processing. The Field Office shall immediately notify the HA in writing.

(2) If Form HUD-50071, Certification for Contracts, Grants, Loans, and Cooperative Agreements, or SF-LLL, Disclosure of Lobbying Activities, are required, but missing, or Form HUD-2880, Applicant/Recipient Update/ Disclosure Form, is missing, or there is a technical mistake, such as no signature on a submitted form or the HA failed to address all of the technical review factors, the Field Office shall immediately notify the HA in writing that the HA has 14 calendar days from the date of HUD's notification to submit or correct the deficiency. This is not additional time to substantially revise the application. Deficiencies which may be corrected at this time are inadvertently omitted documents or clarifications of previously submitted material and other changes which are not of such a nature as to improve the competitive position of the application.

(3) If the HA fails to submit or correct the items within the required time period, the HA's application will be ineligible for further processing. The Field Office shall notify the HA in writing immediately after this occurs.

(b) *Eligibility Review.* After the HA's CIAP Application is determined to be complete and accepted for review, the Field Office eligibility review shall determine if the application is eligible for processing or processing on a reduced scope.

 Eligibility for Processing. To be eligible for processing:

(i) *HA Eligibility.* HA has fewer than 250 Public and Indian housing units.

(ii) *Development Eligibility.* The development is either a public housing development, including a conveyed Lanham Act or Public Works Administration development, or a Section 23 Leased Housing Bond-Financed project (BFP).

(iii) Date of Full Availability (DOFA)/ Major Reconstruction of Obsolete Projects (MROP) Funding. Each eligible development for which work is proposed has reached DOFA at the time of CIAP Application submission. In addition, where funded under MROP after FY 1988, the development/ building has reached DOFA or where funded during FYs 1986–1988, all MROP funds for the development/ building have been expended.

(2) *Eligibility for Processing on Reduced Scope.* Where the following conditions exist, the HA will be reviewed on a reduced scope:

(i) Section 504 Compliance. Where the Section 504 needs assessment identified a need for accessible units, the HA was required to make structural changes to meet that need by July 11, 1992. ("Section 504" refers to Section 504 of the Rehabilitation Act of 1973.) Where the HA has not completed all required structural changes or obtained a time extension from HUD to July 11, 1995, the HA is eligible for processing only for Emergency Modernization or physical work needed to meet Section 504 requirements. Refer to PIH Notice 94–56 (HA), dated August 15, 1994.

(ii) Lead-Based Paint (LBP) Testing Compliance. Where the HA has not complied with the statutory requirement to complete LBP testing on all pre-1978 family units, the HA is eligible for processing only for Emergency Modernization or work needed to complete LBP testing.

(iii) *FHEO Compliance.* Where the HA has not complied with Fair Housing and Equal Opportunity (FHEO) requirements as evidenced by an action, finding or determination as described below, unless the HA is implementing a voluntary compliance agreement or settlement agreement designed to correct the area(s) of noncompliance, the HA is eligible for processing only for Emergency Modernization or physical work needed to remedy civil rights deficiencies.

(A) A pending proceeding against the HA based upon a Charge of Discrimination issued under the Fair Housing Act. A Charge of Discrimination is a charge under Section 810(g)(2) of the Fair Housing Act, issued by the Department's General Counsel or legally authorized designee;

(B) A pending civil rights suit against the HA, referred by the Department's General Counsel and instituted by the Department of Justice;

(C) Outstanding HUD findings of HA noncompliance with civil rights statutes and executive orders under § 968.110(a) or § 905.115, or implementing regulations, as a result of formal administrative proceedings, unless the HA is implementing a HUD-approved resident selection and assignment plan or compliance agreement designed to correct the area(s) of noncompliance;

(D) A deferral of the processing of applications from the HA imposed by HUD under Title VI of the Civil Rights Act of 1964, the Attorney General's Guidelines (28 CFR 50.3) and the HUD Title VI regulations (24 CFR 1.8) and procedures (HUD Handbook 8040.1), or under Section 504 of the Rehabilitation Act of 1973 and HUD implementing regulations (24 CFR 8.57); or

(E) An adjudication of a violation under any of the authorities under $\S 968.110(a)$ or $\S 905.115$ in a civil action filed against the HA by a private individual, unless the HA is implementing a HUD-approved resident selection and assignment plan or compliance agreement designed to correct the area(s) of noncompliance.

(c) Selection Criteria and Ranking Factors. After all CIAP Applications are reviewed for eligibility, the Field Office shall categorize the eligible HAs and their developments into two processing groups, as defined in subparagraph (1) of this paragraph: Group 1 for Emergency Modernization; and Group 2 for Other Modernization. HA developments may be included in both groups and the same development may be in each group. However, the HA is only required to submit one CIAP Application.

(1) Grouping Modernization Types.

(i) Group 1, Emergency Modernization. Developments having physical conditions of an emergency nature, posing an immediate threat to the health or safety of residents or related to fire safety, and which must be corrected within one year of CIAP funding approval. Funding is limited to physical work items and may not be used for management improvements. Emergency Modernization includes all LBP testing and abatement of units housing children under six years old with elevated blood lead levels (EBLs) and all LBP testing and abatement of HA-owned day care facilities used by children under six years old with EBLs. Group 1 developments are not subject to the technical review rating and ranking in subparagraphs (5), (6) and (7) of this paragraph or the long-term viability and reasonable cost determination in section V(e)

(ii) Group 2, Other Modernization. Developments not having physical conditions of an emergency nature and located in HAs which have demonstrated a capability of carrying out the proposed modernization activities. Other Modernization includes: one or more physical work items, where the Field Office determines that the physical improvements are necessary and sufficient to extend the useful life of the development; and/or one or more development specific or HA-wide management work items (including planning costs); and/or LBP testing, professional risk assessment, interim containment, and abatement. Therefore, eligibility of work under Other Modernization ranges from a single work item to the complete rehabilitation of a development. Refer to section I(b)(1)(i) of this Notice regarding modest amenities and improved design. Group 2 developments are subject to the technical review rating and ranking in subparagraphs (5), (6) and (7) of this