

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4627-N-01]

Notice of Funding Availability Housing Search Assistance Program Fiscal Year 2001

AGENCY: Office of the Secretary, HUD.

ACTION: Notice of Funding Availability (NOFA).

SUMMARY: *Purpose of the Program.* The purpose of the Housing Search Assistance Program (HSAP) is to assist housing choice voucher families in expanding their housing opportunities and in accessing lower-poverty neighborhoods through their receipt of housing counseling and supportive services from public housing agencies (PHA) partnering with nonprofit organizations. The counseling services will provide eligible families with information about a wide range of housing options, including options in lower-poverty neighborhoods, so that the families may make informed decisions in selecting housing and move closer to job sites, public transportation, shopping, schools, training opportunities and family/friends support networks. The program will also provide supportive services to help recipients comply with private owner rental lease requirements, housing quality standards (HQS) and other family obligations under the voucher program, remain stably housed, and successfully adjust to their new communities.

Available Funds. The approximately \$10 million in housing choice voucher program administrative fees available under this NOFA will support funding for up to 15 eligible applicants for three years for HSAP activities.

Eligible Applicants. Public Housing Agencies (PHAs) that submit an application with one or more nonprofit organizations as the co-applicant (including but not limited to faith-based and other community-based organizations) for the provision of housing counseling services and related supportive services. Indian Housing Authorities (IHA), 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 Section 8 (housing choice voucher) annual contributions contracts (ACC) with IHAs after September 30, 1997.

Application Deadline. October 9, 2001.

Match. None

Additional Information

If you are interested in applying for funding under the HSAP, please read this NOFA which will provide you with detailed information regarding the submission of an application, HSAP requirements, the application selection process to be used in selecting applications for funding, and other valuable information relative to participation in the HSAP.

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 October 9, 2001, at the address shown below. This application deadline date is firm. In the interest of fairness to all competing applicants, 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 to Michael E. Diggs, Director of the Grants Management Center, Department of Housing and Urban Development, 501 School Street, SW., Suite 800, Washington, DC 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 throughout this NOFA to mean the local HUD Field Office Hub and local HUD Field Office Program Center.

Hand Carried Applications. Hand carried applications must be delivered to the Grants Management Center by not later than 8:45 am to 5:15 pm, Eastern time, on the application deadline date. After 5:15 pm on the application deadline date, applications will be accepted in the South Lobby of HUD Headquarters, 451 Seventh Street, SW., Washington, DC 20410, until 12:00 midnight, Eastern time.

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 Grants Management Center.

Applications Sent By Overnight/Express Mail Delivery. Applications sent by overnight delivery or express mail will be considered timely filed if received by the Grants Management Center on or before 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 available and is not necessary for submitting an application for funding under this NOFA. This NOFA contains all of the information necessary for the submission of an application in connection with this NOFA.

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 determine the status of your application by contacting the Grants Management Center at (202) 358-0273. (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, Voucher Funding, and Eligibility

(A) Authority

The authority for the funding available for the HSAP is found in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub. L. 105-276, approved October 21, 1998), referred to in this NOFA as the FY 1999 HUD Appropriations Act). The FY 1999 HUD Appropriations Act refers to the funding being made available as for "regional opportunity counseling." In lieu of this description, HUD is calling the program funded under this appropriation the Housing Search Assistance Program (HSAP), as this title better encompasses the housing counseling and related supportive services for which funding is being announced as available under this NOFA.

(B) Purpose

The HSAP is a program under which a PHA, with a co-applicant nonprofit organization(s), will be provided

funding for housing counseling and other supportive services to assist families in expanding their housing opportunities. Each funded PHA (as the lead applicant in the application) will be required to enter into a memorandum of understanding (MOU) with a nonprofit organization(s) to provide housing counseling and/or related supportive services to housing choice voucher families. There is no requirement that the PHA enter into a MOU with a nonprofit organization(s) for the nonprofit organization's provision of all housing counseling and supportive services, although this would be acceptable. The ideal application would build on the existing strengths of the PHA and nonprofit(s) and modestly expand the capacity of these organizations to provide housing counseling and related supportive services. To ensure the program runs smoothly, it is essential that the relative roles and responsibilities of the PHA and the nonprofit organization(s) be defined clearly in the application.

The housing counseling services provided through the program will give eligible families information about a wide range of housing options in neighborhoods throughout a metropolitan area, including lower-poverty neighborhoods, so that the families may make informed decisions about the selection of housing and move closer to job sites, job training, schools, child care, public transportation, shopping, and family/friends support networks. This will be accomplished through a combination of intensive counseling of families and outreach to landlords. In addition, the provision of (or provision of links to) supportive services to help participating families comply with private owner rental lease requirements, housing quality standards (HQS) and other family obligations under the voucher program, remain stably housed, and successfully adjust to their new communities are vitally important. In many cases, nonprofit organizations will be well-positioned to provide these services.

Each PHA must ensure that it, as well as the nonprofit(s) with which it enters into an MOU, uses the funding under this NOFA only for those families eligible under this NOFA and may not counsel families for which the PHA is funded from other sources; e.g., funds provided by HUD to assist and to counsel families benefiting from the settlement of litigation or involving desegregation.

(C) Amount Allocated

This NOFA announces the availability of \$10 million in housing choice

voucher administrative fees for the HSAP which will provide funding for up to 15 PHAs for a period of three years. Applicants will be limited to applying for no more than the maximum dollar amount indicated below based on the current size of the PHA's housing choice voucher and certificate program.

(1) PHA with 1250 or more vouchers/certificates: \$1,000,000 maximum.

(2) PHA with 500 to 1249 vouchers/certificates: \$600,000 maximum.

(3) PHA with less than 500 vouchers/certificates: \$150,000 maximum.

(D) Eligible Applicants

A PHA established pursuant to State law, including regional (multicounty) or State PHAs, with an existing housing choice voucher or certificate program may apply for funding under this NOFA if it has a nonprofit organization(s) (including, but not limited to a faith-based or other community-based organization) with which it has entered into an MOU for housing counseling and related supportive services (contingent upon the PHA's receipt of funding under this NOFA), and falls into either of the following two categories under HUD's interim rule published in the **Federal Register** (FR-4606-I-01) on October 2, 2000, on "Increased Fair Market Rents and Higher Payment Standards for Certain Areas:"

(1) A PHA in any of the 39 metropolitan areas for which fair market rents (FMR) will now be based on the 50th percentile: i.e., those large metropolitan areas where voucher holders are concentrated in a relatively small number of census tracts and low-rent housing is not well-distributed throughout the metropolitan area. The 39 metropolitan areas are listed in a notice published in the **Federal Register** (FR-4589-N-03) on October 6, 2000; i.e., those metropolitan areas where families have experienced difficulty in renting housing in low-poverty areas.

(2) A PHA eligible to use a Success Rate Payment Standard based on the 50th percentile rent; i.e., a PHA whose voucher holders have had less than a 75 percent success rate in locating a unit to rent, despite having increased the payment standards to 110 percent of the FMR. To be funded under this category, a PHA must be eligible for the Success Rate Payment Standard under the terms of the October 2, 2000 interim rule and Notice PIH 2001-1 (PHA). The PHA need not have applied to utilize the higher payment standards.

Indian Housing Authorities, 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 Section 8 (housing choice voucher) annual contributions contracts (ACC) with IHAs after September 30, 1997.

Some PHAs currently administering housing choice vouchers and certificates 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 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 HSAP, 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 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 are those that would cast doubt on the capacity of the

PHA to effectively administer the HSAP funding being made available under this NOFA.

III. General Requirements and Requirements Specific to the HSAP

(A) General Requirements

(1) *Compliance With Fair Housing and Civil Rights Laws.* All applicants, and co-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/co-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, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act, the applicant's/co-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 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/co-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 Titles I and V of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*).

(3) *Affirmatively Furthering Fair Housing.* Applicants 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 local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and maintain records reflecting these analyses and actions;

(b) Remedy discrimination in housing; or

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

(4) *Certifications and Assurances.* All applicants are 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.

(5) *Disabled Accessibility.* All applicants and co-applicants funded under this NOFA will make offices used for housing counseling or related supportive services accessible to persons with a wide range of disabilities.

(6) *Requirements Applicable to Faith-Based Organizations.* Where a PHA proposes to contract for HSAP services with a primarily religious organization, or a wholly secular organization established by a primarily religious organization, the co-applicant(s) must ensure that it will adhere to the following principles which state: (a) The Organization will not discriminate against any segment of the population in the provision of services or in outreach, including those of other religious affiliations; (b) The organization will not provide religious instruction or religious counseling, conduct religious services or worship, engage in religious proselytizing, and/or exert religious influence in the provision of assistance for this program.

(B) Requirements Specific to the Housing Search Assistance Program

(1) Definitions.

(a) *Eligible Family.* A family is eligible to receive housing counseling and related supportive services under the HSAP if the family is a current participant in the housing choice voucher or certificate program, or if the family has received a housing choice voucher from the PHA to search for a unit. Housing counseling and related supportive services must be provided to these eligible families in the following order:

(i) Families that currently receive income from work or are currently work-ready; i.e., enrolled in an education or job training program.

(However, a family must also be given the benefit of this preference for housing counseling and related supportive services if the head or spouse, or sole member is age 62 or older, or is a person with disabilities.)

(ii) All other eligible families. The other eligible families may be ranked at the PHA's discretion to meet the PHA's goals for policies established in its administrative plan.

(b) *Nonprofit Organization.* An organization, no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual that provides housing counseling and/or related supportive services and has received a federal tax-exempt designation from the U.S. Internal Revenue Service. The nonprofit organization must:

(i) Have a voluntary board;

(ii) Be authorized by its charter or State law to enter into a contract with an organization such as a PHA to provide housing counseling and/or related supportive services;

(iii) Have a functioning accounting system that is operated in accordance with generally accepted accounting practices, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles; and

(iv) Practice affirmative marketing and nondiscrimination in the provision of assistance.

(2) *PHA/Nonprofit Organization Partnership and MOU.* Any PHA wishing to submit an application under this NOFA must enter into a memorandum of understanding (MOU) with a nonprofit organization(s) (including, but not limited to faith-based and other community organizations) for the purpose of clearly delineating the roles and responsibilities of the parties in providing specific types of housing counseling and related supportive services (see section III(B)(3) and (4) of this NOFA) to eligible families with funds under this NOFA. The MOU must be dated and signed by authorized officials of the PHA and the non-profit(s).

Among the nonprofit organizations that PHAs consider partnering with, they may wish to contact one or more of the HUD-approved housing counseling agencies in their area. There are approximately 1250 such agencies throughout the United States. These agencies may already have some or all of the skills and expertise the PHA is looking for in a nonprofit partner to meet the housing counseling and/or supportive service requirements of this

NOFA. To determine which HUD-approved housing counseling agencies may be operating in a PHA's geographic area, it can view the State listings of such agencies on the internet at www.hudhcc.org. Click on "Housing Counseling Agency Directory."

The PHA shall submit the application to HUD on behalf of itself and the nonprofit organization(s).

(3) *Housing Counseling Services Responsibilities*. Either directly or indirectly through their nonprofit partners, PHAs funded under this NOFA must provide housing counseling services to assist housing choice voucher families in expanding their housing opportunities and in accessing lower-poverty neighborhoods. Funding provided under this NOFA must be used to augment, rather than supplant, the counseling services that PHAs are already required to provide under current housing choice voucher program rules and must seek to avoid unduly concentrating assisted families in high poverty neighborhoods. The following are examples of housing counseling services that may be funded under this NOFA:

(a) Outreach to private landlords in lower-poverty neighborhoods (those neighborhoods where the concentration of families at or below the poverty level is less than 20 percent) throughout the metropolitan area. Examples of the types of outreach efforts that could be funded under this NOFA include the following:

(i) Solicit the participation of owners and managers of housing in lower-poverty areas.

(ii) Network with real estate boards, property management associations, real estate brokers, human relations commissions, and/or other groups or agencies that can assist in locating owners and managers willing to participate in the HSAP.

(iii) Prepare materials to explain the voucher program and the HSAP to owners and managers.

(iv) Conduct seminars for owners and managers on the voucher program, fair housing and the HSAP.

(b) Provide counseling services to help families identify and apply for units in lower-poverty neighborhoods.

(c) Provide counseling services to help acquaint families with the benefits of living in particular lower-poverty neighborhoods in the metropolitan area.

(d) Review eligible families for credit reports, housekeeping skills and criminal backgrounds to ensure suitability for counseling services;

(e) Conduct home visits and escort families to potential units selected by the families;

(f) Assist families with transportation to facilitate their visiting potential units;

(g) Assist families in discussions with landlords regarding lease provisions and suitability of the unit during the housing search;

(h) Monitor activities for compliance with fair housing laws and the requirement that owners of tax credit developments not discriminate against families in the voucher program, and refer complaints of discrimination to the local HUD Field Office or to State and local agencies participating in the Fair Housing Assistance Program.

(i) Reduce any community tension that may exist, as regards the voucher program, by conducting sensitivity training with local police departments, schools, community groups, and businesses to educate them about the voucher program, assisted families and fair housing; establish a mentoring program where current voucher program participants provide support to new participants; and provide conflict resolution services, if needed.

(4) *Supportive Services Responsibilities*. Either directly or indirectly through their nonprofit partners, PHAs funded under this NOFA must provide supportive services to help the voucher program participants receiving housing counseling to comply with private owner rental lease requirements, housing quality standards (HQS) and other family obligations under the voucher program, remain stably housed, and successfully adjust to their new communities. Supportive services may be needed both before a family moves into a new neighborhood (such as to ensure a smooth transition and to educate the family about the services available in a community), and after the family has moved in. Families that move to new communities may need help finding child care, securing transportation and other services. The following are examples of supportive services that may be funded under this NOFA:

(a) Provide counseling and referrals to families on opportunities for education, training, child care, medical care, transportation and employment in lower-poverty neighborhoods.

(b) Refer families to organizations capable of assisting them with moving costs, security deposits, utility hookup fees, and utility deposits. (Note: Funds provided under this NOFA cannot be used to pay such costs, deposits or fees for families.)

(c) Counsel families on household cleaning/maintenance skills and knowledge sufficient for a family to remain in compliance with its

responsibilities as relates to the housing choice voucher program's housing quality standards (HQS), and the family's responsibilities under its lease with a private owner for the care and use of the unit.

(d) Counsel families on budgeting skills directed at the most efficient use of limited resources in meeting family expenses, with an emphasis on the family's responsibility to pay its portion of the rent to the private owner in a timely manner.

(5) *Program Record Keeping/Reporting Requirements*.

(a) Record Keeping. In addition to the normal record keeping required for the housing choice voucher program, separate records must be maintained by the PHA and the nonprofit organization for the HSAP. The separate records must demonstrate that funding provided under this NOFA was used to augment, rather than replace, the counseling the PHA is already required to provide under current rules, and that the supportive services funded under this NOFA are in addition to those services the PHA is already providing itself or through outside sources. These records must also be sufficient to capture the information necessary to produce the semiannual reports required under this NOFA's section III(B)(5)(b), Reporting to HUD.

(b) Reporting to HUD. An original and a copy of the following report shall be submitted on a semiannual basis to the Department of Housing and Urban Development, Funding and Financial Management Division, Room 4216, 451 Seventh Street, SW, Washington, DC 20410. Reporting shall commence with the period ending 12/31/01 and shall be submitted to HUD not later than 30 days thereafter. Subsequent reports shall cover a six month period and shall be submitted not later than 30 days following the end of each six month reporting period. Reporting shall reflect cumulative progress made to date since the beginning of the awardee's HSAP, as well as progress exclusive to the last six month period ended. The report must address the following in this regard pertinent to the PHA's and/or nonprofit's provision to eligible families of housing counseling and related supportive services funded under this NOFA:

(i) The number of families counseled/provided supportive services.

(ii) The number of families counseled/provided supportive services that were successful in leasing a unit.

(iii) The number of families counseled/provided supportive services that rented a unit in a lower-poverty neighborhood.

(iv) The number of families counseled/provided supportive services that leased a unit in a lower-poverty neighborhood and were still leasing a unit in a lower-poverty neighborhood 13 months later.

(v) The average cost per family (based upon total HSAP expenditures) of (1) providing housing counseling, (2) supportive services, and (3) cumulatively for housing counseling and supportive services.

(vi) The total number of owner outreach contacts by the PHA/nonprofit vs total number of families counseled/receiving supportive services that leased units from these owners, with a separate subtotal for those families leasing units from these owners in lower-poverty areas.

IV. Application Selection Process for HSAP Funding

(A) Selection Criteria and Rating and Ranking

The Office of Public and Indian Housing'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 HSAP. The Grants Management Center, with assistance from the Office of Fair Housing and Equal Opportunity and the Center for Faith-Based and Community Initiatives, 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 60 points of the 100 points available under the selection criteria in order to be approvable for funding. Each criterion with no sub-criteria, and sub-criteria under a criterion (some criteria have sub-criteria with individually assigned points) will be evaluated on a pass or fail basis, with either the applicant receiving the full number of points or no points; e.g., 15 or 0. The selection criteria are as follows:

(1) Selection Criterion 1: Capacity of the Applicant and Relevant Organizational Experience (30 points).

Selection Criterion 1 addresses the extent to which the applicant (*including the co-applicant nonprofit organization(s)*) has the organizational resources necessary to implement the applicant's proposed HSAP activities in a timely manner. In determining the rating under this criterion, HUD will consider the extent to which the application demonstrates:

(a) (15 points) The knowledge and experience of the PHA and nonprofit organization's staff in planning and organizing the type of housing counseling and supportive services (eligible to be funded under this NOFA) addressed in the applicant's Memorandum of Understanding (MOU). Experience will be assessed in terms of its relevance to undertake eligible HSAP activities (see section III(B)(3) and (4) of this NOFA). The applicant and co-applicant are expected to have sufficient personnel to deliver the proposed housing counseling and supportive services in a timely and effective manner. Included in the application must be an identification of the professional backgrounds and experience of specific individuals to be involved in providing the housing counseling services and related supportive services addressed in the applicant's MOU.

(b) (15 points) Demonstrated success in attaining measurable progress in the implementation of recent activities similar in scope and complexity to the housing counseling and related supportive services planned to be undertaken with funding under this NOFA as reflected in the applicant's MOU.

(2) Selection Criterion 2: Memorandum of Understanding (MOU) (50 points).

Selection Criterion 2 addresses the quality and effectiveness represented within the applicant's MOU for providing the housing counseling and supportive services eligible for funding under this NOFA. The application for funding under this NOFA must include an MOU executed by authorized officials of the PHA and the nonprofit organization(s) with which the PHA is partnering. The MOU must provide a detailed description of the housing counseling and supportive services (see section III(B)(3) and (4)) to be provided and the roles and responsibilities of the PHA and the nonprofit organization(s) (see section III(B)(2)) in providing the housing counseling and supportive services. The MOU must also include realistic but aggressive performance targets related to the provision of housing counseling and supportive services to families. This is addressed more fully under section IV(A)(2)(a) below of this NOFA.

The MOU must indicate that its provisions are contingent upon the PHA's being funded under this NOFA, and that the PHA will be responsible for monitoring the activities of the nonprofit(s) in connection with its satisfactory delivery of the housing counseling and/or supportive services

agreed upon in the MOU. The MOU must also include a description of the priority order in which families will receive services (see section III(B)(1)(a)), as well as a management and staffing plan and budget.

(a) (15 points) Description of the housing counseling and supportive services to be provided (see section III(B)(3) and (4)). In addition, the MOU must also address performance targets related to its provision of housing counseling and supportive services. These performance targets must address anticipated outcomes that are realistic but aggressive for the following performance categories:

(i) The number of families to be counseled/provided supportive services.

(ii) The number of families counseled/provided supportive services that lease a unit with their voucher.

(iii) The number of families counseled/provided supportive services under section (ii) immediately above that lease a unit in a lower-poverty neighborhood.

(iv) The number of families counseled/provided supportive services that lease in a lower-poverty neighborhood and are still leasing a unit in a lower-poverty neighborhood 13 months later.

(b) (15 points) Description of the roles and responsibilities of the PHA and nonprofit organization(s) in providing housing counseling and supportive services (see section III(B)(2)), and the specific activities to be performed in providing these services, including but not limited to:

(i) Screening interviews with families;

(ii) Setting up a family file with intake information and counseling plan;

(iii) Having the family sign an agreement accepting the counseling plan and making a commitment to attend the required counseling sessions.

(c) (5 points) Description of the priority order of families to receive housing counseling and supportive services consistent with section III(B)(1)(a) of this NOFA which establishes the first order of priorities and allows for the establishment of preferences within the order of priorities and to add to the list of priorities. This description must also include an estimate of the number of housing choice voucher holders, as well as current housing choice voucher and certificate participants (current renters), that are anticipated to be eligible for and receive housing counseling and supportive services over the course of the three year implementation period of HSAP.

(d) (15 points) Management and Staffing Plan and Budget. A

management and staffing plan and budget must be provided indicating the major activities to be performed in providing housing counseling and supportive services, the position titles and number of staff to be devoted to providing these services, the number of staff hours to be expended on each activity, and the budgeted costs associated with each of the major activities over the three year period to be covered by the MOU. Included within the major activities should be staff time and associated costs connected with the record keeping and reporting requirements of section III(B)(5) of this NOFA. The budget should also reflect the anticipated number of families who will receive housing counseling and supportive services and the average cost per family for same. HUD anticipates that the average cost per family will be in the range of \$1,000 to \$1,500. This average cost range is based upon HUD's past experience with housing counseling and supportive services costs, but should not be considered a mandatory minimum or maximum limitation on costs per family. The average cost range was derived by taking total program costs and dividing them by the number of families receiving housing counseling and supportive services.

It is anticipated that immediately following HUD's announcement of awards under this NOFA that some PHAs and nonprofit organizations will require as much as—but should not exceed—six months in which to hire any additional necessary staff, complete nonprofit familiarization with program requirements under the housing choice voucher program, enter into a formal contract with the nonprofit organization(s) for the provision of certain services covered by the MOU, and to otherwise prepare themselves to initiate HSAP services. The budget should reflect any such six month or shorter period of preparation, unless all parties are prepared to immediately begin the provision of HSAP services. Any such six month or shorter preparatory period will be considered to be part of the maximum three year implementation period commencing on the date of award of HSAP funding.

(3) Selection Criterion 3: Leveraging Resources (10 points).

Selection Criterion 3 addresses the applicant's ability to secure private and public resources which can be combined with funding received under the HSAP to support and enhance the housing counseling and supportive services to be funded through the HSAP. Evaluation of this criterion will consider the extent to which the applicant has

obtained additional resources, or partnered with other entities (State, Federal or local government, nonprofit organizations, for-profit private organizations, etc.) to secure additional resources, to increase the effectiveness of the housing counseling and supportive services included within the applicant's MOU. Evidence of such partnerships must be supported by letters of firm commitment or other documentation of agreements. Such letters or agreements should include the organization's name, proposed level of commitment, responsibilities as relates to the HSAP, and be signed by an official of the organization legally authorized to make commitments on behalf of the organization.

(4) Selection Criterion 4: Sustainability (10 points).

Selection Criterion 4 requires the applicant to demonstrate how its HSAP will achieve an impact that will be sustained in whole or in part beyond the three year implementation period funded under this NOFA. Credit will be given to applications that demonstrate how the HSAP will achieve an impact that lasts beyond the three year effort funded under this NOFA. Among several ways to achieve a lasting impact include, but are not limited to: (a) The building of capacity to provide housing counseling and related supportive services among entities that commit to continuing this work after the funding is exhausted; (b) the development of a curriculum to educate housing choice voucher participants about the benefits of living in particular lower-poverty neighborhoods; (c) the recruitment of a substantial number of landlords in lower-poverty neighborhoods; (d) the establishment of a revolving fund for security deposits, utility deposits and moving expenses to help families move to lower-poverty neighborhoods, funded through sources other than this NOFA; and (e) the creation of a landlord outreach program to include materials on the housing choice voucher program, HSAP, how to be a responsible landlord, and fair housing.

(B) *Funding FY 2001 Applications.* After the Grants Management Center has screened PHA applications and disapproved any applications unacceptable for further processing (see section VI(A) and (B) of this NOFA), the Grants Management Center, with the assistance of the Office of Fair Housing and Equal Opportunity and the Center for Faith-Based and Community Initiatives, will review and rate all approvable applications, utilizing the Selection Criteria and the point assignments listed in this NOFA. Applications will be ranked for

approval/funding based upon highest to lowest score in three PHA size categories. Only those applications scoring not less than 60 points under the Selection Criteria will be considered for funding. A minimal number of awards will be made (contingent upon a sufficient number of approvable applications in each PHA size category), as follows:

(1) Six awards—PHAs with 1250 or more vouchers/certificates. Maximum award of \$1,000,000 for each PHA.

(2) Four awards—PHAs with 500 to 1249 vouchers/certificates. Maximum award of \$600,000 for each PHA.

(3) Two awards—PHAs with less than 500 vouchers/certificates. Maximum award of \$150,000 for each PHA.

Thereafter, remaining funding will be awarded to the next highest ranked application, regardless of the PHA's voucher/certificate program size, until all funding has been exhausted. In the event two or more applications have the same score at this point in the funding selection process and insufficient funds remain to fund all such applications, a lottery shall be held to select the application(s) to be funded.

V. Application Submission Requirements

(A) *Form HUD-52515.* Funding Application, form HUD-52515, must be filled out as indicated below and submitted. Complete the first third of page 1, but sections A, B, C and D and on this first page, and section E at the top of the second page of this four page form should be left blank, as the funding being requested is for housing choice voucher administrative fee funding only and not for housing choice vouchers. PHAs are requested to enter their housing authority code number (for example, CT002), their telephone number, electronic mailing address, and facsimile transmission 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 F should not be responded to as this section pertains only to PHAs that do not currently have a housing choice certificate or voucher program (in order to be eligible to apply for the funding available under this NOFA the applicant must already be operating a housing choice voucher or certificate program). This form includes all the necessary certifications for Fair Housing, Drug-Free Workplace and Lobbying Activities. 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/forms," click on "forms," click on "HUD-5" and then click on "HUD-52515." The form must be signed and dated.

(B) *Nonprofit Organization Documentation.* The PHA must submit a letter from the nonprofit organization(s) with which it is entering into an MOU to provide all or some of the housing counseling and supportive services funded under this NOFA. The letter must provide information on the nonprofit organization(s) documenting its legal status as a nonprofit and its legal authority to operate throughout the geographic area comprising the PHA's legally authorized area of operation. Documentation of legal status/authority may include paperwork verifying the U.S. Internal Revenue Service's recognition of the organization as a nonprofit, a legal opinion from an attorney attesting to the nonprofit organization's legal right to deliver housing counseling and supportive services throughout the area comprising the PHA's legally authorized area of operation, or other similar documentation.

(C) *Selection Criteria Information.* The application must include information addressing the four selection criteria in section IV(A) of this NOFA, sufficient for the applicant to receive at least 60 points out of the maximum of 100 points available, in order for the application to be deemed approvable. Applications scoring less than 60 points will be unapprovable and therefore ineligible for funding. Since applications will be selected for funding on the basis of highest to lowest score (see section IV(B) of this NOFA), applicants would be well-advised to thoroughly address all four rating criteria in order to potentially maximize the points their application may receive and thereby improve the chances of their application being funded.

(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:

(a) 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 (1) address those impediments in a reasonable fashion in view of the resources available; and (2) work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and

the maintenance of records reflecting these analyses and actions;

(b) Remedy discrimination in housing; or

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

(E) *Moving to Work (MTW) PHA Information and Certification.* See section VI(B)(2)(c) regarding the information to be submitted by an 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 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, with assistance from the Office of Fair Housing and Equal Opportunity and the Center for Faith-Based and Community Initiatives, will initially screen all applications and notify applicants of technical deficiencies by letter, facsimile transmission, or electronic mail. (See section V(A) of this NOFA regarding the information to be provided by applicants regarding their electronic mail address, facsimile transmission telephone number, etc. at the top of form HUD-52515.)

With respect to correction of deficient applications, HUD may not, after the application due date and consistent with HUD's regulations at 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 Grants Management Center 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 Grants Management Center 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 applications that it determines are not acceptable for processing. The Grants Management Center's notification of rejection letter must state the basis for the decision.

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

(a) Applications that do not meet the requirements of Section III(A)(1) of this NOFA, Compliance With Fair Housing and Civil Rights Laws.

(b) The PHA has major Inspector General audit findings, HUD management review findings, or independent public accountant (IPA) findings that are not closed or on which satisfactory progress in resolving the findings is not being made; or program compliance problems 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(D) of this NOFA and the PHA makes application with another agency or contractor that will administer the HSAP on behalf of the PHA. Major program management findings or program compliance problems are those that would cast doubt on the capacity of the PHA to effectively administer the HSAP funding being made available under this NOFA.

(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, it may still pass category (c) if it submits

information (following the format of Attachment 1 of this NOFA) to the Grants Management Center, as part of its application, demonstrating that it 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 that have been 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 HUD Home Page site on the Internet's world wide web (<http://www.hud.gov/cio/grants/fundsavail.html>) under the Housing Search Assistance Program (HSAP) NOFA. Any eligible applicant not listed must either submit information (following the format of Attachment 1) 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 Attachment 1) as part of its application supportive of its contention that it should have been included among those PHAs HUD listed as having achieved either a 95 percent lease-up rate or 95 percent funding utilization rate for fiscal years ending in 1999.

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 an 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.

(d) The applicant is involved in litigation and HUD determines that the litigation may seriously impede the ability of the PHA to provide the housing counseling/supportive services under this NOFA, or to otherwise work with the nonprofit in connection with the nonprofit's provision of the housing counseling and related supportive services.

(e) An 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.

(f) The application was submitted after the application due date.

(g) The application was not submitted to the official place of receipt as indicated in the paragraph entitled "Address for Submitting Applications" at the beginning of this NOFA.

(h) The applicant has been debarred or otherwise disqualified from providing assistance under the 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 by 24 CFR Part 908 and Notices PIH 98-30, 99-2 and 2000-13 for the period ending December 1999. In the event a PHA achieved less than an 85 percent rate of reporting under MTCS for this period, the PHA will still be considered to have passed the threshold if the PHA: (1) Subsequently achieved a minimum reporting rate of not less than 85 percent for its housing choice voucher and certificate resident records as of the December 2000 reporting period; or (2) has 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 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.

(B) Environmental Impact

This NOFA does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing (other than tenant-based rental assistance), rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this NOFA is categorically excluded from environmental review under the

National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. Section 4321). In accordance with 24 CFR 50.19(b)(12) of the HUD regulations, supportive services such as counseling services under this program are categorically excluded from environmental review under NEPA and are not subject to environmental review under the related laws and authorities.

(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 26, 2001.

Paula O. Blunt,

Acting General Deputy Assistant Secretary for Public and Indian Housing.

Attachment 1.—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

CALCULATION OF ANNUAL BUDGET AUTHORITY—Continued

Increments	Contract Term	Total BA	ABA
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 contract 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, as recorded in HUDCAPS, for special purposes such as litigation, relocation/replacement, Welfare to Work, and new units awarded to the PHA during the last twelve

months were excluded from the contract 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		97.4%

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