FOIA Number: 2014-0224-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Domestic Policy Council

Series/Staff Member: Andrea Kane

Subseries:

OA/ID Number: 20330

FolderID:

Folder Title:
Housing Vouchers - Welfare to Work NOFA [Notice of Funding Availability] (1999)

Stack:	Row:	Section:	Shelf:	Position:
S	95	3	4	3

federal register

Thursday
January 28, 1999

Part II

Department of Housing and Urban Development

Funding Availability for the Welfare-to-Work Section 8 Tenant-Based Assistance Program for Fiscal Year 1999; Notice

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4448–N–01]

Notice of Funding Availability for the Welfare-to-Work Section 8 Tenant-Based Assistance Program for Fiscal Year 1999

AGENCY: Office of Public and Indian Housing, HUD.

ACTION: Notice of Funding Availability (NOFA).

SUMMARY: *Purpose of Program:* The purpose of the Section 8 Welfare-to-Work Rental Voucher program is to provide tenant-based rental assistance that will help eligible families make the transition from welfare to work.

Available Funds: Approximately $248.2 million.

Eligible Applicants: Housing agencies (HAs), Indian tribes, and tribally designated housing entities (TDHEs). Two or more HAs or Indian tribes and TDHEs may apply jointly.

Application Deadline: The application deadline for Section 8 Welfare-to-Work Rental Vouchers under this NOFA is April 28, 1999, at the time described in section I. of this NOFA, below.

Match: None.

SUPPLEMENTARY INFORMATION:

If you are interested in applying for funding under this program, please review carefully the following information:

I. Application Due Date, Application Kits, and Technical Assistance

Application Due Date: April 28, 1999.

Address for Submitting Applications: The application and two copies must be submitted to the HA's local HUD Field Office HUB (Attention: HUB, Director of Public Housing) or local HUD Field Office Program Center (Attention: Program Center Coordinator) or for Indian tribes and their tribally designated housing entities, to the local Office of Native American Programs, (Attention: Administrator, Office of Native American Programs). Throughout this NOFA, the Field Office HUBs and Program Centers and the local Offices of Native American Programs will be referred to as the local HUD Field offices. Applicants should not submit any copies of their applications to HUD Headquarters.

(1) *Mailed Applications (Other than Overnight or Express Mail Delivery).* Your application will be considered timely filed if postmarked before midnight, local time, on the application due date and received by the appropriate local HUD Field Office on or within ten (10) days of the application due date.

(2) *Applications Sent by Overnight/Express Mail Delivery.* Applications sent by overnight delivery or express mail will be considered timely filed if received by the appropriate local HUD Field Office 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.

(3) *Hand Carried Applications.* Applications must be delivered to the appropriate local HUD Field Office by 6:00 pm local time on the due date. Hand carried applications will be accepted during normal business hours before the application due date. On the application due date, business hours will be extended to 6:00 pm.

For Application Kits, Further Information and Technical Assistance

For an application kit and any supplemental information, please call the Public and Indian Housing Information and Resource Center at 1–800–955–2232. An application kit will also be available on the Internet through the HUD web site at http://www.hud.gov. When requesting an application kit, please refer to the Section 8 Welfare-to-Work Rental Voucher Program, and provide your name, address (including zip code) and telephone number (including area code).

For answers to your questions, you may also contact the Public and Indian Housing Information and Resource Center at 1–800–955–2232, or contact the Director of Public Housing, the Program Center Coordinator or the Office of Native American Program Administrator in your local HUD Office. Hearing-or speech-impaired individuals may call HUD's TTY number (202) 708–0770 or 1 800–877–8339 (the Federal Information Relay Service TTY). (Other than the "800" number, these numbers are not toll-free.) Information can also be accessed via the Internet through the HUD web site at http://www.hud.gov.

The HUD web site will also provide a text link to HUD's Welfare-to-Work home page, and the Welfare-to-Work related websites of the Departments of Health and Human Services, Labor, and Transportation, to assist you in coordinating your proposed program with the efforts sponsored by these Departments.

Prior to the application deadline, staff at the numbers given above will be available to provide general guidance, but not guidance in actually 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.

II. Amount Allocated

Of the $283 million appropriated in Fiscal Year (FY) 1999 to fund Section 8 Welfare-to-Work Rental Vouchers, approximately $248.2 million is made available to housing agencies through the national competition under this NOFA.

Of the remainder, at least $4 million each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County Maryland; New York City, New York; and Anchorage, Alaska as provided by the VA/HUD and Independent Agencies Appropriations Act, 1999 (99 App. Act). HUD will contact these set-aside sites to advise them of specific application submission requirements and deadlines. Each HA for a set-aside site must submit to HUD any application materials requested by HUD. Funding will not be made available to a set-aside site until the site has submitted all HUD-required materials and obtained HUD approval of the submission.

In accordance with the 99 App. Act, $2.83 million of the $283 million available for Section 8 Welfare-to-Work Rental Vouchers may be used by HUD to conduct a detailed evaluation of the effect of providing Section 8 Welfare-to-Work Rental Voucher assistance, rather than be awarded under this NOFA.

III. Program Description; Eligible Applicants; Eligible Activities

(A) Program Description

The Section 8 Welfare-to-Work Rental Voucher program provides tenant-based Section 8 rental assistance to help eligible families make the transition from welfare to work. Tenant-based Section 8 rental assistance is to be provided in connection with programs where the HA, tribe, or TDHE has demonstrated that tenant-based rental assistance is critical to the success of eligible families to obtain or retain employment. No additional funding is provided under this NOFA for welfare-to-work services for families. Funding is only for Section 8 Welfare-to-Work rental voucher housing assistance and regular Section 8 administrative fees for administration of such housing assistance. If appropriate, HAs may project base a portion of the funding following the applicable Section 8 Project-Based Certificate (PBC) program regulations (24 CFR part 983). The Section 8 Welfare-to-Work Rental Voucher program must take into account the particular circumstances of the local community. The rental assistance provided to families through the Section 8 Welfare-to-Work Rental Voucher program must be coordinated with other welfare reform and welfare-to-work initiatives.

The maximum number of Section 8 Welfare-to-Work Rental Vouchers that can be provided under this NOFA to an HA, tribe or TDHE is as follows: For an HA that is a State agency, (i.e., an agency with state-wide jurisdiction)—the lesser of 2,000 or one-half of the total budgeted Section 8 rental certificates and vouchers in the HA's Section 8 program for the HA's current Fiscal Year. If more than one HA applies as a State agency from the same State, only the highest-ranking one will be eligible for an award. For all other HAs, that are not set-aside sites identified in section II. of this NOFA, above—the lesser of 700 or one-half of the total budgeted Section 8 rental certificates and vouchers in the HA's Section 8 program for the HA's current Fiscal Year, or for tribes or TDHEs, the number of rental certificates and vouchers the entity was administering as of September 30, 1997. If you are a set-aside site that would receive fewer units than would be available to you under the above formula, and you wish to apply for the maximum number of units under the formula, you must apply under the national competition in this NOFA. The number of units available to you under the set-aside plus any units requested under this NOFA may not exceed the maximum that would be available to you under this NOFA.

An HA seeking welfare-to-work housing vouchers under this NOFA may use some of its current pool of other Section 8 voucher funding to augment the welfare-to-work vouchers in order to enlarge the pool of vouchers available to those families qualifying for its approved welfare-to-work program.

(B) Eligible Applicants

HAs, including Indian tribes and their tribally designated housing entities, may apply. All applicant HAs, tribes and TDHEs must develop a program in consultation with the State, local or Tribal entity administering the Temporary Assistance to Needy Families (TANF) program and the entity, if any, administering the Welfare-to-Work formula and/or competitive grants allocated by the United States Department of Labor.

(C) Eligible Activities

You may only use funds available under this NOFA for a Section 8 Welfare-to-Work rental voucher program. In the Section 8 Welfare-to-Work Rental Voucher Program, you will perform all normal rental voucher program activities, but you may only provide rental assistance to families that meet all normal Section 8 program requirements and also meet the specific requirements of the Welfare-to-Work Voucher Program. These specific requirements are stated in section IV.(A) of this NOFA.

IV. Program Requirements

(A) Eligibility of Families

(1) *Section 8 Welfare-to-Work Rental Voucher eligible families.* The term "Section 8 Welfare-to-Work rental voucher program eligible family" means a family that, in addition to meeting the eligibility requirements of the normal tenant-based Section 8 assistance program, also meets the following additional requirements:

(a) When initially selected for welfare-to-work rental voucher assistance, families must be eligible to receive, be currently receiving, or shall have received within the preceding two years, assistance or services funded under the TANF program;

(b) Tenant-based housing assistance must be determined to be critical to the family's ability to successfully obtain or retain employment; and

(c) The family shall not already be receiving tenant-based assistance under Section 8 of the United States Housing Act of 1937 (1937 Act—42 U.S.C. 1473f).

(2) To be eligible for selection for the Section 8 Welfare-to-Work Rental Voucher Program, families must be on the waiting list used by the HA for its tenant-based Section 8 program. For Indian tribes and TDHEs only, to be eligible for this program, families must be on either the rental or homeownership waiting list of that entity.

(B) HA Responsibilities

If your application is funded:

(1) You must modify your selection system to require the selection of Section 8 Welfare-to-Work Rental Voucher program eligible families for the program;

(2) Families on your Section 8 waiting list must be selected in accordance with the established selection policies in your HA's administrative plan;

(3) If you have a closed Section 8 waiting list and do not have a sufficient number of welfare-to-work eligible families on your waiting list, you must reopen the waiting list to accept an application from any Section 8 Welfare-to-Work eligible applicant family that is not currently on your waiting list for your tenant-based Section 8 program;

(4) You must administer the rental assistance in accordance with applicable voucher program regulations and requirements and your Section 8 administrative plan;

(5) During the term of this welfare-to-work funding, if Section 8 rental assistance for a family under this program is terminated, available welfare-to-work rental assistance must be provided to another Section 8 Welfare-to-Work eligible family selected from your tenant-based Section 8 program waiting list. The term of welfare-to-work funding is the term of the welfare-to-work ACC funding increment.

(6) *Welfare-to-Work Evaluation Participation.* HUD is seeking 5 to 9 HAs to participate, on a voluntary basis, in the evaluation that HUD intends to conduct on the Section 8 Welfare-to-Work Rental Voucher Program. HAs who volunteer to participate as a special evaluation site for purposes of this evaluation, if they are selected for an award under this NOFA, will be compensated for any additional administrative burden from the $2.83 million evaluation setaside in the 99 App. Act. In order to participate as a special evaluation site, you and your partners must:

(a) Be awarded at least 450 units under this NOFA.

(b) Fully cooperate with random assignment of your welfare-to-work applicants to treatment and control groups. You will be required to follow an established protocol for determining that some eligible families receive and some eligible families do not receive welfare-to-work vouchers on a random basis.

(c) Assist in data collection and retrieval for the evaluation through administration of special forms and extraction of data from management systems.

(d) Submit a budget with reasonable and necessary costs once HUD specifies the required activities for the evaluation.

If HUD does not receive sufficient voluntary applications to participate as evaluation sites for this Congressionally mandated study, HUD may require one or more sites receiving at least 450 units to cooperate with an evaluation based on random assignment as a condition of funding. If you submit an application for 450 or more units, your consent to cooperate with a random-assignment evaluation may be assumed by HUD, even if you do not explicitly volunteer.

(C) TANF and Welfare-to-Work Support

Your application must include certifications from the State, local or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work formula and/or competitive grants allocated by the United States Department of Labor that these entities support your proposed Section 8 Welfare-to-Work program and will cooperate with you, as the administrator of the housing assistance, to assure that the rental assistance is coordinated with other welfare reform and welfare-to-work initiatives. If any of these entities does not respond to your request for this certification within a reasonable time period, its concurrence shall be assumed but you will be required to submit a copy of your request for this certification with your application. If any of these entities objects to the application, their concerns must accompany the application when it is submitted to HUD so that HUD can take the concerns into account in its funding decision.

(D) Waiver Requests

Your proposed Section 8 Welfare-to-Work program must be workable without any waivers, and will be rated and ranked without the waiver of any requirements. Statutory waivers will not be granted. However, your application may include requests for waivers of any regulatory, handbook or directive requirements along with an explanation of how the waivers would improve your program. If you are selected for an award, HUD will consider whether or not to grant your waiver request. Among other considerations, waivers will not be granted if they have an adverse impact on fair housing and civil rights.

(E) Program Compliance and Designation of Subcontractor

Immediately after the publication of this NOFA, the local HUD field office will notify, in writing, those HAs that are not eligible to apply without a subcontractor acceptable to HUD or a proposal for management improvements acceptable to HUD, as explained in this section.

(1) *Program compliance.* Your application must designate a subcontractor acceptable to HUD to administer the new funding increment on your behalf, in accordance with paragraph (2) of this section, if you have:

(a) Material weaknesses or reportable conditions outstanding from Inspector General audit findings, or HUD management review findings for one or more of your Section 8 rental voucher, rental certificate or moderate rehabilitation programs;

(b) Serious underutilization evidenced by fewer than 85 percent of budgeted rental certificates or vouchers under lease; or

(c) Significant findings in program compliance reviews.

(2) *Designation of Subcontractor.* If you have any of the compliance problems listed in paragraph (1) of this section, you must designate a subcontractor acceptable to HUD to administer the new funding increment under this NOFA on your behalf. In such instances, your application must include:

(a) An agreement by the subcontractor to administer the new funding increment; and

(b) A statement that outlines the steps you are taking to resolve the compliance problems, which may be a proposal for management improvements that you will implement to remedy the problems.

(F) Statutory Requirements

To be eligible for funding under this NOFA, you, the applicant, must meet all applicable statutory and regulatory requirements. If you need copies of regulations, they are available at the HUD web site located at http://www.HUD.gov. HUD may reject an application from further funding consideration if the activities or projects proposed in the application are not eligible activities and projects, or HUD may eliminate the ineligible activities from funding consideration and reduce the grant amount accordingly.

(G) Threshold Requirements—Compliance with Fair Housing and Civil Rights Laws

With the exception of Federally recognized Indian tribes, 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 you are a Federally recognized Indian tribe, you must comply with the Age Discrimination Act of 1975, section 504 of the Rehabilitation Act of 1973, and the Indian Civil Rights Act. If you, the applicant,—

(1) Have been charged with a violation of the Fair Housing Act by the Secretary;

(2) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice; or

(3) Have received a letter of noncompliance findings under Title VI of the Civil Rights Act, section 504 of the Rehabilitation Act, or section 109 of the Housing and Community Development Act—

You are not eligible to apply for funding under this NOFA until you have resolved the charge, lawsuit, or letter of findings to the satisfaction of the Department.

(H) Additional Nondiscrimination Requirements

You, the applicant, must comply with the Americans with Disabilities Act, and Title IX of the Education Amendments Act of 1972.

(I) Affirmatively Furthering Fair Housing

If you are a successful applicant, you will have a duty to affirmatively further fair housing. You, the applicant, should include in your application or work plan the specific steps that you will take to:

(1) Address the elimination of impediments to fair housing that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice;

(2) Remedy discrimination in housing; or

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

Further, you, the applicant, have a duty to carry out the specific activities provided in your responses to the NOFA rating factors that address affirmatively furthering fair housing.

(J) Forms, Certifications and Assurances

You, the applicant, are required to submit signed copies of the standard forms, certifications, and assurances, included in the HUD Section 8 application, form HUD–52515 (see section VI.(A), below, of this NOFA) and the certification required by 24 CFR 24.510. (The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts, subgrants, or funding of any recipients, or contractors or subcontractors, during any period of debarment, suspension, or placement in ineligibility status, and a certification is required.)

(K) Conflicts of Interest

If you are a consultant or expert who is assisting HUD in rating and ranking applicants for funding under this NOFA, you are subject to 18 U.S.C. 208, the Federal criminal conflict of interest statute, and the Standards of Ethical Conduct for Employees of the Executive Branch regulation published at 5 CFR part 2635. As a result, if you have assisted or plan to assist applicants with preparing applications for this NOFA, you may not serve on a selection panel and you may not serve as a technical advisor to HUD for this NOFA. All individuals involved in rating and ranking this NOFA, including experts and consultants, must avoid conflicts of interest or the appearance of conflicts. Individuals involved in the rating and ranking of applications must disclose to HUD's General Counsel or HUD's Ethic Law Division the following information if applicable: the selection or non-selection of any applicant under this NOFA will affect the individual's financial interests, as provided in 18 U.S.C. 208; or the application process involves a party with whom the individual has a covered relationship under 5 CFR 2635.502. The individual must disclose this information prior to participating in any matter regarding this NOFA. If you have questions regarding these provisions or if you have questions concerning a conflict of interest, you may call the Office of General Counsel, Ethics Law Division, at 202–708–3815 and ask to speak to one of HUD's attorneys in this division.

(L) Environmental Requirements

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 983.11(b), you must have a responsible entity complete an environmental review and obtain a HUD release of funds before entering into any agreement to provide project-based assistance.

(M) 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 HA 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 1, 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, this section of the NOFA provides the notice of implementation of section 551 of QHWRA as permitted by section 503 of QHWRA.

V. Application Selection Process

(A) Overview of Process

Selections of applicants will be made on the basis of a national competition according to the criteria described in section V.(C), below, of this NOFA. Local HUD field offices will initially review applications to ensure that your applications are complete and on time and that you meet the threshold requirements found in section V.(B), below, of this NOFA. Based on your past experience and field office knowledge of your capacity to perform, the field office must also determine if the number of units you request can reasonably be placed under lease within 12 months. If the field office determines that you cannot enroll the number of Section 8 Welfare-to-Work families projected and place under lease the number of units requested, the field office will determine the number of units that can be expected to be placed under lease within 12 months.

All eligible applications will then be forwarded to the Grants Management Center with the field office recommendation of the maximum number of units that should be considered for approval for each application based on its analysis of capacity. Applications will be rated and ranked by the Grants Management Center based on the criteria listed below in section V.(C). An application must meet all of the threshold requirements of this NOFA and receive a score of at least 55 points to qualify for funding. In this national competition, HUD will fund applications from at least the two highest rated and ranked Indian tribes or their tribally designated housing entities that qualify for funding. All other awards will be made in rank order to qualifying applications.

(B) Threshold Requirements

(1) The application is received on time.

(2) The application is complete and all required certifications, including those described in section IV.(K), above, of this NOFA.

(3) Any technical deficiencies have been corrected by the end of the 14-day correction period.

(4) You meet the requirements of section IV.(G) of this NOFA, Compliance With Fair Housing and Civil Rights Laws.

(5) The application designates a subcontractor in accordance with section IV.(E), above, of this NOFA, if necessary under that section.

(6) Your leasing rate for your Section 8 rental certificate and rental voucher programs is at least 90 percent of the units in your HUD-approved budget for the last completed HA fiscal year prior to this application funding.

(C) Rating Factors

(1) *Factor 1:* Need for Welfare-to-Work Voucher Program (20 points)

(a) *Description:* This factor examines the extent to which you identify the community need that your proposed activities will target and the urgency of meeting this need. You must provide evidence of the housing need of the eligible population that will be served by this program and demonstrate that tenant-based assistance is essential to assist these families obtain/retain employment. If the HA plans to project-base any of the Welfare-to-Work rental voucher funding, the HA must explain how this would benefit the HA's Welfare-to-Work rental voucher program. Applicants with jurisdiction outside of metropolitan areas must address the needs of rural areas.

(b) *Submission Requirements for Factor 1:* You must submit a narrative that documents that tenant-based rental assistance for which you are applying is necessary to assist Welfare-to-Work eligible families to obtain/retain employment. If you plan to project-base a portion of the Welfare-to-Work rental voucher funding, the need to develop project-based units must be explained and how this would best meet the needs of welfare-to-work eligible families, and you must provide an estimate of the time to occupancy.

(2) *Factor 2:* Soundness of Approach (20 Points).

(a) *Description:* This factor examines the quality of your Welfare-to-Work voucher program. You must describe in narrative form the proposed program developed in coordination with the TANF program and other welfare-to-work programs. And how the proposed program design encourages and aids Welfare-to-Work eligible families to move from welfare to work. In evaluating this factor, HUD will consider the extent to which your application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment. HUD will also consider the extent to which your application lays out an effective plan, with a fully developed strategy of outreach to eligible families to ensure that all Welfare-to-Work vouchers are under lease within a year of award, including how your analysis of need in Factor 1 affects your outreach to families and targeting of assistance. You should describe any innovative approaches that will be included in your proposed program. You must address your strategy for tenant counseling, housing search, and landlord outreach, and specify the criteria for selecting among eligible families.

HUD will also consider the extent to which, and how well, your plan of proposed activities is described in detail in your application; addresses the goals and purposes of the Welfare-to-Work voucher program; addresses the need for a Welfare-to-Work program that was identified under Factor 1, above; will be carried out in a timely manner, conducted in a manner that will reach and benefit members of the target group, and will make use of services and materials that are accessible to all persons, including persons with disabilities; and will yield long-term results and innovative strategies or "best practices" that can be readily disseminated to other organizations and State, tribal and local governments.

(b) *Submission Requirements for Factor 2:*

(i) A detailed narrative describing your proposed Welfare-to-Work voucher program developed in coordination with the TANF program and other welfare-to-work programs; the specific tasks and subtasks to be performed, including innovative approaches and plans for tenant counseling, housing search and landlord outreach.

(ii) A discussion of how your application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment.

(iii) A discussion of how your proposed activities address the goals and purposes of the Welfare-to-Work voucher program including how the program design encourages and aids the move to self-sufficiency, and the criteria for selecting among eligible families.

(iv) A discussion of how your application lays out a fully developed and effective plan with outreach to eligible families to ensure that all Welfare-to-Work vouchers are under lease within a year of award. Your discussion must specify how your analysis of need in Factor 1 affects your outreach to families and targeting of assistance, including families in rural areas if your jurisdiction includes rural areas, unless you provide justification for not addressing rural areas.

(v) A description of the immediate benefits of your proposed activities and how the benefits will be measured. You must describe the methods you will use to determine the effectiveness of Welfare-to-Work program activities.

(vi) A Section 8 Leasing Schedule.

(vii) A discussion of how the activities will reach and benefit members of the target group and will make use of services and materials that are accessible to all persons, including persons with disabilities;

(viii) A description of how the proposed activities will yield long-term results and innovative strategies or "best practices" that can be readily disseminated to other organizations, communities, and State, tribal and local governments.

(3) *Factor 3:* Capacity of Applicant and Relevant Organizational Experience (20 Points)

(a) *Description:* This factor examines the extent to which your organization (including individuals or organizations, such as subcontractors or consultants, if any, that will be your partners in carrying out the proposed activities) have the organizational resources necessary to carry out your proposed activities in a timely manner. In evaluating this factor, HUD will consider the extent to which you demonstrate recent and relevant experience in, and knowledge about, carrying out the same or similar activities as those proposed. The overall quality of your staff, administrative ability, and fiscal management ability will be evaluated by HUD. HUD may also rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor.

Your overall administrative ability is evidenced by factors such as leasing rates, MTCS reporting, correct administration of housing quality standards, compliance with fair housing and equal opportunity program requirements, assistance computation and rent reasonableness and, if you have a mandatory Family Self-Sufficiency Program, implementation of an FSS program of at least the minimum program size or a smaller program size approved by HUD. Your relevant organization experience would be evidence of a successful implementation of an FSS program, Family Unification program, or other program that involved coordination with other agencies and/or coordination of services for families.

(b) *Submission Requirements for Factor 3:*

(i) Narrative description of past performance in carrying out activities that are the same as, or similar to, the activities proposed for funding, and demonstrate reasonable success in carrying out those activities. You may demonstrate such reasonable success by showing that your previous activities have been carried out as proposed and in a timely manner. You must show that benchmarks in operation were met and performance reports were prepared as required. You must also describe any delays that were encountered, and the actions you took to overcome such delays.

(ii) You must submit the proposed number of staff years necessary to carry out the proposed activities, identifying the employees and partners, such as co-applicants, subgrantees, contractors, consultants, and volunteers, to be allocated to the project; the titles and relevant professional background and experience of each employee and partner proposed to be assigned to the project; and the roles to be performed by each identified employee and partner. If you do not presently have the employees and partners necessary to carry out all of the proposed activities, you must identify the gaps in your current staffing and describe in detail your proposed method for securing the necessary employees and partners to carry out the project in a timely manner.

(iii) You must provide a comprehensive description of the project's management structure. You must also describe how staff and partners relate to the project's administrator or manager, including the lines of authority and accountability for all the proposed activities.

(iv) You must demonstrate ability in handling financial resources with adequate financial control procedures and accounting procedures by providing a comprehensive description of the fiscal management structure for the proposed project, including budgeting, fiscal controls and accounting. HUD will also consider findings identified in your most recent audits; internal consistency in the application of numeric quantities; accuracy of mathematical calculations; and other available information on financial management ability.

(4) *Factor 4:* Leveraging Resources. (20 Points)

(a) *Description:* This factor addresses the commitment of public and private resources that will support your Welfare-to-Work voucher program. HUD will consider the extent to which you can document firm, written commitments of resources from the local TANF agency, and, if applicable, from the entity administering the Department of Labor Welfare-to-Work formula and/or competitive grant; other Federal, State, tribal, and local sources; and from other entities, such as private industry, and for-profit and not-for-profit organizations to provide services and assistance in the form of cash funding, in-kind contributions, services or personnel. Such commitments may include, but are not limited to: child care, transportation necessary to receive services or maintain employment, remedial education, education for completion of secondary or post-secondary schooling, job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; training in money management; counseling in homeownership responsibilities and opportunities available for rental and homeownership in the private housing market; and job development and placement.

(b) *Submission Requirements for Factor 4:*

(i) Describe all firm commitments to the Welfare-to-Work voucher program including cash funding, in-kind contributions, services or personnel from other Federal, State, tribal, local and private sources.

(ii) Provide evidence of leveraging/partnerships by including in the application, letters of firm commitments, memoranda of understanding, or agreements to participate from those entities identified as partners. To be firmly committed, there must be a written agreement to provide the resources. The written agreement may be contingent upon an application receiving funding under this NOFA. Each letter of commitment, memorandum of understanding, or agreement to participate should include the partner organization's or individual's name, proposed level of commitment and responsibilities as they relate to the proposed activities. The commitment must also be signed by an official legally able to make commitments on behalf of the organization.

(5) *Factor 5:* Comprehensiveness and Coordination (20 Points)

(a) *Description:* This factor addresses the extent to which your proposal reflects a coordinated, comprehensive process of identifying needs and building a system to address needs on an ongoing basis by using available HUD funding and other resources. You must describe the extent to which assistance under your proposed Welfare-to-Work program will be coordinated with welfare reform and with other welfare-to-work initiatives, including the U.S. Department of Transportation's Job Access program. The application must include certifications from the TANF agency and the entity, if any, administering the Welfare-to-Work formula and/or competitive grants of the Department of Labor agency of their cooperation and support of the proposed program or evidence of your request for the certification of those agencies and of their failure to respond within a reasonable time, or, if either agency objects to your proposed Welfare-to-Work program, the objections must be included in your application.

In evaluating this factor, HUD will consider:

(i) The extent to which you demonstrate the support and participation of the TANF agency and the entity, if any, administering the Department of Labor Welfare-to-Work formula and/or competitive grant and the commitment of other public and private organizations in the community.

(ii) The specific steps you will take to share with others information on solutions and outcomes resulting from the Welfare-to-Work voucher program, if funded.

(iii) The specific steps you have taken or will take to become active in the community's Consolidated Plan process; Analysis of Impediments to Fair Housing Choice process; Continuum of Care Homeless Assistance planning process, if homeless persons are to be served by the proposed activities; or the community's Indian Housing Plan process; and to address, through these processes, the needs that are the focus of the Welfare-to-Work voucher program.

(iv) The specific steps you have taken or will take to coordinate, through meetings, information networks, planning processes, or other mechanisms, your activities with other welfare-to-work activities in the community, including the appropriate local transportation entity (i.e., transit properties, metropolitan planning organizations, State and/or Indian tribe departments of transportation).

(b) *Submission Requirements for Factor 5:*

(i) Describe what role families, community leaders and organizations and government and private entities in communities you serve have had in planning the activities described in your application and what role they will have in carrying out such activities.

(ii) Describe how you will share with others information on solutions and outcomes resulting from the Section 8 Welfare-to-Work voucher program, if funded.

(iii) Describe specific steps you have taken or will take to become active in the community's Consolidated Plan process; or the process for the Analysis of Impediments to Fair Housing Choice; or the community's Continuum of Care Homeless Assistance planning process, if homeless persons are to be served by the proposed welfare-to-work activities; or the community's Indian Housing Plan process; and to address, through these processes, the needs that are the focus of your proposed activities.

(iv) Describe the specific steps you have taken or will take to coordinate, through meetings, information networks, planning processes, or other mechanisms, your activities with other proposed or on-going activities in the community funded by HUD or other Federal, State, tribal, local or private sources, including the appropriate local transportation entity (i.e., transit properties, metropolitan planning organizations, State and/or Indian tribe departments of transportation.

VI. Application Submission Requirements

(A) Form HUD–52515

Funding Application, form HUD–52515, must be completed and submitted for the Section 8 Welfare-to-Work voucher program. This form includes all the 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 voucher units. You 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).

(B) Response to Threshold Requirements

Your application must respond to the threshold requirements that apply to you in paragraphs V.(B)(2) through (5), above, in this NOFA.

(C) Narrative response to Factors for Award

Your application package must include the narrative description and any letters, certifications or other materials required for each of the ranking and rating factors from Section V.(C) of this NOFA.

(D) Waiver Requests

Your application may include requests for waivers of any administrative requirements in HUD regulations or directives (handbooks and notices). Statutory waivers will not be granted. Waiver requests must include an explanation of how the waivers would improve your program. Your proposed program must be workable without any waivers, and waiver requests will not be considered in rating and ranking your application. Your waiver requests will only be considered if you receive an award under this NOFA.

(E) Program Evaluation Participation

If you would like to participate in HUD's Welfare-to-Work program evaluation, your application should also include a statement that you are willing to participate as a special evaluation site in accordance with the conditions described in section IV.(B)(6) of this NOFA, above.

VII. Corrections to Deficient Applications

After the application due date, HUD may not, consistent with its regulations in 24 CFR part 4, subpart B, consider any unsolicited information you, the applicant, may want to provide. HUD may contact you, however, to clarify an item in your application or to correct technical deficiencies. You should note, however, that HUD may not seek clarification of items or responses that improve the substantive quality of your response to any eligibility or selection factors. *Examples* of curable (correctable) technical deficiencies include your failure to submit the proper certifications or your failure to submit an application that contains an original signature by an authorized official. In each case, HUD will notify you in writing by describing the clarification or technical deficiency. HUD will notify applicants by facsimile or by return receipt requested. Applicants must submit clarifications or corrections of technical deficiencies in accordance with the information provided by HUD within 14 calendar days of the date of receipt of the HUD notification. If your deficiency is not corrected within this time period, HUD will reject your application as incomplete, and it will not be considered for funding.

VIII. Findings and Certifications

(A) Paperwork Reduction Act Statement

The information collection requirements related to this program have been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), and have been assigned OMB approval 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

Except to the extent that recipients may project base assistance provided under this NOFA, 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. To the extent that recipients project base assistance provided under this NOFA, that assistance is subject to 24 CFR part 983, including the environmental review provisions set out at 24 CFR 983.11. Accordingly, under 24 CFR 50.19(c) (1) and (5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act (42 U.S.C. 4321).

(C) Federalism, Executive Order 12612

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 on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. Specifically, the NOFA solicits applicants to help eligible families make the transition from welfare to work, and does not impinge upon the relationships between the Federal government and State and local governments. As a result, the NOFA is not subject to review under the Order.

(D) Prohibition Against Lobbying Activities

You, the applicant, 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), which prohibits recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan. You are required to certify, using the certification found at Appendix A to 24 CFR part 87, that they will not, and have not, used appropriated funds for any prohibited lobbying activities. In addition, you must disclose, using Standard Form LLL, "Disclosure of Lobbying Activities," any funds, other than Federally appropriated funds, that will be or have been used to influence Federal employees, members of Congress, and congressional staff regarding specific grants or contracts. Tribes and tribally designated housing entities (THDEs) established by an Indian tribe as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but tribes and TDHEs established under State law are not excluded from the statute's coverage.

(E) Section 102 of the HUD Reform Act; Documentation and Public Access Requirements

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) (HUD Reform Act) and the regulations codified 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. The documentation, public access, and disclosure requirements of section 102 apply to 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 in 24 CFR part 15.

(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 5.

(3) *Publication of Recipients of HUD Funding.* HUD's regulations at 24 CFR 4.7 provide that HUD will publish a notice in the **Federal Register** on at least a quarterly basis to notify the public of all decisions made by the Department to provide:

(i) Assistance subject to section 102(a) of the HUD Reform Act; or

(ii) Assistance that is provided through grants or cooperative agreements on a discretionary (non-formula, non-demand) basis, but that is not provided on the basis of a competition.

(F) Section 103 HUD Reform Act

HUD's regulations implementing section 103 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3537a), codified in 24 CFR part 4, apply to this funding competition. The regulations 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 the regulations 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 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Ethics Law Division at (202) 708–3815. (This is not a toll-free number.) For HUD employees who have specific program questions, the employee should contact the appropriate field office counsel, or Headquarters counsel for the program to which the question pertains.

(G) Catalog of Federal Domestic Assistance Numbers

The Federal Domestic Assistance numbers for this program are 14.855 and 14.857.

IX. Authority

The VA/HUD and Independent Agencies Appropriations Act, 1999 appropriated $283 million for the Welfare-to-Work Tenant-Based Assistance Program.

Dated: January 25, 1999.

Harold Lucas,

Assistant, Secretary for Public and Indian Housing.

[FR Doc. 99–1985 Filed 1–25–99; 2:46 pm]

BILLING CODE 4210–33–P

Steve - what about using [illegible] of nonze vouchers to WTW voucher - [by virtue of local preference, but nothing in law on this], OMB would like to see this mentioned - will draft lang similar to project Base

Andrea Kane [redacted]

Record Type: Record

To: Francis S. Redburn/OMB/EOP
cc: Paul J. Weinstein Jr./OPD/EOP, Cynthia A. Rice/OPD/EOP, Jonathan Orszag/OPD/EOP
bcc: Records Management
Subject: Re: HUD Welfare-to-Work Housing Voucher NOFA

Looks to me like HUD did a good job of addressing the Center's suggestions on: coordination coordination among PHAs and state/local welfare agencies; partnerships w/ non-profits, employers and others (mainly through leveraging criteria); rewarding applicants that contribute state or local resources; providing housing search assistance and landlord outreach; ensuring that vouchers go to needy areas; and facilitating program evaluation.

On other issues raised by the Center where follow-up w/ HUD is needed:

The Center strongly urged **concentration of vouchers** in a limited number of high quality projects, and suggested projects w/ a max. number of 750-1,000 vouchers. The NOFA appears to go in that general direction by stating a max. number of the lesser of 700 or one-half of the total budgeted Sec 8 vouchers in the HA, with the lesser of 2,000 of one-half of the total budgeted Sec 8 vouchers in HAs that are state agencies. However, as we discussed on Friday, we need more info from HUD about how this proposed approach is envisioned to work -- how many projects does HUD envision funding; how many HAs have more than 1,400 vouchers so would be eligible for the 700; how many are state HAs so would be eligible for the larger # etc. While I agree that it's important not to spread vouchers too thin, it's also important to ensure that those who get them can put them to quick and effective use (which is what HUD appears to be getting at by having field office weigh in on how many vouchers the applicant can lease in 12 months).

[illegible] The NOFA could definitely do more to promote/encourage **regional cooperation** -- the only mention I found is where HUD says, under eligible applicants, that HAs can apply jointly. Some language about the importance of regional cooperation (to reflect the integrated labor markets, spatial mismatch etc) would be good. The Center raises some administrative issues that may arise w/ individuals moving among HA jurisdictions that probably needs to be addressed as well.

The Center encouraged HUD to address affordability (under their recommendation on Addressing **obstacles to utilization of vouchers**) -- what do you housing experts think on this? Is the amount of subsidy something that a PHA might want to address through a waiver? If so, should we cite as an example under the waiver discussion in the NOFA?

The Center recommends that **income targeting** be applied separately to the WTW vouchers and regular vouchers so that a PHA couldn't use it's WTW vouchers to meet the overall income targeting requirements. This seems like an issue to be addressed in HUD's rules on regular vouchers, not here, but it is definitely worth asking HUD what their intent is? Again, what do those of you who have followed the income targeting issue more closely think?

B said did BSL - cd have? disc. for reg.

[illegible]

The Center recommends allowing HAs to **subcontract services** both where HAs may lack experience or where there are management problems that may put the HA at a disadvantage in the competition. The NOFA requires HAs who have compliance problems to apply with a subcontractor. However, I didn't see any mention in the NOFA about sucontracting if there is not a compliance problem. Seems to me this flexibility could be helpful in getting the program off the

will fax new revd aft Thurs [illegible] -
Must go in public display Monday.

ground and bringing more expertise to bear, but what do you all think? Is this a touchy issue for PHAs? Since there are no funds for services under the competition, I'm not sure how attractive it would be to a subcontractor to just manage allocation of vouchers. On the other hand, I could imagine a program where the TANF or WTW agency contribute funds for services to be packaged with the vouchers and that whole effort is administered by a subcontractor.

Francis S. Redburn

Francis S. Redburn 01/16/99 01:01:24 PM

Record Type: Record

To: Katherine L. Meredith/OMB/EOP

cc: andrea kane/opd/eop, james f. jordan/omb/eop

Subject: Re: HUD Welfare-to-Work Housing Voucher NOFA

Andrea, if you have time to look over the CBPP suggestions again and reinforce any that you think are important additions/changes to the draft NOFA, it would be helpful to us -- especially given the multiple demands on staff time here in the next week.

CENTER ON BUDGET
AND POLICY PRIORITIES

November 18, 1998

Secretary Andrew Cuomo
U.S. Department of Housing
and Urban Development
Washington, DC 20410-0001

Re: Suggestions for NOFA for New Welfare-to-Work Vouchers

Dear ~~Mr. Secretary:~~ Andrew,

We congratulate HUD on its many successes in the FY 1999 budget. After five years without any substantial appropriation of new Section 8 assistance, it was quite a feat to get both 50,000 new Section 8 vouchers *and* the elimination of the Congressional requirement that housing authorities delay by three months the reissuance of vouchers that become available through turnover. These provisions will increase substantially the number of housing vouchers available for use by needy families.

This year's funding process was significant not only for its appropriation of much-needed incremental Section 8 assistance, but for the creation of the welfare-to-work voucher program. This high-profile initiative presents an exciting opportunity for HUD to demonstrate the value of low-income housing in helping poor families secure and retain employment. The program also represents an opportunity for the Department to demonstrate its enhanced capability to run programs effectively. The success of the welfare-to-work program could help expand the base of support for the Department in general.

Given the novelty of this program and the difficulties involved in helping families make the transition from welfare to work, HUD faces many challenging design issues in formulating the program's Notice of Funding Availability (NOFA). We have discussed some of these issues with others in the housing community, including Cushing Dolbeare, Conrad Egan, and Nan Roman. Based on these discussions, we have prepared the attached suggestions and comments on the planned NOFA. We very much appreciate your consideration of these views and would welcome the opportunity to discuss them with you and your staff.

Sincerely,

Bob

Robert Greenstein

820 First Street, NE, Suite 510, Washington, DC 20002
Tel: 202-408-1080 Fax: 202-408-1056 center@center.cbpp.org http://www.cbpp.org HN0026

cc: Pat Arnaudo, Gerald Benoit, Xavier de Souza Briggs,
Gloria Cousar, Debby Greenstein, Jill Khadduri,
Jacquie Lawing, Harold Lucas, Rod Solomon, HUD

Olivia Golden, Patricia Ruggles, HHS

Roxie Nicholson, Raymond Uhalde, DOL

Michael Deich, Steve Redburn, and Ted Wartell, OMB

Andrea Kane, Paul Weinstein, DPC

Jonathan Orszag, NEC

CENTER ON BUDGET AND POLICY PRIORITIES

November 18, 1998

SUGGESTIONS FOR THE DESIGN OF THE WELFARE-TO-WORK VOUCHER NOFA

In this paper, we provide some suggestions and recommendations for the design of the Notice of Funding Availability (NOFA) for the Welfare-to-Work Voucher program. Our discussion covers the following topics:

820 First Street, NE, Suite 510, Washington, DC 20002
Tel: 202-408-1080 Fax: 202-408-1056 center@center.cbpp.org http://www.cbpp.org

Focusing Resources on a Limited Number of Applicants

Perhaps the single most important decision to be made in implementing the welfare-to-work voucher initiative is a determination of how many welfare-to-work voucher programs to fund with the $283 million Congress appropriated for this purpose for FY 1999. Given the lack of substantial new appropriations for housing vouchers in the last four years and the great need for new housing subsidies in most areas of the country, we expect there to be considerable pressure to spread the vouchers out among a large number of public housing agencies (PHAs). We urge HUD to resist this pressure and restrict the program to a limited number of PHAs.

To ensure the continuation and expansion of the welfare-to-work voucher program in subsequent years, it is important to show that the program succeeds in achieving the core objective of helping families secure and retain employment. Given the challenges involved in designing an effective welfare-to-work program and the multiple barriers to employment faced by some of the target population, this goal will not necessarily be easy to achieve. Restricting the program to a limited number of PHAs will enable HUD to select only those applications with the greatest likelihood of success.

Funding a limited number of welfare-to-work voucher programs also will make it easier for HUD and other organizations to provide technical assistance, permit programs to take advantage of economies-of-scale, and ensure that PHAs have sufficient resources to attract the attention and meaningful cooperation of state and local welfare agencies. Finally, by limiting the number of applicants that receive welfare-to-work vouchers with FY 1999 dollars, HUD may ensure a pool of unsuccessful applicants that could generate political pressure for additional appropriations for welfare-to-work vouchers in subsequent years.

It of course makes good political sense to ensure that a fairly large number of states get some funding and that a number of smaller PHAs and PHAs in rural areas get funded. For this reason, we would not recommend requiring every program to be of a certain large size (unless HUD were to set aside a separate pot of money for rural or small PHAs and permit applicants for those funds to propose programs of smaller size).[1] To ensure that available vouchers are provided to a limited number of PHAs, however, we would recommend that the maximum number of requested vouchers be set fairly high (*e.g.*, a maximum of 750 or 1,000). (The NOFA would presumably not commit HUD to funding programs at the requested size.)

[1] HUD may wish to encourage smaller PHAs to apply as consortia. This would permit these PHAs to take advantage of the economies-of-scale of running a larger program.

Merely by way of illustration of these principles, with the $248 million remaining after the statutory set-asides for eight cities and a program evaluation,[2] HUD could fund:

- 80 large programs with an average (but not necessarily uniform) size of 500 vouchers (approximate cost: $226.4 million); and

- 62 small programs with an average (but not necessarily uniform) size of 60 vouchers (approximate cost: $21.1 million).

With the eight set-asides, this would bring the total of funded jurisdictions in our example to 150.

The NOFA need not specify precisely how many sites will be funded; nor does HUD need to decide on a precise number at this time. But it would be advisable to make a preliminary determination prior to finalization of the NOFA of the approximate number of PHAs that HUD would like to fund. This decision will help shape the NOFA (which must solicit applications of the proper size and indicate the maximum number of vouchers for which PHAs may apply) as well as expectations within the Administration and the housing community.

Encouraging Meaningful Coordination Among PHAs and State and Local Welfare Agencies

Congress clearly envisions the close collaboration of PHAs and other agencies in developing and implementing local welfare-to-work voucher programs. While the applicant for funds to administer a welfare-to-work voucher program must be a PHA, the statute requires that PHAs develop their proposed programs "in consultation" with state or local agencies administering the TANF program and DOL Welfare-to-Work grants. The statute also requires that each application be accompanied by certification from these other agencies that they support the PHA's application and will cooperate with the PHA to ensure the coordinated delivery of welfare-to-work services.

Because of the difficulty in establishing close working relationships among agencies that may have little or no history of working together, we expect that the natural tendency of applicants will be to form minimal (and possibly even superficial)

---

[2] For FY 1999, Congress appropriated $283 million to provide 50,000 welfare-to-work vouchers. Of this amount, $32 million is set-aside for grants of $4 million each to: San Bernardino County, CA; Cleveland, OH; Kansas City, MO; Charlotte, NC; Miami/Dade County, FL; Prince Georges County, MD; New York City; and Anchorage, AK. Congress also directed HUD to perform an evaluation for which it may use up to one percent of the FY 1999 appropriation for welfare-to-work vouchers.

partnerships among housing and non-housing agencies. This would be unfortunate, as such partnerships hold substantial promise for developing innovative and coordinated approaches to welfare reform. While we should be realistic about the difficulties involved in establishing meaningful coordination among these different agencies, HUD can take steps in the NOFA to encourage the formation of meaningful inter-agency partnerships.

In light of Congress' intent to foster coordinated efforts to help families receiving the new vouchers move from welfare to work, we urge HUD to give preference in funding to PHAs exhibiting close and thoughtful coordination and collaboration with other agencies. HUD should encourage applicants to spell out in some detail the different services each agency promises to contribute to make the program a success. In particular, HUD should encourage applicants to think creatively and specifically about the types of services welfare agencies and recipients of DOL grants can provide to complement the housing component of this program and help participating families both find and retain employment.[3] o.k.

Encouraging Partnerships With Employers, Non-Profits and Others

The NOFA should also reward partnerships between PHAs and other organizations, such as employers, nonprofit organizations or government agencies other than those specified in the statute. The support and cooperation of private employers in particular may be helpful both in providing jobs and in helping to overcome potential community opposition to the movement of poor families into somewhat higher-income neighborhoods. ok

Rewarding Applicants That Contribute State or Local Resources

See p 16

Assuming the administrative fee accompanying the welfare-to-work vouchers is the same as for other tenant-based assistance, it is unlikely to be sufficient to pay for the services necessary for a comprehensive welfare-to-work program. To ensure that the funded programs have sufficient resources to provide these services, the NOFA should

[3] The NOFA should also reward PHAs that demonstrate a history of working closely with state or local welfare agencies. This will serve not only as a reward for agencies that have struggled to form these relationships in the past, but as an incentive for unsuccessful applicants to build on the relationships established during the application process in anticipation of success in the competition for a subsequent round of welfare-to-work vouchers. In addition, agencies that have worked together successfully in the past are probably more likely to honor their promises to collaborate closely on the welfare-to-work voucher program than agencies without a history of past collaboration.

reward applications that demonstrate significant contributions of in-kind or monetary resources from PHAs and their partner agencies and organizations.

tied not necessarily immediately to project — just want them considered

The NOFA also should reward PHAs in states, counties, or cities that have recently committed their own funds (or federal block grant funds under their control) to providing housing assistance to families attempting to make the transition from welfare to work. Connecticut, New Jersey and San Mateo County all have such programs, albeit of modest size, and a number of other states (*e.g.*, Maryland, Illinois and California) are considering similar programs. This is an important trend that should be encouraged; over the long-term, it could lead states, counties and cities to play a larger role in the provision of low-income housing.

If HUD does not reward state and local housing allowance efforts, it runs the risk of displacing them. Given the potential for federal funding under the welfare-to-work voucher program, communities that are presently considering state- or local-funded housing allowance programs may abandon their plans. HUD could help counter the potential disincentive to provide housing assistance with state or local money by rewarding such efforts in the competition for federal welfare-to-work vouchers.

Providing Housing Search Assistance and Landlord Outreach

Experience with the housing voucher program has shown that vouchers work best when recipients receive assistance in locating suitable housing and when administering agencies reach out to landlords to encourage them to participate in the voucher program. Such assistance will be particularly important to those welfare-to-work voucher programs that seek to move participating families to areas with better job opportunities. Since landlords generally are not required to accept housing vouchers, and voucher recipients may have little or no experience with the housing market outside their current neighborhoods, housing search assistance and landlord outreach will be necessary in most communities to help voucher recipients find willing landlords in the desired neighborhoods.

The FY 1999 appropriations act requires that applicants for welfare-to-work vouchers "describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach." We understand this provision to manifest a Congressional intent that every jurisdiction funded under the welfare-to-work voucher program *have and implement* such a strategy. Because of the fundamental importance of housing search assistance and landlord outreach to the success of this program, we recommend that HUD go further and accord priority to applications that demonstrate a strong commitment of resources to providing these services. Such resources could be from the PHA itself or from other partner agencies in the community.

We recommend that HUD require all strategies for landlord outreach and housing search assistance to address past or anticipated difficulties that families experience in finding landlords willing to accept Section 8 assistance within the permitted time period. Such strategies should also address the steps that agencies plan to take to expand residential opportunities for families outside areas of high-poverty concentration.[4]

not [illegible]

Promoting Regional Cooperation and Coordination

We believe the NOFA should be structured in such a way as to encourage and reward regional cooperation and coordination. Among other reasons, regional coordination is important because of the mismatch in many communities between the locations of eligible families and job opportunities.[5] To make a successful transition from welfare to work, a family may need to move from an area traditionally served by one PHA to an area traditionally served by another PHA. Such a move should not only be *possible* in each housing voucher welfare-to-work program, but completely seamless for the participating family. Applicants should be able to move freely from the area served by one PHA to the area served by another without being troubled by (or even aware of) the administrative mechanisms that make this possible.

not included

To promote regional cooperation and coordination, HUD should provide an incentive in the NOFA for PHAs to partner with other PHAs and should permit PHAs to submit joint applications.[6] One example of a potentially productive partnership

[illegible]

[4] In assessing the adequacy of a PHA's proposed strategy for landlord outreach and housing search assistance, HUD should consider the PHA's prior performance of these functions. PHAs with high turnback rates (*i.e.*, a relatively high percentage of families issued vouchers that are unable to find a willing landlord or complete a lease contract within the permitted time period) should be required to show how they will lower these rates. Similarly, where few families issued vouchers by a PHA have found housing outside areas of high-poverty concentration, HUD should require the PHA to specify how it plans to increase families' housing opportunities.

[5] Some knowledgeable observers of the Section 8 program believe that the program's potential to promote household mobility is significantly hampered by the multiplicity of administering agencies within individual metropolitan areas. Although administrative "fixes" such as simplified portability billing can help, they are unlikely to be as effective as area-wide program administration by a single agency.

[6] Sections 515 and 546 of the Quality Housing and Work Responsibility Act of 1998 authorize two or more PHAs to administer housing programs as a consortium. Unless HUD chooses to accelerate their application, these provisions will not take effect until October 1, 1999. Although we would not recommend that partnering PHAs be required to apply as a consortium to satisfy the partnering incentive, we think they should have the option to do so. Accordingly, we recommend that HUD either accelerate the application of the consortium provisions at the time that it issues its welfare-to-work

would be between a PHA that serves an area with a large number of eligible families and a PHA that serves a job-rich area. Another potentially productive partnership would be between a group of PHAs serving a single metropolitan region; by applying as a consortium, these PHAs could take advantage of economies-of-scale. In each case, participating families would benefit from increased residential choice and opportunity.[7]

We also recommend that HUD require applying PHAs to show that they either: (i) are able and willing to administer welfare-to-work vouchers in areas with good job opportunities or access to transportation networks; or (ii) have a good working relationship with PHAs that serve such areas so applicants can easily move there if they wish to do so. As noted above, the opportunities of participating families should not be hindered by obstacles to mobility at the administrative level.

Addressing Obstacles to Utilization of Vouchers

Even with a well-designed program of landlord outreach and housing search assistance and with regional coordination, it may be difficult for families in some areas to find sufficient affordable rental housing in locations near jobs or good transportation networks. Housing costs in many job-rich areas can be higher than families can afford with vouchers, and some areas may lack much rental housing. PHAs should be required to show that families receiving the new vouchers will likely be able to use them in areas that have substantial numbers of appropriate jobs or good transportation access to such jobs. Such a showing would include an analysis of the rental costs of housing in such areas, as well as any non-economic barriers to using rental vouchers in those areas.[8]

If there are few units available below the applicable Fair Market Rent in areas with good job access, an applicant should be required to demonstrate how it proposes to enable families to use their subsidies under applicable program rules without imposing an extremely high cost burden on individual families. Even if the new subsidies are technically vouchers so that families can use them to rent units above the

---

voucher NOFA or indicate that it will be doing so in time for PHAs to take advantage of the change in preparing their proposals.

[7] The goal of metropolitan-wide residential opportunities for participating families also is met by PHAs that serve all or a significant portion of a metropolitan area. Such PHAs should receive the same number of points under the partnership incentive as PHAs that join together to achieve this result.

[8] For example, PHAs could be required to address problems identified in the "Analysis of Impediments to Fair Housing" component of the Consolidated Plan.

FMR (or HUD-approved exception rent), cost burdens could be very substantial. High cost burdens could deter families from renting in such areas or make it difficult for them to remain stably housed, undermining the success of the program.

We recommend that applicants be required to demonstrate that they have adopted policies that make it reasonably likely that eligible families can find housing in areas with good job access without paying more than 40 percent of their income in rent and utilities - the standard for new renters with vouchers under the Quality Housing and Work Responsibility Act of 1998.

In addition, the NOFA should remind PHAs of their ability to link up to 15 percent of their portfolio of vouchers to specific developments. Sometimes known as "project-basing," this technique can provide incentives to construct or rehabilitate housing developments in job-rich areas, helping to ensure the availability of affordable well-located units. For example, an applicant could tie some vouchers to new units financed through federal- or state-funded production programs, such as the low-income housing tax credit or the HOME block-grant program. If these developments were located in areas with employer need and a high demand for low-skilled labor, they could substantially further the success of the applicant's welfare-to-work voucher program.

Ensuring that Vouchers are Provided to Needy Areas

In selecting PHAs to receive welfare-to-work vouchers, we assume that HUD will consider the relative need for the requested assistance among the families residing in the area each PHA serves. We encourage HUD to take this factor into account. There are many legitimate ways to calculate this "need" for assistance, and we do not at this time express a preference for one measure over another.[9] We do, however, urge HUD to require that the population served by each PHA winning the competition match the population used to calculate the relative need of that PHA for assistance.

In some past competitions, including those using the "fair share" method, HUD has analyzed the need of applying PHAs with reference to the housing needs of the entire metropolitan area but then permitted a winning PHA to establish a preference

[9] Our one observation in this regard is to suggest that in developing a formula for calculating an area's "need" for housing assistance, HUD focus both on the *proportion* of the eligible population with unmet housing needs and the *absolute number* of such needy families in the area. The population eligible for the new welfare-to-work vouchers consists of current or recent recipients of welfare assistance and families eligible for such assistance. If sufficient data on the housing needs of these families are not available, HUD could use data on the unmet housing needs of families with children with incomes at or below 30 percent of the area median income; that should provide a reasonable proxy.

for families already residing in the PHA's service area, thereby effectively restricting assistance to those residing in a particular subsection of the metropolitan area. This can have the effect of diverting subsidies from families residing in poorer communities with greater housing needs. Particularly in light of the limited number of PHAs likely to receive welfare-to-work vouchers, it is important to ensure that each winning PHA accepts applications from the broadest possible area and treats all residents of the PHA's metropolitan area fairly and equally.

There are a number of potential solutions to this problem. HUD could specify that a PHA may not utilize a residency preference in selecting recipients of welfare-to-work vouchers that accords preference to residents of any area smaller than the metropolitan area. (PHAs *could* give preference to residents of the metropolitan area over non-residents of this area.) Alternatively, HUD could provide that the relative need of an applying PHA for assistance will be judged based on the need for housing assistance among eligible families (or some close proxy) residing in the area to which the PHA accords a residency preference. Under this option, the housing need of a PHA that chooses to use a local residency preference would be judged based on the need of the area the preference covers. By contrast, the housing need of a PHA without a residency preference would be judged based on the metropolitan or non-metropolitan area in which it is located.

Applying Income Targeting Separately to the Welfare-to-Work Voucher Program

Under the recently enacted housing legislation, PHAs must provide at least 75 percent of newly available housing vouchers - which includes both new housing vouchers and existing housing vouchers that become available through turnover - to households with incomes below 30 percent of the area median income (AMI). One question HUD needs to decide is whether a housing authority that administers both welfare-to-work vouchers and regular housing certificate and voucher programs will be expected to meet this income targeting requirement separately for each program (*i.e.*, separately for the welfare-to-work voucher program and the regular certificate and voucher programs) or for its portfolio of housing vouchers as a whole.

We believe the income targets should apply separately to each program. Permitting housing authorities to count families granted welfare-to-work vouchers toward their overall targeting requirements could dilute substantially their obligation to provide poor families with at least 75 percent of their existing voucher stock (as it becomes available through turnover). Consider, for example, a PHA with a portfolio of 4,500 regular vouchers that receives 500 new welfare-to-work vouchers. Assuming ordinary turnover percentages apply, about 500 of the PHA's existing vouchers would become available each year through turnover. If all 500 of the welfare-to-work vouchers were issued to families with incomes below 30 percent of AMI[10] and compliance with the targeting requirements were measured solely by reference to the combined turnover and welfare-to-work voucher portfolio, the PHA could satisfy its overall targeting obligations by providing only *half* of its 500 turnover vouchers to families below 30 percent of AMI, instead of the 75 percent that the new legislation would otherwise require.

Welfare-to-work vouchers should not substitute for turnover vouchers that otherwise must be used for families with incomes below 30 percent of AMI. Such a substitution would free up turnover vouchers for families that are much further up the income scale and are not moving from welfare to work.

Permitting Applicants to Contract Out Housing or Other Services

The NOFA should provide that applicants may sub-contract for provision of any or all services to participating families to third-parties, including services normally provided by PHAs. Contracting out services could be a good option where applicants lack in-house experience in providing desired services. This option also could be useful for PHAs that expect to be at a disadvantage in the competition due to low management ratings. While HUD understandably takes management ratings into consideration in determining whether to provide additional funds to a PHA, this policy can hurt needy families that live in the area served by a low-rated PHA. By encouraging or requiring a PHA with low management ratings to contract out administration of the program to a third party, HUD would avoid throwing good money after bad while still giving families served by the poorly-rated PHA a fair chance at receiving assistance.

Facilitating Program Evaluation

Congress has directed HUD to track the success of the welfare-to-work voucher program in helping families obtain and retain employment and to prepare a formal evaluation. This evaluation could be important in testing the assumption that housing vouchers help families secure and retain employment, in measuring the comparative merits of different approaches for using housing vouchers to promote employment, and in demonstrating the need for more welfare-to-work vouchers in the years ahead.

---

[10] To participate in the welfare-to-work voucher program, a family must be eligible to receive, currently receiving, or a recipient within the past two years of, federal or state welfare funds related to the TANF program. We expect that all, or virtually all, of the participants in most areas will have incomes below 30 percent of AMI.

Given the importance of the program evaluation from both a political and a policy perspective, we urge HUD to design the NOFA in a way that facilitates the program evaluation. HUD also may wish to consider evaluation objectives in selecting applicants to participate in the program. To succeed in the competition, applicants should be required to agree to participate in the evaluation. In addition, depending on the needs of the evaluators, HUD may wish to reward applicants that demonstrate a willingness to go the extra mile in helping the evaluation succeed (*e.g.*, by offering to participate in a controlled experiment or to commit local funds to an in-depth local evaluation).[11]

[11] A controlled evaluation may require access to confidential information maintained by welfare agencies. PHAs would need to demonstrate that they had secured the cooperation of the welfare agency in obtaining the necessary information.