

an in-depth knowledge of the disability community.

(i) A nonprofit organization could function as either a contract administrator for the PHA's 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.

(ii) Such contractual arrangements must, however, ensure equal opportunity among the wide variety of disabled populations in the PHA's service area.

(c) In some cases an applicant currently administering the housing choice voucher program has, at the time of publication of this SuperNOFA, been designated by HUD as troubled under the Section 8 Management Assessment Program (SEMAP), has major program management findings from Inspector General audits that are unresolved, or has other significant program compliance problems. HUD will not accept an application from such an applicant as a contract administrator if, on the application due date, the troubled designation under SEMAP has not been removed by HUD, and the findings or other significant program compliance problems are not resolved. If the applicant wants to apply for funding under this announcement, it must submit an application that designates another contractor that is acceptable to HUD. The application must include an agreement by the other contractor to administer the new funding increment on behalf of the applicant, and (in the instance of an applicant with unresolved major program management findings or other significant program compliance problems) a statement that outlines the steps the applicant is taking to resolve the program findings or compliance problems.

*Immediately after the publication of this SuperNOFA, the Office of Public Housing in the local HUD Field Office will notify, in writing, those PHAs and nonprofit organizations that have been designated by HUD as troubled under SEMAP, and those PHAs and nonprofit organizations with unresolved major program management findings or other significant program compliance problems that are not eligible to apply without such an agreement. Concurrently, the local HUD Field Office will provide a copy of each such written notification to the Director of the Grants Management Center. The*

applicant may appeal the decision, in writing, if HUD has mistakenly classified the applicant as having unresolved major program findings or other significant program compliance problems. The applicant may not appeal its designation as troubled under SEMAP. Any appeal with respect to unresolved major program management findings or other significant program compliance problems must be accompanied by conclusive evidence of HUD's error (i.e., documentation showing that the finding has been cleared or the program compliance problem has been resolved) 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 Grants Management Center with a copy of the applicant's written appeal and the Field Office's written response to the appeal. Copies of all letters of ineligibility and matters that relate to PHA appeals referenced in this paragraph must be submitted to the GMC by the Field Office so as to be received by the GMC no later than 10 days after the application deadline date. Major program management findings, or significant program compliance problems, are those that would cast doubt on the capacity of the applicant to effectively administer any new housing choice voucher funding in accordance with applicable HUD regulatory and statutory requirements. (Note: If any additional PHAs or nonprofit disability organizations fall into the above category prior to HUD's announcement of awards under this NOFA, but subsequent to the local HUD Field Office's notification of the GMC addressed above, the Field Office shall immediately notify the GMC of the applicant's name and the category into which the applicant falls, i.e., designated as troubled under SEMAP, major unresolved OIG management findings, or other significant program compliance problems. As indicated in Section VII(B)(2) of this NOFA, an applicant must be eligible for funding at the time of the application due date, as well as at such subsequent time of HUD's selection of awardees. No PHA appeals, based upon Field Office letters of ineligibility issued after the application deadline date, shall be considered for purposes of eligibility for funding under this funding announcement.)

(2) *Nonprofit Organization.* A nonprofit organization may submit only one application under this

announcement. For purposes of the Mainstream Program, a nonprofit organization shall be defined as an organization, no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual, that provides services to persons with disabilities and has received a federal tax-exempt designation, under section 501(c)(3) of the Internal Revenue Code, from the U.S. Internal Revenue Service.

(a) The nonprofit entity must:

(i) Have a voluntary board;

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

(iii) 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;

(iv) Practice nondiscrimination in the provision of assistance; and

(v) Provide services to the disabled as part of its ongoing activities and responsibilities.

(b) A nonprofit organization meeting the definition of a nonprofit organization as defined in this section III(B)(2), and wishing to apply for the funding available under this announcement, must have the capacity to:

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

(ii) Carry out such housing choice voucher 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 housing choice voucher program requirements under 24 CFR part 982.

(iii) Manage the Mainstream Program vouchers in a manner equivalent to an overall performance rating under SEMAP (24 CFR part 985) of at least "standard" during the first fiscal year of its receiving Mainstream Program funding under this funding announcement.

(iv) Administer rental housing programs or manage rental housing, as demonstrated by a specific list of rental housing programs the nonprofit organization has administered or the rental housing the organization has managed (e.g., private rental housing,