paragraph and the long-term viability and reasonable cost determination in section V(e).

- (2) Assessment of HA's Management Capability. As part of its technical review of the CIAP Application, the Field Office shall evaluate the HA's management capability. Particular attention shall be given to the adequacy of the HA's maintenance in determining the HA's management capability. This assessment shall be based on the compliance aspects of on-site monitoring, such as audits, reviews or surveys which are currently available within the Field Office, and on the performance review under the Public Housing Management Assessment Program (PHMAP) for PHAs or the Administrative Capability Assessment for IHAs, and other information sources, as follows:
- (i) Public Housing. A PHA has management capability if it is (A) not designated as Troubled under 24 CFR Part 901, PHMAP, or (B) designated as Troubled, but has a reasonable prospect of acquiring management capability which may include through CIAPfunded management improvements. A Troubled PHA is eligible for Emergency Modernization only, unless it is making reasonable progress toward meeting the performance targets established in its memorandum of agreement or equivalent under § 901.140 or has obtained alternative oversight of its management functions.
- (ii) Indian Housing. An IHA has management capability if it is (A) not designated as High Risk under § 905.135 or (B) designated as High Risk, but has

a reasonable prospect of acquiring management capability which may include through CIAP-funded management improvements. A High Risk IHA is eligible for Emergency Modernization only, unless it is making reasonable progress toward meeting the goals established in its management improvement plan under § 905.135.

(3) Assessment of HA's Modernization Capability. As part of its technical review of the CIAP Application, the Field Office shall evaluate the HA's modernization capability, including the progress of previously approved modernization and the status of any outstanding findings from CIAP monitoring visits, as follows:

(i) Public Housing. A PHA has modernization capability if it is (A) not designated as Modernization Troubled under 24 CFR Part 901, PHMAP, or (B) designated as Modernization Troubled, but has a reasonable prospect of acquiring modernization capability which may include through CIAPfunded management improvements and administrative support, such as hiring staff or contracting for assistance. A Modernization Troubled PHA is eligible for Emergency Modernization only, unless it is making reasonable progress toward meeting the performance targets established in its memorandum of agreement or equivalent under § 901.140 or has obtained alternative oversight of its modernization functions. Where a PHA does not have a funded modernization program in progress, the Field Office shall determine whether the PHA has a reasonable prospect of acquiring modernization capability

- through hiring staff or contracting for assistance.
- (ii) Indian Housing. An IHA has modernization capability if it is capable of effectively carrying out the proposed modernization improvements. Where an IHA does not have a funded modernization program in progress, the ONAP shall determine whether the IHA has a reasonable prospect of acquiring modernization capability through hiring staff or contracting for assistance.
- (4) Technical Processing. After the Field Office has categorized the eligible HAs and their developments into Group 1 and Group 2, the Field Office shall rate each Group 2 HA on each of the technical review factors in subparagraph (5) of this paragraph. With the exception of the technical review factor of "extent and urgency of need", a Group 2 HA is rated on its overall HA application and not on each development. For the technical review factor of "extent and urgency of need," each development for which funding is requested in the CIAP Application by a Group 2 HA is scored; the development with the highest priority needs is scored the highest number of points, which is then used for the overall HA score on that factor. High priority needs are non-emergency needs, but related to: health or safety; vacant, substandard units; structural or system integrity; or compliance with statutory, regulatory or court-ordered deadlines.
- (5) *Technical Review Factors.* The technical review factors for assistance are:

Technical review factors	Maxi- mum points
Extent and urgency of need, including need to comply with statutory, regulatory or court-ordered deadlines HA's modernization capability HA's management capability Extent of vacancies, where the vacancies are not due to insufficient demand Degree of resident involvement in HA operations Degree of HA activity in resident initiatives, including tenant opportunity, economic development, and drug elimination efforts Degree of resident employment through direct hiring or contracting or job training initiatives Local government support for proposed modernization	40 15 15 10 5 5 5
Total maximum score	100

- (6) Bonus points.
- (i) For Public Housing only, the Field Office shall provide up to 5 bonus points for any PHA that can demonstrate that it has obtained funds from a non-HUD source to improve or support the modernization activities or the general operation of the PHA. Non-HUD sources of funding may include: local government, over and above what is required under the Cooperation
- Agreement for municipal services such as police and fire protection and refuse collection; private non-profit organizations; or other public and private entities. To qualify for the bonus points, the PHA shall identify the entity, the amount of funds being obtained, and the purpose of the funding.
- (ii) For Public Housing only, the Field Office shall provide up to 2 bonus points for any PHA that can

demonstrate that it has awarded contracts, including subcontracts, to minority business enterprises (MBEs) or women's business enterprises (WBEs) within the last three years. Such affirmative action is required by Executive Orders 11625 and 12432 for MBEs and by Executive Order 12138 for WBEs. To qualify for the bonus points, the PHA shall identify the contractor or the subcontractor, the dollar value of the