requirement for Category 2 families should be eliminated.

HUD Response: Under the HCV program regulation at 24 CFR § 982.204(a), all families (with the exception of special admissions) are required to be selected from a PHA's waiting list. Special admission requirements are applicable only in cases in which HUD awards a PHA program funding that is targeted for families living in specified units. An available Category 2 HCV will be issued to the Category 2 family as soon as the PHA determines the family's eligibility, regardless of the number of non-Category 2 applicants that may already be on the PHA waiting list. However, PHAs should inform their partnering agencies about the application process for these families.

Comment: HUD should require PHAs to amend their PHA and administrative plans to provide a preference for non-elderly disabled families and non-elderly disabled transitioning families. Also, waiting lists must be open to allow these families to apply.

HUD Response: As a condition of an award of HCVs under this NOFA, PHAs will be required to award these HCVs to the target population for which funding was awarded. PHA and administrative plans do not have to be amended to provide preferences for these target populations, since PHAs are required to serve only these families as a condition of the award. If a PHA's waiting list is closed and there is an insufficient number of non-elderly disabled families or non-elderly disabled transitioning families (which must be identifiable as such on the PHA's waiting list), the PHA must open its waiting list. The PHA may open its waiting list only for families eligible for HCV assistance under this NOFA under Category 1, Category 2, or both based on the PHA's funding award/s.

Comment: If any funds still remain unobligated from the NOFAs published in 2008 for non-elderly disabled families related to Certain Developments or Designated Housing, the funds should be divided proportionately between Category 1 and Category 2.

HUD Response: HUD believes that the initial funding level proposed for Category 2 HCVs is appropriate and has not adopted this comment.

Comment: Families at risk of institutionalization should also be eligible for Category 2 funding.

HUD Response: Category 2 funding is specifically for families transitioning from institutions into the community. However, PHAs are encouraged to establish a preference for families at risk of institutionalization for Category 1 or their general HCV program in accordance with HCV regulations.

Comment: HUD should eliminate 10 percent of the PHA's authorized baseline units as a threshold factor (maximum award) when applying for these HCVs.

HUD Response: HUD agrees that 10 percent of a small PHA's program may be quite limiting. Therefore, section II.1. (Maximum HCV Request) has been amended.

Comment: HUD should allow PHAs to use Category 1 funding for Category 2 families.

HUD Response: If a PHA wishes to serve additional Category 2 families, it could do so by establishing a preference under its HCV program for non-elderly disabled families transitioning from institutions into the community. Any such preference would need to be adopted in accordance with regular HCV program requirements.

Comment: HUD should allow PHAs to maintain a separate waiting list for Category 2 families.

HUD Response: A PHA is required to maintain one waiting list for the tenant-based HCV program. A PHA will be required to obtain the information necessary to identify a Category 2-eligible family, as well as other non-elderly disabled families on its general HCV waiting list, in order to issue an available Category 2 voucher to the next Category 2 applicant.

Comment: Upon turnover, Category 2 vouchers should remain with Category 2 families.

HUD Response: HUD agrees that if there is another Category 2 family on the PHA's waiting list upon turnover (after initial lease-up) of a Category 2 HCV, the HCV should remain with a Category 2 family. If there is no Category 2 family on the waiting list, the HCV would be issued to the next non-elderly disabled family on the waiting list. The turnover HCV is not to be shelved until a Category 2 family applies to the HCV program. However, if at any time a PHA is serving fewer Category 2 families than the number of Category 2 vouchers awarded under this NOFA, upon turnover of the next non-elderly disabled voucher (Category 1 or

Category 2), the PHA must issue the voucher to a Category 2 family if there is such a family on the PHA's waiting list. In the case of initial issuance of a Category 2 HCV, if such issuance does not result in a lease-up of that HCV, the PHA must reissue the HCV to another Category 2 family. All Category 2 HCVs must be initially leased by a family transitioning from a nursing home or other health-care institution into the community. The Department encourages the PHA and its partnering service agency to maintain an ongoing dialogue to ensure that all eligible Category 2 families are placed on the PHA's waiting list.

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Office of Public and Indian Housing.

B. Funding Opportunity Title: Rental Assistance for Non-Elderly Persons With Disabilities.

C. Announcement Type: Initial announcement.

D. Funding Opportunity Number: OMB Approval Numbers applicable to this NOFA are 2577-0169 and 2577-0083

E. Catalog of Federal Domestic Assistance (CFDA) Number(s): 14.871, Section 8 Housing Choice Vouchers.

F. Dates:

1. Application Receipt Requirements and Date: Applications for funding under this NOFA are due on **July 7, 2010.** Applicants are required to submit applications electronically through Grants.gov. For information on the Grants.gov registration process, please see the Notice of HUD's Fiscal Year (FY) 2009 Notice of Funding Availability (NOFA); Policy Requirements and General Section to HUD's FY 2009 NOFAs for Discretionary Programs (General Section) published in the Federal Register on December 29, 2008 (73 FR 79548). To submit an application electronically, an applicant must have a Dun & Bradstreet Data Universal Numbering System (DUNS) number, have a current registration in the Central Contractor Registration (CCR), and be registered with Grants.gov. To receive an award of funds from HUD, applicants, regardless of submission through Grants.gov or in paper format, must have a DUNS number and be registered in CCR to receive an award of funds from HUD. See the General Section for further details. Please note that although this funding is being made available in FY 2010, the requirements in HUD's FY 2009 NOFAs for Discretionary Programs (General Section) published in the Federal Register on December 29, 2008 (73 FR 79548) are applicable because the $30 million for incremental Section 8 HCVs for non-elderly disabled families was funded under the Omnibus Appropriations Act, 2009 (Public Law 111-8).

2. Estimated Grant Award Date. The estimated award date will be October, 2010.

G. Additional Important Overview Information:

1. Funding. Approximately $22.5 million that will support about 3,000 HCVs under this NOFA will enable non-elderly disabled families to access affordable housing (Category 1). Approximately $7.5 million that will support about 1,000 HCVs under this NOFA will enable non-elderly persons with disabilities to transition from nursing homes and other health-care institutions into the community (Category 2). Individuals in Category 1 and Category 2 must be admitted from the PHA's HCV waiting list. If the PHA waiting list is closed and the PHA does not have a sufficient number of applicants on the waiting list that qualify for these HCVs, the PHA must open the waiting list. In such a case, the PHA may limit the families that may apply to only those families that meet the eligibility requirements for the allocated Category 1 and/or Category 2 HCVs. Although local preferences are not required to issue these HCVs to the target

populations for which funding is awarded, HUD encourages PHAs to consider establishing a selection preference to make some or all of its Category 1 allocation available to disabled families and individuals who, without housing assistance are at risk of institutionalization.

2. Application materials. The FY 2009 General Section and Notice of Funding Availability (NOFA) and application materials will be available for download via the federal portal www.grants.gov at http://www.grants.gov/applicants/apply_for_grants.jsp.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description

A. Available Funds. This NOFA announces the availability of $30 million in one-year budget authority for HCVs for non-elderly disabled families which should fund approximately 4,000 vouchers. Of that amount, $22.5 million will be allocated for non-elderly disabled families and up to $7.5 million will be allocated for non-elderly disabled families transitioning from nursing homes and other institutions into the community. Funds unobligated under HUD's FY 2008 NOFAs entitled "Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans (Designated Housing)" (November 28, 2008, 73 FR 72513) or "Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments and Sections 202, 221(d)(3), and 236 Developments (Certain Developments)" (November 28, 2008, 73 FR 72507) will also be made available under this NOFA under Category 1. (Pursuant to the Consolidated Appropriations Act, 2008, any funds still remaining unobligated under the aforementioned NOFAs will be available for other non-elderly disabled families through a subsequent NOFA. Based on that authority, $10,086,710 (which will fund approximately 1300 HCVs) will be assigned to Category 1 under this NOFA.)

B. Purpose of this program. HCVs under this NOFA will enable non-elderly disabled families to access affordable housing.

C. Legal Authority. See Summary section above.

D. Definitions of Terms. The following definitions apply to funding available under this NOFA.

1. Elderly Family. An elderly family is one whose head, spouse, or sole member is 62 years or older. It may include two or more elderly persons living together, or one or more elderly persons living with one or more persons determined under the public housing agency plan to be essential to their care or well being.

2. Non-elderly Disabled Family. A family that does not meet the definition of an elderly family whose head, spouse, or sole member is a person with disabilities.

3. Person with disabilities. See the definition under 24 CFR § 5.403.

4. Nursing Homes and/or Other Institutions. This definition includes intermediate care facilities and specialized institutions that care for the mentally retarded, developmentally disabled, or mentally ill, but excludes board and care facilities (e.g., adult homes, adult day care, adult congregate living). For full definitions of these eligible facilities, please refer to Chapter 2 of Handbook 4600.1 REV-1: Section 232 Mortgage Insurance for Residential Care Facilities.

5. Money Follows the Person (MFP). The MFP Demonstration Program is an initiative to assist states in their efforts to reduce their reliance on institutional health care (e.g., nursing homes), while developing community-based long-term care opportunities. Funding was awarded to 29 states and the District of Columbia to enable low-income persons with disabilities and the elderly to successfully transition out of health care institutions and into their communities by receiving the needed health-care and social services. The program was enacted

by the Deficit Reduction Act of 2005 with more than $1.4 billion appropriated to HHS for competitive awarding to state Medicaid programs. The MFP funding, as appropriated by Congress, does not fund housing. Hence the partnership with HUD is a critical part of the MFP Demonstration Program's success.

II. AWARD INFORMATION

A. HCV Funding Process. For each category (1 and 2), HUD will fund **only** one application per PHA under this announcement. This one-application-per-PHA limit under each category applies whether or not the PHA is a state or regional PHA. A PHA may submit an application for funding under Category 1 and an application for funding under Category 2.

1. Maximum HCV Request. A PHA may apply for the following total number of HCVs: (1) PHAs with 2,000 or more authorized baseline units may apply for a maximum of 200 HCVs; (2) PHAs with 500 to 1,999 authorized baseline units may apply for a maximum of 100 HCVs; and (3) PHAs with less than 500 authorized baseline units may apply for a total of 50 HCVs. Please note that these maximums include both Category 1 and Category 2 vouchers. For example, a PHA with 1,350 authorized baseline units may apply for 50 Category 1 HCVs and 50 Category 2 HCVs, so long as the total number of HCVs in both applications does not exceed 100 HCVs. A separate application must be submitted for each category. For Category 2, in addition to the limit noted above, the number of HCVs requested by the PHA may not exceed the number of HCVs that the partnering resource agency is projecting will be needed to assist transitioning individuals over a 12-month period (see section IV.B.2.f. of this NOFA).

2. Determination of Funding Amount for the Applicant's Requested Number of HCVs. HUD's Housing Voucher Financial Management Division will determine the amount of one-year budget authority that an applicant will be awarded under this NOFA based on the PHA's per-unit cost for 2009 renewal funding or 2010 renewal funding, depending on the most recently available data. Administrative fees, while not funded out of the $30 million appropriation, will be made available to administering PHAs. These administrative fees will be determined in accordance with section 8 of Public and Indian Housing (PIH) Notice 2009-13 or a subsequent administrative fee notice. A copy of PIH Notice 2009-13 may be downloaded at www.hudclips.org. PIH Moving to Work (MTW) agencies will be funded under this NOFA in accordance with their MTW agreements. .

3. Unfunded Approvable Applications. PHAs with approvable applications that are not funded in whole or in part due to insufficient funds available under this NOFA will not be funded.

III. ELIGIBILITY INFORMATION

A. Eligible Applicants. PHAs that currently administer a HCV program are eligible to apply for funding under this NOFA.

B. Cost Sharing or Matching. None required.

C. Other Requirements.

1. Eligible Activities.

a. HCV Program Regulations. HCVs awarded under this NOFA will be subject to all of the requirements of 24 CFR part 982. MTW agencies may administer these vouchers in accordance with their MTW agreements, unless inconsistent with Appropriations Act requirements or the requirements of this NOFA. In the event of a conflict, the requirements of the Appropriation Act and/or this funding notice govern.

b. Turnover. The Omnibus Appropriations Act of 2009 states that assistance made available under this section of the Act shall continue to remain available for non-elderly disabled families upon turnover. Therefore, upon turnover, these HCVs (both Category 1 and Category 2) must be made available only to non-elderly disabled families on the PHA's waiting list. However, a Category 2 HCV must be issued to another Category 2 family upon turnover (after initial leasing) if a Category 2 family is on the PHA's waiting list. If there are no Category 2 families on the PHA's waiting list upon such turnover, the HCV must be re-issued to a non-elderly disabled family. If at any time a PHA is serving fewer Category 2 families than the number of Category 2 vouchers awarded under this NOFA, the PHA, upon turnover of the next non-elderly disabled voucher (Category 1 or Category 2), must issue the voucher to a Category 2 family if there is such a family on the PHA's waiting list. In the case of initial issuance of a Category 2 HCV, if such issuance does not result in lease-up of that voucher, the PHA must reissue the HCV to another Category 2 family. All Category 2 HCVs must be initially leased by a family transitioning from a nursing home or other health care institution into the community.

2. Threshold Requirements.

a. All applicants must meet all threshold requirements and additional nondiscrimination and other requirements provided in Section III.C of the General Section III.C.2.d. and Section III.C.4.b., where the requirements under this NOFA are applicable as follows:

(1) Section III.C.2.d. (Conducting Business in Accordance with Core Values and Ethical Standards). To reflect core values, all applicant PHAs awarded under this NOFA shall develop and maintain a written code of conduct in the PHA's administrative plan that: (a) requires compliance with the conflict-of-interest requirements of the HCV program cited in 24 CFR 982.161; and (b) prohibits the solicitation or acceptance of gifts or gratuities in excess of a nominal value by an officer or employee of the PHA or any contractor, subcontractor, or agent of the PHA. The PHA's administrative plan shall state the 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.

(2). Section III.C.4.b. (Affirmatively Furthering Fair Housing). Prior to the application due date under this NOFA, each applicant must submit to the public housing director in the applicant's local HUD field office an addendum to the applicant's HCV administrative plan that outlines reasonable steps the applicant will take to affirmatively further fair housing in regard to the vouchers awarded under this NOFA. Reasonable steps must include informing affected applicants on how to file a fair housing complaint, including the provision of the toll-free number for the Fair Housing Complaint Hotline: 1-800-669-9777. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at 800-887-8339.

Further, an applicant must comply with the affirmatively furthering fair housing requirements of 24 CFR Section 903.7(o) by: (a) examining its programs or proposed programs; (b) identifying any impediments to fair housing choice within those programs; (c) addressing those impediments in a reasonable fashion in view of the resources available; (d) working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (e) maintaining records reflecting these analyses and actions. Further, applicant PHAs are encouraged to take the following proactive steps in addressing accessibility problems for persons with disabilities: (f) where requested by an individual, help program applicants and participants gain access to supportive services available within the community, but not require eligible applicants or participants to accept such

supportive services as a condition of continued participation in the program; (g) identify public and private funding sources to assist participants with disabilities in covering the costs of structural alterations and other accessibility features that are needed as accommodations for their disabilities; (h) not deny other housing opportunities to persons who qualify for an HCV under this program other housing opportunities, or otherwise restrict access to PHA programs to eligible applicants who choose not to participate; (i) provide housing search assistance (24 CFR Section 8.28(a)(3)); (j) In accordance with rent reasonableness requirements, approve higher rents to owners that provide accessible units with structural modifications for persons with disabilities (24 CFR Section 8.28(a)(5)); and (k) provide technical assistance, through referrals to local fair housing and equal opportunity offices, to owners interested in making reasonable accommodations or units accessible to persons with disabilities.

b. To be eligible for funding under this NOFA, applications under this NOFA must also meet the following threshold.

(1) Each applicant must meet the PIH Information Center (PIC) reporting requirements of 95 percent under PIH Notice 2007-29 (HA) that will be assessed for the three month period immediately preceding the month in which the applications under this NOFA are due. MTW agencies must meet a reporting requirement of 85 percent, consistent with existing MTW reporting requirements.

(2) Each applicant must have achieved at least 15 points under the Section 8 Management Assessment Program (SEMAP) leasing indicator (24 CFR 985.3(n)) and not be designated as troubled for its most recent assessed fiscal year. MTW agencies that are not required to report under SEMAP shall be held to the 95 percent lease-up and budget authority utilization requirements referenced above. These MTW agencies are required to include in their applications a certification that they are not required to report under SEMAP, and that they meet the 95 percent lease-up or budget authority utilization requirements.

(3) The PHA applicant must not have any major unresolved program management findings from an Inspector General audit, HUD management review, or Independent Public Accountant (IPA) audit for the PHA's HCV program or other significant program compliance problems that were not resolved or that are in the process of being resolved (as determined by the local field office) prior to this NOFA's application deadline. 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 HCV funding in accordance with applicable HUD regulatory and statutory requirements.

(4) The PHA must not be involved in litigation that HUD determines may seriously impede the ability of the applicant to administer the HCVs.

(5) The PHA must demonstrate experience and resources for supportive services (See Section IV.B.e. and Section IV.B.f.).

3. Eligible Participants. Non-elderly disabled families that are income eligible under 24 CFR 982.201(b)(1).

4. Environmental Review. 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 for existing units and for units under construction at the time the family enters into the contract for sale are categorically excluded from NEPA requirements and excluded from other environmental requirements under 24 CFR Section 58.5, in accordance with

24 CFR Section 58.35(b)(5). However, PHAs are responsible for the environmental requirements in 24 CFR Section 982.626(c). With regard to activities under the homeownership option for units not yet under construction at the time the family enters into the contract for sale, the additional environmental review requirements referenced in 24 CFR Sections 982.628(e), 982.631(c)(3), and 982.637(b) also apply, along with Section 982.626(c), and the PHA shall submit all relevant environmental information to the responsible entity or to HUD to assist in completing these requirements.

IV. Application and Timely Receipt Information

A. Addresses to Request Application Package. This section describes how the applicant may obtain application forms, additional information about the General Section, and how to obtain technical assistance.

1. Copies of this published NOFA and related application forms may be downloaded from the Grants.gov website at http://www07.grants.gov/applicants/apply_for_grants.jsp. If the applicant has difficulty accessing the information, it may receive customer support from Grants.gov by calling the help line at 800-518-GRANTS (800-518-4726) or by sending an email to support@grants.gov. The operators will assist the applicant in accessing the information. If the applicant does not have Internet access and needs to obtain a copy of this NOFA, it can contact HUD's NOFA Information Center toll-free at 800-HUD-8929. Persons with hearing or speech impairments may access this number by calling the Federal Information Relay Service at (800) 877-8339.

B. Content of Application under this NOFA: Each PHA must complete the following forms:

1. Form SF-424, Application for Federal Assistance. Every application must contain an SF-424 as the cover page to the application. When completing this form, the Federal Identifier requested in section 5a is the PHA's five-digit number (e.g., MD035 or AK002). PHA applicants should estimate their proposed start date and end date in section 17. In Section 18 (Estimated Funding), complete only 18.a and 18.g. The amount entered in both fields should be the total number of vouchers requested in Section B of the form HUD-5251, multiplied by the housing assistance payments per-unit cost for 2009 HCV renewal funding or 2010 HCV renewal funding, depending on the most recent available data.

2. Form HUD-52515, Funding Application, Section 8 Tenant-Based Assistance, Rental Certificate Program, Rental Voucher Program. A separate application must be submitted for Category 1 and Category 2 if the PHA wants to request HCVs under both categories. When completing this form, only complete the box for total dwelling units under vouchers in section B. Do not complete sections A or C. In section D of the form, the PHA applicant must provide the following information:

a. The category of funding (Category 1 or Category 2);

b. The number of authorized baseline HCV units;

c. The number of HCVs requested, and

d. The minimum number of vouchers the PHA is willing to accept under this category if selected under a lottery system.

e. To demonstrate PHA experience:

(1) The PHA must confirm that at least 20 percent of the PHA's HCVs are used by non-elderly disabled families as reflected in PIC for the 6-month period prior to the submission date; **or**

(2) The PHA must confirm that it operates a non-HCV program that serves non-elderly

disabled families and fully describe that program; **or**

(3) The PHA must confirm that it has been previously awarded one of the following special purpose voucher allocations: Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans; Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments; and Mainstream Housing Opportunities for Persons with Disabilities or the Project Access Pilot Program.

f. To demonstrate that the applicant PHA has resources for supportive services for non-elderly disabled families, the applicant PHA must describe those resources in full detail in this section. In addition, for Category 2, the PHA must identify the partnering resource agency and describe the provision of supportive services for a transitioned person. The PHA must also specify the number of vouchers that the partnering resource agency is projecting will be needed to assist transitioning individuals over a 12-month period and how it calculated this estimate. The number of vouchers requested by the PHA under Category 2 may not exceed this number.

Supportive services for Category 2 vouchers must include the provision of care/case management, in addition to the needed health and social services. These services are usually funded through a state Medicaid program and provided by local home-care agencies. In 29 States and the District of Columbia, the Medicaid programs have been awarded demonstration funds from HHS to provide the needed supportive services a transitioned person needs to live safely and as independently as possible in the community the MFP Demonstration Program. For a person who is transitioning under this demonstration, the contact partnering resource agency is the **MFP program within the State Medicaid program**. More information on MFP can be found at http://www.cms.hhs.gov/DeficitReductionAct/20_MFP.asp. All persons that are transitioning as an MFP participant are guaranteed to receive the needed health and social services. Therefore, the only resource documentation that is needed in these instances is evidence of MFP participation by the partnering resource agency and a description of how individual referrals will be made to the PHA.

For PHAs located in states not participating in the MFP Demonstration Program, the PHA must partner with the relevant state health and human service and/or Medicaid agency for carrying out a state-sponsored institutional transitional program comparable to MFP that includes dedicated supportive services funded through the State Medicaid program and/or state appropriations. The application must identify the partnering agency and describe how individual referrals will be made to the PHA and the supportive services resources that will be made available to the transitioning individual by the partnering resource agency if the PHA is applying for HCV funding under Category 2.

During the 90-day preparation period for submission of this NOFA, HUD in collaboration with HHS will provide information and outreach to PHAs interested in applying for Category 2 vouchers, and HHS will provide technical assistance to PHAs interested in applying for Category 2 vouchers. The information, outreach, and technical assistance will be provided as permitted by the HUD Reform Act of 1989 (Public Law 101-235) ("the Act"). The Act prohibits the direct or indirect communication of certain information during the NOFA selection process by HUD employees to persons within or outside the Department who are unauthorized to receive that information, to avoid giving an unfair advantage to some applicants who would receive information not available to other applicants or to the public. In recognition of this restriction, HUD will provide only the following through its website: contact information for MFP coordinators, the relevant state health and human service and/or Medicaid Agency point

of contact for non-MFP states, fact sheets regarding the MFP program, and similar information that is readily available to the public. The HHS website will provide information regarding available technical assistance and additional information HHS deems pertinent to the application process. The HUD website is http://www.hud.gov/offices/pih/programs/hcv/pwd/. HHS's website is http://www.cms.hhs.gov/CommunityServices/20_MFP.asp.

3. Form HUD-2880, Applicant/Recipient Disclosure/Update Report;

4. Form HUD-2993, Acknowledgment of Application Receipt (only required if paper application);

5. Form HUD-2991, Certification of Consistency with the Consolidated Plan, or a copy of the signed PHA Certification of Compliance for its current Annual PHA Plan, if applicable; and

6. SF-LLL, Disclosure of Lobbying Activities, if applicable;

7. MTW Certification, if applicable. If an MTW agency is not required to report under SEMAP, the PHA must submit a certification signed by the chief executive officer of the PHA, certifying that they are not required to report under SEMAP and that they meet the 95 percent lease-up or budget authority utilization requirement;

8. You Are Our Client Grant Application Survey (form HUD-2994-A) (Optional); and

9. HUD Facsimile Transmittal (HUD-96011, Third Party Documentation Facsimile Transmittal).

C. Receipt Instructions. Applications under this NOFA must be received electronically through the federal website Grants.gov, unless a waiver of this requirement is granted in accordance with the instructions below. The procedures for electronic submission of applications published in HUD's General Section on December 29, 2008 (73 FR 79548) including the provisions at Section IV.C., entitled "Receipt Dates and Times," which were removed by HUD's Amendment to the General Section published on April 16, 2009 (74 FR 17685), are reinstated and apply to this NOFA. Applicants must follow the instructions in the December 29, 2008 General Section, unless a waiver for cause in accordance with HUD's waiver policy of 24 CFR 5.1005, to the electronic application requirements, is approved by HUD. Applicants requesting a waiver should submit their waiver requests in writing using email or fax. Waiver requests must be submitted no later than 15 days prior to the application deadline date and must be submitted in writing or by email to Phyllis A.Smelkinson, Housing Program Specialist, Housing Voucher Management, Office of Public and Indian Housing, U.S. Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. You can email requests to Ms. Smelkinson at Phyllis.A.Smelkinson@hud.gov. The subject line of the email message should be (insert applicant name) FY09 Rental Assistance for Non-Elderly Persons with Disabilities Waiver Request. If an applicant is granted a waiver, then the approval will provide instructions for submitting paper copies to the appropriate HUD office. To meet the requirements for timely receipt, all paper applications must be received by the application deadline date.

Paper applications will not be accepted from applicants that have not been granted a waiver. If an applicant is granted a waiver, the approval notice will provide instructions for submission. **All applications in paper format must have received a waiver to the electronic application requirement, and the application must be received by HUD on or before the application deadline date.**

1. The application deadline for receipt of HUD applications via Grants.gov is 11:59:59 p.m. on **July 7, 2010**. Applications must be received by Grants.gov by the deadline in order to meet the program deadline. "Received" means that the application has been successfully uploaded to the Grants.gov server and the applicant has received confirmation of successful submission to

Grants.gov. Applicants should be aware that hitting the "sign and submit" button to transmit the application does not mean the application has been successfully uploaded to Grants.gov. Only when the upload is complete is the application date and time stamped by the Grants.gov system. An application that has been rejected by Grants.gov is not deemed to have been received by Grants.gov. (Please see Section D.1. of the General Section for a detailed explanation of Timely Receipt Requirements and Proof of Timely Receipt.) As in the past, HUD encourages applicants to submit their applications early and with sufficient time to address any issues that might affect the applicant's ability to have an application successfully uploaded and received by Grants.gov.

HUD is establishing a one-day grace period from the date of notification of a rejection from Grants.gov, to allow applicants that successfully upload an application to Grants.gov prior to the deadline date and time, but receive a rejection notice after the deadline date and time, to cure the reason for rejection and re-upload the application to Grants.gov. The paragraphs below describe HUD's Grace Period Policy.

a. Applicants that have successfully uploaded their application to Grants.gov prior to the deadline, and subsequently receive a rejection notice from Grants.gov after the deadline date and time, will have a one-day grace period from the date stamp on the first Grants.gov rejection notice after the deadline, to cure the basis for the rejection and upload an application that corrects the problems cited in the rejection notice. Applicants can upload the application as many times as needed to cure noted deficiencies within the one-day grace period. The Grants.gov rejection notice will identify the reasons why the application was rejected. Applicants that do not understand the error messages received in the rejection notice should immediately contact the Grants.gov Help Desk to get assistance in clearing the problem. Generally, Grants.gov will reject an application because it contains an incorrect DUNS number, or because a DUNS number that does not match the Authorized Organization Representative's (AOR) registration; the application was submitted by an individual without proper authorization as the AOR; and/or the application contains file names that trigger a "VirusDetect" message. The grace period ends one day after the date stamp on the first rejection notice received after the deadline date.

WARNING: Applications that contain file names longer than 50 characters (HUD recommends using file names with 32 characters or less), or contain spaces or special characters, will result in the file being detected as a virus by the Grants.gov system and the application will be rejected with a "VirusDetect" message. In FY 2008, the use of spaces and special characters in file names, and the use of file names longer than fifty characters, resulted in the most instances of an applicant receiving a "VirusDetect" rejection. Because the Grants.gov system will also reject files with viruses, applicants should also scan files before submitting them.

Applications received by Grants.gov, including those received during the grace period, must be validated by Grants.gov to be rated or ranked or receive funding consideration by HUD. HUD will use the date and time stamp on the Grants.gov system to determine when the grace period begins and ends.

b. Under the following circumstances, applications uploaded to Grants.gov after the deadline date do not qualify for the grace period and will not be considered for funding:

(1) Applications uploaded and received by Grants.gov after the deadline date and time for which there is no prior rejection notice in the Grants.gov system logs will be considered late and will not be rated and ranked or receive funding consideration. Failure to successfully upload the application to Grants.gov by the deadline date and time disqualifies the application for the grace period, as described above.

(2) Applications receiving a rejection notice due to the funding opportunity being closed will not be provided the one-day grace period to correct the "opportunity closed" deficiency or any other basis for rejection it the applicant missed the deadline date and time.

(3) If an application is uploaded during the grace period and is subsequently rejected after the grace period ends, the applicant will not be afforded additional time to correct the deficiencies noted in the rejection notice.

c. The grace period ends at 11:59:59 p.m. one day from the date stamp on the first rejection notice issued by the Grants.gov system to the email address provided in the Grants.gov registration. Applicants must ensure that their email notification address contained in the Grants.gov registration is up-to-date. Neither HUD nor Grants.gov will be responsible if email messages are not received at the address listed in the registration process. Applicants must also ensure that their email systems will accept messages from Grants.gov. Applicants are responsible for monitoring their email messages. Messages from Grants.gov come from Support@grants.gov.

d. The only exceptions to HUD's grace period policy are:

(1) The Grants.gov system is down and not available to applicants for at least 24 hours prior to the deadline date, or the system is down for 24 hours or longer, impacting the ability of applicants to cure a submission deficiency within the grace period; and/or

(2) There is a presidentially declared disaster in the applicant's area. In the event of either or both of these events, HUD will publish a notice extending the deadline or cure period, for applicants affected, as appropriate.

e. Busy servers or slow processing are not the basis for HUD to extend the deadline dates or the grace period.

Applicants are advised to monitor the Grants.gov system by using the Grants.gov blog at http://grants-gov.blogspot.com/. The Grants.gov blog provides information on server capacity, traffic on the Grants.gov site, and other federal grant closings each day. Applicants should monitor the site and take into account the amount of traffic on the site when applying.

2. An applicant will not be provided additional opportunities to correct rejection errors if an application is rejected after the one-day grace period has expired.

As with any electronic system, applicants may experience problems when attempting to submit their application that prevent the uploading of the application to Grants.gov. Such issues can be due to firewall and virus protection software that the applicant has placed on their system or network, proxy and cache settings, Internet traffic, limitation on the size of the files attempting to be transmitted established at the applicant's site or by the applicant's Internet provider, Grants.gov servers experiencing busy traffic, or any number of issues. Therefore, HUD strongly advises applicants to submit their applications at least 48 hours prior to the deadline and when the Grants.gov Help Desk is open so that assistance can be provided. Assistance may require diagnosing an applicant's particular issues. An applicant that does not follow HUD's advice increases the applicant's risk of not being able to meet the timely receipt requirements. A submission attempt less than the recommended 48 hours before the deadline does not allow the time needed to research the reason for the problem or to work with the applicant in overcoming the uploading difficulty. Similarly, attempting to submit within 24 hours of the deadline or when the Grants.gov Help Desk is closed does not allow the time needed for Grants.gov or HUD to provide the needed assistance. In addition, HUD staff cannot provide assistance or contact Grants.gov on your behalf after the Help Desk is closed. HUD strongly encourages applicants to carefully read the December 29, 2008, General Section for additional information regarding the

Grants.gov registration process, submitting an application through Grants.gov, and timely receipt instructions. HUD also encourages applicants to submit their applications early with sufficient time to address problems that might prevent their applications from being received by Grants.gov.

Applicants should also note that Adobe has released a new version of Adobe Reader compatible with Grants.gov. These versions are 8.1.5 and 9.1.1. Applicants must use the latest versions of the Adobe Reader compatible with Grants.gov, which are Adobe Reader 8.1.5 or 9.1.1.

D. Intergovernmental Review. This NOFA is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs.

E. Funding Restrictions. Funds under this NOFA may be only used for housing assistance for eligible participants and may not be used for performance of routine HCV program functions that are reimbursed through HCV administrative fees.

V. APPLICATION REVIEW INFORMATION

A. Criteria.

1. Factors Used to Evaluate and Rate Applications. None.

B. Review and Selection Process.

1. Technically Acceptable Applications. All technically acceptable applications that meet the threshold criteria of section III.C.2. above will be funded to the extent funds are available.

a. Funding Priority Categories. None.

b. Order of Funding. If funding under this NOFA is not available to fund all eligible applications received by the NOFA deadline in each category, a lottery will be used until all funding is exhausted. If funding remains in either category, it will be used to fund the other category in lottery order.

c. Insufficient Funds. Not applicable.

2. Corrections to Deficient Applications. The Grants Management Center (GMC) may contact an applicant to clarify an item in its application or to correct a curable technical deficiency. Please note that clarifications or corrections of technical deficiencies in accordance with the information provided by HUD to the applicant must be submitted within 14 calendar days of the date of receipt of the HUD notification.

3. Unacceptable Applications. After the technical deficiency correction period (as provided in the General Section), the HUD GMC will disapprove PHA applications that it determines are not acceptable for processing. Applications from PHAs that fall into any of the following categories are ineligible for funding under this NOFA and will not be processed:

a. Any PHA that does not meet the threshold requirements of the General Section;

b. Any PHA that does not meet the threshold requirements of Section III.C.2. of this NOFA;

c. A PHA whose application does not comply with the requirements of this NOFA after the expiration of the 14-calendar day technical deficiency correction period;

d. A PHA whose application was received at grants.gov after the application deadline date; or

e. A PHA whose paper application that was approved for a waiver of the electronic application requirement was not received at the official place of receipt.

VI. AWARD ADMINISTRATION INFORMATION

A. Award Notices. Successful applicants in each category will receive an award letter from HUD. Funding will be provided to successful applicants as an amendment to the Annual Contributions Contract (ACC) of the applicant PHA.

Unsuccessful applicants will receive a notification of rejection letter from the GMC that will 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 publicly, upon receiving a written request, HUD will provide a debriefing to the requesting applicant. See the General Section for additional information regarding a debriefing. Applicants requesting to be debriefed must send a written request to: Cedric Brown, Acting Director, Grants Management Center, at Grants.gov.

B. Administrative and National Policy Requirements.

1. HUD's Strategic Goals. HUD is committed to ensuring that programs result in the achievement of HUD's strategic mission. HCVs awarded under this NOFA support the Department's strategic goals of: (1) increasing homeownership opportunities, and (2) promoting decent, affordable housing by expanding access to these opportunities for non-elderly persons with disabilities. For more information about HUD's Strategic Plan and Annual Performance Plan, you may visit HUD's website at http://www.hud.gov/offices/cfo/reports/cforept.cfm.

2. Procurement of Recovered Materials. Please see the **General Section** for this requirement.

C. **Reporting**. Successful applicants (including MTW agencies) must report the usage of HCV funds under this NOFA through required submissions of the form HUD-50058, Family Report. PHAs must enter the program code "NED" on line 2n of the HUD-50058 for non-elderly families served under this NOFA and "NHT" for those non-elderly families transitioning from nursing homes and other institutions into the community. PHAs must maintain these codes for the duration of the family's participation in the HCV program. HUD's assessment of PHA compliance under this NOFA will be based on PIC system data.

VII. AGENCY CONTACTS

A. For Technical Assistance. See "FOR FURTHER INFORMATION CONTACT" above or you may contact the Public and Indian Housing Resource Center at 1-800-955-2232. Persons with hearing or speech impairments may access this number via TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339. (These are toll-free numbers). Prior to the application deadline, staff at the numbers given above, will be available to provide general guidance, but not guidance in actually preparing the application. Following selection, but prior to award, HUD staff will be available to assist in clarifying or confirming information that is a prerequisite to the offer of an award by HUD.

B. Technical Corrections to the NOFA

Technical corrections to this NOFA will be published in the Federal Register that the applicant is responsible for monitoring.

VIII. OTHER INFORMATION

A. General Section References

The following subsections of SectionVIII.F. of the **General Section** are hereby incorporated by reference:

1. Executive Order 13132, Federalism;

2. Public Access, Documentation, and Disclosure; and

3. Section 103 of the HUD Reform Act.

B. Paperwork Reduction Act

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2577-0169 and 2577-0083. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

C. Environmental Impact. This NOFA provides funding under, and does not alter the environmental requirements of, 24 CFR part 982. Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321). Activities under this NOFA are subject to the environmental review provisions set out at 24 CFR 982.626(c), 982.628(e), 982.631(c)(3), and 982.637(b).

Date: APR - 7 2010

Sandra B. Henriquez
Assistant Secretary for
Public and Indian Housing

[FR-5332-N-02]