

concentrations) and to locate and obtain units suited to their needs.

(F) *Homeownership and Family Self-Sufficiency (FSS)*. Applicants are encouraged to establish or expand upon an existing housing choice voucher homeownership program, as well as complete the closing process on homeownership units. Applicants are also encouraged to fill slots under a mandatory FSS program and to establish a voluntary FSS program and fill slots thereunder where a mandatory FSS program is not required.

(G) *Increasing the Participation of Faith-Based and Community-Based Organizations in HUD Program Implementation*. HUD believes that grassroots organizations, e.g., faith communities, civic organizations, and other community-based organizations, have not been effectively utilized. These grassroots organizations have a strong history of providing vital community services such as assisting the homeless and preventing homelessness; counseling individuals and families on fair housing rights; providing elderly housing opportunities; developing first time homeownership programs; increasing homeownership and rental housing opportunities; developing affordable and accessible housing in neighborhoods across the country; and creating economic development programs. The goal of this policy priority is to make HUD's housing choice voucher program more effective, efficient, and accessible by expanding opportunities for faith-based and other community-based organizations to participate in developing solutions for their own neighborhoods. Applicants are encouraged to coordinate with and otherwise involve faith-based and other community-based organizations in those activities under the housing choice voucher program where their services, expertise and knowledge may be most effective.

(H) *Conducting Business in Accordance With Core Values and Ethical Standards*. To reflect core values, all PHAs shall develop and maintain a written code of conduct in the PHA administrative plan that (1) requires compliance with the conflict of interest requirements of the Housing Choice Voucher Program at 24 CFR 982.161, and (2) prohibits the solicitation or acceptance of gifts or gratuities, in excess of a nominal value, by any officer or employee of the PHA, or any contractor, subcontractor or agent of the PHA. The PHA's administrative plan shall state PHA policies concerning PHA administrative and disciplinary remedies for violation of the PHA code of conduct. The PHA shall inform all

officers, employees and agents of its organization of the PHA's code of conduct.

(I) *Pre-Award Accounting System Surveys*. See Section V (B)(5) of the General Section of the SuperNOFA regarding those applicants that may be subject to HUD's arranging for a pre-award survey of an applicant's financial management system.

#### V. Application Selection Process

(A) *Rating and Ranking*. After the Grants Management Center has screened and disapproved any applications found unacceptable for further processing, the Grants Management Center will review all acceptable applications to ensure that they are technically adequate and responsive to the requirements of this announcement. HUD Headquarters will fund all applications from PHAs and nonprofit organizations that are recommended for funding by the Grants Management Center unless HUD receives approvable applications for more funds than are available. HUD will select applicants to be funded based upon the methodology indicated in Section II (C)(1) of this NOFA. Applications meeting all the application submission requirements of Section VI of this NOFA will be rated and ranked on the basis of their score under the selection criteria in Section V (B) of this NOFA. The maximum score under the selection criteria is 100 points.

##### (B) Selection Criteria

(1) Selection Criterion 1, Disabled Persons at or Below the Poverty Level. (40 points)

(a) *Description*: This criterion assesses the number of disabled persons at or below the poverty level in the primary market area served by the applicant, as a percentage of such disabled persons on a national basis using 2000 census data. The primary market area is defined as the geographic area in which the applicant is legally authorized to operate and where the vouchers will be issued. (See section VI (I) of this NOFA regarding the description of the primary market area required to be included in each PHA's/nonprofit organization's application.) A table listing all the cities and counties with a population of 10,000 or more persons within the nation (States and territories) will be listed with this funding announcement at the following HUD Web site: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. Also indicated on the table will be the number of disabled persons/percentage of such disabled persons at or below the poverty level within each city or county, as a

percentage of the number of disabled persons at or below the poverty level within the nation. An applicant (and the GMC during the review of applications) will use the table to determine the percentage of disabled persons at or below the poverty level that is in the applicant's primary market area. The percentage will determine the number of points that the applicant is eligible for under Selection Criterion 1.

(b) *Rating and Assessment*: Points will be assigned based upon the number of disabled persons at or below the poverty level in the applicant's primary market area, as a percentage of such persons within the nation. For each tenth of one percent (.001) within the applicant's primary market area the applicant will receive 5 points. Percentages of .0015, .0025, etc. or higher but less than the next whole tenth of one percent, i.e., .002, .003, etc. shall be rounded to the next whole tenth of a percentage point. An applicant having a primary market area with a population of 10,000 or fewer for which disability percentages are not listed on the table will receive 5 points under Selection Criterion 1. Likewise, an applicant having a primary market area comprised of more than one community with a population of 10,000 or fewer shall receive a total of 5 points for all such communities combined. A maximum of 40 points is available under Selection Criterion 1 regardless of how high a percentage of disabled persons at or below the poverty level is located within the applicant's primary market area.

(2) Selection Criterion 2, Lease-Up and Budget Authority Utilization. (25 points)

(a) *Description*: This criterion focuses on a PHA's and nonprofit organization's success in leasing its housing choice vouchers, and using the budget authority associated with its vouchers. While a PHA or nonprofit organization must have either a lease-up or budget authority utilization rate of at least 97 percent under section VII (B)(2)(c) of this NOFA in order to have an acceptable application, Selection Criterion 2 provides for the award of selection points to those PHAs having a voucher lease-up rate or a budget authority utilization rate of 99 percent or higher. The lease-up and budget authority utilization percentages for a PHA's or nonprofit organization's voucher program will be calculated by HUD based upon the methodology indicated in Appendix A of this NOFA, and shall cover fiscal years ending December 31, 2001; March 31, 2002; June 30, 2002; and September 30, 2002.