

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****Docket No. FR-4675-N-01]****Notice of Funding Availability; Family Unification Program, Fiscal Year 2001****AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.**ACTION:** Notice of Funding Availability (NOFA).

**SUMMARY:** Purpose of the Program: The purpose of the Family Unification Program (FUP) is to (1) promote family unification by providing housing choice vouchers to families for whom the lack of adequate housing is a primary factor in the separation, or the threat of imminent separation, of children from their families, and (2) provide housing choice vouchers to youths 18 to 21 years old who left foster care at age 16 or older and lack adequate housing. This second category of eligible participants for FUP vouchers has been added to this NOFA as a result of an amendment by Congress in FY 2001 to Section 8(x)(2) of the U.S. Housing Act of 1937.

**Available Funds.** The \$11,466,000 in one-year budget authority available under this NOFA will support approximately 2,000 housing choice vouchers. Approximately \$6.4 million of these funds have been used to fund the approvable Family Unification Program applications submitted by public housing agencies (PHAs) in response to HUD's FY 2000 Family Unification NOFA. That NOFA indicated in section II(C)(3) that "PHAs with approvable applications that are not funded, in whole or in part due to insufficient funds available under this FUP NOFA, shall be funded first in FY 2001 provided HUD receives additional appropriations for FUP for FY 2001." The 12 previously unfunded FY 2000 FUP applications that have been funded are: City of Fresno, California Housing Authority—\$475,814 for 100 vouchers; Broward County, Florida Housing Authority—\$667,841 for 100 vouchers; Orlando, Florida Housing Authority—\$519,884 for 100 vouchers; Guam Housing and Urban Renewal Authority—\$934,691 for 100 vouchers; Chicago, Illinois Housing Authority—\$742,170 for 100 vouchers; Springfield, Massachusetts Housing Authority—\$527,255 for 100 vouchers; New York State Division of Housing and Community Renewal—\$155,503 for 40 vouchers; Housing Authority of Winston-Salem, North Carolina—\$388,758 for 100 vouchers; Cuyahoga, Ohio Metropolitan Housing Authority—

\$513,273 for 100 vouchers; Central Oregon Regional Housing Authority—\$364,503 for 75 vouchers; Housing Authority of the County of King, Washington—\$716,572 for 100 vouchers; and Huntington, West Virginia Housing Authority—\$386,126 for 100 vouchers.

After funding these previously unfunded approvable FUP applications from FY 2000, there remains approximately \$5.1 million under this NOFA to fund approximately 900 vouchers for new applications in FY 2001. The \$5.1 million will be used to fund applications for FUP vouchers which can be used for either FUP-eligible families or FUP-eligible youths. (See section II(C)(1) of this NOFA).

Funding under this NOFA may only be used to provide tenant-based housing assistance, as prescribed by section 8(x) of the U.S. Housing Act of 1937, so as to allow FUP-eligible families and FUP-eligible youths a choice in their selection of decent, safe, and affordable units on the private market.

**Eligible Applicants.** Public Housing Agencies (PHAs), Indian Housing Authorities, Indian tribes and their tribally designated housing entities are not eligible. 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.

**Application Deadline.** August 10, 2001.

**Match.** None

**SUPPLEMENTARY INFORMATION:** If you are interested in applying for funding under the Family Unification Program, please read the balance of this NOFA which will provide you with detailed information regarding the submission of an application, Family Unification Program requirements, the process to be used in selecting applications for funding, and other valuable information relative to a PHA's participation in the Family Unification Program.

**I. Application Due Date, Application Kits, Further Information and Technical Assistance**

**Application Due Date.** Your completed application (an original and one copy) is due on or before August 10, 2001, at the address shown below. This application deadline is firm. In the interest of fairness to all competing PHAs, HUD will not consider any application that is received after the application deadline. Applicants should take this practice into account and submit their applications early 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 NOFA competition, application materials sent via facsimile (FAX) transmission.

**Address for Submitting Applications.** Submit your original application and one copy, and a form HUD-2993, Acknowledgment of Application Receipt, to: Michael E. Diggs, Director of the Grants Management Center, Department of Housing and Urban Development, 501 School Street, SW, Suite 800, Washington, D.C. 20024.

The Grants Management Center is the official place of receipt for all applications in response to this NOFA. A copy of your application is not required to be submitted to the local HUD Field Office. For ease of reference, the term "local HUD Field Office" will be used in this NOFA to mean the local HUD Field Office Hub and local HUD Field Office Program Center.

**Hand Carried Applications.** If you are hand delivering your application, your application is due no later than 8:45 am to 5 pm, Eastern time, on the application due date to the Office of Public and Indian Housing's Grants Management Center (GMC) in Washington, DC.

**Mailed Applications.** Applications sent by U.S. mail will be considered timely filed if postmarked on or before 12:00 midnight on the application due date and received on or within ten (10) days of that date at the GMC.

**Applications Sent by Overnight/Express Mail Delivery.** Applications sent by overnight delivery or express mail will be considered timely filed if received by the GMC before or on the application due date, or upon submission of documentary evidence that they were placed in transit with the overnight delivery service by no later than the specified application due date.

**For Application Kit.** An application kit is not necessary for submitting an application in response to this NOFA. This NOFA contains all the information necessary for the submission of your application for voucher funding under the FUP.

**For Further Information and Technical Assistance.** Prior to the application due date, you may contact George C. Hendrickson, Housing Program Specialist, Room 4216, Office of Public and Assisted Housing Delivery, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410; telephone (202) 708-1872, ext. 4064. Subsequent to application submission, you may contact the GMC at (202) 358-0312, ext. 7675. (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).

**II. Authority, Purpose, Amount Allocated (Available Funds/Maximum Voucher Request/Lottery), Underfunding Corrections, Unfunded Approvable Applications, Voucher Funding and Eligible Applicants**

**(A) Authority**

The Family Unification Program is authorized by section 8(x) of the United States Housing Act of 1937 (42 U.S.C. 1437(X)). The Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2001 (Pub. L. 106-377, approved October 27, 2000), referred to in this NOFA as the FY 2001 HUD Appropriations Act, provides funding for the Family Unification Program.

**(B) Purpose**

The Family Unification Program is a program under which housing choice vouchers are provided to:

(1) Families for whom the lack of adequate housing is a primary factor in:

(a) The imminent placement of the family's child, or children, in out-of-home care; or

(b) The delay in the discharge of the child, or children, to the family from out-of-home care.

(2) Youths at least 18 years old and not more than 21 years old (have not reached 22nd birthday) who left foster care at age 16 or older and who do not have adequate housing. A FUP voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of 18 months.

Vouchers awarded under the Family Unification Program are administered by PHAs under HUD's regulations for the Housing Choice Voucher Program (24 CFR part 982).

**(C) Amount Allocated**

(1) *Available Funds.* This NOFA announces the availability of approximately \$5.1 million for new FY 2001 applications for the Family Unification Program which will provide assistance for about 900 FUP-eligible families and FUP-eligible youths. The \$5.1 million will be used to fund applications for vouchers which can be used by PHAs for families for whom the lack of adequate housing is a primary actor in the separation, or the threat of imminent separation, of children from their families; and/or youths 18 to 21 years old who left foster care at age 16 or older and who lack adequate housing.

(2) *Maximum Voucher Request.* The total number of vouchers a PHA may apply for will be based upon the size of the PHA. PHAs with a housing choice voucher and certificate program of 2000 or more units under an ACC may apply for funding for a maximum of 100 units. PHAs with a housing choice voucher and certificate program of 500 units to 1999 units may apply for 50 units. PHAs with a housing choice voucher or certificate program of less than 500 units under an ACC may apply for a maximum of 25 units. PHAs not currently administering either a housing choice voucher or certificate program may apply for a maximum of 25 units.

(3) *Lottery.* A national lottery will be conducted to select approvable applications for funding if approvable applications are submitted in FY 2001 for more funding than is available under this NOFA. (See section IV(C) of this NOFA regarding the lottery procedures to be followed in the funding of approvable applications.)

**(D) Underfunding Corrections**

If prior to the award of FY 2001 FUP funding, HUD determines that any awardees under the FY 2000 Family Unification Program NOFA have been underfunded due to an error attributable to HUD, HUD will increase funding to the amount the awardee should have received. Funding of any such FY 2000 awardees will be dependent upon the availability of FY 2001 FUP funds.

**(E) Unfunded Approvable Applications**

PHAs with approvable applications that are not funded, in whole or in part, due to insufficient funds available under this FUP NOFA, shall be funded first in FY 2002 provided HUD receives additional appropriations for FUP for FY 2002.

**(F) Voucher Funding**

(1) *Determination of Funding Amount for the PHA's Requested Number of Vouchers.* HUD will determine the amount of funding that a PHA will be awarded under this NOFA based upon an actual annual per unit cost (except that for Moving to Work (MTW) agencies the per unit cost will be calculated in accordance with the agency's MTW Agreement) using the following three step process:

(a) HUD will extract the total expenditures for all the PHA's housing choice voucher and certificate programs and the unit months leased information from the most recent approved year end statement (form HUD-52681) that the PHA has filed with HUD. HUD will divide the total expenditures for all of the PHA's housing choice voucher and

certificate programs by the unit months leased to derive an average monthly per unit cost.

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

(c) HUD will multiply the average annual per unit cost derived under paragraph (b) above by the Contract Rent Annual Adjustment Factor (with the highest cost utility included) to generate an adjusted annual per unit cost. For a PHA whose jurisdiction spans multiple annual adjustment factor areas, HUD will use the highest applicable annual adjustment factor.

(Note: Applicants who do not currently administer a housing choice voucher or certificate program shall have their voucher funding based upon the actual annual per unit costs of the PHA in the most immediate area administering a housing choice voucher or certificate program, using the three step process described immediately above.)

(2) *Preliminary Fee.* A preliminary fee of up to \$500 per unit for preliminary (start-up) expenses will be paid to PHAs that have not previously administered their own housing choice voucher or certificate program and that are selected for funding under this NOFA. The preliminary fee will be provided to such PHAs only in their first year of administration of the housing choice voucher program.

**(G) Eligible Applicants**

Any PHA established pursuant to State law, including regional (multi-county) or State PHAs, may apply for funding under this NOFA. A PHA may submit only one application under this NOFA. This one application per PHA limit applies regardless of whether the PHA is a State or regional PHA, except in those instances where such a PHA has more than one PHA code number due to its operating under the jurisdiction of more than one HUD Field Office. In such instance, a separate application under each code shall be considered for funding with the cumulative total of vouchers applied for under the applications not to exceed the maximum number of vouchers the PHA is eligible to apply for under section II(C)(1) of this NOFA; *i.e.*, no more than the number of vouchers the same PHA would be eligible to apply for if it had only one PHA code number.

Two or more divisions within State government comprising separate PHAs shall require the State to determine which division shall submit an application to HUD under this funding announcement. As with other PHAs, only one application per PHA shall be

considered (see sole exception referenced immediately above).

A contract administrator that does not have an annual contributions contract (ACC) with HUD for housing choice vouchers or certificates, but constitutes a PHA under 24 CFR 791.102 by reason of its administering housing choice vouchers or certificates on behalf of another PHA, shall not be eligible to submit an application under this NOFA.

Indian Housing Authorities (IHA), Indian tribes and their tribally designated housing entities are not eligible to apply because the Native American Housing Assistance and Self-Determination Act of 1996 does not allow HUD to enter into new housing choice voucher annual contributions contracts (ACC) with IHAs after September 30, 1997.

Some PHAs currently administering the housing choice voucher and certificate programs have, at the time of publication of this NOFA, major program management findings from Inspector General audits, HUD management reviews, or Independent Public Accountant (IPA) audits that are open and unresolved or other significant program compliance problems. HUD will not accept applications for additional funding from these PHAs as contract administrators if, on the application deadline date, the findings are either not closed, or sufficient progress toward closing the findings has not been made to HUD's satisfaction. The PHA must also, to HUD's satisfaction, be making satisfactory progress in addressing any program compliance problems. If any of these PHAs want to apply for the Family Unification Program, the PHA must submit an application that designates another housing agency, nonprofit agency, or contractor that is acceptable to HUD. The PHA application must include an agreement by the other housing agency or contractor to administer the program for the new funding increment on behalf of the PHA and a statement that outlines the steps the PHA is taking to resolve the program findings and program compliance problems. Immediately after the publication of this NOFA, the Office of Public Housing in the local HUD Office will notify, in writing, those PHAs that are not eligible to apply because of outstanding management or compliance problems. Concurrently, the local HUD Field Office will provide a copy of each such written notification to the GMC. The PHA may appeal the decision if HUD has mistakenly classified the PHA as having outstanding management or compliance problems. Any appeal must be accompanied by conclusive evidence

of HUD's error (i.e., documentation showing that the finding has been cleared or satisfactory progress toward closing the findings or addressing compliance problems has been made) and must be received prior to the application deadline. The appeal should be submitted to the local HUD Field Office where a final determination shall be made. Concurrently, the local HUD Field Office shall provide the GMC with a copy of its written response to the appeal, along with a copy of the PHA's written appeal. Major program management findings or program compliance problems are those that would cast doubt on the capacity of the PHA to effectively administer any new housing choice voucher funding in accordance with applicable regulatory and statutory requirements.

### **III. General Requirements and Requirements Specific To The Family Unification Program**

#### **(A) General Requirements**

##### **(1) Compliance With Fair Housing and Civil Rights Laws**

All applicants must comply with all fair housing and civil rights laws, statutes, regulations, and executive orders as enumerated in 24 CFR 5.105(a). If an applicant: (a) has been charged with a systemic violation of the Fair Housing Act by the Secretary alleging ongoing discrimination; (b) is the defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) has received a letter of noncompliance findings under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, the applicant's application will not be evaluated under this NOFA if, prior to the application deadline, the charge, lawsuit, or letter of findings has not been resolved to the satisfaction of the Department. HUD's decision regarding whether a charge, lawsuit, or a letter of findings has been satisfactorily resolved will be based upon whether the appropriate actions have been taken necessary to address allegations of ongoing discrimination in the policies or practices involved in the charge, lawsuit, or letter of findings.

##### **(2) Additional Nondiscrimination Requirements**

In addition to compliance with the civil rights requirements listed at 24 CFR 5.105(a), each successful applicant must comply with the nondiscrimination in employment requirements of Title VII of the Civil

Rights Act of 1964 (42 U.S.C. 2000e *et seq.*), the Equal Pay Act (29 U.S.C. 206(d)), the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 *et seq.*), Title IX of the Education Amendments Act of 1972, and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*).

(3) Affirmatively Furthering Fair Housing. Each successful applicant will have a duty to affirmatively further fair housing. Applicants will be required to identify the specific steps that they will take to:

(a) Examine the PHA's own programs or proposed programs, including an identification of any impediments to fair housing {identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice in its Consolidated Plan}; develop a plan to (i) address those impediments in a reasonable fashion in view of the resources available; and (ii) work with the local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and maintain records reflecting this analysis and actions.

(b) Remedy discrimination in housing; or

(c) Promote fair housing rights and fair housing choice.

Further, applicants have a duty to carry out the specific activities cited in their responses under this announcement to address affirmatively furthering fair housing.

(4) *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.

#### **(B) Requirements Specific to the Family Unification Program**

##### **(1) Eligibility**

(a) *Family Unification Program eligible families and youths.* Each PHA must modify its selection preference system to permit the selection of those FUP-eligible families and/or FUP-eligible youths to which the PHA intends to issue FUP vouchers with available funding provided by HUD for this purpose. The terms "FUP-eligible family" and "FUP-eligible youth" are defined as follows:

(i) A FUP-eligible family is a family that the public child welfare agency has certified is a family for whom the lack of adequate housing is a primary factor in the imminent placement of the

family's child, or children, in out-of-home care, or in the delay of discharge of a child, or children, to the family from out-of-home care, and that the PHA has determined is eligible for a housing choice voucher.

(ii) A FUP-eligible youth is a youth that the public child welfare agency has certified is a youth at least 18 years old and not more than 21 years old (has not reached his/her 22nd birthday) who left foster care at age 16 or older and who does not have adequate housing, and that the PHA has determined is eligible for a housing choice voucher. (A FUP voucher issued to such a youth must not, by statute, be used to provide housing assistance for more than 18 months.)

(b) *Lack of Adequate Housing.* The lack of adequate housing means:

- (i) A family or youth is living in substandard or dilapidated housing; or
- (ii) A family or youth is homeless; or
- (iii) A family or youth is displaced by domestic violence; or
- (iv) A family or youth is living in an overcrowded unit; or
- (v) A family or youth is living in housing not accessible to its disabled child or children due to the nature of the disability.

(c) *Substandard Housing.* A family or youth is living in substandard housing if the unit where the family or youth lives:

- (i) Is dilapidated;
- (ii) Does not have operable indoor plumbing;
- (iii) Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth;
- (iv) Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth;
- (v) Does not have electricity, or has inadequate or unsafe electrical service;
- (vi) Does not have a safe or adequate source of heat;
- (vii) Should, but does not, have a kitchen; or
- (viii) Has been declared unfit for habitation by an agency or unit or of government.

(d) *Dilapidated Housing.* A family or youth is living in a housing unit that is dilapidated if the unit where the family or youth lives does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family or youth, or the unit has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair or from serious damage to the structure.

(e) *Homeless.* A homeless family includes any person (including a youth) or family that:

- (i) Lacks a fixed, regular, and adequate nighttime residence; and
- (ii) Has a primary nighttime residence that is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing);
- An institution that provides a temporary residence for persons intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(f) *Displaced by Domestic Violence.* A family or youth is displaced by domestic violence if:

- (i) The applicant has vacated a housing unit because of domestic violence; or
  - (ii) The applicant lives in a housing unit with a person who engages in domestic violence.
- (iii) "Domestic violence" means actual or threatened physical violence directed against one or more members of the applicant by a spouse or other member of the applicant's household.
- (g) *Involuntarily Displaced.* For a family or youth to qualify as involuntarily displaced because of domestic violence:
- (i) The PHA must determine that the domestic violence occurred recently or is of a continuing nature; and
  - (ii) The applicant must certify that the person who engaged in such violence will not reside with the family or youth unless the PHA has given advance written approval. If the family or youth is admitted, the PHA may terminate assistance to the family or youth for breach of this certification.

(h) *Living in Overcrowded Housing.* A family or youth is considered to be living in an overcrowded unit if it meets the following separate criteria for a family or youth as follows:

- (i) The family is separated from its child (or children) and the parent(s) are living in an otherwise standard housing unit, but, after the family is re-united, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
- (ii) The family is living with its child (or children) in a unit that is overcrowded for the entire family and this overcrowded condition may result in the imminent placement of its child (or children) in out-of-home care.
- (iii) The youth is living in a unit that is overcrowded.

For purposes of this paragraph (h), the PHA may determine whether the unit is "overcrowded" in accordance with PHA subsidy standards.

(i) *Detained Family Member.* A FUP-eligible family or FUP-eligible youth's family may not include any person imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

(j) *Public child welfare agency (PCWA).* PCWA means the public agency that is responsible under applicable State law for determining that a child is at imminent risk of placement in out-of-home care or that a child in out-of-home care under the supervision of the public agency may be returned to his or her family, or that a youth left foster care at age 16 or older and is at least 18 years old and not more than 21 years old.

## (2) PHA Responsibilities

PHAs must:

(a) Accept families and youths certified by the PCWA as eligible for the Family Unification Program. The PHA, upon receipt of the PCWA list of families and youths currently in the PCWA caseload, must compare the names with those of families and youths already on the PHA's housing choice voucher waiting list. Any family or youth on the PHA's housing choice voucher waiting list that matches with the PCWA's list must be assisted in order of their position on the waiting list in accordance with PHA admission policies. Any family or youth certified by the PCWA as eligible and not on the housing choice voucher waiting list must be placed on the waiting list. If the PHA has a closed housing choice voucher waiting list, it must reopen the waiting list to accept a Family Unification Program applicant family or youth who is not currently on the PHA's housing choice voucher waiting list;

(b) Determine if any families with children, or youths age 18 through 21 on its housing choice voucher waiting list are living in temporary shelters or on the street and may qualify for the Family Unification Program, and refer such applicants to the PCWA;

(c) Determine if families with children, or youths age 18 through 21 referred by the PCWA are eligible for housing choice voucher assistance and place eligible families/youths on the housing choice voucher waiting list;

(d) Amend the administrative plan in accordance with applicable program regulations and requirements;

(e) Administer the vouchers in accordance with applicable program regulations and requirements;

(f) Assure the quality of the evaluation that HUD intends to conduct on the Family Unification Program and cooperate with and provide requested data to the HUD office or HUD-approved contractor responsible for program evaluation; and

(g) Comply with the actions to be taken by the PHA as specified in the memorandum of understanding (MOU) executed by the PHA and the PCWA. {See paragraph IV (B)(3) regarding the MOU.}

#### (3) Public Child Welfare Agency (PCWA) Responsibilities

A public child welfare agency that has agreed to participate in the Family Unification Program must:

(a) Establish and implement a system to identify FUP-eligible families and FUP-eligible youths within the agency's caseload and to review referrals from the PHA;

(b) Provide written certification to the PHA that a family qualifies as a FUP-eligible family, or that a youth qualifies as a FUP-eligible youth, based upon the criteria established in section 8(x) of the United States Housing Act of 1937, and this notice;

(c) Commit sufficient staff resources to ensure that eligible families and youths are identified and determined eligible in a timely manner and to provide follow-up supportive services after these families and youths lease units;

(d) Cooperate with the evaluation that HUD intends to conduct on the Family Unification Program, and submit a certification with the PHA's application for Family Unification funding indicating that the PCWA will agree to cooperate with and provide requested data to the HUD office or HUD-approved contractor having responsibility for program evaluation; and

(e) Comply with the actions to be taken by the PCWA as specified in the memorandum of understanding (MOU) executed between the PCWA and the PHA. {See section IV(B)(3) regarding the MOU.}

#### (4) Housing Choice Voucher Assistance

The Family Unification Program provides funding for housing assistance under the Housing Choice Voucher Program. PHAs must administer this program in accordance with HUD's regulations governing the Housing Choice Voucher Program.

#### (5) Turnover

If a voucher issued to a FUP-eligible family or FUP-eligible youth under this program is terminated, the voucher must be reissued to either another FUP-

eligible family or FUP-eligible youth. FUP vouchers must continue to be issued to such families and youths for 5 years from the initial date of execution of the Annual Contributions Contract subject to the availability of renewal funding. Since the vouchers funded under the FUP are for use by PHAs for either FUP-eligible families or FUP-eligible youths and are not designated by the PHA in its application (or HUD in the award of FUP funding), as being only for FUP-eligible families and/or FUP-eligible youths, FUP vouchers may be used by PHAs for such families and youths based upon local needs and as is consistent with the PHA's administrative plan.

A FUP voucher issued to a youth age 18 to 21 may not be used to provide housing assistance for that youth for a period of more than 18 months, as per the statutory requirements of Section 8(x)(2) of the U.S. Housing Act of 1937, as amended.

### IV. Application Selection Process For Funding

#### (A) Rating and Ranking

HUD's Grants Management Center is responsible for rating the applications under the selection criteria in this NOFA, and is responsible for the selection of FY 2001 applications that will receive consideration for assistance under the Family Unification Program. The Grants Management Center will initially screen all applications and determine any technical deficiencies based on the application submission requirements.

Each application submitted in response to this NOFA, in order to be eligible for funding, must receive at least 20 points for Threshold Criterion 2, Efforts of PHA to Provide Area-Wide Housing Opportunities for Families. Each application must also meet the requirements for Threshold Criterion 1, Unmet Housing Needs; Threshold Criterion 3, Memorandum of Understanding (MOU)—Coordination between PHA and Public Child Welfare Agency to Identify and Assist FUP-Eligible Families and FUP-Eligible Youths; and Threshold Criterion 4, Public Child Welfare Agency Statement of Need for Family Unification Program.

#### (B) Threshold Criteria

##### (1) Threshold Criterion 1: Unmet Housing Needs

This criterion requires the PHA to demonstrate the need for an equal or greater number of housing choice vouchers than it is requesting under this NOFA. The PHA must assess and document the unmet housing need for

its geographic jurisdiction of: (a) families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care, or in a delay of discharge of a child or children to the family from out-of-home care, and/or (b) youths at least 18 years old and not more than 21 years old (have not reached his/her 22nd birthday) who left foster care at age 16 or older and who do not have adequate housing. The results of the assessment must include a comparison of the estimated unmet housing needs of such families and youths to the Consolidated Plan covering the PHA's jurisdiction. The demonstration of need and comparison to the Consolidated plan should be based on those FUP-eligible families, and/or FUP-eligible youths that the PHA is basing its voucher request upon and to which it intends to issue FUP vouchers.

##### (2) Threshold Criterion 2: Efforts of PHA to Provide Area-Wide Housing Opportunities for Families (50 Points)

(a) *Description:* Many PHAs have undertaken voluntary efforts 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.

(b) *Rating and Assessment:* The Grants Management Center will assign 10 points for any of the following assessments for which the PHA qualifies and add the points for all the assessments (maximum of 50 points) to determine the total points for this criterion:

(i) 10 points—Assign 10 points if the PHA documents that it either absorbs all portable housing choice voucher families, or participates in an area-wide exchange program where all PHAs absorb portable housing choice voucher families.

(ii) 10 Points—Assign 10 points if the PHA documents that PHA staff will provide housing counseling for families that want to move to low-poverty or non-minority areas, or if the PHA has established a contractual relationship with a nonprofit agency or a local governmental entity to provide housing counseling for 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 and any other PHAs that receive counseling funds from HUD (e.g., in settlement of litigation involving 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 undertaken, other than those funded by HUD, to expand housing opportunities.

(iii) 10 Points—Assign 10 points if the PHA documents that it participates with other PHAs in using a metropolitan wide or combined waiting list for selecting participants for the housing choice voucher program.

(iv) 10 Points—Assign 10 points if the PHA documents that it has implemented other initiatives that have resulted in expanding housing opportunities in areas that do not have undue concentrations of poverty or minority families.

(v) 10 Points—Assign 10 points if the PHA is using housing choice vouchers or certificates (not part of a previously HUD-approved FUP) to create a FUP or to expand upon its existing FUP.

(3) Threshold Criterion 3: Memorandum of Understanding (MOU)—Coordination Between PHA and Public Child Welfare Agency to Identify and Assist FUP-Eligible Families and FUP-Eligible Youths

The application must include an MOU, executed by the chief executive officer of the PHA and the PCWA, identifying the actions that the PHA and the PCWA will take to identify and assist FUP-eligible families and/or FUP-eligible youths, and the resources that each organization will commit to the FUP. *The MOU must clearly address, at a minimum, the following:*

(a) PHA responsibilities as outlined in paragraph III.(B)(2) of this NOFA.

(b) PCWA responsibilities as outlined in paragraph III.(B)(3) of this NOFA.

(c) The assistance the PCWA will provide to families and youths, as appropriate, in locating housing units.

(d) The PCWA's past experience in administering a similar program.

(e) Past PCWA and PHA cooperation in administering a similar program.

(f) If the PHA intends to issue FUP vouchers to FUP-eligible youths, the services to be provided to such youths by the PCWA, or by another agency/organization under agreement/contract to the PCWA to provide the services, which at a minimum must include the following for a period of not less than the 18 months a FUP-eligible youth is receiving rental assistance through the use of a FUP voucher:

(i) Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation; and access to health care (e.g., doctors, medication,

and mental and behavioral health services).

(ii) Counseling on compliance with rental lease requirements and with housing choice voucher program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits.

(iii) Providing such assurances to owners of rental property as are reasonable and necessary to assist a FUP-eligible youth to rent a unit with a FUP voucher.

(iv) Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc.).

(v) Educational and career advancement counseling regarding attainment of general equivalency diploma (GED); attendance/financing of education at technical school, trade school or college; including successful work ethic and attitude models.

(vi) Participation of FUP-eligible youths in the assessment and implementation of actions to address their needs, including the development of an individual case plan on each youth for services to be received and the youth's commitment to the plan (youth required to sign a service plan agreeing to attend counseling/training sessions and to take other actions as deemed appropriate to the youth's successful transition from foster care). Note: A youth's failure to fulfill their obligations under the service plan is not grounds to terminate the youth from the housing choice voucher program.

The MOU shall be considered by HUD and the signatories (the PCWA and the PHA) as a binding agreement. As such, the document should be very specific. For instance, the PCWA must clearly indicate the amount of time and staff resources the PCWA will commit on a continuing basis to identifying the FUP-eligible families and/or FUP-eligible youths to which FUP vouchers are intended to be issued; the length of time it will provide follow-up support services to these FUP-eligible families and/or FUP-eligible youths after they receive their vouchers; etc. An MOU that does not contain the information required in this Threshold Criterion 3 will be deemed unacceptable and thereby the PHA's application for the Family Unification Program shall be determined to be unacceptable for funding.

(4) Threshold Criterion 4: Public Child Welfare Agency Statement of Need for Family Unification Program

The application must include a statement by the PCWA describing the

need in the area to be served for a program providing assistance to (a) families for whom lack of adequate housing is a primary factor in the placement of the family's children in out-of-home care or in the delay of discharge of the children to the family from out-of-home care, and/or (b) youths age 18 to 21 who left foster care at age 16 or older and who lack adequate housing, as evidenced by the caseload of the public child welfare agency. The PCWA must adequately demonstrate that there is a need in the PHA's jurisdiction for the Family Unification Program that is not being met through existing programs by indicating the number of FUP-eligible families who currently have children in danger of being placed in out-of-home or who cannot be returned from out-of-home care due to inadequate housing, and/or the number of youths at least 18 years old but not more than 21 years old (have not yet reached their 22nd birthday) who left foster care at age 16 or older and who do not have adequate housing. The narrative must include specific information relevant to the area to be served, about homelessness, family violence resulting in involuntary displacement, number and characteristics of families who are experiencing the placement of children in out-of-home care or the delayed discharge of children from out-of-home care as the result of inadequate housing, and/or the number and characteristics of youths age 18 through 21 released from foster care at age 16 or older who do not have adequate housing, and the PCWA's past experience in obtaining housing through HUD assisted programs and other sources for families and youths lacking adequate housing.

The PCWA's statement of need should be based solely on those types of eligible FUP voucher participants; i.e., FUP-eligible families and/or FUP-eligible youths to which the PHA may issue FUP vouchers.

#### (C) Funding FY 2001 Applications

After the Grants Management Center has screened PHA applications and disapproved any applications unacceptable for further processing (see section VI(B) of this NOFA), the Grants Management Center will review and rate all approvable applications under section V, Application Submission Requirements, of this NOFA.

The Grants Management Center will select eligible PHAs to be funded based on a lottery in the event approvable applications submitted in FY 2001 are received for more funding than the approximately \$5.1 million available under this NOFA. All FY 2001 PHA

applications identified by the Grants Management Center as meeting the requirements of this NOFA will be eligible for the lottery selection process.

If the cost of funding approvable applications exceeds available funds, HUD will limit the number of FY 2001 applications selected for any State to no more than 10 percent of the budget authority made available under this NOFA in order to achieve geographic diversity. If establishing this geographic limit results in unspent budget authority, however, HUD may modify this limit to assure that all available funds are used.

Applications will be funded in full for the number of vouchers requested by the PHA in accordance with the NOFA. If the remaining voucher funds are insufficient to fund the last PHA application in full, however, the Grants Management Center may recommend funding that application to the extent of the funding available and the applicant's willingness to accept a reduced number of vouchers.

Applicants that do not wish to have the size of their programs reduced may indicate in their applications that they do not wish to be considered for a reduced award of funds. The Grants Management Center will skip over these applicants if assigning the remaining funding would result in a reduced funding level.

## **V. Application Submission Requirements**

### *(A) Form HUD-52515*

Funding Application, form HUD-52515, must be completed and submitted. This form includes all the necessary certifications for Fair Housing, Drug-Free Workplace and Lobbying Activities. PHAs are requested to enter their housing authority code number (for example, CT002) as well as their electronic mail address, telephone number, and facsimile telephone number in the same place at the top of the form where they are also to enter the PHA's name and mailing address. Section C of the form should be left blank. PHAs may obtain a copy of form HUD-52515 from the local HUD Field Office or may download it from the HUD Home page on the internet's world wide web (<http://www.hud.gov>). On the HUD website click on "handbooks and forms," then click on "forms," next click on "HUD-5" and then click on "HUD-52515." The form must be completed in its entirety, with the exception of Section C, signed and dated.

### *(B) Letter of Intent and Narrative*

Funding is limited, and HUD may only have enough funds to approve a smaller amount than the number of vouchers requested. The PHA must state in its cover letter the number of vouchers it is requesting and whether it will accept a smaller number of vouchers and the minimum number of vouchers it will accept. The cover letter must also include a statement by the PHA certifying that the PHA has consulted with the agency or agencies in the State responsible for the administration of welfare reform to provide for the successful implementation of the State's welfare reform for families and youths receiving rental assistance under the family unification program. The application must include an explanation of how the application meets the requirements for Threshold Criteria 1 through 4 in sections IV (A) and (B) of this NOFA. The application must also include a MOU as described in paragraph IV.(B)(3) of this NOFA.

The PCWA serving the jurisdiction of the PHA is responsible for providing the information for Threshold Criterion 4, PCWA Statement of Need for Family Unification Program, to the PHA for submission with the PHA application. This should include a discussion (as appropriate to whether the PHA intends to issue FUP vouchers to FUP-eligible families and/or FUP-eligible youths) of the case-load of the PCWA and information about homelessness, family violence resulting in involuntary displacement, number and characteristics of families who are experiencing the placement of children in out-of-home care or the delayed discharge of children from out-of-home care as a result of inadequate housing, the number and characteristics of youths age 18 to 21 years old who left foster care at age 16 or older and who lack adequate housing, and the PCWA's experience in obtaining housing through HUD assisted housing programs and other sources for families and youths lacking adequate housing. A State-wide Public Child Welfare Agency must provide information on Threshold Criterion 4, PCWA Statement of Need for Family Unification Program, to all PHAs that request such information; otherwise, HUD will not consider applications from any PHAs with the State-wide PCWA as a participant in its program.

### *(C) Evaluation Certifications*

The PHA and the PCWA, in separate certifications, must state that the PHA and Public Child Welfare Agency agree

to cooperate with HUD and provide requested data to the HUD office or HUD-approved contractor delegated the responsibility for the program evaluation. No specific language for this certification is prescribed by HUD.

### *(D) Statement Regarding the Steps the PHA Will Take to Affirmatively Further Fair Housing*

The areas to be addressed in the PHA's statement should include, but not necessarily be limited to:

(1) An examination of the PHA's own programs or proposed programs, including an identification of any impediments to fair housing [identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice—in its Consolidated Plan]; and a description of a plan developed to (a) address those impediments in a reasonable fashion in view of the resources available, and (b) work with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing; and the maintenance of records reflecting this analysis and actions;

(2) remedy discrimination in housing; or

(3) promote fair housing rights and fair housing choice.

### *(E) Moving to Work (MTW) PHA Information and Certification*

See section VI(B)(2)(c) of this NOFA regarding the information to be submitted by a MTW PHA required to report under the Section 8 Management Assessment Program (SEMAP) but not meeting the 95 percent lease-up or budget authority utilization requirements, or the lease-up or budget authority utilization certification to be submitted by an MTW PHA not required to report under SEMAP.

## **VI. Corrections To Deficient Family Unification Applications**

### *(A) Acceptable Applications*

An acceptable application is one which meets all of the application submission requirements in section V of this NOFA and does not fall into any of the categories listed in section VI (B) of this NOFA. The Grants Management Center will initially screen all applications and notify PHAs of technical deficiencies by letter.

With respect to correction of deficient applications, HUD may not, after the application due date and consistent with HUD's regulations in 24 CFR part 4, subpart B, consider any unsolicited information an applicant may want to provide. HUD may contact an applicant to clarify an item in the application or



to correct technical deficiencies. Please note, however, that HUD may not seek clarification of items or responses that improve the substantive quality of a response to any selection factors. In order not to unreasonably exclude applications from being rated and ranked, HUD may contact applicants to ensure proper completion of the application and will do so on a uniform basis for all applicants. Examples of curable (correctable) technical deficiencies include failure to submit the proper certifications or failure to submit an application that contains an original signature by an authorized official. In each case under this NOFA, the GMC will notify the applicant in writing by describing the clarification or technical deficiency. The applicant must submit clarifications or corrections of technical deficiencies in accordance with the information provided by the GMC so as to be received by the GMC within 14 calendar days of the date of receipt of the HUD notification. (If the due date falls on a Saturday, Sunday, or Federal holiday, your correction must be received by HUD on the next day that is not a Saturday, Sunday, or Federal holiday.) If the deficiency is not corrected within this time period, HUD will reject the application as incomplete, and it will not be considered for funding.

#### *(B) Unacceptable Applications*

(1) After the 14-calendar day technical deficiency correction period, the Grants Management Center will disapprove all PHA applications that the Grants Management Center determines are not acceptable for processing. The Grant Management Center's notification of rejection letter must state the basis for the decision.

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

(a) Applications that do not meet the fair housing and civil rights compliance threshold requirements of section III(A)(1) of this NOFA, Compliance With Fair Housing and Civil Rights Laws.

(b) The PHA has major program management findings in an Inspector General audit, HUD management review, or independent public accountant (IPA) audit for its voucher or certificate programs that are not closed or on which satisfactory progress in resolving the findings is not being made; or program compliance problems for its voucher or certificate programs on which satisfactory progress is not being made. The only exception to this category is if the PHA has been identified under the policy established in section II(E) of this announcement

and the PHA makes application with a designated contract administrator. Major program management findings or program compliance problems are those that would cast doubt on the capacity of the PHA to effectively administer any new housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements.

(c) The PHA has failed to achieve a lease-up rate of 95 percent for its combined certificate and voucher units under contract for its fiscal year ending in 1999. Category (c) may be passed, however, if the PHA achieved a combined certificate and voucher budget authority utilization rate of 95 percent or greater for its fiscal year ending in 1999. In the event the PHA is unable to meet either of these percentage requirements, the PHA may still pass category (c) if the PHA submits information to the Grants Management Center, as part of its application, demonstrating that the PHA was able to either increase its combined certificate and voucher lease-up rate to 95 percent or greater for its fiscal year ending in 2000, or was able to increase combined certificate and voucher budget authority utilization to 95 percent or more for its fiscal year ending in 2000. PHAs determined by HUD to have passed either the 95 percent lease-up, or 95 percent budget authority utilization requirement for their fiscal year ending in 1999 will be listed on the following HUD website: <http://www.hud.gov/cio/grants/fundsavail.html>, along with this NOFA. A PHA not listed must either submit information (following the format of Appendix A of this NOFA) in its application supportive of its 95 percent lease-up or 95 percent budget authority utilization performance for its fiscal year ending in 2000, or submit information (following the format of Appendix A of this NOFA) as part of its application supportive of its contention that it should have been included among those PHAs listed by HUD as having achieved either a 95 percent lease-up rate or 95 percent budget authority utilization rate for fiscal years ending in 1999. Appendix A of this NOFA indicates the methodology and data sources used by HUD to calculate the lease-up and budget authority utilization percentage rates for PHAs with fiscal years ending in 1999. Any PHA wishing to submit information to the Grants Management Center in connection with its 1999 fiscal year or 2000 fiscal year for the purposes described immediately above (so as to be eligible under category (c) to submit an application) will be required to use

the same methodology and data sources indicated in Appendix A.

Moving to Work (MTW) agencies that are required to report under the Section 8 Management Assessment Program (SEMAP) shall be held to the 95 percent lease-up and budget authority utilization requirements referenced above, except where such a MTW agency provides information in its application demonstrating to HUD that a lower percentage is the result of the implementation of specific aspects of its program under its MTW Agreement with HUD. MTW agencies which are not required to report under SEMAP must submit a certification with their application certifying that they are not required to report under SEMAP, and that they meet the 95 percent lease-up or budget authority utilization requirements.

PHAs not currently administering a certificate or voucher program, or who received voucher funding for the first time during the past 12 months will not be subject to the 95 percent lease-up or budget authority utilization requirements of this section (c).

(d) The PHA is involved in litigation and HUD determines that the litigation may seriously impede the ability of the PHA to administer the vouchers.

(e) A PHA's application that does not comply with the requirements of 24 CFR 982.102 and the requirements of this NOFA after the expiration of the 14-calendar-day technical deficiency correction period.

(f) The PHA's 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 NOFA.

(h) The applicant has been debarred or otherwise disqualified from providing assistance under the housing choice voucher program.

(i) The applicant has failed to achieve a minimum 85 percent submission rate for housing choice voucher and certificate resident records to HUD's Multifamily Tenant Characteristics System (MTCS), as set forth in 24 CFR part 908 and Notices PIH 98-3, 99-2, and 2000-13, for the period ending December 1999. In the event a PHA did not achieve an 85 percent rate of reporting under MTCS for this period, the PHA will still be considered to have passed the threshold if it (1) subsequently achieved a minimum reporting rate of not less than 85 percent for the period ended December 2000, or (2) requested forbearance from HUD under the applicable procedures in Notice PIH 2000-13 for the semi-annual



assessment period ending December 2000, contingent upon HUD approval of the forbearance request.

## VII. Findings and Certifications

### (A) Paperwork Reduction Act Statement

The Housing Choice Voucher Program 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.

### (B) Environmental Impact

In accordance with 24 CFR 50.19(b) (11) and (15) (see also 24 CFR 58.35(b) (1) and (5)), tenant-based rental activities and activities to assist homeownership of existing units 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 most of the related laws and authorities. This NOFA provides funding for these activities under 24 CFR part 982, which contains limited environmental provisions concerning only homeownership activities in 24 CFR 982.305(b)(4) and 982.626(c), because of the categorical exclusion of the rental and homeownership activities from environmental review. This NOFA does not alter these environmental provisions. Accordingly, under 24 CFR 50.19(c)(5), issuance of this NOFA is also categorically excluded from environmental review under NEPA.

### (C) Catalog of Federal Domestic Assistance Numbers

The Federal Domestic Assistance number for this program is 14.857.

### (D) Federalism Impact

Executive Order 13132 (captioned “Federalism”) prohibits, to the extent practicable and permitted by law, an agency from promulgating a regulation that has federalism implications and either imposes substantial direct compliance costs on State and local governments and is not required by statute, or preempts State law, unless the relevant requirements of section 6 of the Executive Order are met. None of the provisions in this NOFA will have federalism implications and they will not impose substantial direct compliance costs on State and local governments or preempt State law

within the meaning of the Executive Order. As a result, the notice is not subject to review under the Order.

### (E) 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 regulations in 24 CFR part 4, subpart A 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 (57 FR 1942), HUD published a notice that also provides information on the implementation of section 102. HUD will comply with the documentation, public access, and disclosure requirements of section 102 with regard to the assistance awarded under this NOFA, as follows:

#### (1) 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 5-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.

#### (2) Disclosures

HUD will make available to the public for 5 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 3 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.

### (F) Section 103 HUD Reform Act

HUD will comply with section 103 of the Department of Housing and Urban Development Reform Act of 1989 and HUD’s implementing regulations in subpart B of 24 CFR part 4 with regard

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 at (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.

### (G) 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. 1352) (the Byrd Amendment) and to the provisions of the Lobbying Disclosure Act of 1995 (Pub. L. 104–65; approved 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 Lobbying Disclosure Act of 1995 (Pub. L. 104–65; approved December 19, 1995), which repealed section 112 of the HUD Reform Act, 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: June 15, 2001.

**Paula O. Blunt,**

*Acting General Deputy Assistant Secretary for Public and Indian Housing.*

## Appendix A

### Methodology for Determining Lease-up and Budget Authority Utilization Percentage Rates

Using data from the HUDCAPS system, HUD determined which PHAs met the 95% budget authority utilization or 95% lease-up

criteria. The data used in the determination was based on PHA fiscal years ending in 1999. The budget authority utilization and lease-up rates were determined based upon the methodology indicated below.

#### Budget Authority Utilization

Percentage of budget authority utilization was determined by comparing the total contributions required to the annual budget authority (ABA) available for the PHA 1999 year combining the certificate and voucher programs.

Total contributions required were determined based on the combined actual

costs approved by HUD on the form HUD-52681, Year End Settlement Statement. The components which make up the total contributions required are the total of housing assistance payments, ongoing administrative fees earned, hard to house fees earned, and IPA audit costs. From this total any interest earned on administrative fees is subtracted. The net amount is the total contributions required.

ABA is the prorated portion applicable to the PHA 1999 year for each funding increment which had an active contract term during all or a portion of the PHA year.

#### Example

#### PHA ABC

[Fiscal year 10/1/98 through 9/30/99]

HUD 52681 Approved Data:	
HAP .....	\$2,500,000
Administrative fee .....	250,000
Hard to house fee .....	1,000
Audit .....	2,000
Total .....	2,753,000
Interest earned on administrative fee .....	(\$2,500)
Total contributions required .....	2,750,500

### CALCULATION OF ANNUAL BUDGET AUTHORITY

Increments	Contract Term	Total BA
ABA		
001 .....	11/01/98-10/31/99 .....	\$1,300,000 \$1,191,667
002 .....	01/01/99-12/31/99 .....	1,200,000 900,000
003 .....	04/01/99-03/31/00 .....	950,000 475,000
004 .....	07/01/99-06/30/00 .....	1,500,000 375,000
Totals .....	.....	4,950,000 2,941,667

### BUDGET AUTHORITY UTILIZATION

Total contributions required divided by .....	\$2,750,000
Annual budget authority equals .....	2,941,667
Budget Authority Utilization .....	93.5%

#### Lease-up Rate

The lease-up rate was determined by comparing the reserved units (funding increments active as of the end of the PHA 1999 year) to the unit months leased (divided

by 12) reported on the combined HUD 52681, Year End Settlement Statement(s) for 1999.

Active funding increments awarded by HUD for special purposes such as litigation, relocation/replacement, housing conversions, Welfare to Work, and new units awarded to the PHA during the last twelve months were

excluded from the reserved units as the Department recognizes that many of these unit allocations have special requirements which require extended periods of time to achieve lease-up.

Example		
Increments	Contract Term	Units
001 .....	11/01/98–10/31/99 .....	242
002 .....	01/01/99–12/31/99 .....	224
003 .....	04/01/99–03/31/00 .....	178
004 .....	07/01/99–06/30/00 .....	280
Totals .....	.....	924
Increment 003 litigation .....	.....	(178)
Adjusted contract units .....	.....	746
Unit months leased reported by PHA .....	.....	8,726
Divided by 12 .....	.....	727
Units leased .....	.....	727
Lease-up rate:		
Units leased .....	.....	727
Divided by adjusted contract units equals .....	.....	746
Lease-up rate .....	.....	97.5%

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