



U.S. Department of Housing and Urban Development
PUBLIC AND INDIAN HOUSING

Special Attention:
Public Housing Office Directors; Office of
Native American Programs Administrators

Notice PIH 97-28 (HUD)

Issued: May 23, 1997
Expires: May 29, 1998

Cross References: NOFA FR-4224

Subject: Processing Housing Agency Applications for Section 8
Rental Vouchers and Certificates For Disabled
Families Under the Mainstream Program, NOFA FR-4224,
Dated April 10, 1997

1. **Application Review Checklist.** Attached is the application review checklist for rating housing agency (HA) applications for FY 97 funding under the Mainstream Program for Section 8 rental vouchers and certificates for disabled families. The checklist is divided into two parts: an initial list of screening criteria that an HA's application must pass in order to be eligible for further processing (Part 1), and an additional list of screening criteria to be used (for reviewing only those applications having passed the initial screening criteria) to determine if an HA's application is approvable (Part 2). HUD State and Area Offices of Public Housing and Offices of Native American Programs must review each HA application and arrive at a determination of approvability and promptly advise Headquarters of each approvable application.
2. **Submission of Application.** The local HUD Office, Attention: Director, Office of Public Housing; and Attention: Administrator, Office of Native American Programs (in the case of an application from an Indian Housing Authority); are the locations to which each HA is to submit its application in response to NOFA FR-4224. The deadline for the submission of an application is June 9, 1997, 3:00 p.m. local HUD Office time. For purposes of this Notice, the term HUD Office is defined to include the State and Area Offices and the Office of Native American Programs.
3. **HUD Reform Act.** The HUD Reform Act requires that HUD make available for public inspection the documentation supporting the approval or disapproval of each

application. In addition, the documentation must indicate the basis on which any award was made or denied. Accordingly, reviewers must ensure that their review checklists are appropriately completed in support of the recommendation to Headquarters that the application be approved. The Director of the Office of Public Housing or the Administrator of the Office of Native American Programs should ensure that all reviewers within the HUD Office are consistent in their use of this processing Notice and the requirements of NOFA FR-4224.

4. **Review by Office of Fair Housing and Equal Opportunity.**

The Office of Fair Housing and Equal Opportunity (FHEO) in the local HUD Office will no longer review each HA application submitted for rental vouchers or certificates. Instead, FHEO will only review applications from HAs that it is monitoring based on past non-compliance with fair housing and equal opportunity requirements.

The Director, FHEO, in the HUD Office must provide a list annually to the Director, Office of Public Housing, of the names of HAs that are subject to FHEO compliance reviews and for which FHEO wants to review applications for Section 8 rental vouchers or certificates. Upon receipt of HA applications for the rental voucher and certificate programs, the Director, Office of Public Housing, must forward copies of applications from those HAs identified by the Director, FHEO, for FHEO's review.

If the HUD Office questions the validity of a civil rights certification by an HA, the HA's application may be funded, but the HUD Office must not permit requisition of the funds until the HA has satisfied any outstanding civil rights issues.

5. **Initial Screening of Applications.** The HUD Office must review the applications at the time they are received. The first step is to complete the initial screening of each application. Part 1 of the Application Review Checklist lists the criteria to be used in the initial screening to determine which applications are eligible for further processing. If the answer to any question in Part 1 is "no," the application is unacceptable for further processing.

6. **Review of Applications.** Part 2 of the Application Review Checklist is to be used by HUD Offices in further reviewing the contents of those applications which

successfully completed the initial screening described in paragraph 5 above.

Section 213 of the Housing and Community Development Act of 1974 requires HUD to independently determine that there is a need for the housing assistance requested in applications, and solicit and consider comments relevant to this determination from the chief executive officer of the unit of general local government. The HUD Office must send a written invitation to the chief executive officer of the unit of general local government to submit Section 213 comments in accordance with 24 CFR part 791, subpart C. To ensure timely application processing, Section 213 comments must be solicited as soon as possible, since the regulations allow a 30-calendar day comment period from the date of the HUD Office letter.

The HUD Office's review of an HA's application must be completed, and the HA notified in writing of any deficiencies (information either missing or requiring correction), promptly following the date of receipt of the HA's application. The HA has 14 calendar days, from the date of the HUD Office notification letter, to submit the missing or corrected information to the HUD Office. Information received by the local HUD Office after 3 p.m. local time of the 14th calendar day will not be accepted and the application will be categorized as unacceptable for further processing (rejected).

7. **Notification on Unacceptable Applications.** After the 14th calendar day deficiency correction period, the HUD Office must immediately notify any HA that submitted an application that the local HUD Office determined is unacceptable for processing. The HUD Office's rejection letter to the HA must clearly state the basis for the decision.
8. **Notification of Approvable Applications.** The HUD Office shall notify George C. Hendrickson (PIHPOST), in HUD Headquarters' Operations Division, of each application submitted in response to NOFA FR-4224 that it determines is approvable. The HUD Office must forward to Headquarters, by electronic submission, the following information on each approvable application by not later than July 18, 1997:
 - a. Name and address of the HA;

- b. HUD Office contact person and telephone number;
- c. The number of rental vouchers or certificates in the HA application, and the minimum number of rental vouchers or certificates acceptable to the HA; and,
- d. A completed fund reservation worksheet for the number of rental vouchers or certificates requested in the application. Lotus 1*2*3, version 2.3, file created for this purpose and instructions on preparing the new fund reservation worksheet to the Operations Division will be transmitted to each HUD Office.

This information will be used by Headquarters to fund applications determined approvable by local HUD Offices and Headquarters.

9. **Funding of Applications.** Headquarters will fund all applications from HAs that are recommended for funding by the HUD Offices, unless HUD receives approvable applications for more funds than are available. If HUD receives approvable applications for more funds than are available, HUD will select applicants to be funded by lottery. As HAs are selected for the funding of rental vouchers or certificates, 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 Mainstream Program. However, if establishing this geographic limit would result in unreserved budget authority, HUD may modify this limit to assure that all available funds are used.

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

Headquarters will assign funds to HUD Offices to cover HA

applications approved by Headquarters for funding. Upon fund reservation, HUD Offices must obtain a congressional notification release date before mailing the application approval letter to the HA.

If you have any questions regarding the attached checklist or the information otherwise addressed in this Notice, please contact George C. Hendrickson in the Operations Division at (202) 708-0477, extension 4064.

/s/
Kevin Emanuel Marchman, Acting Assistant
Secretary for Public and Indian Housing

Attachment

Attachment

APPLICATION REVIEW CHECKLIST

NAME OF APPLICANT: _____

NAME OF REVIEWER: _____

REVIEWING OFFICE: _____

PART 1

INITIAL SCREENING CRITERIA

(To be completed by Office of Public Housing or Native American Programs Office)

	Yes	No	N/A
1. Application received from HA, includes IHA, which currently administers a Section 8 rental voucher and/or certificate program, and the application was received before the deadline date of June 9, 1997, 3:00 p.m., local HUD Office time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. In reviewing applications, HUD Office agrees that:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(a) The Department of Justice has not brought a civil rights suit against the applicant HA and there is no pending administrative action for civil rights violations instituted by HUD (including a charge of discrimination under the Fair Housing Act).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) There has been no adjudication of a civil rights violation in a civil action brought against the HA by a private individual. (Check YES if the HA is operating in compliance with a court order, or implementing a HUD approved resident selection and assignment plan or compliance agreement designed to correct the areas of noncompliance).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) There are no outstanding findings of noncompliance with civil rights statutes, Executive Orders, or regulations as a result of formal administrative proceedings, or the Secretary has not issued a charge against the applicant under the Fair Housing Act. (Check YES if the HA is operating under a conciliation or compliance agreement designed to correct the areas of noncompliance.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>(d) HUD has not denied application processing under Title VI of the Civil Rights Act of 1964, the Attorney General's Guidelines (28 CFR 50.3) and the HUD Title VI regulations (24 CFR 1.8) and procedures (HUD Handbook 8040.1), or under Section 504 of the Rehabilitation Act of 1973 and related HUD regulations (24 CFR 8.57).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(e) The HA has no serious, unaddressed outstanding Inspector General audit findings, FHEO monitoring and compliance review findings, or HUD management review findings for its rental voucher or rental certificate programs. (Check YES if the HA is required under the NOFA to apply for rental vouchers and/or certificates with a contract administrator and the contract administrator has sufficient experience to administer a rental voucher or certificate program.)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(f) The HA has no serious under-utilization of rental vouchers or certificates not attributable to the three month statutory delay for the reissuance of rental vouchers and certificates. (Check YES if the HA has such a serious underutilization of rental vouchers or certificates, but the HA makes application with a designated contract administrator having sufficient experience to administer a rental voucher or certificate program.)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(g) The HA is not involved in litigation that may seriously impede the ability of the HA to administer an additional increment of rental vouchers or certificates.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STOP. If the answer to any of the above questions is "NO," then the application is **NOT ACCEPTABLE**. If all above answers are "YES," then complete remainder of checklist.

PART 2

ADDITIONAL SCREENING CRITERIA

(To be completed by Office of Public Housing or Office of Native American Programs)

	YES	NO	N/A	Need Info.
2. In reviewing applications, HUD Office agrees that: (h) The application contains a signed, completed form HUD-52515.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(i) The application specifies the number of rental vouchers and/or certificates requested (not exceeding 100), and provides information (using a range of sources) documenting that the demand for housing for persons with disabilities would equal or exceed the requested number of rental vouchers or certificates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(j) The application states by number of bedrooms the total number of rental vouchers and/or certificates requested by the HA, and contains a cover letter stating whether it will accept a reduction in the number of rental vouchers or certificates, and the minimum number of rental vouchers or certificates (100 or less) it will accept.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(k) The application demonstrates that it is responsive to the condition of the housing stock in the community and the housing assistance needs of low-income families (including large families and those displaced) residing in or expected to reside in the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>(l) The application demonstrates that the applicant qualifies as an HA and is legally qualified and authorized to participate in the rental assistance programs for the area in which the programs are to be carried out. Such demonstration includes: (i) The relevant enabling legislation, (ii) any rules and regulations adopted or to be adopted by the agency to govern its operations, and (iii) a supporting opinion from the agency counsel. (Check YES if documents are currently on file in the HUD Office).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(m) The application indicates that the housing quality standards to be used in the operation of the program will be HUD's HQS, or that variations in the HQS acceptability criteria are proposed or have been approved by the HUD Office. In the instance of proposed HQS acceptability criteria variations, each proposed variation shall be specified and justified.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(n) The application contains estimates of the average adjusted income of prospective participants for each bedroom size for each program.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(o) The application contains an executed Certification regarding Equal Opportunity, Lobbying, and Drug-Free Workplace Requirements.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(p) The application includes Section 213 comments. (If not, the HUD Office must request comments from local government providing a 30-calendar day comment period).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>(g) The application includes a description of an adequate plan for operating a program to serve eligible persons with disabilities, including: 1) Description of how the HA will carry out its responsibilities under 24 CFR 8.28 to assist recipients in locating units with needed accessibility features; and (2) Description of how the HA will identify private or public funding sources to help participants cover the costs of modifications that need to be made to their units as reasonable accommodations to their disabilities.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Pass -
Continue
Processing

Fail -
Identify
Deficiencies

Agree with
Screening
Results

Reviewer's Signature & Date

Supervisor's Signature & Date

ANY CHANGE MADE TO THE APPLICATION REVIEW CHECKLIST MUST BE EXPLAINED; E.G., MISSING OR CORRECTED INFORMATION WAS SUBSEQUENTLY RECEIVED FROM THE HA WITHIN THE ALLOWED 14 DAY PERIOD AND WAS DETERMINED ACCEPTABLE. INDICATE NAME AND TITLE OF INDIVIDUAL CHANGING THE CHECKLIST AND DATE OF CHANGE.

Disagree/change
Screening
Results

Supervisor's Signature & Date

Explanation for change:

