

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. FR-4415-N-01]

**Notice of Funding Availability,
Mainstream Housing Opportunities for
Persons With Disabilities, (Mainstream
Program) Fiscal Year 1999**

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 this program is to provide Section 8 rental vouchers to enable persons with disabilities (elderly and non-elderly) to rent affordable private housing.

Available Funds. Approximately \$48.5 million in five-year budget authority for approximately 1,600 rental vouchers is available under this NOFA. Although the NOFA issued on April 30, 1998, for the FY 1998 Mainstream Program (FR-4359) indicated that approvable applications not funded in FY 1998 would receive priority for funding in FY 1999 contingent upon FY 1999 appropriations, HUD must depart from this approach. With the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub. L. 105-276, 112 Stat. 2461, approved October 21, 1998), Congress directed HUD in the FY 1999 House Committee Report to broaden the *Section 811* Mainstream Program's eligible applicants to include disability non-profit organizations, as well as PHAs.

Consequently, the approximately \$48.5 million available under this NOFA will be used to fund new FY 1999 Section 811 program applications submitted in response to this NOFA by PHAs and non-profit disability organizations. PHAs with unfunded FY 1998 Mainstream Program applications will need to submit a new application, in accordance with the requirements of this NOFA, in order to be eligible to receive any FY 1999 Mainstream Program funding.

Applications are also being invited, however, from PHAs for one-year budget authority funding (non-Section 811 funds) that HUD anticipates may be available for the Mainstream Program in FY 1999. Specifically, any portion of the \$40 million in one-year budget authority in FY 1999 appropriations related to designated housing plans, preferences in occupancy for the elderly in certain types of Section 8 project-based developments, or restrictions in

occupancy to elderly only in certain types of section 202, section 221(d)(3), or section 236 developments remaining unobligated will be added to the approximately \$48.5 million available under this NOFA. This one-year budget authority will be for use only for non-elderly disabled families.

Eligible Applicants. PHAs and non-profit disability organizations that provide services to disabled families are eligible to apply for the \$48.5 million in five-year budget authority available under this NOFA for applications submitted in FY 1999. Only PHAs are eligible to apply for the one-year budget authority (up to a maximum of \$40 million) that may otherwise be available under this NOFA. Indian Housing Authorities, Indian tribes and their tribally designated housing entities are not eligible to apply.

The rental vouchers that HUD will provide under this NOFA must be made available to eligible disabled families regardless of their type of disability. (See the definition of disabled family in paragraph II(B)(1) of this NOFA.)

Application Deadline. May 7, 1999.
Match. None.

Additional Information

If you are interested in applying for funding under the Mainstream Program, please read the balance of this NOFA which will provide you with detailed information regarding the submission of an application, Section 8 program requirements, the application selection process to be used by HUD in selecting applications for funding, and other valuable information relative to a PHA's or non-profit disability organization's application submission and participation in the Mainstream Program. New for FY 1999 is HUD's opening of the Mainstream Program to the receipt of applications from non-profit disability organizations that provide services to disabled families. Also new is HUD's encouragement to PHAs and non-profit disability organizations to view each other as a possible contract administrator, or to be otherwise involved in the administration of the Section 8 vouchers that either party might receive under this NOFA.

Application Due Date and Application Submission

Delivered Applications. The application deadline for delivered applications for the Mainstream Program is May 7, 1999, 6:00 p.m. local HUD Field Office HUB or local HUD Field Office Program Center time.

The above-stated application deadline is firm as to date and hour. In the

interest of fairness to all competing public housing agencies, HUD will treat as ineligible for consideration any application that is not received by the application deadline. Applicants should submit their materials as early as possible to avoid any risk of loss of eligibility because of unanticipated delays or other delivery-related problems. HUD will not accept, at any time during the NOFA competition, application materials sent by facsimile (FAX) transmission.

Mailed Applications. Applications for the Mainstream Program will be considered timely filed if postmarked before midnight on the application due date and received by the local HUD Field Office HUB or local HUD Field Office Program Center within ten (10) days of that date.

Applications Sent By Overnight Delivery. Overnight delivery items will be considered timely filed for the Mainstream Program if received 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.

Official Place of Application Receipt. The original and a copy of the application should be submitted to the local HUD Field Office HUB, Attention: Director, Office of Public Housing, or to the local HUD Field Office Program Center, Attention: Program Center Coordinator. The local HUD Field Office is the official place of receipt for all applications submitted in response to this NOFA. 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.

For Application Kits, Further Information and Technical Assistance

For Application Kits. An application kit is not being made available and is not necessary for submitting an application for Mainstream Program funding.

For Further Information. For answers to your questions, you have two options. You may contact the local HUD Field Office, or you may contact George C. Hendrickson, Housing Program Specialist, Office of Public and Assisted Housing Delivery, Department of Housing and Urban Development, Room 4216, 451 Seventh Street, SW, Washington, DC 20410-8000; telephone (202) 708-1872, ext. 4064. (The number listed above is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY (text telephone) by calling the Federal Information Relay Service at 1-

800-877-8339 (this is a toll-free number).

For Technical Assistance. Prior to the application due date, George Hendrickson of HUD's Headquarters staff (at the address and telephone number indicated above) will be available to provide general guidance and technical assistance about this NOFA. Current law does not permit HUD staff to assist in preparing the application. Following selection, but prior to award, HUD staff will be available to assist in clarifying or confirming information that is a prerequisite to the offer of an award by HUD.

I. Authority, Purpose, Amount Allocated, and Eligibility

(A) *Authority.* Authority for the approximately \$48.5 million in 5-year budget authority available for the Mainstream Program under this NOFA (general use rental assistance for persons with disabilities) is found in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub. L. 105-276, approved October 21, 1998), referred to in this NOFA as the HUD FY 1999 Appropriations Act. The HUD FY 1999 Appropriations Act states that the Secretary may designate up to 25 percent of the amounts earmarked for Section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013) for tenant-based assistance, as authorized under that section. The HUD FY 1999 Appropriations Act provides the Secretary of HUD with the authority to waive any provision of section 811 that the Secretary determines is not necessary to achieve the objectives of tenant-based assistance. Accordingly, the Secretary hereby exercises this waiver authority in order to allow non-profit disability organizations to be eligible to apply for the five-year budget authority for which new applications are being requested under this NOFA for FY 1999; i.e., \$48.5 million.

The HUD FY 1999 Appropriations Act also authorizes the use of approximately \$40 million in one-year budget authority for Section 8 rental vouchers for non-elderly disabled families in support of designated housing plans, for non-elderly disabled families who are not currently receiving housing assistance in certain Section 8 project-based developments due to the owners establishing preferences for the admission of elderly families, and for nonelderly disabled families not being housed in certain section 202, section 221(d)(3) and section 236 developments (or portions thereof) where the owners

have restricted occupancy to elderly families. The HUD FY 1999 Appropriations Act states that to the extent the Secretary determines that the FY 1999 appropriations related to designated housing plans and certain types of Section 8 project-based developments and certain types of section 202, section 221(d)(3) and section 236 developments are not needed to fund applications, the funds may be used for other non-elderly disabled families. Any such remaining funds will be used to supplement funding for the Mainstream Program. As a result, as much as \$40 million in one-year budget authority may be available in additional funding in FY 1999 for the Mainstream Program.

(B) *Purpose.* The Secretary has established a Mainstream Housing Opportunities for Persons with Disabilities Program (Mainstream Program) to provide rental vouchers to enable persons with disabilities to rent affordable private housing of their choice. In prior fiscal years HUD provided funding for rental vouchers and certificates for the Mainstream Program. In FY 1999, however, HUD will be providing rental vouchers only for this program. This is due to provisions in the Quality Housing and Work Responsibility Act of 1998 (Pub. L. 105-276, 112 Stat. 2461, approved October 21, 1998) (QHWRA) that call for the merging of the Section 8 rental voucher and certificate programs into a rental voucher program. HUD intends to publish an interim rule in the spring of FY 1999 to implement the new rental voucher program. Since successful applicants for the FY 1999 Mainstream Program will not be funded until after the implementation of the interim rule, rental vouchers only are being provided this year for the Mainstream Program.

The Mainstream Program will assist PHAs and non-profit disability organizations in providing Section 8 rental vouchers to a segment of the population recognized by HUD's housing research as having one of the worst case housing needs of any group in the United States; i.e., very low-income households with adults with disabilities. In addition, the Mainstream Program will assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

(C) *Amount Allocated.* Approximately \$48.5 million in five year funding for approximately 1,600 rental vouchers. All of the approximately \$48.5 million in funding is for use in the housing of elderly and non-elderly disabled families.

HUD will supplement the Mainstream Program funding with additional funding, up to as much as \$40 million in one-year budget authority for approximately 8,200 rental vouchers, to the extent this budget authority is not needed during FY 1999 to fund applications in support of designated housing plans under NOFA FR-4412, or to fund applications related to non-elderly disabled families on the waiting lists of certain types of Section 8 project-based developments where the owner has established a preference for the admission of elderly families, or applications related to non-elderly disabled families on the waiting lists of section 202, section 221(d)(3) or section 236 developments where the owner has restricted occupancy in the project (or portion thereof) to elderly families under NOFA FR-4413. Applications for this one-year budget authority that may be available for the Mainstream Program may be submitted by PHAs only.

HUD will select approvable applications for funding by lottery in the event approvable applications are received for more funding than is available under this NOFA FR-4415. In such event, a separate lottery will be held to select applications for funding for the \$48.5 million available in five-year budget authority available under this NOFA, and a separate lottery will be held to select applications for funding for whatever amount of one-year budget authority may be available during FY 1999 for the Mainstream Program. PHA applicants should clearly indicate in their applications if they are applying for both one-year and five-year funding in order to ensure their inclusion in both lotteries. PHA applicants, both those applying solely for one-year funding as well as those submitting a single application requesting both five-year or one-year funding, must make it clear in their applications that they have a sufficient number of non-elderly disabled families to support the number of rental vouchers being requested for one-year funding.

There is a limit on the number of rental vouchers that may be requested. An eligible PHA or non-profit disability organization may apply for a maximum of 75 rental vouchers.

(D) *Eligible Applicants.* A PHA established pursuant to State law may apply for either, or both the one-year and five-year funding under this NOFA. Non-profit disability organizations that provide services to disabled families may apply only for the five-year funding under this NOFA. Indian Housing Authorities, Indian tribes and their tribally designated housing entities are

no longer eligible for new increments of Section 8 funding. A regional (multi-county) or State PHA is eligible to apply for funding.

PHAs are encouraged to involve non-profit disability organizations, that provide services to disabled families, in the administration of the Mainstream Program's rental vouchers. Such non-profit disability organizations could function as either a contract administrator for the PHA's Section 8 Mainstream vouchers, or as a subcontractor responsible for providing case management services or assisting disabled families to locate suitable housing, gain access to supportive services, or identify private funding sources to cover the costs of unit modifications needed as a reasonable accommodation. Such contractual arrangements must, however, ensure equal opportunity among the wide variety of disabled populations in the PHA's service area. PHAs are being encouraged to seek out non-profit disability organizations to assist in the administration of the Mainstream vouchers due to such organizations' capacity for assisting disabled families, as well as their in-depth knowledge of the disability community. Likewise, non-profit disability organizations are encouraged to seek out PHAs in their geographic area to develop cooperative contractual relationships under the Mainstream Program, and to enhance services to disabled families. In addition to contacting local PHAs, non-profit disability organizations may also wish to contact regional (multi-county), or state-wide PHAs who may be applying for Mainstream Program funding.

Some PHAs currently administering the Section 8 rental 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 due date, the findings are not closed to HUD's satisfaction. If the PHA wants to apply for funding under this NOFA, the PHA must submit an application that designates another housing agency, nonprofit agency, or contractor, that is acceptable to HUD. The PHA's application must include an agreement by the other housing agency, nonprofit agency, or contractor to administer the new funding increment on behalf of the PHA, and a statement that outlines the steps the PHA is taking

to resolve the program findings. Immediately after the publication of this NOFA, the Office of Public Housing in the local HUD Field Office will notify, in writing, those PHAs that are not eligible to apply without such an agreement. 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 and must be received prior to the application deadline.

A provision in the FY 1999 House Committee Report concerning HUD's FY 1999 appropriations called for HUD to allow non-profit disability organizations to apply directly to HUD for the 25 percent of section 811 funds to be made available for the Mainstream Program. A non-profit disability organization wishing to apply for the five-year funding available under this NOFA must have the capacity to:

(1) Comply with the Section 8 Management Assessment Program (SEMAP) certification requirements under 24 CFR Part 985.

(2) Carry out such Section 8 and SEMAP specific related activities as making determinations as to rent reasonableness, performing housing quality standards (HQS) inspections and enforcement, conducting annual reexaminations of participant families, as well as otherwise meeting Section 8 program requirements under 24 CFR parts 887 and 982.

(3) Manage the Section 8 Mainstream Program vouchers in a manner equivalent to an overall performance rating under SEMAP (24 CFR Part 985) of "standard" during the first fiscal year of its receiving Mainstream Program funding.

(4) Administer rental housing programs or manage rental housing, as demonstrated by a specific list of rental housing programs the nonprofit disability organization has administered or the rental housing the organization has managed (e.g., private rental housing, HUD or State-related housing programs, etc.).

(E) *Eligible Participants.* Only a disabled family that is income eligible under 24 CFR 982.201(b) may receive a rental voucher awarded under the Mainstream Program. While elderly and non-elderly disabled families are eligible to receive a Section 8 rental voucher awarded to a PHA or non-profit disability organization using five-year budget authority under this NOFA, only non-elderly disabled families are eligible to receive a rental voucher awarded to a PHA using one-year budget authority that may be available

for the Mainstream Program under this NOFA. Applicants with disabilities will be selected from the PHA's or non-profit disability organization's Section 8 waiting list.

II. Program Requirements and Definitions

(A) *Program 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 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.* Applicants must comply with the Americans with Disabilities Act, and Title IX of the Education Amendments Act of 1972. In addition to compliance with the civil rights requirements listed at 24 CFR 5.105, 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.*), and Titles I and V of the Americans with Disabilities Act (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) address the elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice; (b) remedy discrimination in

housing; or (c) promote fair housing rights and fair housing choice.

(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.

(5) *Rental Voucher Assistance Requirements.*

(a) Section 8 regulations. PHAs and non-profit disability organizations must administer the Mainstream Program in accordance with HUD regulations and requirements governing the Section 8 rental voucher program.

(b) Section 8 admission requirements. Section 8 assistance must be provided to eligible applicants in conformity with regulations and requirements governing the Section 8 rental voucher program and the PHA's and non-profit disability organization's administrative plan.

If there is ever an insufficient pool of disabled families on the PHA or non-profit disability organization's Section 8 waiting list, the PHA/non-profit disability organization shall conduct outreach to encourage eligible persons to apply for this special allocation of rental vouchers. Outreach may include contacting independent living centers, advocacy organizations for persons with disabilities, and medical, mental health, and social service providers for referrals of persons receiving such services who would benefit from Section 8 assistance. If the PHA's or non-profit disability organization's Section 8 waiting list is closed, and if the PHA or non-profit disability organization has insufficient applicants on its Section 8 waiting list to use all awarded rental vouchers under this NOFA, the PHA shall open the waiting list for applications from disabled families.

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

(d) *PHA and Non-Profit Disability Organization Responsibilities.* In addition to the responsibilities under the Section 8 rental voucher program and HUD regulations concerning nondiscrimination based on disability

(24 CFR 8.28) and to affirmatively further fair housing, PHAs that receive rental voucher funding shall:

(i) Where requested by an individual, assist program participants to gain access to supportive services available within the community, but not require eligible applicants or participants to accept supportive services as a condition of participation or continued occupancy in the program.

(ii) Identify public and private funding sources to assist participants in covering the costs of modifications that need to be made to their units as a reasonable accommodation for their disabilities.

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

(iv) Provide Section 8 search assistance.

(v) In accordance with regulatory guidance, provide higher rents to owners necessary for the provision of accessible units and structural modifications for persons with disabilities.

(vi) Provide technical assistance to owners for making reasonable accommodations or making units accessible to persons with disabilities.

(B) *Definitions.* (1) *Disabled Family.* A family whose head, spouse, or sole member is a person with disabilities. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may include a person with disabilities who is elderly. (Note: This definition applies to the approximately \$48.5 million available under the Mainstream Program. This definition shall be modified, however, to be limited solely to non-elderly disabled families (families whose head, spouse or sole member is disabled and under the age of 62) regarding any funding available and awarded from the approximately \$40 million in FY 1999 for designated housing allocation plans, or in connection with certain Section 8 project-based developments or certain section 202, section 221(d)(3) or section 236 developments. See the SUMMARY section at the beginning of this NOFA regarding the possibility of additional Mainstream Program funding during FY 1999 beyond the approximately \$48.5 million available as announced under this NOFA.)

(2) *Nonprofit disability organization.* A private organization, no part of the

net earnings of which inures to the benefit of any member, founder, contributor, or individual, that provides assistance to persons with disabilities, as defined in section 811, and has received a federal tax-exempt designation from the U.S. Internal Revenue Service. The organization must:

(a) Have a voluntary board;

(b) Be authorized by its charter or State law to enter into a contract with the Federal Government to provide housing assistance;

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

(d) Practice nondiscrimination in the provision of assistance.

(3) *Person with disabilities.* A person who—

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

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

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

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

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

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

The term "person with disabilities" does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV).

Note: While the above definition of a "person with disabilities" is to be used for purposes of determining a family's eligibility for a Section 8 rental voucher under this NOFA, the definition of a person with disabilities contained in section 504 of the Rehabilitation Act of 1973 and its implementing regulations must be used for purposes of reasonable accommodations.

(4) *Section 8 search assistance.* Assistance to increase access by program participants to housing units in a variety of neighborhoods (including areas with low poverty concentrations) and to locate and obtain units suited to their needs.

III. Application Selection Process For Mainstream Program

After the local HUD Field Office has screened PHA and non-profit disability organization applications and disapproved any applications found unacceptable for further processing, the local HUD Field Office will review all acceptable applications to ensure that they are technically adequate and responsive to the requirements of the NOFA. The local HUD Field Office will send to the Grants Management Center, Attention: Michael Diggs, Director, 501 School Street, SW, Suite 800, Washington, DC 20024, (tel. 202-358-0273), the following information on each application that is found technically adequate and responsive:

- (1) Name and address of the PHA or non-profit disability organization;
- (2) Local HUD Field Office contact person and telephone number;
- (3) The number of rental vouchers in the PHA application, and the minimum number of rental vouchers acceptable to the PHA; and
- (4) A completed fund reservation worksheet, indicating the number of Section 8 rental vouchers requested in the PHA application and recommended for approval by the local HUD Field Office, and the corresponding five-year and/or one-year budget authority.

HUD Headquarters will fund all applications from PHAs that are recommended for funding by the local HUD Field Offices unless HUD receives approvable applications for more funds than are available. If HUD receives approvable applications for more funds than are available, HUD will select applicants to be funded by lottery. A separate lottery will be held for those applicants seeking funding under the five-year budget authority available under this NOFA, and a separate lottery will be held for those PHAs seeking funding under the one-year budget authority that may be available under this NOFA. All applicants identified by the local HUD Field Offices as having submitted technically adequate and responsive applications will be included in the lottery. As applicants are selected, the cost of funding the applications will be subtracted from the funds available. In order to achieve geographic diversity, HUD Headquarters will limit the number of applications selected for funding from any State to 10 percent of the budget authority available for the general use Mainstream Program. If establishing this geographic limit would result, however, in unreserved budget authority, HUD may modify this limit to assure that all available funds are used.

Applications will be funded for the total number of units requested by the PHA and recommended for approval by the local HUD Field Office (not to exceed 75 units) in accordance with this NOFA. When remaining budget authority is insufficient to fund the last selected application in full, however, HUD Headquarters will fund that application to the extent of the funding available, unless the applicant indicates it will only accept a higher number of units. In that event, the next selected application shall be one that has indicated a willingness to accept the lesser amount of funding for units available.

IV. Application Submission Requirements for Mainstream Program

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

(B) *Letter of Intent and Narrative*. The applicant must state in its cover letter to the application whether it will accept a reduction in the number of rental vouchers, and the minimum number of rental vouchers it will accept, since the funding is limited and HUD may only have enough funds to approve a smaller amount than the number of rental vouchers requested. The maximum number of rental vouchers that an applicant may apply for under this NOFA is limited to 75. The applicant should also indicate whether or not it intends to enter into a contract with a non-profit disability organization to serve as the contract administrator of the Section 8 Mainstream Program vouchers, or to otherwise provide services related to the Mainstream Program (see Section I(D) of this NOFA).

(C) *Description of Need for Mainstream Program Rental Assistance*. The application must demonstrate a need for Mainstream Program rental vouchers by providing information documenting that the demand for housing for non-elderly persons with disabilities would equal or exceed the requested number of rental vouchers.

The applicant must assess and document the housing need for non-elderly persons with disabilities using a range of sources including, but not limited to: census data, information from the applicant's waiting list (both public housing and Section 8), statistics on recent public housing admissions and rental certificate and voucher use, data from local advocacy groups and local public and private service agencies familiar with the housing needs of non-elderly persons with disabilities, and pertinent information from the Consolidated Plan applicable to the applicant's jurisdiction. (See 24 CFR 91.205(d).) The applicant's demonstrated need for rental vouchers must clearly support need on the basis of non-elderly disabled families. This distinction is important, as any FY 1999 Mainstream Program funding that may be available beyond the approximately \$48.5 million under this NOFA, must be used to assist only non-elderly disabled families. (See the SUMMARY section at the beginning of this NOFA regarding the possibility of substantially more Mainstream Program funding beyond the approximately \$48.5 million announced in this NOFA as having already been obligated to fund previously unfunded FY 1998 applications.)

(D) *Mainstream Program Operating Plan*. The application must include a description of an adequate plan for operating a program to serve eligible non-elderly disabled families, including:

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

(2) A description of how the applicant will identify private or public funding sources to help participants cover the costs of modifications that need to be made to their units as reasonable accommodations to their disabilities.

(3) A description of how the applicant will use a non-profit disability organization or PHA (if any) to assist in the administration of the Section 8 Mainstream Program (see paragraph I (D) of this NOFA).

(E) *Certification Applicable to Non-Profit Disability Organizations*. A non-profit disability organization applying for the five-year funding available under this NOFA must provide a certification stating that it can meet the capacity requirements applicable to a non-profit disability organization delineated in the last paragraph of paragraph I (D) of this NOFA. The certification must specifically list the four capacity requirements from that paragraph, and

must specifically list the rental housing programs the nonprofit disability organization has administered or the rental housing the nonprofit disability organization has managed.

Note: Notice of Repeal of Local Government Comment Requirements. Local government comments that HUD was previously required to obtain from the unit of general local government on PHA applications for Section 8 rental assistance under Section 213(c) of the Housing and Community Development Act of 1974 are no longer required. Section 551 of the Quality Housing and Work Responsibility Act of 1998 (Pub.L. 105-276, 112 Stat. 2461, approved October 21, 1998) (QHWRA) repealed the provisions of Section 213(c) of the Housing and Community Development Act of 1974. Although section 503 of QHWRA establishes an effective date of October 21, 1999, for its provisions unless otherwise specifically provided, section 503 also permits any QHWRA provision or amendment to be implemented by notice, unless otherwise specifically provided. Accordingly, HUD's Notice of Initial Guidance on the QHWRA, published on February 18, 1999 (64 FR 8192), provided the notice of immediate implementation of section 551 of QHWRA, as permitted by section 503 of QHWRA.

V. Corrections to Deficient Mainstream Program Applications

(A) *Acceptable Applications.* To be eligible for processing, an application must be received by the local HUD Field Office no later than the date and time specified in this NOFA. The local HUD Field Office will initially screen all applications and notify PHAs of technical deficiencies by letter.

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

All applicants must submit corrections within 14 calendar days from the date of the HUD letter notifying the applicant of any such deficiency. Information received by the local HUD Field Office after 3 p.m. local HUD Field Office time on the 14th calendar day of the correction period will not be accepted and the application will be rejected as incomplete.

(B) *Unacceptable Applications.* (1) After the 14-calendar day technical deficiency correction period, the local HUD Field Office will disapprove all applications that it determines are not acceptable for processing. The local

HUD Field Office'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 II(A)(1) of this NOFA, Compliance With Fair Housing and Civil Rights Laws.

(b) The PHA has serious unaddressed, outstanding Inspector General audit findings, HUD management review findings, or Independent Public Accountant (IPA) findings for its rental voucher or rental certificate programs; or the PHA has failed to achieve a lease-up rate of 90 percent of units in its HUD-approved budget for the PHA fiscal year prior to application for funding in each of its rental voucher and certificate programs (excluding the impact of the three-month statutory delay requirement effective in FY 1997 and 1998 for the reissuance of rental vouchers and certificates). The only exception to this category is if the PHA has been identified under the policy established in Section I.(D) of this NOFA and the PHA makes application with a designated contract administrator.

(c) The PHA or non-profit disability organization is involved in litigation and HUD determines that the litigation may seriously impede the ability of the PHA or non-profit disability organization to administer the rental vouchers.

(d) 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.

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

VI. 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.* In accordance with 24 CFR 50.19(b)(11) of the HUD regulations, tenant-based activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not

subject to environmental review under the related laws and authorities. In accordance with 24 CFR 50.19(c)(5)(ii), the approval for issuance of this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

(C) *Catalog of Federal Domestic Assistance Numbers.* The Federal Domestic Assistance number for this program is: 14.857.

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

(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 (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 certification and the SF-LLL are included in the application.

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: March 3, 1999.

Deborah Vicent,

General Deputy Assistant, Secretary for Public and Indian Housing

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