

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. FR-4224-N-01]

**NOFA for Mainstream Housing
Opportunities for Persons With
Disabilities (Mainstream Program),
Fiscal Year 1997**

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice of funding availability (NOFA) for FY 1997.

SUMMARY: This notice announces the availability in FY 1997 of up to \$48.5 million in five-year budget authority for Section 8 rental vouchers and certificates for persons with disabilities. This funding will support approximately 2,000 rental vouchers or certificates. Housing agencies (HAs), including Indian Housing Authorities, are invited to respond to this NOFA.

The purpose of the Mainstream Program is to provide rental vouchers or certificates to enable persons with disabilities to rent affordable private housing.

DATES: The application deadline for the Mainstream Program NOFA is June 9, 1997, 3:00 p.m., local HUD Office time.

The above-stated application deadline is firm as to date and hour. In the interest of fairness to all competing HAs, HUD will treat as ineligible for consideration any application that is not received before the application deadline. The \$48.5 million in funding available under this NOFA will be used to approve HA applications. HUD will fund by lottery if it receives approvable applications for more funds than are available under this NOFA.

Applicants should submit their materials as early as possible to avoid any risk of loss of eligibility because of unanticipated delays or other delivery-related problems. HUD will not accept, at any time during the NOFA competition, application materials sent by facsimile (FAX) transmission.

ADDRESSES: The local HUD State or Area Office, Attention: Director, Office of Public Housing, is the official place of receipt for all applications, except applications from Indian Housing Authorities (IHAs). HUD's local Office of Native American Programs, Attention: Administrator, Office of Native American Programs, is the place of official receipt for IHA applications. For ease of reference, the term "HUD Office" will be used throughout this NOFA to mean the HUD State Office, and HUD Area Office, and HUD's local Office of Native American Programs. If

a particular type of HUD Office needs to be identified, e.g., HUD's local Office of Native American Programs, the appropriate office will be used.

FOR FURTHER INFORMATION CONTACT: Gerald J. Benoit, Director, Operations Division, Office of Rental Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000, telephone number (202) 708-0477 (this is not a toll-free number). For hearing-and speech-impaired persons, this number may be accessed by TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The Section 8 information collection requirements contained in this NOFA have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2577-0169. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Promoting Comprehensive Approaches to Housing and Community Development

HUD wants to promote comprehensive, coordinated approaches to housing and community development. Economic development, community development, public housing revitalization, homeownership, assisted housing for special needs populations, supportive services, and welfare-to-work initiatives can work better if linked at the local level. Toward this end, the Department in recent years has developed the Consolidated Planning process designed to help communities undertake such approaches.

In this spirit, it may be helpful for applicants under this NOFA to be aware of other related HUD NOFAs that have recently been published or are expected to be published in this fiscal year. By reviewing these NOFAs with respect to their program purposes and the eligibility of applicants and activities, applicants may be able to relate the activities proposed for funding under this NOFA to the recent and upcoming NOFAs and to the community's Consolidated Plan.

Elsewhere in today's **Federal Register**, the Department has published a related NOFA concerning Rental Assistance for Persons with Disabilities in Support of

Designated Housing Allocation Plans. On April 8, 1997, the Department published in the **Federal Register** the NOFA for Continuum of Care Assistance. Other related NOFAs the Department expects to publish in the **Federal Register** within the next few weeks include: the Family Unification NOFA, the Housing Opportunities for Persons with Aids NOFA, the Supportive Housing for the Elderly NOFA, and the Supportive Housing for Persons with Disabilities NOFA.

To foster comprehensive, coordinated approaches by communities, the Department intends for the remainder of FY 1997 to continue to alert applicants of HUD's NOFA activity. In addition, a complete schedule of NOFAs to be published during the fiscal year and those already published appears under the HUD Homepage on the Internet, which can be accessed at <http://www.hud.gov.nofas.html>. Additional steps to better coordinate HUD's NOFAs are being considered for FY 1998.

For help in obtaining a copy of your community's Consolidated Plan, please contact the community development office of your municipal government.

Family Self-Sufficiency (FSS) Program Requirement

Unless specifically exempted by HUD, all rental certificate funding reserved in FY 1997 (except funding for renewals or amendments) will be used to establish or contribute to the minimum size of an HA's FSS program.

A. Purpose and Substantive Description of Mainstream Program

(1) Authority

Legislative authority for the \$48.5 million in five-year budget authority available under this NOFA (general use rental assistance for persons with disabilities) is found in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Pub. L. No. 104-204, 110 Stat. 2874, at 2882, approved September 26, 1996) which states that the Secretary may designate up to 25 percent of the amounts earmarked for Section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013) for tenant-based assistance, as authorized under that section.

(2) Background

The Secretary has established a Mainstream Housing Opportunities for Persons with Disabilities Program (Mainstream Program) to provide rental voucher or certificates to enable persons with disabilities to rent affordable private housing of their choice.

The Mainstream Program will assist HAs in providing Section 8 rental vouchers and certificates to a segment of the population recognized by HUD's housing research as having one of the worst case 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.

(a) Application Funding. HUD will award funding for rental vouchers or certificates under the Mainstream Program to HAs that submit an application for rental assistance for persons with disabilities, and that currently administer a Section 8 rental voucher or certificate program. HUD will make available approximately 2,000 Section 8 rental vouchers and certificates for HAs to increase the supply of mainstream housing opportunities available to persons with disabilities. HUD will select HA applications for funding by lottery in the event approvable applications are received for more funding than is available under this NOFA.

(b) Limit on Rental Assistance Requested. An eligible HA may apply for up to 100 rental vouchers or certificates.

(3) Guidelines

(a) Definitions

Disabled Family. A family whose head, spouse or sole member is a person with disabilities. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may include a person with disabilities who is elderly.

Person with disabilities. A person who—

(a) Has a disability as defined in section 223 of the Social Security Act (42 U.S.C. 423), or

(b) Is determined to have a physical, mental or emotional impairment that:

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

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

(iii) Is of such a nature that such ability could be improved by more suitable housing conditions, or

(c) Has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)).

The term "person with disabilities" does not exclude persons who have the

disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV).

Section 8 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.

(b) Eligible HAs. HAs that currently administer a Section 8 rental voucher or certificate program may apply for funding under this NOFA.

Some housing agencies currently administering the Section 8 rental voucher and certificate programs have, at the time of publication of this NOFA, major program management findings that are open and unresolved or other significant program compliance problems (e.g., HA has not implemented mandatory FSS Program). HUD will not accept applications for additional funding from these HAs as contract administrators if, on the application deadline date, the findings are not closed to HUD's satisfaction. If the HA wants to apply for funding under this NOFA, the HA must submit an application that designates another housing agency, nonprofit agency, or contractor, that is acceptable to HUD. The HA's application must include an agreement by the other housing agency, nonprofit agency, or contractor to administer the new funding increment on behalf of the HA, and a statement that outlines the steps the HA is taking to resolve the program findings.

Immediately after the publication of this NOFA, the Office of Public Housing in the local HUD Office will notify, in writing, those HAs that are not eligible to apply without such an agreement. The HA may appeal the decision, if HUD has mistakenly classified the HA as having outstanding management or compliance problems. Any appeal must be accompanied by conclusive evidence of HUD's error and must be received prior to the application deadline. HUD will reject applications submitted by these HAs without an agreement from another housing agency, nonprofit agency, or contractor, approved by HUD, to administer the new funding increment on behalf of the HA.

(c) Eligible Participants

Only a disabled family may receive a rental voucher or certificate awarded under the mainstream program. Applicants with disabilities will be selected from the HA's Section 8 waiting list.

(d) Rental Voucher and Certificate Assistance

(i) Section 8 regulations. HAs must administer the Mainstream Program in accordance with HUD regulations and requirements governing the Section 8 rental voucher and certificate programs.

(ii) Section 8 admissions requirements. Section 8 assistance must be provided to eligible applicants in conformity with regulations and requirements governing the Section 8 program and the HA's administrative plan.

If there is ever an insufficient pool of disabled families on the HA Section 8 waiting list, an HA shall conduct outreach to encourage eligible persons to apply for this special allocation of rental vouchers and certificates. 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 Section 8 assistance. If the HA's Section 8 waiting list is closed, and if the HA has insufficient applicants on its Section 8 waiting list to use all awarded rental vouchers and certificates under this NOFA, the HA shall open the waiting list to disabled families.

(iii) Turnover. When a rental voucher or certificate under this NOFA becomes available for reissue (e.g., the family initially selected for the program drops out of the program or is unsuccessful in the search for a unit), the rental assistance may be used only for another individual or family eligible for assistance under this NOFA for five years from the date the rental assistance is placed under an annual contributions contract (ACC).

(e) HA Responsibilities

In addition to HA responsibilities under the Section 8 rental voucher and certificate programs and HUD regulations concerning nondiscrimination based on disability (24 CFR 8.28) and to affirmatively further fair housing, HAs that receive rental voucher or certificate funding shall:

(i) 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.

(ii) 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.

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

(iv) Provide Section 8 search assistance.

B. Mainstream Program Allocation Amounts

This NOFA announces the availability of up to \$48.5 million (approximately) of five-year budget authority that will support about 2,000 rental vouchers or certificates for rental assistance for disabled families.

C. Application Submission Requirements

(1) Form HUD-52515

All HAs must complete and submit form HUD-52515, Funding Application, for the Section 8 rental certificate program (dated January 1996). This form was recently revised to include all necessary certifications for Fair Housing, Drug Free Workplace and Lobbying Activities; therefore, HAs can complete and sign the new form HUD-52515 to provide these required certifications. An application must include the information in Section C, Average Monthly Adjusted Income, of form HUD-52515 in order for HUD to calculate the amount of Section 8 budget authority necessary to fund the requested number of units. Copies of form HUD-52515 may be obtained from the local HUD Office or may be downloaded from the HUD Home Page site on the Internet's world wide web (<http://www.hud.gov>).

A regional (multicounty) or State HA may submit a separate application for a specific county or municipality for which it administers a HUD-approved residency preference in addition to its rental voucher or certificate program. If the regional or State HA has no such specific county or municipality for which it wants to apply separately for rental assistance under this NOFA, the HA may only submit a single application.

(2) Local Government Comments

Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439) requires that HUD independently determine that there is a need for the housing assistance requested in applications and solicit and consider comments relevant to this determination from the chief executive

officer of the unit of general local government. The HUD Office will obtain Section 213 comments from the unit of general local government in accordance with 24 CFR part 791, subpart C, Applications for Housing Assistance in Areas Without Housing Assistance Plans. Comments submitted by the unit of general local government must be considered before an application can be approved.

For purposes of expediting the application process, the HA needs to encourage the chief executive officer of the unit of general local government to submit a letter with the HA application commenting on the HA application in accordance with Section 213. Because HUD cannot approve an application until the 30-day comment period is closed, the Section 213 letter needs to not only comment on the application, but also state that HUD may consider the letter to be the final comments and that no additional comments will be forthcoming from the unit of general local government.

(3) Letter of Intent and Narrative

All the items in this Section must be included in the application submitted to the HUD Office. The HA must state in its cover letter to the application whether it will accept a reduction in the number of rental vouchers or certificates, and the minimum number of rental vouchers or certificates it will accept, since the funding is limited and HUD may only have enough funds to approve a smaller amount than the number of rental vouchers or certificates requested. The maximum number of rental vouchers or certificates that an HA may apply for under this NOFA is limited to 100, or such smaller number that the HA can lease within one year. A regional or State HA may not apply for more than 100 rental vouchers or certificates for each of the specific communities in which it administers a residency preference. If the regional or State HA has no such specific communities for which it wishes to apply for rental assistance, the HA shall be limited to one application for up to a maximum of 100 rental vouchers or certificates.

(4) Description of Need for Mainstream Program Rental Assistance

The application must demonstrate a need for Mainstream Program rental vouchers or certificates by providing information documenting that the demand for housing for persons with disabilities would equal or exceed the requested number of rental vouchers or certificates (not to exceed a maximum of 100). The HA must assess and document

the housing need for persons with disabilities using a range of sources including, but not limited to: census data, information from the HA's waiting list (both public housing and Section 8), statistics on recent public housing admissions and rental certificate and voucher use, data from local advocacy groups and local public and private service agencies familiar with the housing needs of persons with disabilities, and pertinent information from the Consolidated Plan applicable to the HA's jurisdiction. (See 24 CFR 91.205(d).)

(5) Mainstream Program Operating Plan

The application must include a description of an adequate plan for operating a program to serve eligible persons with disabilities, including:

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

(b) A description of how the HA 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.

D. Corrections to Deficient Mainstream Program Applications

(1) Acceptable Applications

To be eligible for processing, an application must be received by the appropriate HUD Office no later than the date and time specified in this NOFA. The HUD Office will initially screen all applications and notify HAs of technical deficiencies by letter.

If an application has technical deficiencies, the HA will have 14 calendar days from the date of the issuance of the HUD notification letter to submit the missing or corrected information to the HUD Office before the application can be considered for further processing by HUD. Curable technical deficiencies relate only to items that do not improve the substantive quality of the application.

All HAs must submit corrections within 14 calendar days from the date of the HUD letter notifying the applicant of any such deficiency. Information received after 3 p.m. local time (i.e., the time in the appropriate HUD Office), of the 14th calendar day of the correction period will not be accepted and the application will be rejected as incomplete.

(2) Unacceptable Applications

(a) After the 14-calendar day technical deficiency correction period, the HUD

Office will disapprove HA applications that it determines are not acceptable for processing. The HUD Office notification of rejection letter must state the basis for the decision.

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

(i) There is a pending civil rights suit against the HA instituted by the Department of Justice or there is a pending administrative action for civil rights violations instituted by HUD (including a charge of discrimination under the Fair Housing Act).

(ii) There has been an adjudication of a civil rights violation in a civil action brought against the HA by a private individual, unless the HA is operating in compliance with a court order or implementing a HUD-approved resident selection and assignment plan or compliance agreement designed to correct the areas of noncompliance.

(iii) There are outstanding findings of noncompliance with civil rights statutes, Executive Orders, or regulations, as a result of formal administrative proceedings, or the Secretary has issued a charge against the applicant under the Fair Housing Act, unless the applicant is operating under a conciliation or compliance agreement designed to correct the areas of noncompliance.

(iv) HUD has denied application processing under Title VI of the Civil Rights Act of 1964, the Attorney General's Guidelines (28 CFR 50.3), and the HUD Title VI regulations (24 CFR 1.8) and procedures (HUD Handbook 8040.1), or under section 504 of the Rehabilitation Act of 1973 and HUD regulations (24 CFR 8.57).

(v) The HA has serious unaddressed, outstanding Inspector General audit findings, Fair Housing and Equal Opportunity monitoring and compliance review findings, or HUD management review findings for its rental voucher or rental certificate programs. HA has serious underutilization of rental vouchers or certificates not attributable to the three month statutory delay for the reissuance of rental vouchers and certificates. The only exception to this category is if the HA has been identified under the policy established in section A.(3)(b) of this NOFA and the HA makes application with a designated contract administrator.

(vi) The HA is involved in litigation and HUD determines that the litigation may seriously impede the ability of the HA to administer the rental vouchers or certificates.

(vii) An HA application that does not comply with the requirements of 24 CFR

982.102 and this NOFA after the expiration of the 14-calendar day technical deficiency correction period will be rejected from processing.

(viii) An HA application submitted after the deadline date.

E. Mainstream Program Application Selection Process

After the HUD Office has screened HA applications and disapproved any applications found unacceptable for further processing, the HUD Office will review all acceptable applications to ensure that they are technically adequate and responsive to the requirements of the NOFA. Each HUD Office will send to HUD Headquarters the following information on each application that is found technically adequate and responsive:

(a) Name and address of the HA;

(b) HUD Office contact person and telephone number;

(c) The completed fund reservation worksheet, indicating the number of Section 8 rental vouchers or certificates requested in the HA application and approved by the HUD Office during the course of its review, and the corresponding budget authority.

Headquarters will fund all applications from HAs that are recommended for funding by the HUD Offices, unless HUD receives approvable applications for more funds than are available. If HUD receives approvable applications for more funds than are available, HUD will select applicants to be funded by lottery. All HAs identified by the HUD Offices as having submitted technically adequate and responsive applications will be included in the lottery. As HAs are selected, the cost of funding the applications will be subtracted from the funds available. In order to achieve geographic diversity, HUD Headquarters will limit the number of applications selected for funding from any state to 10 percent of the budget authority available for the general use Mainstream Program.

However, if establishing this geographic limit would result in unreserved budget authority, HUD may modify this limit to assure that all available funds are used.

Applications will be funded for the total number of units requested by the HA and approved by the HUD Office (not to exceed 100 units) in accordance with the NOFA. However, when remaining budget authority is insufficient to fund the last selected HA application in full, HUD Headquarters will fund that application to the extent of the funding available, unless the HA's application indicates it will only accept a higher number of units. In that event, the next selected application shall be

one which has indicated a willingness to accept the lesser amount of funding for units available.

F. Other Matters

Catalog of Federal Domestic Assistance

The Federal Domestic Assistance numbers for this program are: 14.855 and 14.857.

Environmental Impact

This NOFA provides funding under, and does not alter environmental requirements of, 24 CFR part 982. This NOFA provides funding only for tenant-based assistance, which is a categorical exclusion not subject to the individual environmental compliance requirements cited in 24 CFR 50.4. The regulations referred to above, therefore, do not contain environmental review requirements. Accordingly, under 24 CFR 50.19 (c)(5) this NOFA is categorically excluded from environmental review requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this notice will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. As a result, the notice is not subject to review under the Order. This notice is a funding notice and does not substantially alter the established roles of the Department, the States, and local governments, including HAs.

Impact on the Family

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this notice does not have potential for significant impact on family formation, maintenance, and general well-being within the meaning of the Executive Order and, thus, is not subject to review under the Order. This is a funding notice and does not alter program requirements concerning family eligibility.

Accountability in the Provision of HUD Assistance

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) and the final rule codified at 24 CFR part 4, subpart A, published on April 1, 1996 (61 FR 1448), contain a number of

provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 14, 1992, HUD published, at 57 FR 1942, a notice that also provides information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 are applicable to assistance awarded under this NOFA as follows:

a. Documentation and public access requirements. HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis.

b. Disclosures. HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports—both applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15.

Section 103 HUD Reform Act

Section 103 of the Department of Housing and Urban Development Reform Act of 1989, and HUD's implementing regulation codified at subpart B of 24 CFR part 4, applies to the funding competition announced today. These requirements continue to apply until the announcement of the selection of successful applicants. HUD employees involved in the review of applications and in the making of funding decisions are limited by section 103 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under section 103 and subpart B of 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Office of Ethics (202) 708-3815. (This is not a toll-free number.) For HUD employees who have specific program questions, such as whether particular subject matter can be discussed with persons outside HUD, the employee should contact the appropriate Field Office Counsel, or Headquarters counsel for the program to which the question pertains.

Prohibition Against Lobbying Activities

Applicants for funding under this NOFA are subject to the provisions of Section 319 of the Department of Interior and Related Agencies Appropriation Act for Fiscal Year 1991, 31 U.S.C. Section 1352 (the Byrd Amendment) and to the provisions of the Lobbying Disclosure Act of 1995,

Public Law 104-65 (December 19, 1995).

The Byrd Amendment, which is implemented in regulations at 24 CFR Part 87, prohibits applicants for Federal contracts and grants from using appropriated funds to attempt to influence Federal Executive or legislative officers or employees in connection with obtaining such assistance, or with its extension, continuation, renewal, amendment or modification. The Byrd Amendment applies to the funds that are the subject of this NOFA. Therefore, applicants must file a certification stating that they have not made and will not make any prohibited payments and, if any payments or agreement to make payments of nonappropriated funds for these purposes have been made, a form SF-LLL disclosing such payments must be submitted. The certification and the SF-LLL are included in the application package.

The Lobbying Disclosure Act of 1995, Public Law 104-65 (December 19, 1995), which repealed Section 112 of the HUD Reform Act and resulted in the elimination of the regulations at 24 CFR Part 86, requires all persons and entities who lobby covered Executive or Legislative Branch officials to register with the Secretary of the Senate and the Clerk of the House of Representatives and file reports concerning their lobbying activities.

Dated: April 7, 1997.

Kevin Emanuel Marchman,

Acting Assistant Secretary for Public and Indian Housing.

[FR Doc. 97-9333 Filed 4-9-97; 8:45 am]

BILLING CODE 4210-33-P