S+C/HRHA and S+C/202, HUD will not make any upward revisions to the amount obligated for any approved assistance.

HUD may deobligate all or a portion of the amounts approved for rental assistance if the proposed housing for which funding was approved or the supportive services proposed in the application are not provided in accordance with the approved application and the requirements of these Guidelines. The grant agreement may set forth other circumstances under which funds may be deobligated, and other sanctions may be imposed.

HUD may readvertise the availability of funds that have been deobligated in a notice of fund availability, or may reconsider applications that were submitted in response to the most recently published Notice of Funds Availability and select applications for funding with the deobligated funds. Such selections would be made in accordance with the selection process described in these Guidelines. Any selections made using deobligated funds will be subject to applicable appropriation act requirements governing the use of deobligated funding authority.

## XVI. Waivers

The Secretary may waive any requirement in this Notice that is not required by law, whenever it is determined that undue hardship will result from applying the requirement, or where application of the requirement would adversely affect the purposes of the S+C Program. Each waiver will be in writing and will be supported by documentation of the pertinent facts and grounds. The Secretary periodically will publish notice of granted waivers in the **Federal Register.**

## XVII. Other Matters

The collection of information requirements for this program were submitted to OMB for review under Section 3504(h) of the Paperwork Reduction Act of 1980. Information on these requirements is provided as follows:

| Description | Number of rspndnts. | Responses/ per rspndnt. | Total ann. responses | Hours/ response | Total hrs. |
|---|---|---|---|---|---|
| S+C/HRHA: | | | | | |
| Application | 200 | 1 | 200 | 40 | 8,000 |
| Env. review | 75 | 1 | 75 | 14 | 1,050 |
| S+C/SRO: | | | | | |
| Application | 100 | 1 | 100 | 40 | 4,000 |
| Env. review | 15 | 1 | 15 | 14 | 210 |
| S+C/202: | | | | | |
| Application | 100 | 1 | 100 | 40 | 4,000 |
| Env. review | 15 | 1 | 15 | 14 | 210 |
| Total annual burden | | | | | 17,470 |

These guidelines would not constitute a "major rule" as that term is defined in section 1(d) of the Executive Order on Federal Regulations issued by the President on February 17, 1981. An analysis of the guidelines indicates that it would not (1) have an annual effect on the economy of $100 million or more; (2) cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) have a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969. The finding is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, room 10276, 451 Seventh Street SW., Washington, DC 20410.

These guidelines were listed in the Department's Semiannual Agenda of Regulations published at 55 FR 44530 on October 29, 1990, under Executive Order 12291 and the Regulatory Flexibility Act.

The General Counsel, as the designated official under Executive Order 12606, *The Family*, has determined that some of the policies in these guidelines will have a potential significant impact on the formation, maintenance, and general well-being of the family. Participation of homeless families in the program can be expected to support family values, by helping families remain together; by enabling them to live in decent, safe, and sanitary housing; and by offering the supportive services that are necessary to acquire the skills and means to live independently in mainstream American society. Since the impact on the family is considered to be a beneficial one, no further review is necessary.

The General Counsel has also determined, as the Designated Official for HUD under section 6(a) of Executive Order 12612, *Federalism*, that the provision in these guidelines requiring applicants to assume the responsibilities for environmental review, decisionmaking, and action under NEPA and other environmental authorities has Federalism implications. While the assignment of these responsibilities under section 104(g) of the Housing and Community Development Act of 1974 is discretionary with HUD, it is authorized by and clearly the intent of section 443 of the McKinney Act. Therefore, the policy is not subject to review under Executive Order 12612.

In accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the undersigned hereby certifies that these guidelines would not have a significant economic impact on a substantial number of small entities. They would govern the procedures under which HUD would make rental assistance available to applicants under a program designed to house and provide supportive services to homeless persons with disabilities.

Dated: January 28, 1991.

Jack Kemp,

*Secretary.*

[FR Doc. 91-2405 Filed 2-1-91; 8:45 am]

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federal register

Monday
February 4, 1991

# Part XIV

# Department of Housing and Urban Development

## Office of the Secretary

**HOPE for Elderly Independence Program Guidelines; Notice**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Office of the Secretary

[Docket No. N-91-3195; FR-2957-N-01]

RIN 2501-AB05

### HOPE for Elderly Independence Program Guidelines

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice of program guidelines under 42 U.S.C. 8012.

**SUMMARY:** This Notice provides HUD's guidelines, for a national competition, to implement the HOPE for Elderly Independence Demonstration Program (Elderly Independence demonstration). (HOPE is an acronym for Homeownership and Opportunity for People Everywhere.) The Elderly Independence demonstration is a five-year program authorized by section 803 of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625, enacted November 28, 1990). The purpose of this demonstration is to test the effectiveness of combining tenant-based rental housing certificates and rental vouchers with supportive services to assist frail elderly people living in the general community who are not receiving rental subsidies and who currently require this combined assistance to remain living independently, and avoid premature or unnecessary institutionalization.

The authorizing legislation provides that requirements for the Elderly Independence demonstration are to be established by publication of a notice. Although the Guidelines will be effective upon publication, the Department nevertheless invites public comment to assist in developing rules in the event that the Elderly Independence demonstration becomes a permanent program. Should serious concerns about the program arise in the comments or during the operation of the first year of the demonstration, a revised Notice will be published to provide guidance for the second round of funding. (The authorizing legislation also provides for implementation of a single multifamily project demonstration in one Federal region. Guidelines for this program will be presented in a separately published notice.)

When Congress appropriates rental certificates, rental vouchers and supportive services funds for this program, HUD will publish a Notice of Fund Availability (NOFA) that will provide potential applicant agencies with details regarding where to obtain application packages. The NOFA will specify whether the Elderly Independence demonstration will utilize rental certificates or rental vouchers and will establish appropriate deadlines and other requirements for submission of applications.

**DATES:** Effective date: February 4, 1991. Comment due date: April 5, 1991. Interested persons are invited to submit comments regarding these guidelines to the Office of General Counsel, Rules Docket Clerk, room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410. Communications should refer to the above docket number and title. A copy of each communication submitted will be available for public inspection and copying during regular business hours (7:30 a.m.–5:30 p.m. Eastern Time) at the above address. As a convenience to commenters, the Rules Docket Clerk will accept brief public comments by facsimile ("FAX") machine. The telephone number of the FAX receiver is (202) 708-4337. (This is not a toll-free number.) Only public comments of six or fewer TOTAL pages will be accepted via FAX transmittal. This limitation is necessary to assure reasonable access to the equipment. Comments sent by FAX in excess of SIX pages will NOT be accepted. Receipt of FAX transmittals will not be acknowledged, except that the sender may request confirmation of receipt by calling the Rules Docket Clerk at (202) 708-2084. Hearing-impaired individuals may reach the Rules Docket Clerk by calling the TDD number, (202) 708-3259. (These are not toll-free numbers.)

**FOR FURTHER INFORMATION:** For general information concerning the supportive services component of the Elderly Independence demonstration, contact Jerold S. Nachison, Housing for Elderly and Handicapped People Division, Office of Elderly and Assisted Housing, Department of Housing and Urban Development at (202) 708-3291. (This is not a toll-free number.) For general information concerning the Section 8 component of the Elderly Independence demonstration, contact Gerald J. Benoit, Rental Assistance Division, Office of Elderly and Assisted Housing, Department of Housing and Urban Development at (202) 708-0477. (This is not a toll-free number.) Hearing-impaired individuals may reach either Mr. Nachison or Mr. Benoit by calling the TDD number of the Federal Information Relay Service, 1-800-877-TDDY, and requesting a transfer to either of them.

**SUPPLEMENTARY INFORMATION:**

### Paperwork Burden

The information collection requirements contained in this notice have been submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1980. When these requirements have been approved, a notice will be published to that effect in the **Federal Register**. Until that time, no person may be subjected to a penalty for failure to comply with the information collection requirements.

Comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, will be accepted for 30 days. They should be sent to the Department of Housing and Urban Development, Rules Docket Clerk, 451 Seventh Street, SW., room 10276, Washington, DC 20410, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20530. The public reporting burden for the collection of information requirements contained in this Notice are estimated to include the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed to both apply for the grants and report to HUD on a regular basis (if funded), and for completing and reviewing the collection of information. Information on the estimated reporting burden is provided in this document under the heading "Other Matters."

### Background

Section 803 of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625, enacted November 28, 1990) (the Act) creates HOPE for Elderly Independence, a five-year demonstration program, the purpose of which is to test the effectiveness of combining rental certificates and rental vouchers with supportive services for frail elderly persons living in the community who are eligible for Section 8 assistance, but who are not currently receiving any form of housing assistance. HUD recognizes that the Act allows the Elderly Independence demonstration to include assistance for frail elderly persons already receiving rental subsidies, but has determined that, in order to achieve the purposes of this demonstration, frail elderly persons currently receiving housing assistance will not be eligible.

HUD is authorized to enter into contracts with eligible public housing agencies (PHAs) to provide tenant-based rental vouchers and rental certificates to frail elderly individuals living in the community who are eligible for such rental assistance. During the five-year period, housing assistance must be combined with the supportive services that a frail elderly person needs to remain in an independent community setting. Up to 40 percent of the cost of the supportive services will be provided by HUD grants.

The Elderly Independence demonstration under this Notice provides assistance for frail elderly persons who have incomes of 50 percent or less of the median income for that area. At the time they are offered assistance, such persons will live in an unsubsidized dwelling unit, which may or may not already meet housing quality standards. They will usually live alone and have a minimal informal support network (e.g., no family or close friends within a one-half hour's drive). For the purposes of the Elderly Independence demonstration, there is both a test for income eligibility under Section 8 and a test for deficiencies in at least three Activities of Daily Living. During the five-year term of this demonstration, HUD will examine whether providing combined housing assistance and supportive services to frail elderly persons is effective in enabling these individuals to remain living independently, thus avoiding premature or unnecessary institutionalization.

**Summary of Program Features**

Under the Elderly Independence demonstration, HUD will provide five-year supportive services grants and rental certificate or rental voucher housing assistance to selected PHAs. Funds for tenant-based Section 8 housing assistance will be obligated by the Annual Contributions Contract (ACC) with the PHA. Funds for the supportive services grants will be obligated by the supportive services grant instrument. Each of these instruments will be executed separately.

Selection of PHAs to participate in the Elderly Independence demonstration will be by nationwide competition under selection criteria described in these guidelines and a Notice of Funding Availability (NOFA) to be published when funds for this program are made available.

It is HUD's intention to demonstrate in this program a new model of providing housing assistance and supportive services to frail elderly individuals. It is an approach which HUD expects will work—and, through a carefully executed and successful demonstration—will grow into a major approach for providing housing assistance and supportive services for frail elderly persons. HUD expects to show that effectively targeted and tailored supportive services, coupled with tenant-based housing assistance to those who are frail, can serve a maximum number of frail elderly with the limited resources available, and prevent the premature or unnecessary institutionalization of these persons. Thus, it is expected that cost efficiency resulting from the ability of the PHA to craft a flexible program, limited to the supportive services needed by each program participant, will result in the maximum number of frail elderly persons satisfactorily served with both housing assistance and supportive services. It also will result in cost savings compared to institutional forms of care. Therefore, HUD expects to fund the best possible proposals with innovative and cost efficient ideas.

Supportive services shall be combined with rental housing assistance provided under the Elderly Independence demonstration. The program participant shall be provided with supportive services which are needed by the program participant to remain in an independent community setting, and avoid unnecessary or premature institutionalization. HUD will provide funds to cover housing assistance and up to 40 percent of the cost of necessary supportive services for a five-year demonstration period. PHAs must match the HUD supportive services funds with at least 50 percent of the total cost of the supportive services estimated to be necessary by the PHA and approved by HUD. Program participants must pay 10 percent of the total cost of the supportive services, up to a maximum of 20 percent of adjusted gross income (the income used to determine family share of rent under the rental certificate and rental voucher regulations). A PHA may waive the fee for a program participant who does not have any adjusted gross income. In cases where program participants are not required to pay the full 10 percent of the supportive services costs in fees, the PHA and HUD will share any shortfall on a 50/50 percent basis.

The PHA will develop a supportive services plan and a case management and assessment plan as part of the application, in consultation with the Area Agency on Aging (which will provide in the application a letter to HUD describing its involvement with the proposed project). The supportive services include those supportive services which address the special needs of frail elderly individuals and have been approved by the Secretary. It is HUD's intention that the supportive services program shall provide the minimal level of supportive services necessary for a program participant to retain independence. It also is HUD's intention that the case management/assessment system shall be designed to enhance the ability of the program participant to be involved in the decisions determining necessary supportive services. This involvement will facilitate the most effective tailoring of supportive services to the individual program participant and thus foster the program participant's continued independence, to the extent possible, and avoid dependency.

A frail elderly person who is found to be deficient in at least three Activities of Daily Living, as defined in these guidelines, will be offered a tenant-based rental voucher/rental certificate linked to the appropriate supportive services.

Section 803(e)(3) of the Act provides that no more than 10 percent of either the funds available for housing assistance or the funds available for supportive services be used for a demonstration project for any one PHA.

PHAs must provide supportive services to program participants for the full term of the supportive services grant, except that the supportive services will be discontinued in cases where the program participant ceases to participate in the Elderly Independence demonstration. In cases where a program participant no longer needs supportive services or chooses to no longer participate in the Elderly Independence demonstration, the rental certificates/rental vouchers will not be affected. PHAs must continue the section 8 assistance to the participants at the end of the 5-year demonstration, and also must provide a plan for continuing the supportive services for program participants at the end of the 5-year demonstration period.

A PHA may use in any one year up to 20 percent of the supportive services funds. However, if a PHA does not use 20 percent in any year, excess from that year's allocation is available for use in future years. This should allow sufficient flexibility for tailoring the program to a changing array of housing and services needs for individuals over time.

Under the demonstration, assistance will be provided for frail elderly individuals on the PHA's section 8 waiting list or, if an insufficient number of individuals are on the waiting list, through an outreach effort in the community, in accordance with section 8 regulations. Elderly persons must apply to the PHA for certificate or voucher assistance through the normal application process. If eligible for a rental voucher/rental certificate, the elderly individual then must be assessed for degree of frailty by a Professional Assessment Committee, or by a local agency which provides such services for the community. This assessment will determine the individual's eligibility for participation in the Elderly Independence demonstration. An elderly individual who is determined not deficient in at least three Activities of Daily Living, and, therefore, ineligible for the Elderly Independence demonstration, shall not lose his or her place on the waiting list for a regular rental voucher or rental certificate.

In order that supportive services can be delivered in an efficient and cost effective manner, the PHA may define a geographic area in which a program participant must live that is smaller than the total geographic area covered by the PHA. Program participants may live in a variety of dwelling units, but these dwelling units must meet the section 8 Housing Quality Standards and other rental voucher/rental certificate program requirements. A program participant may remain in his or her current dwelling unit if the unit is in the geographic area defined by the PHA (if any) and meets all the requirements of the rental certificate/rental voucher program.

### Other Matters

These guidelines do not constitute a major rule as that term is defined in section 1(b) of the Executive Order on Federal Regulations issued by the President on February 17, 1981. An analysis of the guidelines indicates that it would not (1) have an annual effect on the economy of $100 million or more; (2) cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies or geographic regions, or (3) have a significant adverse effect on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

In accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the undersigned hereby certifies that the guidelines would not have a significant economic impact on a substantial number of small entities. These guidelines would govern the procedures under which HUD would make housing assistance available to applicants under a program designed to house and provide supportive services to frail elderly persons.

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implements section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, room 10276, 451 Seventh Street, SW., Washington, DC 20410. HUD has determined that an environmental assessment under the National Environmental Policy Act of 1969 of applications under this demonstration is not required because the Section 8 assistance is categorically excluded from environmental assessment, and the supportive services will involve little or no physical change. HUD intends to categorically exclude applications from environmental assessment by issuing a final rule amending 24 CFR part 50 at the time the Notice of Fund Availability for the demonstration is issued. HUD is in the process of consulting with the Council on Environmental Quality (CEQ) on this matter, in accordance with CEQ regulations that require such consultation when an agency issues or revises its environmental regulations.

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that the policies contained in these guidelines may have a significant impact on the maintenance and general well-being of some families. The Elderly Independence demonstration can be expected to provide additional decent and sanitary housing for frail elderly individuals. Further, the supportive services provided by this program are expected to prevent or postpone unnecessary or premature institutionalization and thus reduce unnecessary stress and financial burden on participant's families. Since the impact on the family is considered beneficial, no further review is necessary.

The General Counsel, as the Designated Official under section 6(a) of the Executive Order 12612, *Federalism*, has determined that the policies contained in these guidelines do not have Federalism implications, and, thus, are not subject to review under the order. These guidelines are limited to providing the procedures under which HUD would make rental assistance available to applicants under a program designed to provide housing assistance and supportive services to frail elderly individuals.

### Public Reporting Burden

The information collection requirements contained in these guidelines have been submitted to the Office of Management and Budget under the paperwork reduction Act of 1980 (44 U.S.C. 3501–3502). The Department has determined that the following provisions contain information collection requirements.

TABULATION OF REPORTING BURDEN

| Info. collected | No. of respondents | Responses/ respondent | Total ann. responses | Hours/ response | Total hours |
|---|---|---|---|---|---|
| Initial application | 100 | 1 | 100 | 14 | 1400 |
| Budget formats | 25 | 1 | 25 | 3 | 75 |
| Quarterly rpts | 25 | 3 | 75 | 1.5 | 112.5 |
| Annual rpts | 25 | 1 | 25 | 3 | 75 |
| Application to elderly ind. prog | 1500 | 1 | 1500 | 4 | 6000 |
| Total annual burden | | | | | 7662.5 |

Accordingly, the Department adopts the following guidelines as the HOPE for Elderly Independence Program Guidelines

## HOPE for Elderly Independence Program Guidelines

*Table of Contents*

## I. Introduction

### *A. Purpose and Scope*

These guidelines implement HOPE for Elderly Independence, a five-year demonstration program authorized by Section 803 of the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 101-625, enacted November 28, 1990). The purpose of the Elderly Independence demonstration is to test the effectiveness of a program that combines tenant-based rental certificates and rental vouchers with supportive services for frail elderly individuals who are not currently participating under any Federal, State or local housing program. Housing assistance and supportive services funding will be provided subject to the availability of appropriations.

### *B. Summary*

The key elements of the Elderly Independence demonstration are as follows:

*1. Housing Assistance.* HUD will provide 5-year funding for rental certificates/rental vouchers to selected PHAs. Program participants may receive tenant-based rental subsidies in accordance with the requirements for these programs.

If interested in applying for the demonstration, a PHA may apply for not more than 10 percent of the rental certificates/rental vouchers provided for this demonstration. This will be combined with an application for supportive services funds under the Elderly Independence demonstration.

*2. Supportive Services.* HUD will provide supportive services grants to selected PHAs which will provide, or see to the provision of, appropriate supportive services for frail elderly individuals living in the community. The supportive services grant is to be used for the period commencing on the date of enactment of the Act and ending on the last day in the fifth year of the demonstration period. These supportive services funds are provided to the PHA together with funding for the rental certificate or rental voucher assistance. The supportive services to be provided are those minimally necessary to insure that program participants retain their independence and avoid unnecessary or premature institutionalization. Supportive services funds requested in any one application shall not be for more than 10 percent of the funds available.

*3. Matching Funds.* Fifty percent of the cost of the supportive services that are needed for program participants must be paid for from sources other than the supportive services grant. The PHA must ensure such funding. This portion of costs must be provided by either the PHA directly or by other sources. The PHA and third party providers must provide firm certification with committed dollar amounts for the first year of the demonstration period, and will be required to do so annually thereafter, as part of the annual program/budget review.

*4. Participant Fees.* The PHA must assure that each program participant will pay at least 10 percent of the cost of the services received, up to a limit of 20 percent of adjusted gross income. This requirement may be waived by the PHA in cases where that individual does not have any adjusted gross income (income used to determine family share of rent under the rental certificate and rental voucher regulations). In cases where program participants are not required to pay a full 10 percent of the supportive serviced costs, 50% of the shortfall will be paid for from the supportive services grant funds. The balance will be paid for by the PHA from other sources.

*5. Professional Assessment Committee.* The PHA may establish a voluntary Professional Assessment Committee (PCA). The PAC must be composed of at least one qualified medical professional and two others professionally competent to assess functional dependence in the elderly. The PHA may opt, alternatively, to develop a formal relationship with a local agency, e.g., a County Health Department Geriatric Assessment Service, to perform assessments of elderly individuals for eligibility for this program, and assessments of the services needed by each individual to remain independent. The PAC or other entity performing this function must work with the Service Coordinator and the program participant to assure that:

a. The services are effectively tailored to that individual and provide the minimum supportive services needed for that frail elderly individual to remain independent; and

b. The program participant is involved in the decision process in a manner that promotes his or her independence, rather than dependence.

Each program participant must be income eligible for the Section 8 program, at least 62 years of age and deficient in at least three Activities of Daily Living.

### *C. Applicability of Other Program Requirements*

All Section 8 Rental Voucher and Rental Certificate program regulations and requirements are applicable to the Elderly Independence demonstration. Pursuant to section 803(b) of the Act, the PHA may restrict availability of participation in the demonstration program to a geographic area, where necessary to assure that the provision of supportive services is feasible. Where the PHA elects to designate a geographic area for this purpose during the demonstration period, the individual may only receive rental certificate or rental voucher assistance for rental of a dwelling unit in the designated geographic area. In such a case, the individual may not rent a dwelling unit anywhere else in the PHA's jurisdiction. In addition, the rental certificate or rental voucher does not have portability rights pursuant to Section 145 of the Housing and Community Development Act of 1987 (Pub. L. 100-242).

## II. Definitions

For the purposes of this program:

*Act* means Section 803 of the Cranston-Gonzalez National Affordable Housing Act.

*Activities of Daily Living (ADL)* as defined by the Secretary means eating, dressing, bathing, grooming and household management activities as further described below:

—Eating: May need assistance with cooking, preparing or serving food, but *must* be able to feed self;
—Bathing: May need assistance in getting in and out of the shower or tub, but *must* be able to wash self;
—Grooming: May need assistance in washing hair, but *must* be able to take care of personal appearance;
—Dressing; *Must be able* to dress self, but may need occasional assistance;
—Home Management Activities: May need assistance in doing housework, grocery shopping or laundry, or getting to and from one location to another for activities such as going to the doctor and shopping, but *must* be mobile. The mobility requirement does not exclude persons in wheelchairs or those requiring mobility devices.

*Applicant* means a Public Housing Agency (PHA), including Indian Housing Authorities, applying for Section 8 funding and a supportive services grant under the Elderly Independence demonstration.

*Area Agency on Aging* means the single agency designated by the State Agency on Aging to administer the program described in Title III of the Older Americans Act of 1965, as amended (45 CFR chapter 13).

*Assistant Secretary* means the Assistant Secretary for Housing-Federal Housing Commissioner.

*Case Management* means implementing the processes of: establishing linkages with appropriate agencies and service providers in the general community in order to properly tailor the needed services to the program participant; linking program participants to providers of services that the participant needs; developing and monitoring of case plans in coordination with a formal assessment of services needed; and educating participants on issues including, but not limited to supportive service availability, application procedures and client rights.

*Demonstration Period* means the five-year period beginning on the date of enactment of the Act and ending upon the expiration of the five year period beginning on the date of enactment of the Act.

*The Elderly Independence demonstration* means the HOPE for Elderly Independence Demonstration Program authorized by section 803 of the Act.

*Fair Market Rent (FMR)* means the rent, including utilities (except telephone), ranges and refrigerators and all maintenance, management and other services, which would be required to be paid, in order to obtain privately owned, existing, decent, safe and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. Separate FMRs are published annually by HUD for dwelling units of varying sizes (number of bedrooms) in the **Federal Register** in accordance with 24 CFR 888.

*Frail Elderly Person/Individual* means an elderly person deficient in at least three ADLs and income eligible for the Elderly Independence demonstration.

*Geographic Area* means that portion of the PHA's jurisdiction to which the Elderly Independence demonstration has been restricted to ensure an efficient and effective supportive service delivery system.

*Grants Officer* refers to the individual delegated the authority by HUD to execute and administer the supportive services grant instrument on behalf of HUD. Only the grants officer may authorize deviations by the PHA from the terms and conditions of the supportive services grant, including deviations from program requirements.

*HUD* means the Department of Housing and Urban Development.

"Program Participant" means a frail elderly person who has been admitted to the Elderly Independence demonstration.

*Professional Assessment Committee* (PAC) means a group of at least three persons appointed by the PHA which shall include at least one qualified medical professional and others professionally competent to appraise the functional abilities of frail elderly persons with respect to the performance of normal daily living activities.

*Public Housing Agency (PHA)* means the entity defined in Section 3(b)(6) of the United States Housing Act of 1937 (the 1937 Act), including Indian Housing Authorities as defined in Section 3(b)(11) of such Act.

*Rental Certificates* means a certificate issued by the PHA declaring a family to be eligible for participation in the Section 8 tenant-based Rental Certificate Program under 24 CFR part 882 and stating the terms and conditions for such family's participation. For the purposes of this program, rental certificates are only available to frail elderly persons. Units developed pursuant to 24 CFR 882, subpart G (Project-based Certificate Assistance), are not eligible.

*Rental Voucher* means a document issued by a PHA declaring a family to be eligible for participation under the Section 8 Rental Voucher Program and stating the terms and conditions for the family's participation under the Rental Voucher Program under part 887. For the purposes of this demonstration, rental vouchers are only available to frail elderly persons.

*Secretary* means the Secretary of the Department of Housing and Urban Development.

*Service Coordinator* means a social services staff person who is hired by the PHA or management company, or another third party contractor such as a local case management agency. The Service Coordinator is responsible for assuring through case management that program participants are linked to the supportive services they need to continue independent living.

*Supportive Services* means assistance which the Secretary determines addresses the special needs of frail elderly persons and may be provided directly by the PHA or through a third party provider with the assistance of the Service Coordinator. Such services include case management, personal care and grooming, transportation, meals, housekeeping, laundry, counseling, non-medical supervision, wellness programs, preventive health screening, monitoring of medication consistent with State law, and other requested supportive services essential for achieving and maintaining independent living, if approved by HUD.

*Service Provider* means a person or organization licensed or otherwise approved in writing by a State or local agency (e.g., Department of Health, Department of Human Services or Welfare) to provide supportive services. Such person or organization may provide the service on either a for-profit or not-for-profit basis.

*State Agency on Aging* means the single agency designated by the governor to administer the program designated under Title III of the Older Americans Act of 1965 (45 CFR chapter 13).

**III. Program Participant Eligibility, Selection, Termination**

*A. Program Participant Selection*

Rental housing certificates and rental housing vouchers will be made available to PHAs for the Elderly Independence demonstration in Fiscal Year 1991 and again in Fiscal Year 1992. Eligibility is limited to frail elderly applicants who are 62 years old; qualify as a very low income family (whose income generally does not exceed 50 percent of the median income for the area); and are not receiving any form of Federal, State or local housing assistance at the time of expressing an interest to the PHA in participating in the Elderly Independence demonstration. The PHA must establish a program participant selection preference for frail elderly individuals on the PHA's Section 8 waiting list. If there are not a sufficient number of eligible and potentially frail elderly individuals on the PHA's waiting list who qualify for selection for the demonstration, the PHA must advertise for frail elderly applicants to be added to the waiting list. If the PHA waiting list is closed, the PHA may open its list solely to frail elderly applicants for rental vouchers or certificates provided to the PHA for use in the Elderly Independence demonstration, and may also limit the number of applications accepted.

*B. Short-term Institutionalization*

If a program participant temporarily is unable to reside in a dwelling unit leased with rental certificate or voucher assistance under the Elderly Independence demonstration, due to severe illness or accident requiring short-term institutionalization, the PHA and the PAC, in consultation with the program participant and family, and involved doctors, shall determine whether there is a reasonable expectation that the individual will be able to return home to live in the dwelling unit. If not, the PHA may terminate the individual's eligibility for the supportive services under the Elderly Independence demonstration (see section VI.B.3.b. of these guidelines). The PHA must adopt a policy for termination and informal hearing procedures.

*C. Termination of Assistance for Supportive Services*

Termination of rental assistance shall be in accordance with 24 CFR 882.210 for the rental certificate program or 24 CFR 887.403 for the rental voucher program, as appropriate. If rental assistance is terminated in accordance with Section 8 requirements, the HUD-funded portion of the supportive services component also is terminated. Supportive services shall be terminated if the participant:

1. Gains physical and mental health, and is able to function without supportive services, even if only for a short time (in which case readmission to the supportive services component—based upon reassessment to determine degree of frailty—is acceptable).

2. Requires a higher level of care than that which can be provided under the Elderly Independence demonstration; or,

3. Refuses to pay rent and/or services fees.

The program participant shall be provided an informal hearing in accordance with the procedures in 24 CFR 882.216(b) under the rental certificate program and 24 CFR 887.405(b) for the rental voucher program.

*D. Interim Use of Section 8 Assistance*

Section 8 rental certificates and rental vouchers provided for the Elderly Independence demonstration program may be used for families on the PHA's Section 8 waiting list if the PHA determines that it will have an adequate number of rental vouchers or rental certificates available when needed in connection with the Elderly Independence demonstration. The PHA must develop a written plan to assure this availability prior to the interim use of the Section 8 Assistance.

*E. Participatory Agreement*

Each program participant must sign a participatory agreement regarding utilization of supportive services and payment of supportive service fees. The agreement must be renegotiated by the PHA at the time of annual rent recertification.

**IV. Housing Search and Neighborhood Restrictions**

The PHA must amend, if appropriate, its Equal Opportunity Housing Plan and Administrative Plan to address special assistance for program participants to locate suitable housing. Any costs associated with either the "search and locate" process or the physical move itself may not be paid with supportive services funds under the Elderly Independence demonstration.

A PHA may, at its option, define a geographic area within the jurisdiction that it serves in which potential program participants must live. The PHA must consider at least: The limits (if any) of the service area of the service providers which it proposes to utilize, including provision of supportive services by the PHA, and cost efficiency and effectiveness of such service delivery. A clear justification must be provided in the application for any geographic area proposed (other than the jurisdiction that the PHA normally serves), including maps with any relevant boundaries, and must provide a description of the nature and cost of the housing.

**V. Supportive Services**

PHAs must develop a plan to provide or secure supportive services appropriate to the needs of program participants. This plan should be developed in consultation with the Area Agency on Aging. Supportive services shall be coupled with 100 percent of the allocated rental certificates/rental vouchers.

The supportive services or funding thereof may be provided by State, local, public or private providers. PHAs may provide the services directly or subcontract with service providers in the community. The ability of HUD to provide funds to cover 40 percent of the cost of the supportive services is a key element enabling a Service Coordinator to put together an effective program of minimal supportive services tailored to the needs of each program participant, rather than completely depending only on the array of services potentially available through other sources.

The PHA must certify that the supportive services (see section XV of these guidelines) will be available for the 5-year Elderly Independence demonstration. The supportive services grant is for that period commencing on the date of the enactment of the Act and ending on the last day in the fifth year of the demonstration period. Also, the PHA and third party providers must provide firm certification with committed dollar amounts for the first year of the demonstration period, and will be required to do so annually thereafter, as part of the annual program/budget review. Finally, each PHA must provide a services plan estimating the type and nature of the services to be provided, and the estimated cost for each unit of service.

The Elderly Independence demonstration may fund only the minimum amount of supportive services needed by a program participant to remain independent and avoid unnecessary institutionalization. Program participants may buy additional services from the PHA at the cost to the PHA, if they wish, provided that the additional services do not put an undue burden on the management of that PHA's program.

The PHA also must obtain a letter from the Area Agency on Aging certifying to HUD that the costs of the supportive services proposed are reasonable and that they are consistent with the cost of other supportive service programs in that jurisdiction. This letter will be required with the application and during the annual program/budget review. The Area Agency also must detail the degree to which it is involved with the planning and proposed operations of Elderly Independence.

While HUD recognizes that the duration, types and intensity of services provided to program participants may change over time, each PHA must estimate the total value of services to be provided over the five-year life of the demonstration period in its application. The PHA shall provide a plan in the application for the continuation of the supportive services to program participants who will need them after the end of the demonstration period.

## VI. Assessment/Case Management Process

The assessment and case management process is the critical element in devising a successful program. There are two factors which HUD is especially interested in seeing expressed through the proposals. The first is the degree to which the case manager (Service Coordinator) is able to build relationships with agencies in the community to secure ongoing provision of supportive services and other necessary items for the program. The second is the degree to which the Service Coordinator can assist program participants to make their own choices, based upon needs and wants identified by the PAC assessment plus other supportive services the frail elderly individual may wish to purchase. The objective is for the Elderly Independence demonstration to provide only those services necessary for frail elderly persons to maintain independence and to avoid a situation in which supportive services prescribed by the PAC create dependence.

The PHA must define the case management and assessment processes. In cases where a community agency is charged with the responsibility for the role of the PAC (see section VI.B of these guidelines), it may not also simultaneously provide services to the program participants. The PHA must explain how the case management and assessment processes link program participants to housing and service providers, utilizing the following elements:

### *A. Service Coordinators*

A full-time Service Coordinator should be able to serve about 50–70 frail elderly individuals. (The PHA may hire a Coordinator for less than full-time.) The Service Coordinator may be hired directly by the PHA or contracted through a case management agency on a fee-for-service basis. If the Service Coordinator is a contracted-out function, the Service Coordinator may not work for a service provider agency which intends to simultaneously provide services to the PHA for the Elderly Independence demonstration.

For PHAs proposing to contract out to a third-party agency for a Service Coordinator, a copy of the contract must be included with the application, and the contract must include provisions containing, at a minimum: beginning and end dates of the contract; number and responsibilities of staff hired; rates of pay/costs of services to be provided; location of office(s) and an agreement to provide HUD access to the files; other documentation pertinent to the Elderly Independence demonstration; and other items necessary to conform to 24 CFR 85.36(i). Any contracts awarded under this subsection must conform to the policies and procedures stated at 24 CFR 85.36.

1. *Qualifications:* A Service Coordinator's work and educational experiences should meet the following minimum guidelines:

a. A Bachelor of Social Work or degree in a related field such as gerontology, psychology or counseling. A PHA may propose justification for hiring a person without a degree.

b. 2–3 years of experience in social services delivery with senior citizens or demonstrated working knowledge of supportive services and other resources for senior citizens in the jurisdiction where the demonstration is located.

c. Ability to advocate, problem-solve and provide results for the elderly served.

d. Demonstrated writing and organizational skills.

2. *Functions of the Service Coordinator:* a. Provides general case management and referral services to all applicants for the Elderly Independence demonstration. This involves intake screening upon referral of those income eligible frail elderly individuals from the PHA, and preliminary assessment of frailty, using a commonly accepted assessment tool. The Service Coordinator then will refer to the PAC those individuals who appear eligible for the Elderly Independence demonstration.

b. Establishes linkages and professional relationships with all agencies and service providers in the community; develops a directory of providers for use by demonstration program staff and program participants.

c. Completes for the PAC all paperwork necessary for the assessment, referral, case monitoring and reassessment processes; implements the case plan developed by the PAC and agreed to by the program participant. Maintains necessary case files on each program participant, containing such information and kept in such form that HUD shall require. Provides the files to PAC members upon request, in connection with PAC duties.

d. Refers program participants to service providers in the community, or those of the PHA.

e. Monitors the ongoing provision of services from community agencies and keeps the PAC and the agency providing the supportive service informed of the progress of the individual. If needed, the Service Coordinator may request reassessment of the individual by the PAC at intervals less than that stipulated in PAC operating procedures.

f. Educates program participants on such issues as application procedures, service availability, client rights.

g. Establishes volunteer support programs with service organizations in the community.

h. Assists the program participant build informal support networks with neighbors, friends and family.

i. Educates other PHA management staff on issues related to "aging-in-place" and services coordination, to help them to work with and assist other persons receiving housing assistance through the PHA.

3. *Assessment and Development of Case Plan.* Each frail elderly individual tentatively selected by the PHA must be assessed for degree of functional dependence before being accepted into the Elderly Independence demonstration. The assessment may be performed by a voluntary PAC, which handles the entrance into and the transition out of the Elderly Independence demonstration; development of case plans for that person; and regular reassessment of the individuals in the program. PAC members (except the Service Coordinator) may not be paid with Elderly Independence demonstration funds, but if the duties and responsibilities of the PAC are provided by a community agency, the agency's costs may be counted as matching funds. The PAC, upon completion of the assessment, must make a recommendation to the Service Coordinator for acceptance into (or denial of acceptance into) the Elderly Independence demonstration. In the case of an acceptance, the PAC must provide a case plan. Once an individual is accepted into the Elderly Independence demonstration, it is the responsibility of the Service Coordinator to take the case plan tailored to the needs of that individual and work with community agencies (or the PHA, if it is the service provider) to ensure that the services are provided on a regular, ongoing, and satisfactory basis.

Prior to actual acceptance into the Elderly Independence demonstration, the potential program participant must work with the PAC and the Service Coordinator in finalizing the supportive services plan. In finalizing this plan, the PAC must take into consideration the frail elderly individual's needs and wants and provide the minimum supportive services necessary to maintain independence—and not create dependence. Thus, the PAC, in situations where a frail elderly individual refuses to accept a supportive service recommended for maintaining independence, must determine whether that person may maintain independence without such supportive service and, therefore, still be able to participate in the Elderly Independence demonstration. Conversely, a program participant may request and pay for supportive services above and beyond those necessary for maintaining independence at the participant's expense, provided that this does not put an undue burden on the management of that PHA's program. The PHA will provide these services at the cost that it pays for them.

*B. Professional Assessment Committee*

Each PAC shall be composed of from three-to-seven members appointed by the PHA, at least one of which is a qualified medical professional, e.g., a physician or registered nurse. The Service Coordinator must be on the PAC. Other members must also be professionally qualified to appraise the functional abilities of frail elderly individuals in relation to the performance of the normal activities of daily living. The PHA (e.g., the Service Coordinator) may refer to the PAC those elderly applicants, in accordance with the PHA's approved tenant selection process, who are interested in applying for the Elderly Independence demonstration and have been screened for degree of frailty.

The PAC (or a community agency with which the PHA has a written agreement to do assessments and which provides such services for low income elderly in the general community) will assess the degree of frailty of elderly persons applying for the Elderly Independence demonstration, referred by the PHA. PHAs may develop an agreement with community agencies to do such assessments as an alternative to doing its own screening for frailty and setting up its own PAC. Such an agreement would include a letter of understanding between the PHA and the assessment center stating the roles, responsibilities and relationship of each to each other. It also must be signed by the executive officer(s) of both organizations. This letter must be included in the PHA's application to HUD. Such local agencies may include, but are not limited to: Geriatric Assessment Centers, Public Health and Veterans Administration facilities, County Health Departments, or similar private agencies.

Any elderly individual selected to participate in the Elderly Independence demonstration must be determined by the PAC (or the community agency serving as the PAC for the PHA) to be deficient in at least three ADLs as provided in paragraph B.2.b. of this section VI.

A PAC must establish operating procedures and establish case files for each frail elderly individual. The PAC must operate according to the following guidelines:

*1. General Operating Procedures.* a. Recommend to the Service Coordinator eligibility for entrance to, or transition out of the Elderly Independence demonstration.

b. Authorize or perform a medical evaluation, if necessary. This evaluation may be performed by a PAC medical professional, or the applicant to Elderly Independence may be referred to another agency in the community that will perform the evaluation without charge.

c. Recommend, and update as necessary, a supportive services plan for each frail elderly individual.

d. Be furnished with and retain information in files concerning program participants. The files should contain such information and be maintained in such form that HUD shall require.

e. Present written evaluations to the PHA.

f. Allow for program participants to appeal decisions related to entrance to, degree of participation needed, and transition out of the Elderly Independence demonstration.

*2. Specific Operating Procedures.* a. Perform a formal assessment of each potential program participant's deficiencies in performing the ADLs. This assessment shall be based upon the screening done by the Service Coordinator, and shall include a review of the adequacy of the informal support network (i.e., family and friends available to the potential participant to assist in meeting the ADL needs of that individual).

b. Clarify that the program participant needs assistance in at least three ADLs. The minimum requirements of ADL include:

(1) Eating: May need assistance with cooking, preparing or serving food, but *must* be able to feed self;

(2) Bathing: May need assistance in getting in and out of shower or tub, but *must* be able to wash self;

(3) Grooming: May need assistance in washing hair, but *must* be able to take care of personal appearance;

(4) Dressing: *must be able* to dress self, but may need occasional assistance;

(5) Home Management Activities: May need assistance in doing housework, grocery shopping or laundry, or getting to and from one location to another for activities such as going to the doctor and shopping, but *must* be mobile. The mobility requirement does not exclude persons in wheelchairs or those requiring mobility devices.

c. Perform a regular reassessment and updating of the supportive services plan of all participants.

d. Replace any members of the PAC within 30 days after such member resigns. A PAC should not do formal assessments if its membership drops below three, or if the qualified medical professional leaves the PAC and has yet to be replaced by the PHA.

e. Notify the PHA and program participants of any proposed modifications to PAC procedures and provide these parties with a process and reasonable time period on which to review and comment, prior to adoption.

f. Provide assurance of nondiscrimination in selection of Elderly Independence participants, with respect to race, religion, color, sex, national origin or type of handicap.

g. Provide complete confidentiality of information related to any individual examined, in accordance with the Privacy Act of 1974.

Procedures should ensure that any frail elderly person (and program participant upon reassessment) has the option of refusing offered services and requesting other supportive services as part of the case planning process. In the case of refusal of services, the PAC must determine the person's continued ability to live independently without the recommended service, with this determination being a consideration for the individual's entering into/remaining in the Elderly Independence demonstration.

In situations where an individual requests additional service(s), not initally recommended by the PAC, the PAC must make a determination of whether this request is legitimately a needs-based service which can be covered under the Elderly Independence demonstration subsidy.

*3. Eligibility/Admissions/Transition out Procedures.* a. Eligibility/admissions.

Before selecting frail elderly participants, each selected PHA (with PAC assistance) shall develop a supportive services application form for frail elderly individuals to use in applying for supportive services under the Elderly Independence demonstration. The information in the individual's supportive services application is crucial to the PAC's determination of the need for further physical and/or psychological evaluation of any individual who wishes to receive the supportive services offered. The application should include: any intake form, the ADL assessment, and any appropriate comments from both the applicant's physician and the Service Coordinator.

b. Transition out of Elderly Independence.

The PHA/PAC must develop procedures for providing for an individual's transition out of the Elderly Independence demonstration to another setting.

Such a transition is based upon the degree of supportive services needed by that individual to continue to live independently. A program participant can be transitioned out of the Elderly Independence demonstration under the circumstances described below. If that program participant is transitioned out of the program, but wishes to retain the section 8 assistance, he or she may do so, so long as he or she remains income eligible and continues to pay rent.

(1) Gains physical and mental health and is able to function without supportive services, even if only for a short time (in which case readmission to the supportive services component—based upon reassessment to determine degree of frailty—is acceptable).

(2) Requires a higher level of care than that which can be provided under the Elderly Independence demonstration; or,

(3) Refuses to pay rent and/or services fees.

A program participant leaving the demonstration may retain his or her rental certificate/rental voucher consistent with regulations of either the rental certificate or rental voucher programs.

### VII. Community Involvement

The PHA must involve the appropriate Area Agency on Aging (or State Agency on Aging if such state is not subdivided into Area Agencies) in the development of the supportive service program which includes: The assessment process for determining participation in the Elderly Independence demonstration; review of the application prior to its submission to HUD; and review of ongoing operations.

HUD encourages each PHA to also propose formation of an advisory committee involving the Area Agency on Aging and other outside agencies, including service providers. An advisory committee can be instrumental in insuring that ongoing operations lead to the most effective and efficient delivery of supportive services to the program participants. If an advisory committee is established, HUD recommends that it contain at least 5 members, including one from the Area Agency on Aging, and that all members have familiarity with the aging process, "aging-in-place" and the needs of frail elderly. If the PHA proposes to form such an advisory committee, the committee's roles and functions must be fully described in the application.

### VIII. Matching Funds

The PHA, directly or through third-parties, must provide 50 percent of the cost of the supportive services necessary for program participants. If a program participant pays less than 10 percent of the supportive services costs, the PHA must provide 50 percent of the program participant's share that the participant is not required to pay. All sources of matching funds must be directly related to the types of supportive services prescribed by the PAC. In determining potential sources of matching funds for the necessary supportive services, the PHA may include:

1. Cash (which may include funds from Federal, State and local governments, third party contributions, available payments authorized under Medicaid for specific individuals in Elderly Independence, grants or subgrants of funds originating from an Area Agency on Aging under the Older Americans Act and funds from local governments originating from either Community Development Block Grants or Community Services Block Grants). Funds from this supportive services program may not be used for match;

2. The dollar value of other agency or third party-provided direct services or staff who will work or provide services to program participants; these services must be justified in the application to assure that they are the services necessary to keep the program participants independent.

3. The dollar value of in-kind items (these are limited to 10 percent of the 50 percent matching amount), such as the current market value of donated furniture, material, supplies, equipment and food used in direct provision of services. The applicant must provide an explanation for the estimated donated value of any item listed and an explanation of why they are necessary to keep the program participants independent.

4. The value of volunteers to the program at a rate of $5.00 an hour. The value of PAC volunteer time CANNOT be counted for any time period estimate related to initial assessment of individuals before they are accepted into the Elderly Independence demonstration.

The PHA shall submit with its application a letter from each third party service provider (or supplier of donated services and/or equipment/supplies) documenting the firm availability of that source of matching funds and specifying discrete amounts and/or numbers of supportive service units and value to be provided during the year, if considered necessary by the PAC or other entity performing the assessment of the frail elderly individual participants' needs. PHAs also shall supply such documentation with each annual budget review in such form as specified by HUD and explain how many mismatches between the services committed and those needed by the participants have been corrected.

HUD will review the infusion of matching funds annually, as part of the program/budget review. If there are insufficient matching funds available to meet HUD requirements at any point after grant start-up, or at any time during the term of the demonstration (that is, match from sources other than program participant fees (see section IX of these guidelines) drops below 50 percent of total supportive services cost), HUD may decrease its share of supportive services funds accordingly. This adjustment will be done in the year subsequent to the year of the shortfall, so that the required ratio of HUD to non-HUD funds is maintained. Such determination may be reconsidered by HUD at such time that the PHA provides sufficient matching funds to eliminate any shortfall.

### IX. Program Participant Fees

Each program participant must pay a fee of 10 percent of the cost of the services, up to a maximum of 20 percent of adjusted gross income as defined in 24 CFR parts 813 or 887. In cases where a frail elderly individual does not have any adjusted gross income, the fee requirement may be waived by the PHA. The PHA is required to establish the supportive services fee amount at the time of the frail elderly individual's acceptance into the Elderly Independence demonstration, and to revise it, as appropriate, at each subsequent Section 8 recertification.

In cases where supportive service fees are set at less than 10 percent of adjusted gross income, the resulting difference shall be shared by the PHA and HUD on a 50–50 basis. Each PHA must certify that in the event there is such a shortfall it must (with its service providers) agree to provide an equal share of that shortfall, up to 50 percent.

**X. Maintenance of Existing Supportive Services**

In the application, the PHAs and supportive service providers must certify that they will maintain those existing supportive services the frail elderly person is already receiving and which the PAC says are needed to maintain independence. These services will be maintained for the time that individual remains in the Elderly Independence demonstration, unless the PAC or other entity performing the assessment determined that they are no longer needed. They do not qualify as matching funds. This certification must be provided annually, subsequent to the execution of the supportive services grant instrument, as part of the annual program and budget review, for any program participant who was receiving eligible supportive services at the time of the frail elderly person's application to the PHA to enter the Elderly Independence demonstration.

**XI. Other Program Components**

*A. Reserve Fund*

No more than two percent of the supportive services amounts appropriated under section 803(k) of the Act shall be available for supportive services in the event that a demand is made under section 303(c)(1)(D) of the Act (see section IX of these guidelines). Requests to utilize such funds by the PHA must be transmitted to HUD as part of the annual program/budget review. Adjustments only can be made by the PHA during the first six months of the annual budget cycle. These adjustments will be based on written requests in such form as HUD may require. Supportive services funds in the HUD reserve which are not used during the first six months of each annual review cycle shall be used for future supportive services grants.

*B. HUD Evaluation*

HUD intends to perform a thorough, long term evaluation of the Elderly Independence program. To help assure the quality of that evaluation, each PHA shall submit a certification with the application agreeing to cooperate with and provide requested data to the entity responsible for the program evaluation, if requested to do so by HUD.

*C. Recapture Authority*

Any PHA not providing supportive services within 12 months of the effective date of the Elderly Independence demonstration grant award may have its supportive services award terminated and funds recaptured by HUD. In such cases, the PHA will retain housing assistance funds under the ACC.

*D. Reports*

Each PHA will submit annual and quarterly reports to HUD in such form and timing as HUD may require. These reports will contain such information as the number and types of persons served, the amount and cost of services provided and the source of support for those services, the work load of the PAC and the service coordinator, and other relevant program data. At the end of year 1 of the demonstration, HUD will reassess the need for quarterly reports, and may adjust the reporting frequency as appropriate.

HUD will submit an annual report to the Congress which addresses, at a minimum, the number, race, ethnicity and gender of persons served (as required under Section 808(e)(6) of the Fair Housing Act of 1988 and Section 562 of the Community Development Act of 1987), the types and amounts of the minimum supportive services provided to keep program participants independent, the cost of such services and information regarding other items as required. An evaluation of the program will be developed over time.

**XII. Budget Submission/Services Costs**

Each PHA must submit a supportive services budget for the first year of supportive services delivery, and annually, thereafter, in such form that HUD requests in the application package. The budget for the first year normally will utilize less than 20 percent of the funds potentially available, due to start-up. Any utilization of less than 20 percent of supportive services funds in any year can be carried forward for use in later years. This budget submission is in addition to the budget documents submitted in accordance with Section 8 housing assistance requirements

For overall budget purposes, HUD has estimated that a full supportive service package could cost as much as $4,000 a year per person, of which HUD would pay approximately $1,600. Each applicant should specify their expected annual per person costs and explain how those costs were determined.

*A. Allowable Costs*

1. Allowable costs for the administrative fee and housing assistance payments are subject to the requirements of 24 CFR parts 882 and 887, and other program requirements.

2. Allowable costs for direct provision of supportive services include provision of supportive services noted in section II., above, and others approved by HUD. This includes direct hiring of staff, including a Service Coordinator, supportive service contracts with third parties, equipment and supplies (including food) necessary to provide services, and operational costs of a transportation service (e.g., mileage, insurance, gasoline and maintenance, driver wages, taxi or bus vouchers).

Allowable costs shall be reasonable, necessary and recognized as expenditures in compliance with the Office of Management and Budget's (OMB) Cost Policies, i.e., OMB Circular A–7, 24 CFR 85.36 and A–128. In-kind resources, per section VIII.3. of these guidelines, must be fully disclosed.

*B. Non-allowable Costs*

1. Section 8 costs are subject to 24 parts CFR 882 or 887.

2. The Elderly Independence demonstration supportive service funds may not be used to cover expenses related to any existing PHA program, service, or activity at the time of application to the Elderly Independence demonstration.

3. Examples of non-allowable costs under the supportive services portion of the program are:

a. Capital funding (such as purchase of a bus or van, buildings, related facilities or land).

b. Administrative costs such as: Annual fiscal review and audit, telephones, postage, travel, professional education, furniture and equipment, or a share of costs charged to the Elderly Independence demonstration for rent/lease, utilities, staff time.

c. Payments to PAC members (other than the Service Coordinator) or third party organizations providing that function, except that staff time supplied for this purpose by third party organizations can be counted as matching funds.

d. Purchase or lease of kitchen, dining room equipment or furnishings directly related to providing meals.

e. Cost of supportive services other than those approved by HUD.

f. Modernization, renovation or new construction of a building or facility.

g. Any cost related to the development of the demonstration application and plan of operations before the effective date of the Elderly Independence demonstration grant award.

h. Ongoing and regular care from doctors and nurses, including administering medication, purchase of medical supplies and medications, or any institutional forms of care.

i. Costs necessary to implement any plan to locate dwelling units in the designated jurisdiction for those frail elderly who either must and/or want to move in order to participate in the Elderly Independence demonstration.

j. The costs associated with the physical move of any frail elderly person who is moving to a new dwelling unit in order to participate in the Elderly Independence demonstration.

k. Other items as defined in the supportive services grant instrument and OMB Circular A–102.

**XIII. Nondiscrimination and Equal Opportunity**

PHAs serving the designated elderly and frail elderly population must comply with the nondiscrimination, equal opportunity, and affirmative outreach requirements as required by 24 CFR parts 882 and 887. It should be noted that Title VIII of the Civil Rights Act of 1968, as amended, is now the "Fair Housing Act."

**XIV. Other Federal Requirements**

*A. OMB Circulars and Administrative Requirements*

The policies, guidelines and requirements of OMB Circular No. A–87 and 24 CFR part 85 apply to the acceptance and use of assistance under this program by the PHA. PHAs are also subject to the audit requirements described in 24 CFR part 44 (OMB Circular A–128).

*B. Drug-Free Workplace*

PHAs must certify that they will provide a drug-free workplace, in accordance with the Drug-free Workplace Act of 1988 and HUD's implementing regulations at 24 CFR part 24, subpart F.

*C. Anti-Lobbying Certification*

Section 319 of Pub. L. 101–121 prohibits recipients of Federal contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government. A common rule governing the restrictions on lobbying was published as an interim rule on February 26, 1990 (55 FR 6736) and supplemented by a Notice published June 15, 1990 (55 FR 24540). The rule requires applicants, grantees and subgrantees of assistance exceeding $100,000 in budget authority to certify that no Federal funds have been or will be spent on lobbying activities in connection with the assistance. The rule also requires disclosures from applicants, among others, if nonappropriated funds have been spent or committed for lobbying activities if those activities would be prohibited if paid with appropriated funds. The law provides substantial monetary penalties for failure to file the required certification or disclosure.

*D. Debarred or Suspended Contractors*

The provisions of 24 CFR part 24 apply to the employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.

*E. Conflict of Interest*

In addition to the conflict of interest requirements in OMB Circular A–87 and 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the PHA and who exercises or has exercised any function or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or any proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties during his or her tenure or for one year thereafter. These requirements apply only to the supportive services grants.

**XV. Application Requirements**

All applications must contain at least the following information, in such form as HUD may require:

1. An SF–424, Request for Federal Assistance (this is not to be used for intergovernmental review, but for financial tracking purposes).

2. A description of the PHA's past experience in meeting the supportive service needs of the frail elderly, and other relevant experience, such as the ability to design and implement new programs.

3. A description of the size and characteristics of the frail elderly population in that jurisdiction and of their housing and supportive services needs. This description must include:

a. An estimate of the number of eligible frail elderly persons on the PHA's Section 8 waiting list and an outreach plan for identifying others, with a commitment to serve those on the waiting list first.

b. An estimate of the kind of supportive service needs expected among the population to be served and a description of the services currently available in the community to meet those needs.

4. A description of the proposed method of determining whether a person qualifies as a frail elderly person (specifying any additional eligibility requirements proposed by the agency) and of selecting frail elderly to participate, once they have completed the Section 8 tenant certification process. This description must include:

a. A commitment to establish a Professional Assessment Committee or utilize a local agency to provide such a service;

b. A description of the assessment and case management process that the PHA will utilize in accepting and for continued acceptance of program participants over time and how this process relates to their housing and tailored supportive service needs. The proposed PAC operational procedures must also include a transition component discussing what arrangements will be made for participants who become too frail to continue their participation in the Elderly Independence demonstration or become well enough to discontinue the services component.

c. Resumes of the proposed PAC members, a job description for the Service Coordinator, the agreement with the third-party agency if the Service Coordinator function is contracted-out, or, if possible, the resume of the individual proposed for hiring as the Service Coordinator by the PHA.

5. A description of the supportive services the PHA proposes to make available to the frail elderly persons to be served, the estimated cost of such services and a description of the resources that are expected to be available to cover the portion of the costs required by sections VIII and IX of these guidelines. This description must include:

a. A supportive services budget for each service and administrative cost related to the supportive services program for year one, and a cost estimate for subsequent years, in such form that HUD may require.

b. A written commitment from the PHA and each supportive service provider to make available all listed resources for the first year of the demonstration and assurances that these resources will be provided for the five years of the Elderly Independence demonstration. The PHA must also include a statement that, in cases where participants are certified to pay for less than 10 percent of the cost of supportive services, the PHA will share in the cost of the difference, up to 50 percent of the shortfall.

c. A statement of qualifications for each service provider proposed. Each supportive service provider shall certify that the supportive services will be available for the term of the demonstration and provide firm dollar commitments for the first year.

d. An explanation of how the PHA will modify the acquisition of supportive services over time to meet the needs identified by the individual assessments by the PAC or other entity as needed by the participants to remain independent.

e. A plan for the continuation of supportive services for program participants at the end of the demonstration period.

f. An explanation of the process for setting of participant fees and how the PHA will monitor fee collections.

g. A listing of each staff/service function proposed by the PHA for the supportive services component of the Elderly Independence demonstration and a job description of each position.

6. A plan for coordinating both the provision of housing and the provision of supportive services and the means for monitoring that plan.

7. A letter from the Area Agency on Aging (or the State Unit on Aging if that state is not subdivided) stating that the agency was involved in the development of the application and the supportive services plan, and describing the proposed role which the Area Agency will have during the life of the grant, if it is funded. The letter shall also state that the costs of the supportive services are reasonable, that the costs are consistent with other service programs in that jurisdiction, and identify plans for ongoing involvement and for review of program operations at regular intervals.

8. A justification of any geographic area to which the Elderly Independence demonstration may be limited by the PHA.

If the PHA exercises this option, it must state the limits of the service area of the service providers which it proposes to utilize, including provision of supportive services by the PHA, cost efficiency and effectiveness of such supportive service delivery, and include maps with any relevant boundaries.

If the PHA does not exercise the option to limit the size of the geographic area in which the Elderly Independence demonstration will operate, it must clearly state so in the application.

9. A description of the proposed Advisory Committee (if being utilized), its role, function, relation to the PHA and a description of its process for appointing and changing members.

10. Any additional information stipulated in the application package.

11. A Form HUD-52515, application for housing assistance under Section 8 of the 1937 Act, under 24 CFR 882.204 for a maximum of 130 efficiency or one-bedroom rental certificates or rental vouchers.

## XVI. Application Processing and Selection

At the time funding is appropriated for this program a Notice of Funds Availability will be published in the **Federal Register** containing the amounts of funds available, where to obtain and submit applications, the deadline for submissions, and further explanation of the selection criteria and the Field Office Review.

### *A. Technical Assistance During the Application Period*

HUD will provide limited technical assistance related to the supportive services portion of the application during the application period. HUD Headquarters staff will accept telephone calls to provide advice and guidance to potential applicants on application requirements and program policies. HUD expects that most questions will center around the following items: Matching funds, the assessment and case management process, eligible services, development of services plan and the budget. Call (202) 708-3291 for questions regarding the supportive services portion of the application, or (202) 708-0477 for questions regarding the Section 8 housing assistance portion of the application. (These are not toll-free numbers.) Hearing-impaired individuals should call the TDD number of the Federal Information Relay Service at 1-800-877-TDDY and request to be routed through to either of these numbers.

### *B. Review of Applications*

Each Section 8 and supportive services application will be screened for completeness and technical deficiencies prior to rating and ranking.

During the screening process, if HUD determines that an application has technical deficiencies involving items which are not necessary for HUD's evaluation/ranking, the PHA will be given 14 calendar days from written notification to correct the deficiencies. The purpose of this process is to assist applicants in submitting ratable proposals and not to provide for applications to be substantively improved once the application has been submitted.

All screened applications will be reviewed by a Headquarters panel, which includes staff of the Administration on Aging, Department of Health and Human Services.

Field Office staff will also review all applications after initial screening. This review will cover at least: Management capacity of the PHA to administer the Elderly Independence demonstration and the Section 8 Program, and prior experience in administering and/or coordinating the delivery of supportive services for the frail elderly. Field Office recommendations will be submitted to HUD Headquarters.

Final rating and ranking of the applications will be performed in Washington, DC.

### *C. Selection Criteria*

| Criteria | Maximum score |
|---|---|
| 1. The demonstrated ability of the PHA to develop and operate the proposed supportive services program in an efficient and effective manner, including the applicant's proposed contract monitoring capability, where appropriate, and including prior experience in serving frail elderly persons | 20 |
| 2. Overall PHA ability to administer the Section 8 rental certificate and rental voucher program, as evidenced by such factors as leasing rates, correct administration of housing quality standards, tenant rent computation, and rent reasonableness requirements. The degree of economic distress in the area | 20 |
| 3. The quality of the proposed supportive services program, including the adequacy of the approach to limiting the supportive services provided to each program participant to those minimally necessary to permit the participant to live independently | 20 |
| 4. The extent to which the proposed funding for supportive services is or will be available | 15 |
| 5. The need for a program providing both housing assistance and supportive services for frail elderly persons in the area to be served and the extent to which the program would meet the needs of the frail elderly which it proposes to serve | 15 |
| 6. The extent to which the Area Agency/State Agency on Aging is playing an active role in the supportive services program | 10 |
| Total | 100 |

### *D. Final Selection*

All applications will be rank-ordered by score.

## XVII. Announcement of Awards

The Secretary will announce the selection of awards for the Elderly Independence demonstration when the ranking process is completed. The Department will make preliminary reservations of the supportive services funds pending final certification and negotiation of the grants.

PHAs selected to participate in the Elderly Independence demonstration will receive written notification of HUD's intention to make available Section 8 housing assistance funds and supportive services funds under the Elderly Independence demonstration. These PHAs will be instructed on what negotiations that may be necessary to finalize the award, in such manner and in such time-frame that HUD may require.

The Secretary will also notify the public of all funding decisions made by the Department. The Secretary shall require any State or unit of local government to notify the public of the award or allocation of funding related to the Elderly Independence demonstration. The notification shall include the following elements for each funding decision:

—The name and address of each funding recipient;
—The name or other means of identifying the project, activity, or undertaking for each funding recipient;
—The dollar amount of the funding for each project, activity or undertaking;
—The citation to the statutory, regulatory, or other criteria under which the funding decision was made; and,
—Such additional information as the Secretary deems appropriate for a clear and full understanding of the funding decision.

HUD will also notify all non-selected applicants in writing.

## XVIII. Grant Agreement

The HUD Grants Officer will enter into the supportive services grant agreement on behalf of HUD with the grantee. HUD will hold the PHA responsible for the overall administration of the Elderly Independence demonstration. The grant agreement will require that the PHA:

—Operate the supportive services component of the Elderly Independence demonstration in accordance with these guidelines and applicable HUD program regulations;
—Assure the effective provision of supportive services to the program participants;
—Conduct an ongoing assessment of the housing assistance and supportive services required by the program participants; and
—Comply with any other such terms and conditions, including data and record keeping and submission of reports, that the Assistant Secretary may establish for the purposes of carrying out an effective Elderly Independence demonstration.

HUD will enforce the obligations of the agreement through such action as may be necessary, including the termination and recapture of supportive services funds awarded under the Elderly Independence demonstration.

## XIX. Obligation of Funds, Funding Amendments, and Deobligations

Upon approval of PHA applications, HUD will reserve housing assistance and supportive services funds for the selected PHAs under this demonstration the total five-year demonstration period. These funds are not obligated until the ACC and the grant agreement for supportive service funds are executed.

HUD may increase the amount awarded for supportive services in the initial obligation to meet its share of any shortfall in client fees at the time of the annual program/budget review.

HUD may deobligate all or a portion of the funds approved for supportive services if the proposed housing and supportive services for which funding is approved are not provided within 12 months of execution of the grant award. The supportive services grant award may set forth in detail other circumstances under which funds may be deobligated, and other sanctions imposed, including the recapture of excess funds at the end of the five-year demonstration period.

## XX. Waiver Authority

The Secretary may waive any requirement of these guidelines that is not required by law, upon a determination of good cause. Each waiver will be in writing, supported by documentation of the pertinent facts and grounds, and signed by the Secretary. The Secretary will publish notice of granted waivers in the **Federal Register**.

Dated: January 28, 1991.

**Jack Kemp,**

*Secretary.*

[FR Doc. 91-2402 Filed 2-1-91; 8:45 am]

BILLING CODE 4210-32-M

federal register

Monday
February 4, 1991

# Part XV

# The President

Executive Order 12748—Providing for Federal Pay Administration

Federal Register
Vol. 56, No. 23
Monday, February 4, 1991

# Presidential Documents

Title 3—

## The President

Executive Order 12748 of February 1, 1991

## Providing for Federal Pay Administration

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Employees Pay Comparability Act of 1990 (hereinafter "FEPCA"), as incorporated in section 529 of Public Law 101–509, and sections 3301 and 3302 of title 5, United States Code, it is hereby ordered as follows:

**Section 1.** *Annual Adjustments to Pay Schedules.* The following agencies are designated under section 5303(g) of title 5, United States Code, as amended by FEPCA, to prescribe conversion rules for the initial adjustment of rates of pay to be applied during each annual adjustment of pay schedules under section 5303 of title 5, United States Code:

(a) the Office of Personnel Management, for the General Schedule;

(b) the Department of State, for the Foreign Service Schedule; and

(c) the Department of Veterans Affairs, for the Veterans Health Services and Research Administration Schedules.

**Sec. 2.** *Locality-based Comparability Payments.* (a) The Secretary of Labor, the Director of the Office of Management and Budget, and the Director of the Office of Personnel Management are hereby designated under section 5304(d)(1) of title 5, United States Code, as amended by FEPCA, to serve jointly as the President's agent under section 5304 of title 5, United States Code, and shall be known in this capacity as the President's Pay Agent.

(b) The head of each executive agency employing personnel under a statutory pay system, as defined in section 5302(1) of title 5, United States Code, as amended by FEPCA, shall provide such information and assistance as may be requested by the President's Pay Agent in carrying out the provisions of section 5304 of title 5, United States Code.

**Sec. 3.** *Special Pay Authority.* (a) The Office of Personnel Management is hereby authorized and designated, pursuant to section 5305(a) of title 5, United States Code, as amended by section 101 of FEPCA, to exercise the authorities of the President under section 5305 of title 5, United States Code, concerning higher rates of pay.

(b) Before exercising the delegated authorities under subsection (a) regarding employees in positions other than those covered by the General Schedule, the Office of Personnel Management shall consult with the head of the agency employing such employees.

**Sec. 4.** *Previous Order Revoked.* Executive Order No. 11721, as amended, is revoked.

**Sec. 5.** *Advance Payments for New Appointees.* Section 2(b) of Executive Order No. 10982, as amended, is further amended to read as follows:

"(b) The Office of Personnel Management is hereby designated and empowered to perform the functions conferred upon the President by the provisions of section 5527 of title 5, United States Code, with respect to allotments and assignments authorized by section 5525 of title 5, United States Code, and advance payments to new appointees authorized by section 5524a of title 5, United States Code, as added by section 107(a) of the Federal Employees Pay Comparability Act of 1990, as incorporated in section 529 of Public Law 101–509."

**Sec. 6.** *Extension of Cash Awards, Recruitment and Relocation Bonuses, and Retention Allowances.* The Office of Personnel Management is hereby designated and empowered to exercise the authority of the President under:

(a) section 4505a(d) of title 5, United States Code, as added by section 207(a) of FEPCA, concerning the application of performance-based cash awards to noncovered categories of employees;

(b) section 5753(e) of title 5, United States Code, as added by section 208 of FEPCA, concerning the application of recruitment and relocation bonuses to noncovered categories of employees; and

(c) section 5754(e) of title 5, United States Code, as added by section 208 of FEPCA, concerning the application of retention allowances to noncovered categories of employees.

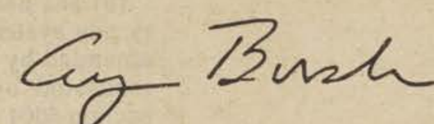
**Sec. 7.** *Staffing Differentials.* The Office of Personnel Management is hereby designated and empowered to exercise the authority of the President under section 209 of FEPCA to establish staffing differentials.

**Sec. 8.** *Executive Assignment System.* (a) Civil Service Rule 9 (5 CFR Part 9), as established by Executive Order No. 11315, as amended, is revoked.

(b) The Office of Personnel Management shall take such actions as the Office may determine to be necessary to provide for the orderly termination of the Executive Assignment System.

**Sec. 9.** *Effective Dates.* (a) Except as otherwise provided by Public Law 101–509, the provisions of subchapter I of chapter 53 of title 5, United States Code, as amended by section 101 of FEPCA, and the provisions of sections 1 through 4 of this order shall take effect on February 3, 1991.

(b) Except as otherwise provided by Public Law 101–509, the remaining provisions of FEPCA and of this order shall take effect on May 4, 1991, except that the Office of Personnel Management may establish an earlier effective date, but not earlier than February 3, 1991, for any such provisions with respect to which the Office determines an earlier effective date is appropriate.



THE WHITE HOUSE,
*February 1, 1991.*

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