

HOUSING AND COMMUNITY DEVELOPMENT ACT  
OF 1974

TITLE I - COMMUNITY DEVELOPMENT  
AN OVERVIEW

## OBJECTIVES

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PRIMARY: DEVELOPMENT OF VIABLE URBAN COMMUNITIES (DECENT HOUSING, SUITABLE LIVING ENVIRONMENT, EXPANDING ECONOMIC OPPORTUNITIES)

- SPECIFIC:
1. ELIMINATION OF SLUMS AND BLIGHT; PREVENTION OF BLIGHTING INFLUENCES AND DETERIORATION
  2. ELIMINATION OF CONDITIONS DETRIMENTAL TO HEALTH, SAFETY, AND PUBLIC WELFARE
  3. CONSERVATION AND EXPANSION OF NATION'S HOUSING STOCK
  4. EXPANSION AND IMPROVEMENT OF THE QUANTITY AND QUALITY OF COMMUNITY SERVICES
  5. MORE RATIONAL UTILIZATION OF LAND AND OTHER NATURAL RESOURCES; BETTER ARRANGEMENT OF RESIDENTIAL, COMMERCIAL, RECREATIONAL AND OTHER NEEDED ACTIVITY CENTERS
  6. REDUCTION OF ISOLATION OF INCOME GROUPS WITHIN COMMUNITIES AND GEOGRAPHICAL AREAS; PROMOTION OF AN INCREASE IN THE DIVERSITY AND VITALITY OF NEIGHBORHOODS
  7. RESTORATION AND PRESERVATION OF PROPERTIES OF SPECIAL VALUE FOR HISTORIC, ARCHITECTURAL OR ESTHETIC REASONS

PRINCIPAL  
BENEFACTORS: PERSONS OF LOW AND MODERATE INCOME



## PURPOSE

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DEVELOPMENT OF NATIONAL URBAN GROWTH POLICY BY CONSOLIDATING A NUMBER OF COMPLEX AND OVERLAPPING PROGRAMS OF FINANCIAL ASSISTANCE TO COMMUNITIES OF VARYING SIZES AND NEEDS INTO A CONSISTENT SYSTEM OF FINANCIAL AID.

## GLOSSARY

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**BASIC GRANT AMOUNT (BGA)** - Amount of funds which a metropolitan city or urban county is entitled to receive as determined by a formula based on factors pertaining to population, extent of poverty, and extent of housing overcrowding.

**CITY** - (1) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (2) any other unit of general local government which is a town or township and possesses powers and performs functions comparable to those associated with municipalities, is closely settled and contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

**COMMUNITY DEVELOPMENT PROGRAM** - The program formulated by the applicant in its application to HUD.

**ENTITLEMENT** - Amount to be received by a unit of general local government consisting of its basic grant amount and/or hold-harmless grant.

**EXTENT OF HOUSING OVERCROWDING** - The number of housing units with 1.01 or more persons per room based on data compiled and published by the United States Bureau of the Census for 1970.

**EXTENT OF POVERTY** - The number of persons whose income are below the poverty level based on data compiled and published by the United States Bureau of the Census for 1970 (with no adjustments in the computations of "extent of poverty" for regional or area variations in income and cost of living).

**HOLD-HARMLESS (H-H) AMOUNT** - Means the amount which represents the average past level of funds received by a unit of general local government under certain consolidated programs.

**HOLD-HARMLESS GRANT** - Excess of hold-harmless amount over basic grant amount.

**LOWER INCOME FAMILIES** - Those families whose incomes do not exceed 80 percent of the median income for the area.

**METROPOLITAN AREA** - A standard metropolitan statistical area, as established by the Office of Management and Budget.

**METROPOLITAN CITY** - (1) a city within a metropolitan area which is the central city of such areas, as defined and used by the Office of Management and Budget, or (2) any other city, within a metropolitan area, which has a population of fifty thousand or more.

**UNIT OF GENERAL LOCAL GOVERNMENT** - Any city, country, town, township, parish, village, or other general purpose political subdivision.

## GLOSSARY (Contd)

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URBAN COUNTY - Any county within a metropolitan area which (1) is authorized under State law to undertake essential community and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (2) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas.

PREVIOUS PROGRAMS REPLACED/CONSOLIDATED  
BY THE ACT

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1. URBAN RENEWAL (& NEIGHBORHOOD DEVELOPMENT PROGRAMS) - TITLE I; HOUSING ACT OF 1949
2. MODEL CITIES - TITLE I; DEMONSTRATION CITIES & METROPOLITAN DEVELOPMENT ACT OF 1966
3. WATER & SEWER FACILITIES - SECTION 702; HOUSING & DEVELOPMENT ACT OF 1965
4. NEIGHBORHOOD FACILITIES - SECTION 703; HUD ACT OF 1965
5. PUBLIC FACILITIES LOANS - TITLE II; HOUSING AMENDMENTS OF 1955
6. OPEN SPACE LAND - TITLE VI; HOUSING ACT OF 1961
7. REHABILITATION LOANS - SECTION 312; HOUSING ACT OF 1964

## FUND AVAILABILITY

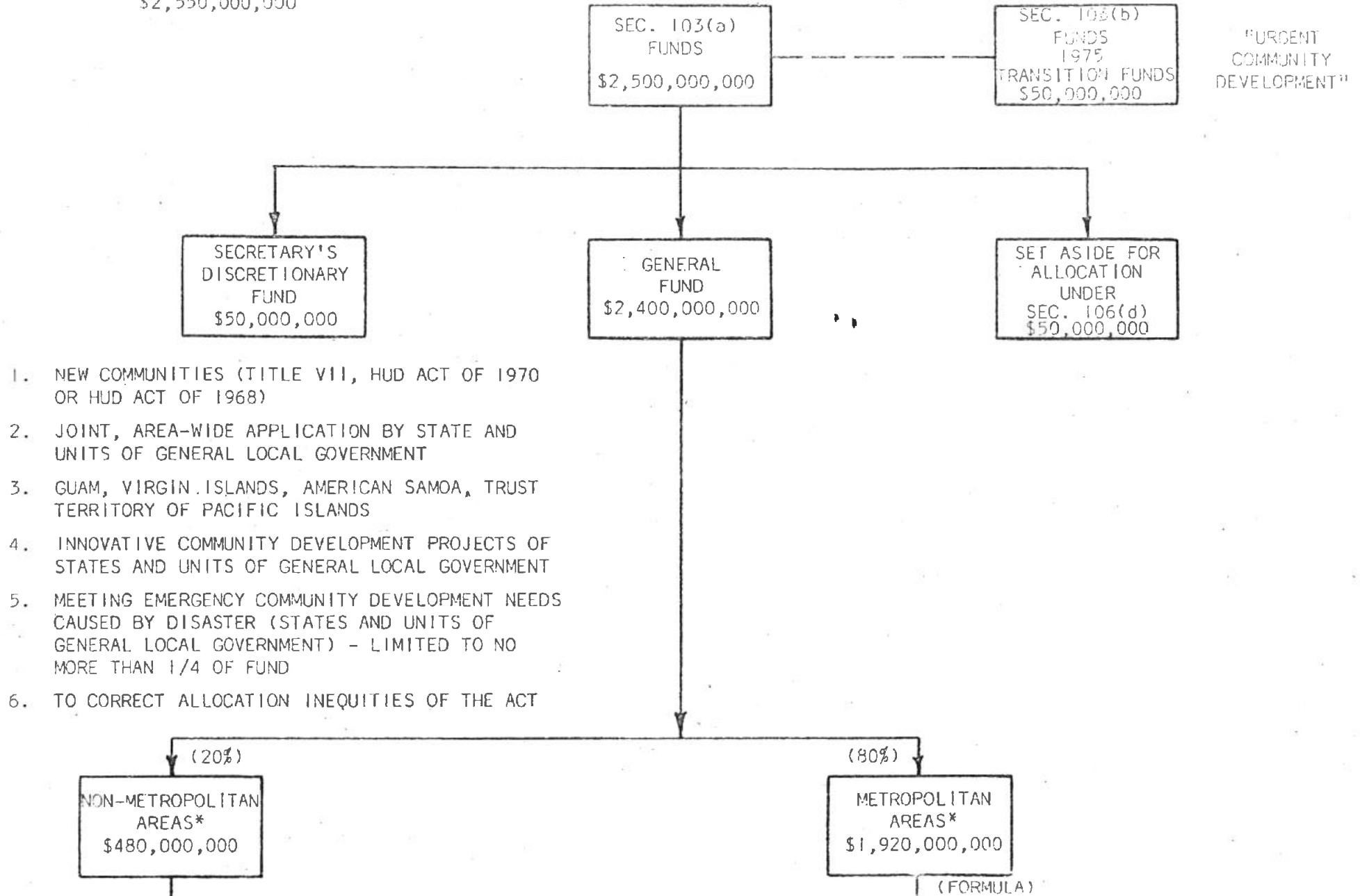
FY 1975 - 1977

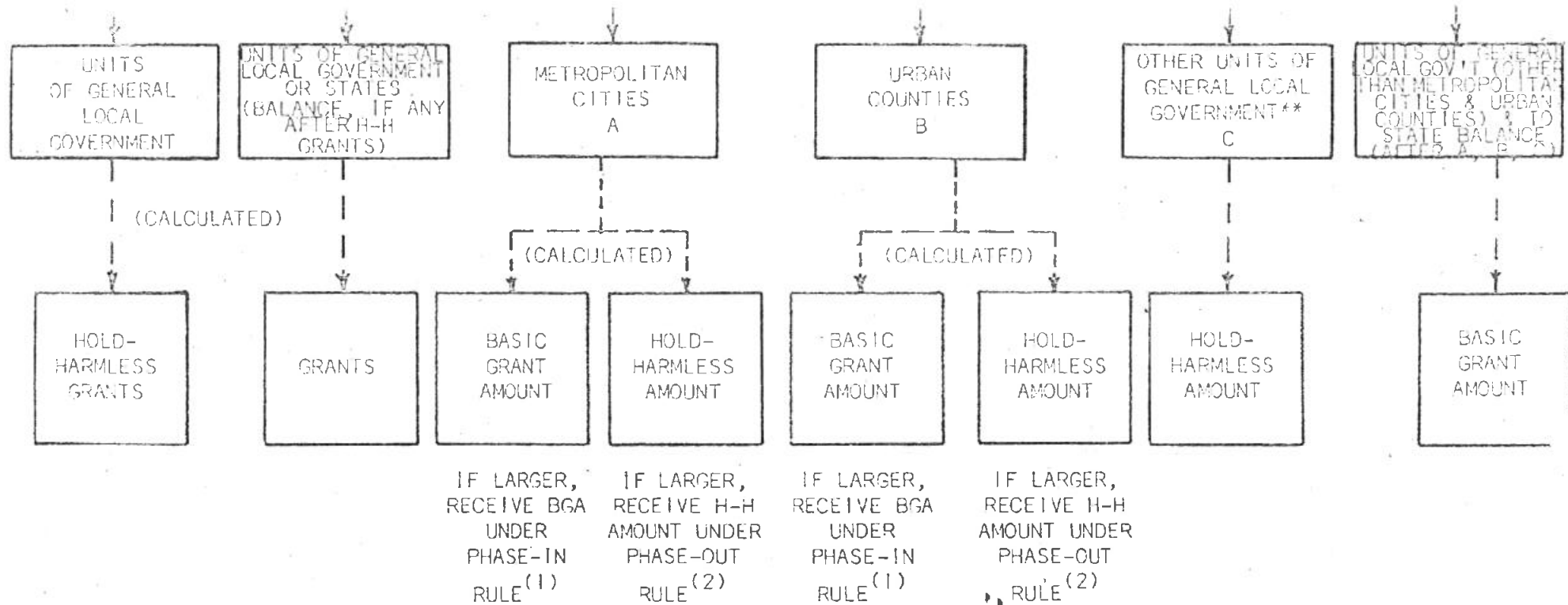
	FY 1975	FY 1976	FY 1977	TOTAL
BASIC APPROPRIATION	<u>\$2,500,000,000</u>	<u>\$2,950,000,000</u>	<u>\$2,950,000,000</u>	<u>\$8,400,000,000</u>
ADDITIONAL TRANSITION FUNDS	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ 100,000,000</u>	<u>\$ 200,000,000</u>
DISTRIBUTION OF BASIC APPROPRIATION:				
SECRETARY'S DISCRETIONARY FUND (2%)	\$ 50,000,000	\$ 59,000,000	\$ 59,000,000	\$ 168,000,000
SET ASIDE FOR 106(d) ALLOCATION	\$ 50,000,000	\$ 50,000,000	\$ ---	\$ 100,000,000
ALLOCATED TO METROPOLITAN AREAS (80%)	\$1,920,000,000	\$2,272,800,000	\$2,312,800,000	\$6,505,600,000
ALLOCATED TO NON-METROPOLITAN AREAS (20%)	<u>\$ 480,000,000</u>	<u>\$ 568,200,000</u>	<u>\$ 578,200,000</u>	<u>\$1,626,400,000</u>
TOTAL	<u>\$2,500,000,000</u>	<u>\$2,950,000,000</u>	<u>\$2,950,000,000</u>	<u>\$8,400,000,000</u>

# ALLOCATION AND DISTRIBUTION OF FUNDS

FISCAL YEAR 1975 (1/1/75 - 6/30/75)

TOTAL 1975 AVAILABILITY  
\$2,550,000,000





#### (1) PHASE-IN RULE

1ST YEAR - LARGER OF 1/3 BGA OR THE H-H AMOUNT  
 2ND YEAR - LARGER OF 2/3 BGA OR THE H-H AMOUNT OR  
 THE FY 1975 AMOUNT  
 3RD YEAR - BGA

\* WORKS OUT TO APPROXIMATELY \$12.50 PER PERSON  
 IN METROPOLITAN AREAS AND \$10.50 PER PERSON  
 IN NON-METROPOLITAN AREAS

#### (2) PHASE-OUT RULE

FY 1975-1977 - H-H AMOUNT  
 FY 1978 - BGA PLUS 2/3 OF H-H GRANT  
 FY 1979 - BGA PLUS 1/3 OF H-H GRANT

\*\* PROVIDED THAT DURING THE FIVE FISCAL YEAR PERIOD  
 ENDING 6/30/72 (OR 6/30/73 IF GRANT FOR NEIGHBOR-  
 HOOD DEVELOPMENT PROGRAM FIRST RECEIVED THAT YEAR)  
 IT HAD BEEN CARRYING OUT ONE OR MORE URBAN RENEWAL  
 PROJECTS, CODE ENFORCEMENT PROGRAMS, OR NEIGHBOR-  
 HOOD DEVELOPMENT PROGRAMS UNDER TITLE I OF THE  
 HOUSING ACT OF 1949 OR MODEL CITIES PROGRAMS UNDER  
 TITLE I OF THE DEMONSTRATION CITIES AND METRO-  
 POLITAN DEVELOPMENT ACT OF 1966 UNDER COMMITMENTS  
 FOR ASSISTANCE ENTERED INTO WITH HUD DURING THAT  
 PERIOD.

## ELIGIBLE ACTIVITIES

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1. ACQUISITION OF REAL PROPERTY (blighted, deteriorated, deteriorating, undeveloped or inappropriately developed) to be used for certain, specified purposes
2. ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR INSTALLATION OF SPECIFIED PUBLIC WORKS, FACILITIES, AND SITE OR OTHER IMPROVEMENTS
3. CODE ENFORCEMENT IN DETERIORATED(ING) AREAS
4. CLEARANCE, DEMOLITION, REMOVAL, & REHABILITATION OF BUILDINGS & IMPROVEMENTS
5. SPECIAL PROJECTS DESIGNED TO IMPROVE MOBILITY AND ACCESSIBILITY OF ELDERLY AND HANDICAPPED PERSONS
6. PAYMENTS TO HOUSING OWNERS FOR HOLDING HOUSING UNITS TO BE USED BY PERSONS DISPLACED BY PROGRAM ACTIVITIES
7. DISPOSITION (OR RETENTION) OF REAL PROPERTY ACQUIRED PURSUANT TO THIS PART
8. PROVISION OF NECESSARY OR APPROPRIATE PUBLIC SERVICES NOT OTHERWISE AVAILABLE IN AREAS COVERED BY COMMUNITY DEVELOPMENT PROGRAM OF APPLICANT
9. PAYMENT OF NON-FEDERAL SHARE (Federal grant-in-aid program as part of applicant's community development program)
10. COST OF COMPLETING PROJECT FUNDED UNDER TITLE I; HOUSING ACT OF 1949
11. RELOCATION PAYMENTS AND ASSISTANCE TO DISPLACED PERSONS
12. DEVELOPMENT OF (a) COMPREHENSIVE COMMUNITY DEVELOPMENT PLAN AND (b) POLICY-PLANNING-MANAGEMENT CAPACITY
13. PAYMENT OF ADMINISTRATIVE COSTS (Related to the planning & execution of community development and housing activities)

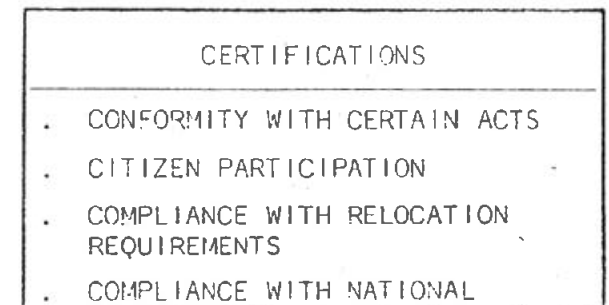
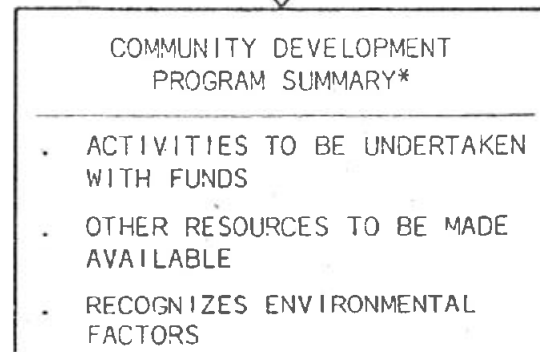
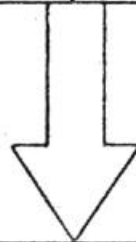
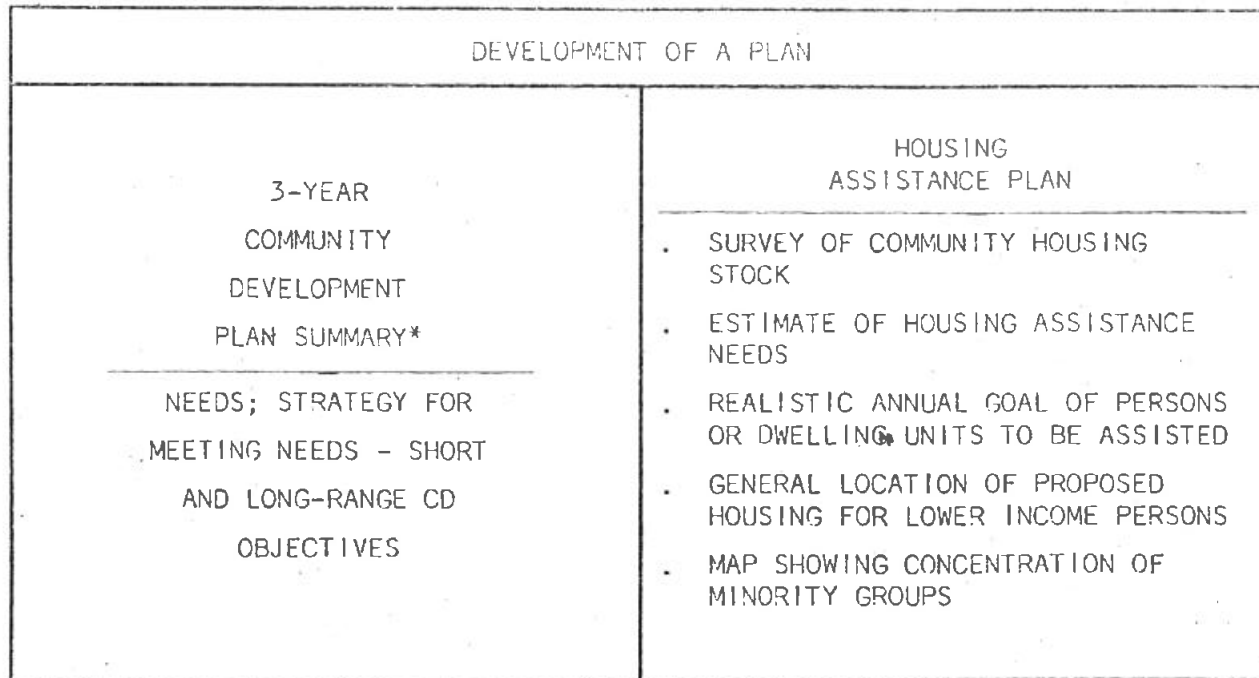


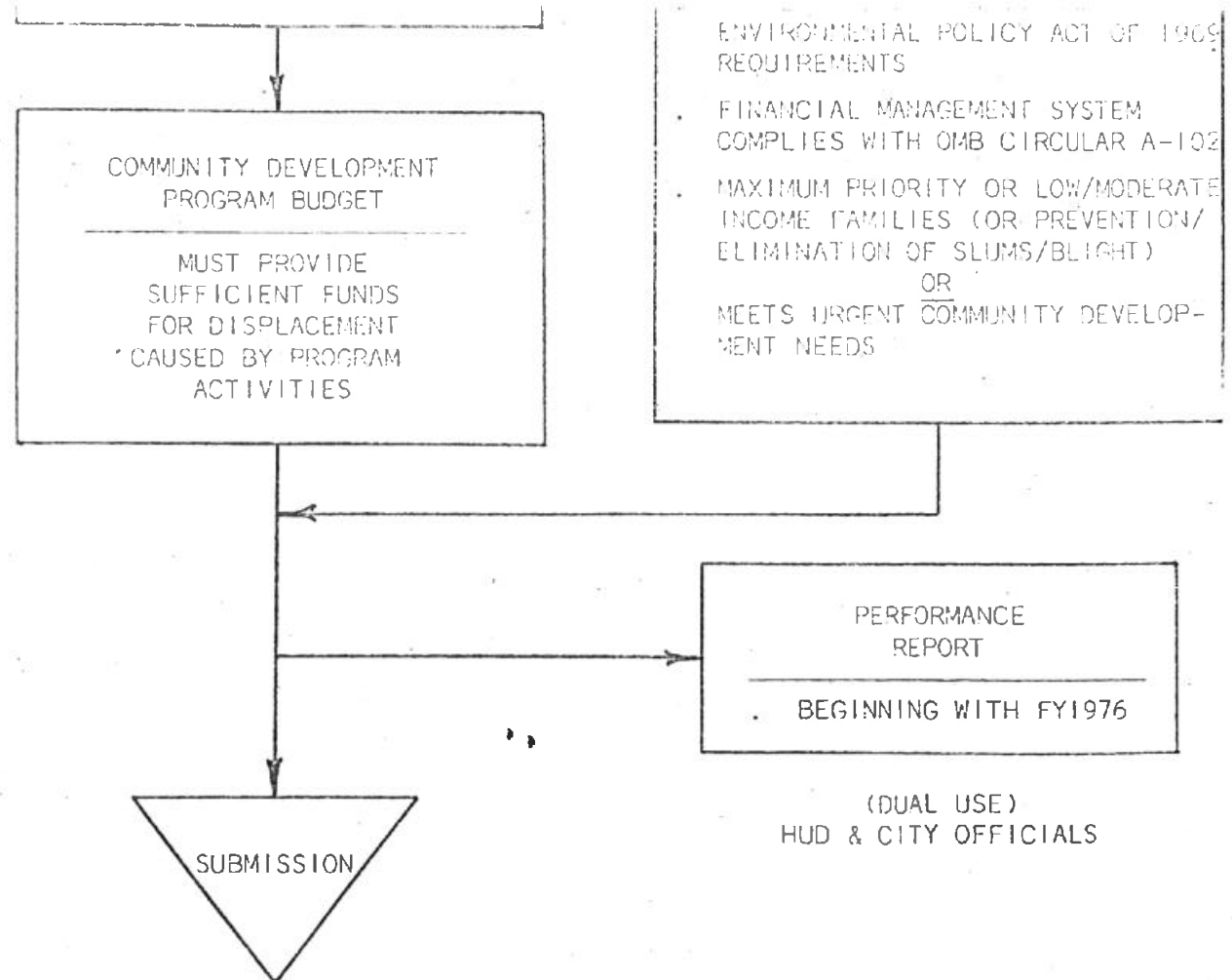
INELIGIBLE ACTIVITIES  
(ILLUSTRATIVE)

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1. PUBLIC FACILITIES (unless specifically mentioned as eligible or previously eligible under programs consolidated by the Act)
2. OPERATING AND MAINTENANCE EXPENSES OF COMMUNITY SERVICES AND FACILITIES (unless specifically eligible)
3. GENERAL GOVERNMENT EXPENSES
4. POLITICAL ACTIVITIES
5. NEW HOUSING CONSTRUCTION
6. INCOME PAYMENTS FOR HOUSING

## APPLICATION REQUIREMENTS



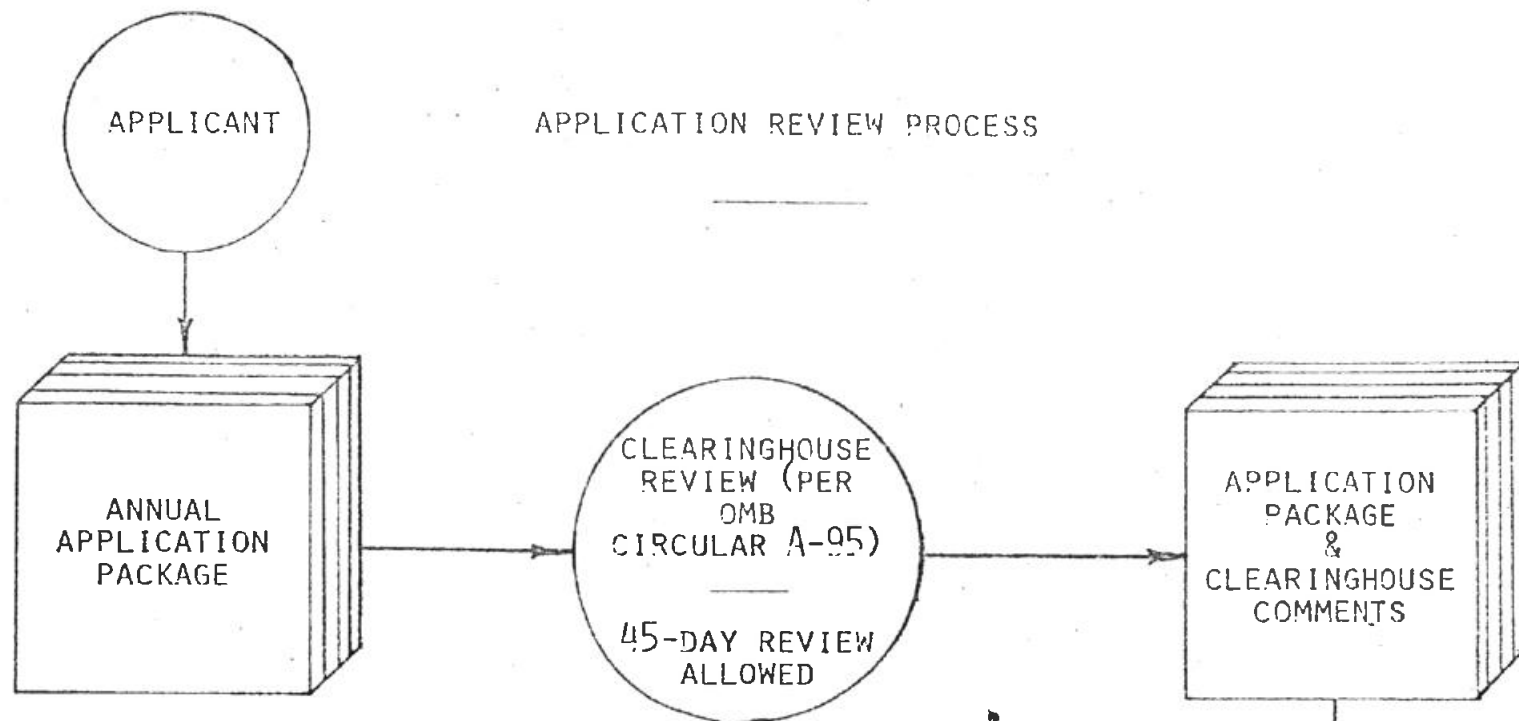


NOTE:

\* MAY BE WAIVED IF:

1. POPULATION LESS THAN 25,000 AND LOCATED:
  - . OUTSIDE SMSA OR
  - . INSIDE SMSA, BUT OUTSIDE "URBANIZED AREA"
2. FIRST CD ACTIVITY TO BE CARRIED OUT BY SUCH A LOCALITY WITH ASSISTANCE UNDER THIS PART OF ACT
3. SINGLE DEVELOPMENTAL ACTIVITY UNDER SPECIFIC ELIGIBLE ACTIVITIES

MID-YEAR  
AMENDMENTS  
REQUIRED IF  
MORE THAN 10%  
OF BUDGET IS TO  
BE FOR NEW OR  
DIFFERENT ACTIVITIES

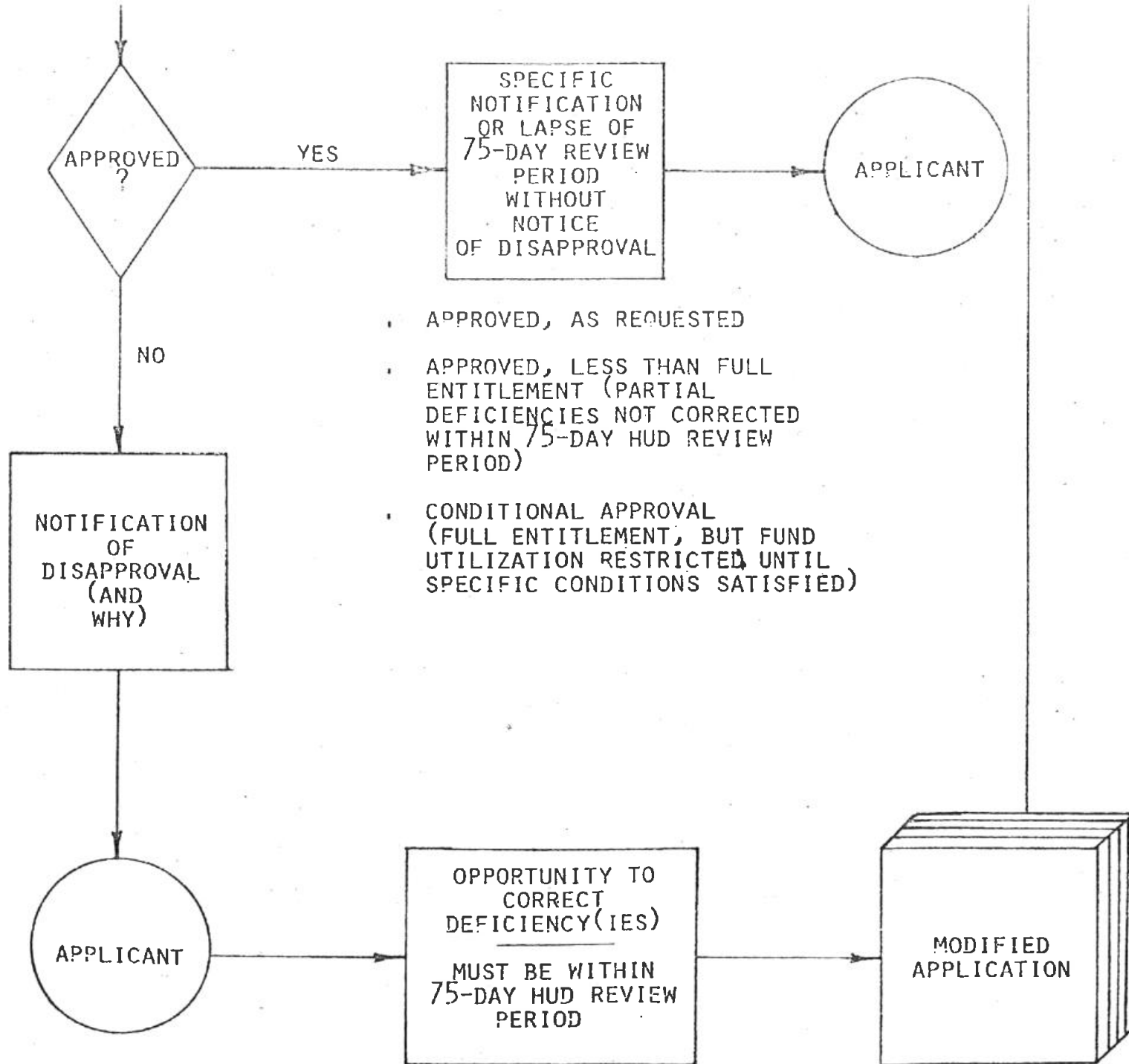


**WILL APPROVE, UNLESS:**

1. DESCRIPTION OF NEEDS/ OBJECTIVES CLEARLY INCONSISTENT WITH OTHER AVAILABLE DATA/ FACTS ON COMMUNITY AND HOUSING NEEDS.
2. ACTIVITIES INAPPROPRIATE FOR MEETING NEEDS AND OBJECTIVES IDENTIFIED.
3. APPLICATION DOES NOT COMPLY WITH ALL REQUIREMENTS OF THIS PART OF ACT AND OTHER FEDERAL LAWS OR PROPOSES INELIGIBLE ACTIVITIES.

**ACCEPT FOR REVIEW IF:**

- RECEIVED BY DUE DATE
- APPLICATION REQUIREMENTS COMPLETE, UNLESS WAIVED
- FUNDS REQUESTED DO NOT EXCEED ENTITLEMENT
- CERTIFICATIONS PROPERLY EXECUTED
- EVIDENCE OF CLEARINGHOUSE REVIEW OR EXPIRATION OF REVIEW PERIOD



## DATES/TIMING

### SUBMISSION DATES

FY1975: EARLIEST - DECEMBER 1, 1974

LATEST - APRIL 15, 1975

### PROGRAM YEAR

FIRST: START - DATE OF HUD APPROVAL

END - 12 MONTHS AFTER START\*

SUBSEQUENT: START - 12 MONTHS AFTER START\*

\*UNLESS REQUESTED & APPROVED FOR UP TO 3  
MONTHS SHORTENING

### ADVANCE OF FUNDS

- . FOR FIRST PROGRAM YEAR AFTER 1/1/75
- . REQUEST NO EARLIER THAN 12/1/74
- . APPROVED NO EARLIER THAN 1/1/75

## ADVANCE OF FUNDS

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### AMOUNT

UP TO 10% OF ENTITLEMENT AMOUNT

### ELIGIBLE USES

1. PLAN & PREPARE FOR IMPLEMENTATION OF ACTIVITIES TO BE ASSISTED
2. CONTINUE PREVIOUSLY APPROVED URBAN RENEWAL AND MODEL CITIES ACTIVITIES BEING CARRIED OUT UNDER PRIOR PROGRAMS REPLACED/CONSOLIDATED BY THIS ACT

## GRANT ADMINISTRATION

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### METHOD OF PAYMENT

USUALLY, VIA LETTER OF CREDIT

### PROGRAM INCOME

- . INTEREST EARNED ON GRANT FUNDS TO BE RETURNED TO FEDERAL GOVERNMENT
- . SALE OF PERSONAL PROPERTY - PER ATTACHMENT N, OMB A-102
- . ALL OTHER - RETAINED AND COMMITTED TO PROGRAM

### PROCUREMENT STANDARDS

- . PER ATTACHMENT O - OMB CIRCULAR A-100

### BONDING AND INSURANCE

- . PER ATTACHMENT B - OMB CIRCULAR A-102

### AUDITS

- . BOOKS/RECORDS AVAILABLE FOR INSPECTION BY AUTHORIZED, FEDERAL REPRESENTATIVES
- . ANNUAL AUDIT (FINANCES, REPORTS, OPERATIONS) BY CPAs, PAs, OR CITY OR STATE AUDITORS
- . HUD AUDITS, IF APPROPRIATE

### RECORD RETENTION

- . 3 YEARS (ASSUMING PROPER RESOLUTION OF AUDIT FINDINGS)



## REPORTS

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- . FINANCIAL MANAGEMENT  
(As required - not yet identified)
- . RELOCATION AND ACQUISITION REPORTS
  - .. Annual (prescribed form)
  - .. Number of persons & businesses relocated
  - .. Numbers remaining in relocation workload
  - .. General breakdown of relocation costs
  - .. General breakdown on real property acquired
- . ANNUAL PERFORMANCE REPORT
  - .. BEGINNING FY1977
  - .. CONTENTS
    - PROGRESS ON PLANNED ACTIVITIES
    - ASSESSMENT OF ACTIVITIES' EFFECTIVENESS
    - PROGRESS IN PROVIDING HOUSING ASSISTANCE
    - NATURE & STATUS OF ENVIRONMENTAL REVIEWS
    - PROGRESS ON CITIZEN PARTICIPATION
  - .. AVAILABLE FOR RELEASE AS PUBLIC INFORMATION

# COMMUNITY DEVELOPMENT

- where have we been?

- where are we now?

- where are we going?

CHARTBOOK

to accompany the slide presentation

**Community Development:  
Where Have We Been?  
Where Are We Now?  
Where Are We Going?**



Prepared for the  
National League of Cities Policy Leaders Seminars  
on Community Development

August-September 1974

National League of Cities  
1620 Eye Street, NW  
Washington, D.C. 20006

## COMMUNITY DEVELOPMENT

- where have we been?
- where are we now?
- where are we going?

1

1930's

Federal Government recognizes its responsibility and enacts:

- Mortgage Insurance Programs
- Public Housing Programs involving Slum Clearance

2

## 1949 HOUSING ACT GOAL

“... A decent home and suitable living environment for every American family...”

3

## Purposes of Urban Renewal...

- |                        |  |  |
|------------------------|--|--|
| • Speed Slum Clearance | • Facilitate Provision of Low-Income Housing | • Opportunity for Private Enterprise to take part in Redevelopment |
|------------------------|--|--|

4

## 1950s & 1960s Developments...

- *Use of Renewal Funds in Non-Slum Areas*
- *Elimination of Residential Requirement*
- *Housing Programs for Moderate-Income Families*
- *312 Rehab Program*

5

## 1966 MODEL CITIES

- *Comprehensive*
- *Concentrated*
- *Neighborhood Approach*

6

## 1968 ACT

### HOUSING

- *Reaffirmed 1949 Goal*
- *Decade Program to Eliminate All Sub-Standard Housing*
- *Section 235 & 236*
- *Improved Rehab Program*

### URBAN RENEWAL

- *Speeded the Renewal Process*
- *Shifted Emphasis to Low and Moderate Income Housing in Project Areas*

7

## Housing and Community Development Act of 1974

establishes a  
consolidated  
program of  
Community  
Development  
Block Grants

8

## Congressional Findings

### CITIES' CRITICAL PROBLEMS

• *social* • *economic* • *environmental*

#### CAUSES

- *Urban Population Growth*
- *Concentration of lower-income persons in Central City*
- *Inadequate public & private investment in HOUSING | PHYSICAL FACILITIES | RELATED SOCIAL SERVICES*

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## CONGRESSIONAL DECLARATION

*Future welfare  
of the Nation  
and well-being  
of its citizens  
depend on the  
maintenance of*  
**VIABLE  
URBAN  
COMMUNITIES**

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## Congressional Finding

*maintaining  
viable  
urban  
communities  
will  
require:*

- 1** *Systematic and sustained action  
by all levels of government*
- 2** *Substantial expansion of and  
continuity in the scope and level  
of Federal assistance*
- 3** *Streamlining programs and improving the  
functioning of planning, implementing,  
and evaluating agencies*

## Primary Objective...

**DEVELOPMENT OF VIABLE  
URBAN COMMUNITIES  
by providing:**

- *Decent Housing*
- *Suitable  
Living Environment*
- *Expanding Economic  
Opportunities*

*Principally  
for persons of  
low & moderate  
income*

11

12

## *Specific Objectives of Block Grant Activities...*

**1** Eliminating blight  
and preventing the  
deterioration of  
property and  
community facilities

**2** Eliminating  
conditions  
detrimental to  
health, safety  
and public  
welfare

13

**3** Conserving and expanding  
the housing stock

**4** Expanding and improving community services

**5** More rationally utilizing land  
and other natural resources

14

**6** Reducing the isolation of income  
groups within communities and  
promoting an increase in the  
diversity and vitality of  
neighborhoods

**7** Restoring and preserving  
properties of special value

15

## *Congressional Intent...*

Block Grant Funds should ***not***  
be used to substantially reduce  
the amount of ***local*** financial  
support for Community  
Development Activities

16

# DEFINITIONS

*used  
in the  
Act*

17

"Metropolitan  
Area"

SMSA

19

"Unit of  
General  
Local  
Government"

Any general purpose political  
subdivision of a State

OR

A combination of  
such subdivisions

*One or more local public agencies may  
be designated by a State or unit of  
general local government to under-  
take the Community Development  
Program in whole or part*

18

"Metropolitan  
City"


• *Central City of  
Metro Area*

OR

• *Any other City within  
Metro Area with  
population of 50,000+*

20





**"CITY"**


Unit of general local government classified as "Municipality" by Bureau of the Census

OR

Town or Township which:

1. Possesses powers and performs functions comparable to Municipalities
2. Is "closely settled"
3. Contains no incorporated places within its boundaries

21



**"Urban County"**

County within Metro Area  
and

Authorized to perform essential community development and housing assistance activities in its unincorporated areas which are not units of general local government

and

Combined population of 200,000\* in unincorporated areas and included units of general local government

(a) in which it has authority to perform essential CD and housing assistance activities and do not wish to exclude their populations or

(b) with which it has entered into cooperation agreements regarding CD and housing assistance activities

22

## **Eligible Activities...**

**1** Acquisition of Real Property which is:

- Blighted, undeveloped or inappropriately developed
- Appropriate for conservation or rehabilitation
- Needed for eligible public works
- Needed for other public purposes

23

**2** Construction or Installation of Public Works and Facilities

24

**3**

*Code  
Enforcement  
in  
Deteriorating  
Areas*

25

**4**

*Clearance  
Demolition  
and  
Rehabilitation  
of Buildings*

26

**5**

*Special Projects  
to Assist the Mobility  
of Elderly and  
Handicapped Persons*

27

**6**

*Payments for  
Temporary Housing  
of Persons Displaced  
by Community  
Development Activities*

28

7

*Disposition of  
Real Property  
acquired as a result  
of the Community  
Development Program*

29

8

*Provision of Public Services not otherwise  
available in areas of concentrated activities*

if

1. They are appropriate  
to support other  
approved activities

2. Application for aid to provide  
such services has been made under  
other Federal programs and has been  
denied or not made available within  
a reasonable period of time

30

9

*Payment of  
Local Match  
for  
Federal Grants*

31

10

*Payment of Cost  
of Completing Existing  
Urban Renewal Projects*

32

**11**

*Relocation  
Payments*

33

**12**

*Activities Necessary to  
Develop a Comprehensive Plan  
and a Policy-Planning-  
Management Capacity  
for Community  
Development Activities*

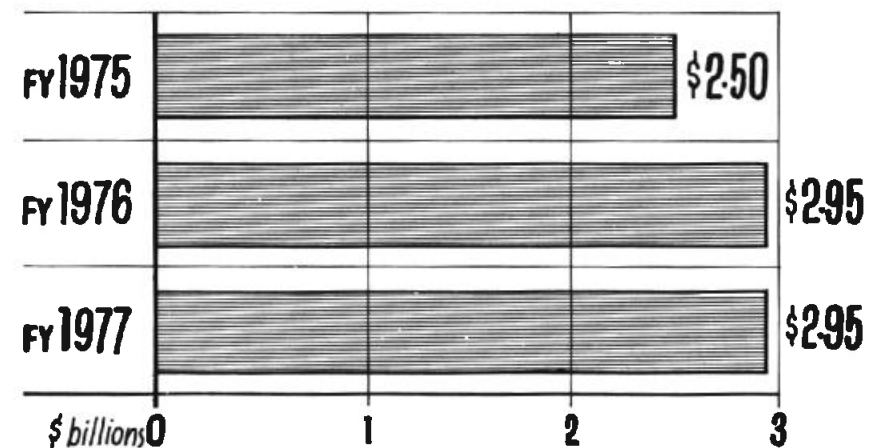
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**13**

*Payment of Reasonable  
Administrative Costs  
Related to  
Community Development  
and Housing Activities  
including costs for citizen input*

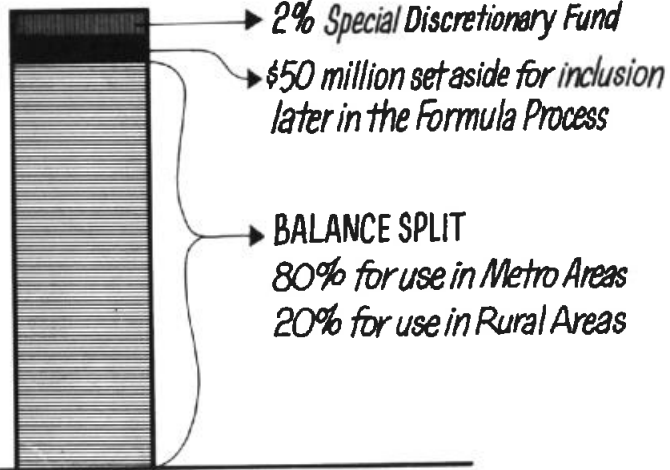
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### Authorizations (in \$billions)



36

## Appropriated Amount...



37

## Formula Components

1 Population

2 Housing Overcrowding

3 Extent of Poverty  
(weighted double)

38

80% for Metro Areas

FORMULA RATIOS

X% for Metro Cities

39

X% for Metro Cities

FORMULA RATIOS

Y% for Individual Metro City  
(Formula Entitlement)

40

## Hold-Harmless Formula...

Sum of the average of all loans, grants and advances in FY 68-72 for:

- Neighborhood Facilities
- Open Space
- Water & Sewer
- 312 Rehab Loans
- Urban Renewal

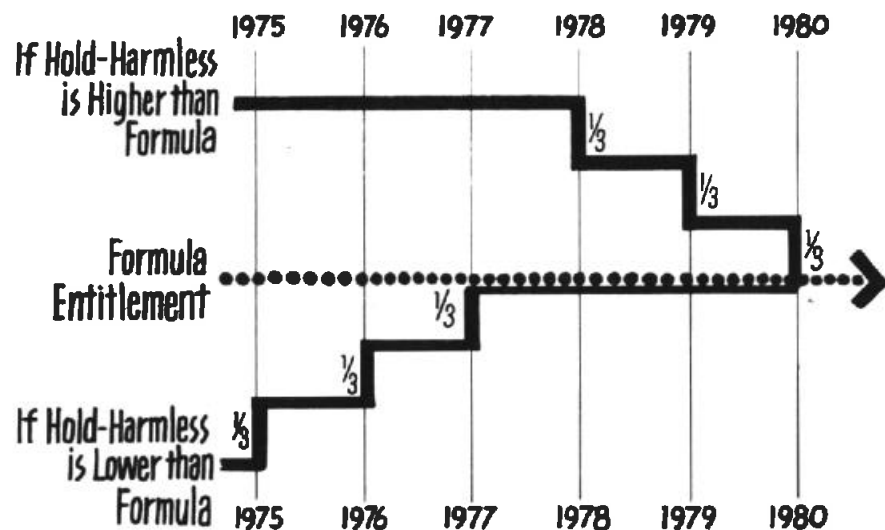
+

Average annual grant under the Neighborhood Development Program in FY 68-72

+

Average annual grant under Model Cities in FY 68-72 (100% through Fifth Action Year, then 80%, 60% and 40%)

41



42

National Balance of 80% for Metro Areas after Formula and Hold-Harmless Grants  
+  
\$ 50 million set aside at the beginning

**Formula Ratios**

Individual SMSA Balance Fund for Discretionary Grants within the SMSA

43

## 2% Special Discretionary Fund

for

1 New Communities

2 Area-Wide Programs

3 Demonstrating Innovative Projects

4 Disaster Relief

5 Correcting Inequities in Formula Allocation Provisions

44



## *Special Authorization...*

**FY 75-\$50 million**  
**FY 76-\$50 million**  
**FY 77-\$100 million**

For Grants to Units of  
General Local Government  
with urgent Community  
Development needs which cannot be met with  
Entitlement Funds

45

## *Sources of Funds ...*

### **ENTITLEMENT FUNDS**

*1. Formula OR Hold-Harmless*

### **DISCRETIONARY FUNDS**

- 2. SMSA Balance*
- 3. 2% Special Discretionary Fund*
- 4. Hardship Transition Fund*

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**Annual  
Application  
must be submitted  
to HUD**

47

## *Application must include...*

### **SUMMARY OF A THREE-YEAR PLAN THAT**

- Determines Needs*
- Demonstrates Strategy*
- Specifies Objectives*

48

## Formulation of a One-Year Program...

*including*

- Activities to be undertaken
- Estimated Cost
- General location of activities

*and indicating*

- Other resources to help meet needs and objectives

49

## Program must be designed to...

- Eliminate or prevent blight
- Provide improved community facilities and public improvements, *including necessary Social Services*

50

## Housing Assistance Plan...

**A**

Must accurately survey the condition of the community's housing stock  
*and*

Assess the housing assistance needs of lower-income persons

51

**B**

Must specify a realistic annual goal for units or persons to be assisted

**INCLUDING**

- *Relative proportion of New, Rehab and Existing Units*
- *Size and Types of Housing Projects best suited to the needs of the community's lower-income persons*

52





*Must indicate the general location of proposed housing for lower-income persons, with the objective of:*

<i>• Furthering the revitalization of the community</i>	<i>• Promoting greater choice of housing opportunities</i>
<i>• Avoiding undue concentrations of assisted persons</i>	<i>• Assuring public facilities and services for the housing projects</i>

53

***Applicant must provide assurances of...***

***1. Conformity with Civil Rights Laws***

***2. Citizen Participation***

*Information about the program*

*Public hearings on needs*

*Participation in the development of the application*

*\* HUD may accept certifications that these requirements have been met*

54

## ***REQUIREMENTS***

*of Activity Program and Summary of 3-Year Plan*

***MAY BE WAIVED***

*for some smaller communities under certain circumstances*

55

***Applicant must certify...***

Program has been developed to give "MAXIMUM FEASIBLE PRIORITY" to activities which

- Benefit Low-and-Moderate Income Families*
- Eliminate Blight*

56

## Applications must conform to...

- |  |   |
|--|---|
| 1. Regulations related to Environmental Protection   | 2. Regulations related to Low-Income Employment Opportunities |
| 3. Regulations related to the Uniform Relocation Act |   |
| 4. A-95 REVIEW                                       |   |

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## 75-Day HUD Review Period

for Applications  
for Entitlement  
Amounts

58

## Application shall be approved, *unless...*

- 1** Its description of needs and objectives is plainly inconsistent with available facts and data pertaining to community and housing needs

59

*unless...*

**2**

The proposed activities are plainly inappropriate to meet the stated needs and objectives

60

*unless...*

**3**

*The application  
does not comply with  
applicable law  
or  
proposes  
ineligible activities*

61

*Local Officials  
Have Sought  
A*

**Flexible Block Grant Program**

62

## ***Challenges...***

- Fulfilling Congressional Objectives of Maintaining Viable Urban Communities
- Tailoring Effective Programs to Local Communities
- Wisely Allocating Federal Dollars
- Improving the Quality of Life in Local Communities

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**GOAL**

**Maintaining  
Strong Cities**

64

obvious and simple to derive. Therefore, more discussion on alternate models, decision-making, and program design should be incorporated into this preliminary phase as a step toward a more rational approach to the development of goals and objectives.

EXAMPLES:

Assets and Problems - ECONOMIC

Asset # 1: Potential of Proposed New Regional Airport. The City has taken step to promote its economic base and job opportunities by encouraging the selection of the old municipal airstrip as the site for the new regional jet airport. In \_\_\_\_\_, 1973, it was announced that a \_\_\_\_\_ million dollar airport complex will be constructed by \_\_\_\_\_, 1976 which is expected to bring an estimated 2,000 new jobs and produce an estimated \$ \_\_\_\_\_ in additional annual tax revenue for the City.

Problem #1: Eroding Tax Base. In the past few years, the industrial and commercial tax base has been hurt by the exodus of enterprises. (City statistics comparing prior and current tax base.) However, the decision to locate the new regional airport within the City is expected to produce a substantial increase in City tax base, estimated at between \_\_\_\_\_ and \_\_\_\_\_, within \_\_\_\_\_ years, provided that an airport commercial district is established and hotels, trucking outfits, etc. are attracted to it.

Assets and Problems - Social Services

Asset # 2: Location of State School for the Blind and Disabled. The community has within its boundaries a large state school for the blind and disabled. This school is a significant employer of local residents, both blue collar and professional. Unfortunately, the school has chronic shortages in certain blue collar custodial and professional job categories.

Problem #2: Need for Part Time Job Opportunities. Within the community, there is a great need for part time employment for retired people, youth and mothers. A reexamination of the work tasks performed in the state school, to create part time jobs for these job seekers, can alleviate a chronic employee shortage in the school which reduces the quality of care and provide a reservoir of part time jobs which can significantly increase family income within the city.

Assets and Problems - Land Use

Problem #3: Abandoned Waterfront Area. The City waterfront area has traditionally been used for heavy industrial and railroad-shipping uses. In recent years changes in the economic conditions of the waterfront industries has lead to abandonment of certain waterfront areas and to tax delinquency and deterioration of marginally used areas.

Problem #3: Scarce Recreational Areas. Because the City is an older industrial city, development patterns have not included due attention to maintaining open space. High density residential development in all neighborhoods of the City and relocation costs preclude clearance within residential areas as a feasible way to increase recreational open space.

Asset # 3: Waterfront Development Potential. The under utilized waterfront of the City, because of widespread abandonment and under utilization and tax delinquency, provides large portions of land which can be assembled for development relatively cheaply and with no relocation costs. This land, once best suited for industrial and transport purposes, is now best used as a mix of recreational and high income residential and commercial development. Two problems--tax loss from declining industries and inadequate recreational facilities--can be overcome through the opportunity for waterfront redevelopment.

### SECTION THREE

#### *Statement of GOALS AND OBJECTIVES*

Content: This next step, stating community development goals and objectives for the City, can be accomplished partly by using the statement of City problems and assets in Section II. General City goals for community development can be stated overall while some more specific objectives for program areas such as housing, economic development, recreation facilities, etc. Again, the goals and objectives might be divided between overall categories, such as: physical, economic, social, and institutional.

Purpose: It is appropriate to think of goals and objectives for any activity planned under community development. The development of goals and objectives provides decision-makers with a solid criterion upon which to base decisions. *Program goals* indicate for a program component: what is to be accomplished, who is to be served, what the time frame for meeting the goal is (long-term), and how much change is planned under this effort as a whole. *Program objectives* are statements about a planned activity which indicate: what is to be accomplished (short-term), who is to be served or benefit from the activity, what is the time frame for meeting the objective, and how much change is planned.

Time Frame: It is obvious that many of the City's goals for community development can only be realized over a period of several years. An example of a "long-range" goal would be:

*To increase and improve the supply and use of recreation space and facilities in the City for general public use.*

In preparing a community development plan statement, it is advisable for the City to make separate lists for not only goals, but also "short-term" objectives which are realizable within the next three year period. An example of a short-term objective would be:

### SECTION TWO

#### *STATEMENT OF PROBLEMS, ASSETS, AND OPPORTUNITIES*

Content: This section is simply a more formal listing of the City's assets and problems -- physical, economic, institutional, and social -- based on the background materials compiled in Section I. Writing Section II should be a well thought out process of pulling together and summarizing the various assets and problems which are partly defined in Section I but which should also include other criteria relating to the overall City condition. Ideally, it would be helpful to consult with various community leaders as well to obtain their assessments and opinions.

Purpose: Once a listing of the City assets and problems has been made, the next step would be to formulate the goals and objectives statement which would include many of the factors listed as key City conditions both positive and negative. A more thorough decision and policy making process would occur in this phase of plan development which would identify priority areas of concern that clearly relate to community development activities on a short and long-term basis. In addition, summarizing the City's pluses and minuses in the same section is useful because often the connection between certain City assets and possible solutions to existing problems can be readily seen and key opportunity areas for City improvement and development can be identified.

Method of Preparation: One way to organize this section is to first list the City's assets and opportunities with a paragraph giving a brief explanation of each item; then list the City's problems, again with a brief description of each item. You may want to group the assets and problems under the following categories: physical, economic, social, and institutional. It is clear, however, that once assets, liabilities, and resources are identified, the larger problem of developing needed approaches and programs is not always

OUTLINE

WHAT INFORMATION IS NEEDED/WHERE TO GET IT

6. Overall note on  
Economic Data

The various fiscal and economic indicators listed above are factors that relate to the City's eligibility for Federal assistance and that help to identify the City's economic and financial problems and resources. These indicators also provide the background and direction for how to spend any additional funds, as well as a base for measuring the potential impact of community development funds on the City's overall economic situation.

To restore to a standard condition, 180 or 40% of the substandard housing units in the City (as estimated in January of 1973) by July 1975, through implementation of the proposed rehabilitation grants and loans program and code enforcement-relocation program. ✓

Most short-term community development objectives are usually not attainable in a 12 month period due to a variety of factors, such as: pre-construction plan preparation and review time; construction time; land assembly and development; hiring procedures; or limited local staff.

Required Program Content: Community development objectives for all eligible cities over the next three year period must include objectives which attempt to:

- (1) *meet the housing needs including replacement and relocation needs of families who may reasonably be expected to seek housing in the community; particularly those families with low or moderate incomes;*
- (2) *prevent and eliminate slums and blight as well as upgrade neighborhood environments through renewal, code enforcement, and other community improvement programs;*
- (3) *improve and upgrade community services and facilities to meet the social needs of residents in areas affected by community development activities.*

These are program areas which are generally required to be covered in a City's community development statement under the legislation's provisions for eligibility.

## SECTION FOUR

### IMPLEMENTATION PLAN (COMMUNITY DEVELOPMENT PROGRAM)

**Content:** Describe the activities to be undertaken over the next three year period in specific terms, including their estimated costs, the general location of these activities, timetable, and their relation to the City's goals and objectives as listed in Section III. This section will constitute a three-year Activity Plan for community development and will show how the City intends to use its expected share of community development funds. As in other sections, activities may be grouped in categories, such as physical improvements, housing, economic development, social, and community services.

#### EXAMPLES:

#### Program Area: PHYSICAL IMPROVEMENTS

##### (1) Project: Central City Storm Drains

**Description and Justification:** This program will provide funds for the construction of interceptor storm drains to augment overtaxed systems created by increased development within older downtown areas of the City.

**Estimated Costs:** \$350,000 - Community Development Funds

**Budget Year:** 1974 - 75

**Scheduling:** Begin construction: March, 1975; complete: October, 1975.

**Relation to Goals:** This program has been developed to partially accomplish objective # 4 under Physical Improvements.

##### (2) Project: Jefferson Neighborhood Park Development

**Description and Justification:** Develop a City-owned property as a park for the neighborhood area west of Oak Avenue.

**Estimated Costs:** \$80,000 (Grand Total)  
\$20,000 City share; \$60,000 Community Development Funds

**Budget Year:** 1975 - 76

**Scheduling:** Start planning in Sept, 1975 - Complete development, March, 76

**Relation to Goals:** Objective # 6 under Physical Improvements.

## OUTLINE

## WHAT INFORMATION IS NEEDED/WHERE TO GET IT

1. Tax Base, Statistics and Trends Con't  
tax and Federal revenues and grants. Also check with the local City Finance Office for additional information.
2. Commercial and Industrial Base and Trends  
Give a brief description of the commercial and industrial base and growth trends for the City. Indicate whether the trend in recent years has shown major gains or losses. This information can be obtained from the local Chamber of Commerce. If more sophisticated data is needed contact the State Dept. of Taxation or look at the U. S. Census of Business and Manufacturers material.
3. Unemployment and Underemployment Statistics  
List employment figures from the Census, including total labor force, unemployment and underemployment rates, civilian labor force breakdowns by general occupational groupings (such as blue and white collar), major changes in labor force makeup since 1960, etc..  
  
In addition, the nearest State Employment Security Office can give a more current figures for employment and unemployment for your area, but not necessarily totals for the City alone.
4. Fiscal Status and Level of Bonded Indebtedness  
Give a one-paragraph description of the City's fiscal status, including size of current annual City budget, general expenditures, and any significant major sources of revenue and the tax rate in comparison to adjacent cities of roughly the same size. Add any significant information on bonded indebtedness, such as capacity of asset valuation, total outstanding or general obligations. Sources include: City and County fiscal comptrollers; City Annual Financial Report; State Department of Taxation.
5. Special Designation (if any)  
Various cities are eligible for additional Federal assistance based on certain indicators of need. An example is the Department of Commerce, EDA designation of areas within certain cities as "Special Impact Areas" qualifying for special economic development assistance. Other agencies include: HUD, Department of Labor, HEW, etc. List any special designations your City may have. If none, check with the Federal agencies for eligibility.



OUTLINE

WHAT INFORMATION IS NEEDED/WHERE TO GET IT

1. Population Statistics and Trends Con't  
 ▶ school population, etc.. U.S. Census material includes figures on homeownership by age which would be useful for identifying elderly population characteristics. Include median age of city population; any notable variations from State or SMSA averages by race, age, or sex; and any notable changes from past years in race, age, or sex for the City.
  2. Income and Poverty Statistics  
 List City distributions by population on income from the U.S. Census figures. Include median and number below and above the poverty line. Other sources for additional income and poverty statistics include: the local Office of Economic Opportunity (if your City has participated in an OEO Program); the local School District; and the County Welfare Department (total number of families, percent public assistance, number female heads of household, etc.).
  3. Other Special Social Concerns  
 List any particular social concern, related problems as well as any local programs in operation to address these concerns. This will assist you in preparing a statement of needs for a community development program. A great amount of statistics is not needed at this point, only a statement of the problem areas. Check with the Police Department and School District regarding problems relating to drug abuse and delinquency; contact the County Public Health Department regarding alcoholism; etc.. A statement from any of these agencies that these are problem areas can appropriately be included in place of statistics. To a greater extent, cities are being asked by their residents to assist in social problem-solving efforts by providing social services, particularly in the areas of child care, drug abuse, juvenile delinquency, and alcoholism.
- Also include data on education, such as total elementary and secondary enrollment, median school years for the city; total education population over 25, less than 8, etc..

C. ECONOMIC DATA

1. Tax Base Statistics & Trends  
 List total assessment of property value within the City. Note significant changes during the past 5 to 10 years. Provide a brief history and projection of the expected trends if possible. The local tax assessor's office can provide information on total general revenues; revenue per capita, property subject to tax, tax base rate, tax delinquency, sales and gas

Budget Summary: In addition to the description of activities, include in this section a budget summary which lists each project by total project costs, and the estimated sources of funds and amounts. Estimated sources could include, for example: City share, community development funds, general revenue sharing funds, HUD categorical grants or other Federal, State or local funds.

A separate budget summary needs to be prepared for each year included in the community development activity plan. In the case of the example above, budget summaries would be needed for 1974 - 75 and for 1975 - 76 Fiscal Years. In the process of preparing the community development budget and in deciding what are the City's priority activities for the immediate next three years, it can also be possible to block out proposed community development expenditures for the next five to six years. This is a useful and desirable exercise since it will provide a broad picture of what appears to be the City's relative priorities during this extended time period. The City of Stockton, California, in fact, has prepared a ten-year Neighborhood and Community Improvement Program with separate budgets for the next six years and an aggregate budget for the remaining four years (1978 - 82). Five, six or ten year programs will, of course, have to be updated each year, similar to the City's capital improvement program.

Consistency with Other Plans and Policies: Community development block grant legislation requires "certification that the community has determined that its Community Development Program is consistent with local, State, and area-wide comprehensive development plans and national growth policies." Planning Departments, where established in cities, should review the proposed goals and activity plans in terms of their consistency with any existing local or regional plans and national policies, as well as to obtain the clearance from the appropriate agencies. If the City does not have staff to make this kind



of review, the relevant regional planning agency (if there is one) can be asked to perform this review and provide the certification. For cities outside SMSA's, the State Office of Planning will most likely be the appropriate agency to contact. For cities along the coast, review by the Coastal Commission may be needed for some projects. Other areas may have special planning agencies other than the above mentioned. State and local planning agencies are likely to require submittal of community development plans for review even though this type of review is not required by the Federal Government under the Housing and Community Development Act of 1974.

<u>OUTLINE</u>	<u>WHAT INFORMATION IS NEEDED/WHERE TO GET IT</u>
4. Inventory of Parks & Open Space Con't	List any deficiencies in existing park facilities, need for remodeling, etc..
5. Transportation Networks and Services	<p>List and identify major transportation features within the city limits or available to city residents: any railroads, airports, ports, major freeways, and any problems related to them. Describe what kind of public transit systems are available or planned for the future, if any, and list other transit services, such as buslines, Greyhound, Taxis.</p> <p>Identify particular traffic problems in the City and any major problems relating to condition of streets.</p>
6. Other Important Environmental Factors	<p>Describe local problems relating to air, water, noise, solid waste disposal, and land use. This can simply be a layman's description of what is seen as local problems and not a highly scientific or technical report. Also identify local agencies exercising environmental controls. These agencies plus the County Health Department can be used as additional sources of information if it appears necessary.</p> <p>The purpose of listing environmental factors is threefold: (1) these factors will partly limit anything the city proposes to do; (2) some environmental conditions are correctable and therefore may be considered under community development funds to do so, especially for water and sewer work, and (3) any major plans or activities undertaken by the city will be subject to Federal and possibly State Environmental Impact Report requirements. The City needs to be aware of its environmental factors as a basis for preparing development plans.</p>
<u>B. SOCIAL DATA</u>	
1. Population Statistics and Trends	<p>List the City's population as published by the Bureau of Census, 1970; the change over the past decade; density figures; and population projections over the next 10 to 20 years. Population projections can usually be obtained through the State Departments of Community Affairs or Finance.</p> <p>The City may wish to analyze age, racial, and sex distributions if there are particular problems, such as needs of the elderly, a growing</p>

OUTLINE

WHAT INFORMATION IS NEEDED/WHERE TO GET IT

A. PHYSICAL DATA

1. Regional Location

On a small map, identify the city's location in relation to the region or metropolitan area.
2. Outstanding Physical Characteristics

Identify any major features unique to the city such as topography, major water resources (if any), climate, visual settings, etc.. (no research necessary)
3. Condition of Housing Stock and Degree of Overcrowding

These statistics should probably include: number of units (total all year housing); number of owner occupied and renters; median housing value; median gross rent; degree of overcrowding; vacancy rates; age of housing stock; and number of substandard units. These are available in the 1970 Census by City (total) and by census tracts in most cases. Some small cities outside urban areas do not have census figures by tract.

Housing overcrowding is one of the three criteria proposed for the determination of community development funds each Standard Metropolitan Statistical Area (SMSA) will receive.

- A second useful information source is the City Building Department. Most cities keep records of: number of building permits issued, by type of structure; number of new living units developed; total number of demolitions annually, etc..
4. Inventory of Parks and Open Space

List the locations of City parks, open space areas, and recreational facilities for public use. Include a map showing locations if possible. (Include parks and recreational areas that are owned by other jurisdictions or private concerns, such as the County, Regional District, State, or Federal Government.)

If the City has a Parks Department or Planning Department, they may have standards available for open space which could be included in this section.

Add any additional relevant information, such as City plans to acquire open space, community requests for open space and recreational facilities; open space that has been acquired but not yet developed for park use, etc..

SECTION FIVE

ADOPTED CITY POLICY STATEMENTS

Content: In this section, summarize the various City policies and policy plans that relate to or affect community development program activity.

This would include such items as: general plan elements, affirmative action hiring policies, housing policies, growth policies, citizen participation mechanisms, etc..

Purpose: A listing of the various policy plans and policies will provide an overall picture of the extent to which the City is geared up for community development operations. It will indicate in what areas the City may need to develop a policy statement, adopt a policy plan, or update an existing policy. The plans and policies listed below are not all mandatory tools for community development, but they are all desirable supporting elements. Many of them are required by Federal or State government by law, or as a condition for various types of funding in order to carry out national policies, or for other reasons.

Again, as in other sections, this section is included more or less as a checklist rather than an extensive description of City policies. In listing the existing City policies, simply outline or summarize the categories covered in each policy rather than explain them in detail. In cases where the City does not have a policy, indicate any plans and timetable for development. Also indicate existing policies which require updating or revision.

ITEM	WHAT INFORMATION IS NEEDED
A. <u>PHYSICAL</u>	
1. Status of General Plan and Required Plan Elements	Give dates of Council approval of General Plan and subsequent amendments. Give status of each of the plan elements required by community development and environmental legislation. Give dates of approval of each element or plans & timetable for completion.

ITEM

WHAT INFORMATION IS NEEDED

- |   |  |
|---|--|
| 2. Status of Building Codes Enforcement | Check with the Building Department for the date of code approval, information on any revisions adopted or needed, and general program information on City Code enforcement policies and activity. This information is relevant for various building programs the City may decide to undertake.   |
| 3. Environmental Protection Policies    | Summarize the City's controls, policies, plans, and participation in any regional environmental protection and anti-pollution efforts. Include a reference to the City ordinance or resolution establishing objectives, criteria and procedures for the preparation of environmental impact reports (EIRs) as required by Federal law. |

B. SOCIAL

- |   |  |
|---|--|
| 1. Equal Opportunity and/or Affirmative Action Policies and Plans | List any plans, policy statements, or resolutions, with dates of Council approval, or timetable for preparation of plans or policies relating to equal employment opportunity and hiring of minorities and women.  |
| 2. Housing and Relocation Policies                                | Give dates of Council approval of any plans or policy statements on housing and relocation. If your City intends to formulate plans or policies in this area, give the expected timetable.   |
| 3. Citizen Participation Policies & Components                    | Describe the existing mechanism for citizen inputs to planning and program review. Indicate any plans to set up a citizen community development commission or similar group. List existing City boards or commissions or City Council committees, as well as neighborhood councils and other local organizations active in matters relating to local government and community development. |
| 4. Program Coordination Efforts Between Local Agencies            | Outline any interagency working arrangements for program planning and implementation. For example, your City may be a member of joint committees or planning task forces for specific subjects, such as transportation, flood control, pollution control, health services, delinquency prevention, etc..   |

SECTION ONE

GENERAL BACKGROUND INFORMATION ON THE CITY

Content: This section gives a general description of the City; its location; outstanding physical characteristics; housing stock; parks and open space; transportation network; population summary (demographic); income and employment statistics; and other basic socioeconomic information.

Purpose: The general description of the city will identify what size and type of city is involved for the reviewer who is unfamiliar with the city. It also serves to sharpen the city's perception of its own needs and assets by taking a quick, sharp, overall look at city characteristics. This will help to suggest opportunities for development and improvement, preservation, and public guidance of the city's growth as opposed to more remedial and strictly reactive programs. Much of the background information gathered for this section also can serve as base data for later evaluations and assessments of progress made toward the attainment of local goals and objectives.

Method of Preparation: It is anticipated that the gathering of the various kinds of data listed in this section could be handled by a single resource individual, such as the City Manager or City Planner or other resource personnel. However, some cities may not have readily available data on housing stock, building conditions, population, or other data. An effort to collect this kind of data needs to be made even if it only consists of obtaining estimates or opinions from persons in the best position to know, such as the city's building inspector or even the local contractor. Using these kinds of estimates, although unsystematic, would be more preferable as opposed to reporting no information at all.

The planning guide has been divided into six topic sections based on the regulatory and administrative strategies set forth by the Department of Housing and Urban Development. They are as follows:

- I. General Background Information on the City
- II. Statement of Problems, Assets, and Opportunities
- III. Statement of Goals and Objectives
- IV. Implementation Plan (Community Development Programs)
- V. Adopted City Policy Statements
- VI. Intergovernmental Relations

<u>ITEM</u>	<u>WHAT INFORMATION IS NEEDED</u>
<u>C. ECONOMIC</u>	
1. Industrial Development Programs	Summarize any current City plans, policies, and actions to promote local industrial activity and growth. Mention also similar efforts by the Chamber of Commerce or any other groups (Industrial Commission, etc.).
2. Commercial Growth Policies	Summarize any City policies and actions and private activities to promote local commercial growth.
<u>D. ADMINISTRATIVE</u>	
1. Status of City Program Budgeting	Describe briefly the existing City budget preparation procedure. Outline any efforts toward modernization of the City's budgeting approach.
2. Local Government Re-organization & Modernization	Describe any City government reorganization measures completed, underway, or planned.

SECTION SIX

INTERGOVERNMENTAL RELATIONS

Content: The intergovernmental relations section includes a summary of: Federal, State, and other agency funding of programs within the City (if any); coordination within the City and with other authorities; relationships with State and regional clearinghouses.

Purpose: This information will help to define to what extent your City has established the kinds of funding and coordinative relationships with other government levels and agencies necessary for effective community development program activity. Some cities have had considerable experience already with Federally funded programs; other cities using this guide, however, may have had little or none.

ITEM	WHAT INFORMATION IS NEEDED/WHERE TO GET IT
A. Federally Funded Program Activity	List current City projects and program activity funded by Federal agencies (if any). Organize the list by Federal agency, and indicate the type of grant; funding amount; local share; activity being undertaken and supported by the grant; and City department administering the grant.
B. State Funded Program Activity	List current City projects and program activity which are funded wholly or partially by State agencies. Include the information listed in A (above).
C. Programs Funded by Other Agencies	List current City projects or program activity supported by funds from other agencies such as: the County, School District, regional agencies, and special purpose districts. Include the information listed in A (above).
D. Coordination with Other Authorities	List any joint-powers agreements, delegation of program authority, and other cooperative arrangements within the City administration and with other authorities. Also, outline program areas where this kind of program coordination is necessary.
E. Relationship with County, State, and Regional Agencies	Summarize relationships with County, State, and local regional government agencies or a local council of government.

A PLANNING GUIDE FOR COMMUNITY DEVELOPMENT APPLICATIONS

INTRODUCTION

The following outline is intended to aid cities develop plan statements for the best use of community development block grant funds. The guidelines set forth in this document are intended to suggest important considerations under community development as well as a general format for local officials to follow or adapt in the preparation of plan statements.

It is important to note that this planning guide reflects conditions which are conducive and applicable to a hypothetical city in the small and medium-size category. Thus, it will be necessary for local officials to assess individual portions of this guide according to their own unique situations and needs.

A broader aim of this guide is to help cities see the potential of the Community Development approach for solving urban problems in a systematic way. It does not resolve the many issues and concerns relating to national revenue sharing policies nor is it intended to suggest that there are simple answers to complex local problems. This guide does provide a fairly simple step-by-step outline which can be expanded and enhanced at the local level. Although it is applicable to both small and medium size cities, it is based on the assumption that a City Manager and other city officials working in a small city without any additional community development staff resources could prepare the community development plan statement for their city.

Maps and Statistical Profiles: The use of city-wide and neighborhood area maps to indicate location of problem areas, existing facilities, and proposed projects would be helpful to include in the preparation of the community development plan statement particularly when the reviewer may be unfamiliar with the City. If your City has a planning staff or if an architectural student could be hired through a work-study program, these maps can be prepared in large scale for use in community meetings as well. Another useful planning informational tool consists of "neighborhood profiles" or summaries of whatever statistical and program information is available on each neighborhood in the City. Again, these can be prepared either by planning staff or by students or other volunteers interested in city government. Statistical profiles and elaborate maps are not necessarily required, however, in the overall preparation of a community development plan statement. They are merely desirable.

Monitoring and Evaluation: One requirement for community development applications is for an annual report to the Department of Housing and Urban Development concerning the community development activities carried out during the previous year, *"with an assessment of such activities in relation to the community's previously stated objectives."* This means that each city will need to establish an evaluation and program monitoring process of some kind and at some point during the action year not only to fulfill this requirement, but also to help the City determine if its programs or services are meeting their planned performance goals, or whether they are inappropriate or inadequate and, therefore, should be discontinued in favor of other program activities.

Some small cities with limited staff may have difficulty, at first, in designing and implementing this additional task. Until increased staff capacity becomes available, the program monitoring and evaluation work may

have to be carried out by the existing Planning Department. A detailed description of a monitoring and evaluation process for community development activity is beyond the scope of this planning guide. However, each City will have to provide a monitoring and evaluation system in some form in connection with community development program activity. Starting from the outset of the design phase, the goals and objectives of the City's community development projects need to be stated in quantifiable terms to the maximum extent possible, in order to lend themselves to a monitoring and evaluation process and a system of contract management and control.

## FOREWORD

*This booklet, the first in a series offered for cities' use by the National Model Cities Community Development Directors Association, is intended as a general guide to preparing a Community Development funding application required under the new Housing and Community Development Act of 1974.*

*This is not intended as a substitute for any issuances by the U. S. Department of Housing and Urban Development, but rather as a practical method for collecting and analyzing information and setting priorities required as part of the initial application for community development funds.*

*Henry Dishroom, Assistant City Manager for Community Development, from Richmond, California, and the late Mrs. Ann Copperman of his staff prepared this booklet based on the experiences gained through the Model Cities and Community Development efforts in Richmond over the past seven years.*

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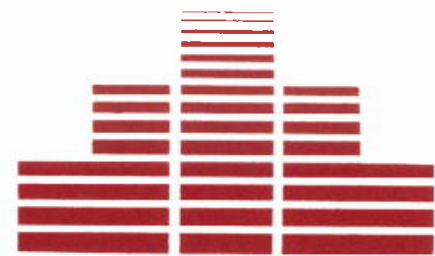


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-Horn on  
right  
Book cover

# a planning guide for community development applications

(FOR USE BY SMALL AND  
MEDIUM SIZED CITIES)



## NATIONAL MODEL CITIES COMMUNITY DEVELOPMENT DIRECTORS ASSOCIATION

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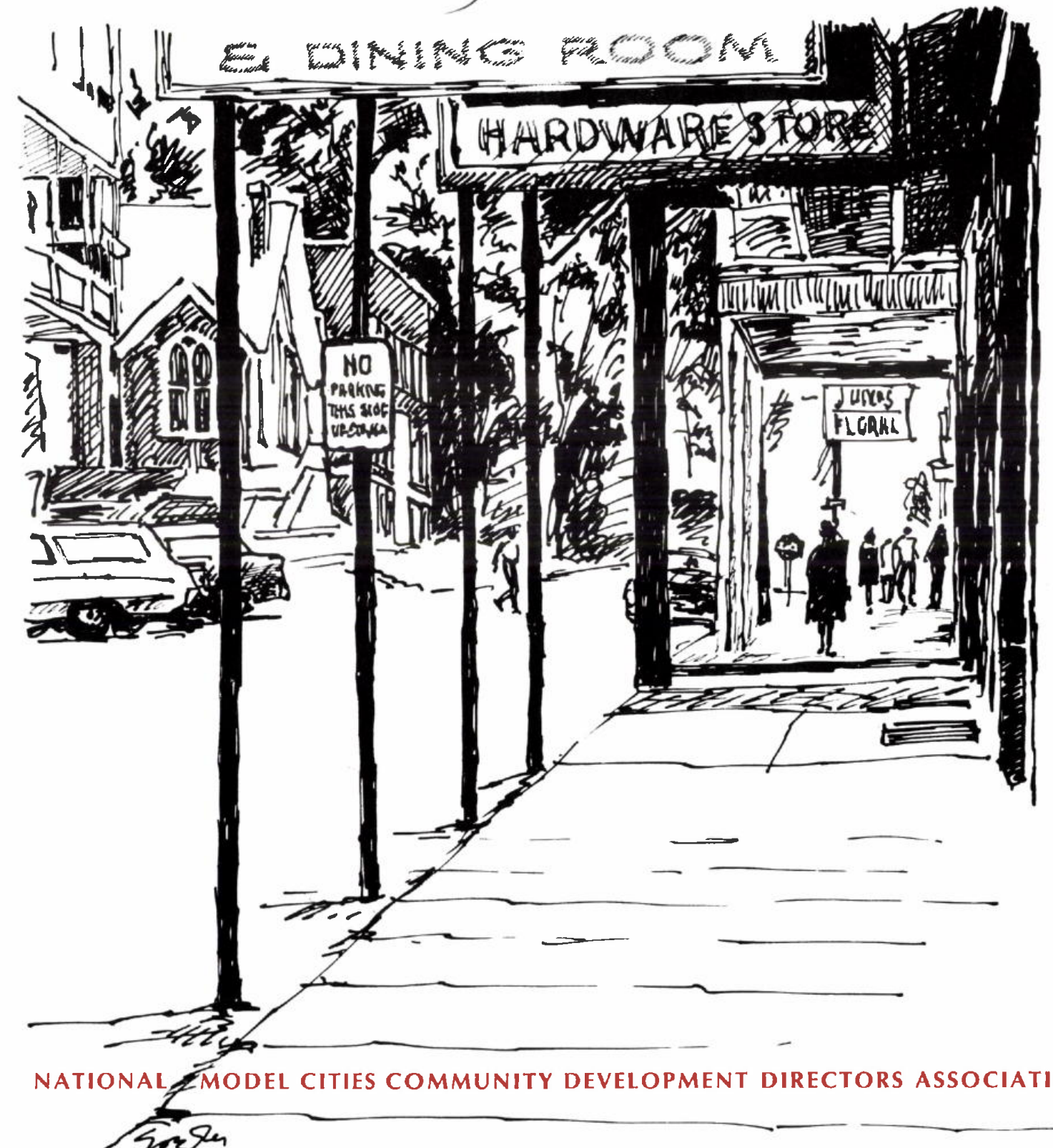
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16 September 1974

MEMORANDUM

TO: Gary Stout ✓  
Ernie Bonner  
Don Mazziotti  
Homer Matson  
Chuck Olson

FROM: Dennis Wilde *DL*

SUBJECT: National League of Cities Seminar on Housing and  
Community Development Act of 1974.

The following is a summary of the information put out at the seminar on various aspects of the Housing and Development Act of 1974. Following the summary are some specific recommendations for things that need to be initiated by this office with respect to the Act. The Act called for a major redefinition between the City of Portland and its renewal agency of the City role in renewal activity. The City must sign off on all projects to be funded under the Housing and Community Development Act. The act combines both hardware and software programs, however, there is no longer a 20 percent maximum on software programs. But all software programs must be tied in some way to physical projects. There are seven criteria which need to be satisfied in the application.

1. The plan must give priority to low and moderate income people.
2. The plan must meet affirmative action requirements.
3. The plan must have a specific citizen participation component.
4. The plan should attempt to stimulate local employment.

*Gary Stout*

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5. An environmental impact statement will be prepared on major program elements.
6. All social activities funded under the program must be tied to physical development.
7. A housing assistance plan must be prepared.

In addition to these criteria there are several other important areas that need to be addressed in the preparation of the application. There needs to be a local "official implementing mechanism." This has been interpreted to mean a centralized city bureau for handling the implementation of all the community development programs. Next there must be an extensive planning process including the collection of data, preparation of goals and setting of priorities. There must be detailed documentation to justify all decisions. Finally there can be no funding of social programs using CD funds until a turndown has been received, from existing social agencies such as HEW, Department of Commerce, etc., for the specific project.

Some details on the act: Projects eligible for funding under the Housing Development Act include all those activities previously funded under included categorical funding plus any new activities specifically mentioned in the act. The single most important element of the program is the Housing Assistance Plan. Congress intends to use this as the test for the success or failure of the program. The system established for HUD review and approval of applications has been considerably simplified and the test of the prudent and reasonable man is the one to be primarily applied to all grants, applications, and submissions. This test implies three specific tests: (1) is the application plainly inconsistent with identified needs as established in available data?, (2) is the program plainly inappropriate to meet the needs as defined?, (3) does the program entail any illegal activity? In other words it must be way out of line before HUD will turn down a grant application. Capital improvements projects can be funded under CD funding, if they meet the test of identified need. There are basically three tests of need spelled out in the act: (1) certify that the project aids the elimination of slums and blights, (2) certify that the project aids or assists low and moderate income people, and (3) certify that the project meets an emergency need.

The single most important aspect of the community development program is the emphasis on neighborhood renewal. This act is clearly intended as a follow-up to the model cities and NDP experience. This does not exclude activities in the central business district nor actions related to employment or commercial revitalization but a clear balance must be

maintained and the emphasis and intent of Congress is that the emphasis be on neighborhood renewal. Another major aspect is that under this new act planning has been given considerable clout. Renewal agencies and housing authorities must meet planning requirements established by the City. The City has the power to negotiate with autonomous agencies in order to bring them into conformance with the plan. It is also important to note that the A-95 review process applies to the HCD program. There is enormous potential for the central cities to have some effect in requiring suburbs to face their own responsibility for providing low income housing particularly if the same suburbs support a low-income work force that presently must commute to their job because of a lack of available low income housing.

HCD funds are 100 percent Federal funds with no local match required. These funds can be used as a local match toward other categorical funding. The act also contains a new definition of low and moderate income families. The definition is as follows: Low income -- those people whose income is less than 50 percent of the median income. Moderate income -- those people whose income is less than 80 percent of the median. The first priority for the new HCD fund would be to complete existing Title 1 projects. However in the City of Portland the Title 1 projects are all in the cash surplus position and there is no present need to utilize these funds to complete any existing projects with the exception of the termination of the five NDR programs ongoing in Model Cities.

Under the act in addition to the funds which are distributed on a formula basis to all cities eligible there are three sources of discretionary funds, however, none of the pots are large enough to be considered a huge new resource. However, it would be prudent if the City application indicated above and below the line funding levels. In other words indicate how the available funds under the formula grant would be utilized and then in addition to that indicated additional projects & projects which would be initiated if additional funding were made available. In addition to this make a separate application to be submitted for the discretionary fund in April. A 10 percent advance will be made available as of December 31. This advance is designed to fund approved and on-going activities such as model cities, existing renewal programs and planning.

Details of the Application: The specifics for the community development application procedure are as follows: The City must certify that it is meeting the requirements regarding low and moderate income, citizen participation, environmental assessment, etc. These certificates will be taken at face value by HUD unless complaints are filed. In addition to the certifications the application must include the following four items: (1) a detailed analysis of needs and problems including supporting data, (2) short and long range objectives aimed at satisfying the problems, (3) a 3-year strategy which maps out the long range program and (4) a detailed 1-year program which itemizes projects, level of funding, location, etc. In addition the first year program must contain a definition of the centralized administrative structure for the handling of community development and a description of the methods of annual evaluation which will begin in the Spring of 1976. A couple of important new twists on this act are that property disposition has been considerably loosened up. No fair market value is required for property disposition. In addition commercial rehab is possible.

Citizen Participation Component: The Federal requirement of citizen participation in preparation of the program calls for three tests: (1) has adequate information been circulated about the program?, (2) have public hearings been held to obtain a specific citizen input?, and (3) has there been adequate citizen participation or opportunity for participation in the preparation of the application itself? It is also suggested but not required to have a separate citizen participation component for the housing assistance plan. Basically two alternatives exist for citizen participation: (1) establish a formal citizen structure, a citizen's advisory committee, and (2) establish an on-going process such as townhall meetings or attendance at neighborhood meetings. It is essential to explicitly document all citizen participation efforts including records of meetings, provision of transportation etc. It may be advisable to go so far as to use the HCD funds to help staff up the Office of Neighborhood Associations. It is also advised that any formalized CP structure have an executive committee particularly if it is a large group.

Housing Assistance Program: A new housing assistance program, Section 8 of the act, marks the first time that the Feds have tried to specifically link housing and community development activities. That is clearly the intent of the act. Section 8 is described by most everyone as the old rent supplement program warmed over. In addition to Section 8, Section 235 and 236 have technically been continued for two years. However, it is not expected that the existing impounded funds for 235 will be released and there are no new funds

There may be funding on a limited scale for 236. There is an existing \$150 million impounded by OMB which will probably be used in operating subsidies for several projects across the country that are being repossessed by HUD. An additional 75 million may be forthcoming for new 236 in areas where it is clearly demonstrated that Section 8 won't work.

Under Section 8 there is an emphasis on establishing a direct relationship between FHA and the developer. The incentives offered under Section 8 are mortgage insurance and a direct users subsidy being defined as that amount between the fair market value and the rent paid on a per unit basis. The subsidy goes directly to the developer. On private projects there's a 20-year funding commitment. On public projects there's up to a 40-year funding commitment. The priority for approving projects will be as follows: the first priority will go to the projects with 20 percent or less assisted units. However, on a nationwide basis this goes up to 30 percent. The Caviat is that lending institutions will probably be resistant to economic integration and in reality most projects will probably be 100 percent assisted. The most serious issue however is that the private developer becomes responsible for on-going ownership, management, maintenance, and tenant selection in addition to the project development and construction.

There is considerable doubt that the private developer has the sensitivity or experience to deal with low-income people. HAP is concerned about this orientation in the new law. However, it may be able to overcome a majority of the problems by the following methods: (1) HAP is in a position to move more quickly than many of the area's local developers and may be able to tie up most of the units, (2) local review and comment carries a lot of clout and it will be difficult for HUD to overrule a negative comment, (3) it is possible for the local jurisdictions to include design review and other specifics as a part of their Housing Assistance Program. It is clear that Section 8 is seen as the administration's new hope for housing. A total of 400,000 units are to be provided nationwide.

The following are the requirements set out under the Housing Assistance plan:

- (1) Must address national urban growth policy (it must be tied to community development).
- (2) It must clearly aim to provide a decent home and living environment for all.

- (3) It must respond to housing needs for low and moderate income.
- (4) It must include: a) an accurate survey of existing housing, both vacant and occupied, b) an analysis of housing and employment needs, c) a realistic annual goal with number of units, type of units and type of assistance, (including HUD housing assistance as well as local programs), d) a definition by geographic location where assisted units are to be located, e) an aim to locate units in stable as well as older neighborhoods, f) avoid an undue concentration and, g) provide adequate public facilities.
- (5) There must be detailed citizen participation in the preparation of the Housing Assistance Program.

Under the Housing Assistance Program, housing assistance can be used to support up to 110 percent of the fair market value project. This cushion over and above fair market value is designed to leverage additional public and user amenities from the developers. However, it is more likely that the 10 percent will be eaten up by inflation and the discrepancy between established fair market value and actual rent levels necessary to amortize a project.

Recommendations: Based on the information we got from the seminar plus feedback we received from other bureaus regarding the CD task force I would recommend the following steps:

- (1) Include other bureau representatives on the CD task force specifically Human Resources, Model Cities and the Office of Neighbor Associations (I understand this is already done),
- (2) Develop a structure for citizen participation including
  - (a) small group citizen's advisory committee of people who have demonstrated an interest in programs and budgets. This group would meet weekly to review the work of the CD task force, (b) Town hall meeting series to:
    - . explain the Housing and Development Act,
    - . set criteria for selection of areas of concentration,
    - . review the selection process, and
    - . review and approve goals, objectives and generalized programs to be funded.
- (3) Assign specific responsibilities for preparation of the application. (a) Definition of needs/problems-responsibility: planning bureau with PDC assistance, (b) short/long range objectives -- responsibility: Planning Bureau with PDC assistance, (c) 3-year

B.S.

responsibility: PDC and Planning Bureau, (d) 1 year  
program -- responsibility: PDC with Planning Bureau  
assistance, (e) administrative structure -- responsibility:  
Office of Planning and Development (f) evaluation --  
responsibility: Office of Planning and Development.

DW:jcp



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PART III



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary  
for Community Planning  
and Development

COMMUNITY DEVELOPMENT  
BLOCK GRANTS

Notice of Proposed Rulemaking

House  
8-10/4



# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for Community Planning and Development

[24 CFR Part 570]

[Docket No. R-74-292]

## COMMUNITY DEVELOPMENT BLOCK GRANTS

### Notice of Proposed Rulemaking

The Department of Housing and Urban Development herewith publishes its proposed regulations concerning the implementation of Title I of the Housing and Community Development Act of 1974, Pub. Law 93-383, providing a new program of community development block grants which begins on January 1, 1975.

These regulations deal with those funds which under the new legislation are distributed by entitlements to cities and other units of general local government on a needs formula or hold-harmless basis. The law directs that financial assistance be provided to communities with minimum delay, and establishes a Federal review process of not more than 75 days. The review standards assume approval of applications from entitlement cities unless findings to the contrary, as presented by the statute, can be specified by the Secretary.

At a later date regulations will be published which will deal with the distribution and application process for discretionary funds under this Title. Regulations will also be published which will specify the procedures for environmental review activities under this Title. Interested persons are invited to participate in the making of the proposed rules by submitting written data, views or statements. Comments should be filed in triplicate with the Rules Docket Clerk, Office of General Counsel, Room 10245, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. 20410. All relevant material received on or before October 21, 1974, will be considered before adoption of final rules. Copies of comments submitted will be available for examination during business hours at the above address.

The proposed regulation is as follows:

In Subchapter D of Chapter V, add a new Part 570 to read as follows:

### PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

#### Subpart A—General Provisions

- Sec.  
570.1 Applicability and scope.  
570.2 Objective and purpose of program.  
570.3 Definitions.

#### Subpart B—Allocation and Distribution of Funds

- 570.100 General.  
570.101 Allocation between metropolitan and non-metropolitan areas.  
570.102 Basic grant amounts.  
570.103 Hold-harmless grants.  
570.104 Funds for discretionary grants.  
570.105 Qualification as urban county.  
570.106 Qualification and submission dates.  
570.107 Reallocation of funds.

#### Subpart C—Eligible Activities

- 570.200 Eligible activities.  
570.201 Ineligible activities.

#### Subpart D—Applications for Entitlement Grants

- 570.300 Pre-submissions.  
570.301 Program year.  
570.302 Advance of funds.  
570.303 Application requirements.  
570.304 Waiver of application requirements.  
570.305 Program amendments.  
570.306 HUD review and approval of application.

#### Subpart E—Applications and Criteria for Discretionary Grants

- 570.400 [Reserved]

#### Subpart F—Grant Administration

- 570.500 Grant contract.  
570.501 Method of payment.  
570.502 Letter of credit.  
570.503 Advance by Treasury check.  
570.504 Disbursement of transition and planning advances.  
570.505 Financial management systems.  
570.506 Program income.  
570.507 Procurement standards.  
570.508 Bonding and insurance.  
570.509 Audit.  
570.510 Retention of records.  
570.511 Grant closeout procedures (reserved).

#### Subpart G—Other Program Requirements

- 570.600 Maintenance of effort.  
570.601 Limitations on local option activities and contingency accounts.  
570.602 Nondiscrimination.  
570.603 Relocation and acquisition.  
570.604 Environment.  
570.605 Historic preservation.  
570.606 Labor standards.  
570.607 Architectural Barriers Act.  
570.608 Activities for which other Federal funds must be sought.

#### Subpart H—Loan Guarantees

- 570.700 Eligible applicants.  
570.701 Application requirements.  
570.702 Loan amount.  
570.703 Federal guarantee.  
570.704 Marketing of notes and interest rates.

- 570.705 Grants for taxable obligations.

#### Subpart I—Financial Settlement of Urban Renewal Projects

- 570.800 General.  
570.801 Projects which can be completed without capital grants.  
570.802 Projects which cannot be completed without additional capital grants.  
570.803 Requirements for completion of projects prior to financial settlement (reserved).

#### Subpart J—Program Management

- 570.900 Performance standards.  
570.905 Reports to be submitted by recipient.  
570.906 Annual performance report.  
570.907 Records to be maintained by recipient.  
570.908 HUD reports (reserved).  
570.909 Secretarial reviews and monitoring of recipient's performance.  
570.910 Evaluation by HUD.  
570.911 Remedies for non-compliance.

AUTHORITY: Sec. 7(d), 42 U.S.C. 3535(d).

#### Subpart A—General Provisions

##### § 570.1 Applicability and scope.

(a) The policies and procedures contained herein are applicable to the making of community development program block grants and loan guarantees on behalf of urban communities under the provisions of Title I of the Housing and Community Development Act of 1974.

(b) This Part covers policies and procedures relating to the roles and responsibilities of HUD and general local gov-

ernment with regard to the allocation and distribution of funds; eligible activities; application for entitlement grants; applications and criteria for discretionary grants; grant administration; other program requirements; loan guarantees; financial settlement of urban renewal projects; and program management.

(c) The community development block grant program under this Part replaces the following programs consolidated by the Act:

(1) Urban renewal (and neighborhood development programs) under title I of the Housing Act of 1949;

(2) Model Cities under Title I of the Demonstration Cities and Metropolitan Development Act of 1966;

(3) Water and sewer facilities under section 702 of the Housing and Development Act of 1965;

(4) Neighborhood facilities under section 703 of the Housing and Urban Development Act of 1965;

(5) Public facilities loans under Title II of the Housing Amendments of 1955;

(6) Open space land under Title VI of the Housing Act of 1961; and

(7) Rehabilitation loans under section 312 of the Housing Act of 1964.

##### § 570.2 Objective and purpose of program.

(a) The primary objective of the Community Development Program is the development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, the Federal assistance provided in this Part is for the support of community development activities which are directed toward the following specific objectives:

(1) The elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;

(2) The elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities;

(3) The conservation and expansion of the Nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income;

(4) The expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities;

(5) A more rational utilization of land and other natural resources and the better arrangement of residential, commercial, industrial, recreational, and other needed activity centers;

(6) The reduction of the isolation of income groups within communities and geographical areas and the promotion of



receipt of the respondent's appeal, file a reply brief in opposition to the appeal. A copy of the reply brief, if one is filed, shall be transmitted to the respondent or its counsel of record. Upon the filing of an appeal and a reply brief, if any, the Secretary shall make the final agency decision on the record of the administrative law judge submitted to him.

(ii) *Absence of appeal.* In the absence of exceptions by the respondent within the time set forth in paragraph (c) (12) (i) of this section or a review initiated by the Secretary on his own motion within 45 days after the initial decision, such initial decision of the administrative law judge shall constitute the final decision of the Department.

(13) *Decision of the Secretary.* On appeal from or review of the initial decision of the administrative law judge, the Secretary will make the final agency decision. In making his decision the Secretary will review the record or such portions thereof as may be cited by the parties to permit limiting of the issues. The Secretary may affirm, modify, or revoke the findings and initial decision of the administrative law judge. A copy of the Secretary's decision shall be transmitted immediately to the chief executive officer of the respondent or its counsel of record.

(14) *Publicity of proceedings.* (i) *In general.* A proceeding conducted under this subpart shall be open to the public and to elements of the news media provided that in the judgment of the administrative law judge, the presence of the media does not detract from the decorum and dignity of the proceeding.

(ii) *Availability of record.* The record established in any proceeding conducted under this subpart shall be made available to inspection by the public as provided for and in accordance with regulations of the Department of HUD pursuant to 31 CFR Part 1.

(iii) *Decisions of the administrative law judge.* The statement of findings and the initial decision of the administrative law judge in any proceedings, whether or not on appeal or review shall be indexed and maintained by the Secretary and made available for inspection by the public at the public documents room of the Department. If practicable, the statement of findings and the decisions of the administrative law judge shall be published periodically by the Department and offered for sale through the Superintendent of Documents.

(15) *Judicial review.* (i) Actions taken under administrative proceedings pursuant to this subpart shall be subject to judicial review pursuant to Section 111(c) of the Act. If a respondent desires to appeal a decision of the administrative law judge which has become final, or a final order of the Secretary for review of appeal, to the U.S. Court of Appeals, as provided by law, the Secretary, upon prior notification of the filing of the petition for review, shall have prepared in triplicate, a complete transcript of the record of the proceedings, and shall certify to the correctness of the record. The original certificate together with the original record shall then be filed with the Court of Appeals which has jurisdiction.

(ii) Any recipient which receives the final agency decision of the termination, reduction or limitation of payments under this title may, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United

States, who, shall represent the Secretary in the litigation.

(iii) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in Section 2112 of Title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(iv) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

(v) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in Section 1254 of Title 28, United States Code.

WARREN H. BUTLER,  
Acting Assistant Secretary for  
Community Planning and  
Development.

[FR Doc. 74-21511 Filed 9-16-74; 8:45 am]

an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods to attract persons of higher income; and

(7) The restoration and preservation of properties of special value for historic, architectural or esthetic reasons.

(b) It is also the purpose of this Part to further the development of a national urban growth policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a consistent system of Federal aid which:

(1) Provides assistance on an annual basis, with maximum certainty and minimum delay, upon which communities can rely in their planning;

(2) Encourages community development activities which are consistent with comprehensive local and areawide development planning;

(3) Further achievement of the national housing goal of a decent home and a suitable living environment for every American family; and

(4) Fosters the undertaking of housing and community development activities in a coordinated and mutually supportive manner.

#### § 570.3 Definitions.

(a) "Act" means Title I of the Housing and Community Development Act of 1974, P.L. 93-383.

(b) "Basic grant amount" means the amount of funds which a metropolitan city or urban county is entitled to receive under this Part as determined by the formula based on factors pertaining to population, extent of poverty, and extent of housing overcrowding provided in Subpart B.

(c) "City" means (1) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (2) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (i) possesses powers and performs functions comparable to those associated with municipalities, (ii) is closely settled and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(d) "Community Development Program" means the program formulated by the applicant in its application to HUD as described in Subpart D which (1) includes the activities to be undertaken to meet its community development needs and objectives identified in its summary community development plan, together with the estimated costs and general location of such activities, (2) indicates resources other than those provided under this Part which are expected to be made available toward meeting its identified needs and objectives, and (3) takes into account appropriate environmental factors.

(e) "Discretionary grant" means a grant made from the Secretary's fund, from the transition fund for urgent community development needs, and from the general purpose funds for metropolitan and nonmetropolitan areas as described more fully in § 570.104(a), (b), (c) (1), and (c) (2), respectively.

(f) "Entitlement amount" means the amount to be received by a unit of general local government consisting of its basic grant amount and/or hold-harmless grant under § 570.102 and § 570.103.

(g) "Extent of housing overcrowding" means the number of housing units with 1.01 or more persons per room based on data compiled and published by the United States Bureau of the Census for 1970.

(h) "Extent of poverty" means the number of persons whose income are below the poverty level based on data compiled and published by the United States Bureau of the Census for 1970.

(i) "Hold-Harmless amount" means the amount which represents the average past level of funds received by a unit of general local government under the consolidated programs cited in § 570.1(c) and which is used to determine the amount of the Hold-Harmless grant.

(j) "Hold-Harmless grant" means that amount of funds which a unit of general local government is entitled to receive in excess of its basic grant amount under § 570.103.

(k) "HUD" means the Department of Housing and Urban Development.

(l) "Lower income families" means those families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction cost, unusually high or low family incomes, or other factors.

(m) "Metropolitan area" means a standard metropolitan statistical area, as established by the Office of Management and Budget.

(n) "Metropolitan city" means (1) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (2) any other city, within a metropolitan area, which has a population of fifty thousand or more.

(o) "Population" means the total resident population based on data compiled and published by the United States Bureau of the Census for 1970.

(p) "Secretary" means the Secretary of Housing and Urban Development.

(q) "State" means any State of the United States, or any instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.

(r) "Unit of general local government" means any city, county, town, township, parish, village, or other general purpose

political subdivision of a State; Guam, the Virgin Islands, and American Samoa or a general purpose political subdivision thereof; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States. Such term also includes a State or a local public body or agency (as defined in section 711 of the Housing and Urban Development Act of 1970), a community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or Title IV of the Housing and Urban Development Act of 1968.

(s) "Urban county" means any county within a metropolitan area which, pursuant to § 570.105, (1) is authorized under State law to undertake essential community and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (2) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in essential community development and which it has authority to undertake housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

Subpart B—Allocation and Distribution of Funds

#### § 570.100 General.

This section describes the policies and procedures governing the determination of entitlement for eligible units of general local government to receive grants, the entitlement amounts, and the allocation of appropriated funds among the several distribution categories provided under Title I of the Housing and Community Development Act of 1974.

#### § 570.101 Allocation between metropolitan and nonmetropolitan areas.

Eighty percent of the funds appropriated each year for the purposes of this part, excluding amounts for the Secretary's discretionary fund and the transition fund described in Subpart E and excluding fifty million dollars in each of Fiscal Years 1975 and 1976 as specified in § 570.104, will be allocated to metropolitan areas, with the balance of twenty percent allocated to non-metropolitan areas, for community development block grants in those areas, respectively.

#### § 570.102 Basic grant amounts.

(a) *Metropolitan cities.* (1) Of the amount allocated to metropolitan areas pursuant to § 570.101, the Secretary will

political subdivision of a State; Guam, the Virgin Islands, and American Samoa or a general purpose political subdivision thereof; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States. Such term also includes a State or a local public body or agency (as defined in section 711 of the Housing and Urban Development Act of 1970), a community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or Title IV of the Housing and Urban Development Act of 1968.

(s) "Urban county" means any county within a metropolitan area which, pursuant to § 570.105, (1) is authorized under State law to undertake essential community and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (2) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in essential community development and which it has authority to undertake housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

Subpart B—Allocation and Distribution of Funds

#### § 570.100 General.

This section describes the policies and procedures governing the determination of entitlement for eligible units of general local government to receive grants, the entitlement amounts, and the allocation of appropriated funds among the several distribution categories provided under Title I of the Housing and Community Development Act of 1974.

#### § 570.101 Allocation between metropolitan and nonmetropolitan areas.

Eighty percent of the funds appropriated each year for the purposes of this part, excluding amounts for the Secretary's discretionary fund and the transition fund described in Subpart E and excluding fifty million dollars in each of Fiscal Years 1975 and 1976 as specified in § 570.104, will be allocated to metropolitan areas, with the balance of twenty percent allocated to non-metropolitan areas, for community development block grants in those areas, respectively.

#### § 570.102 Basic grant amounts.

(a) *Metropolitan cities.* (1) Of the amount allocated to metropolitan areas pursuant to § 570.101, the Secretary will



allocate to all metropolitan cities an amount of funds which bears the same ratio to the allocation for such metropolitan areas as the average of the ratios between—

(i) The population of all metropolitan cities and the population of all metropolitan areas;

(ii) The extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

(iii) The extent of housing overcrowding by units in all metropolitan cities and the extent of housing overcrowding by units in all metropolitan areas.

(2) Of the amount allocated to all metropolitan cities, the Secretary will allocate to each metropolitan city a basic grant amount which bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

(i) The population of that city and the population of all metropolitan cities;

(ii) The extent of poverty in that city and the extent of poverty in all metropolitan cities; and

(iii) The extent of housing overcrowding by units in that city and the extent of housing overcrowding by units in all metropolitan cities.

(3) In determining the average of ratios under paragraph (a) (1) and (2) of this section, the ratio involving the extent of poverty will be counted twice.

(4) Certain units of general local government having population of 50,000 or more may be eligible for entitlement to basic grant amounts although they are not classified as municipalities by the U.S. Bureau of the Census. In determining eligibility, primary reliance shall be made on information available from the U.S. Bureau of the Census with respect to population level, closeness of settlement, and presence of incorporated places within the boundaries of the governmental unit.

(b) *Urban counties.* (1) Of the amount allocated to metropolitan areas pursuant to § 570.101, the Secretary will allocate to each urban county a basic grant amount determined by—

(i) Calculating the total amount that would have been allocated to all metropolitan cities and urban counties together under paragraph (a) (1) of this section if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in that paragraph; and

(ii) Determining for each urban county the amount which bears the same ratio to the total amount calculated under subparagraph (i) of this paragraph as the average of the ratios between—

(A) The population of that urban county and the population of all metropolitan cities and urban counties;

(B) The extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties; and

(C) The extent of housing overcrowding by units in that urban county and the extent of housing overcrowding by units in all metropolitan cities and urban counties.

(2) In determining the average of ratios under paragraph (b) (1) (ii) of this section, the ratio involving the extent of poverty will be counted twice.

(3) In computing amounts or exclusions with respect to an urban county in any fiscal year, there will be excluded any metropolitan city, any other unit of general local government within the county which is to receive a hold-harmless grant for that fiscal year pursuant to § 570.103, and any other unit of general local government population of which has been excluded from the county's population as part of the urban county qualification process, pursuant to § 570.105.

(4) In excluding the population, poverty, and housing overcrowding data of units of general local government which are to receive a hold-harmless grant from the computations in this paragraph, as required by paragraph (b) (3) of this section, the Secretary will exclude only two-thirds of such data for Fiscal Year 1978 and one-third of such data for Fiscal Year 1979.

(c) *Phase-in provisions.* During the first three years for which funds are approved for distribution to a metropolitan city or urban county, the basic grant amount of those cities and counties as computed under paragraphs (a) and (b) will be adjusted if the amount so computed for the first year exceeds the city's or county's hold-harmless amount for that year as determined under § 570.103. The adjustments will be made so that—

(1) The amount for the first year does not exceed one-third of the full basic grant amount or the hold-harmless amount, whichever is the greater;

(2) The amount for the second year does not exceed two-thirds of the full basic grant amount, or the hold-harmless amount, or the amount allowed under paragraph (c) (1) of this section, whichever is the greatest; and

(3) The amount for the third year does not exceed the full basic grant amount.

§ 570.103 *Hold-harmless grants.*

(a) *Metropolitan cities and urban counties.* Any metropolitan city or urban county having a hold-harmless amount, as calculated under paragraph (c) of this section, in any fiscal year which exceeds its basic grant amount for that year as computed under § 570.102 will be entitled to receive a hold-harmless grant, in addition to its basic grant. Except as provided in paragraph (d) of this section, the amount of the hold-harmless grant will be equal to the difference between the basic grant amount and the hold-harmless amount.

(b) *Other units of general local government.* Any other unit of general local government will be entitled to receive a hold-harmless grant if, during the five fiscal year period ending June 30, 1972

(or June 30, 1973, in the case of a locality which first received a grant for a neighborhood development program in that fiscal year), it had been carrying out one or more urban renewal projects, code enforcement programs, or neighborhood development programs under Title I of the Housing Act of 1949, or model cities programs under Title I of the Demonstration Cities and Metropolitan Development Act of 1966, under commitments for assistance entered into with HUD during that period. Except as provided in paragraph (d) of this section, such hold-harmless grant will equal the hold-harmless amount as computed under paragraph (c) of this section.

(c) *Calculation of hold-harmless amount.* (1) For each unit of general local government having entitlement for either a basic grant amount or a hold-harmless grant, the Secretary will calculate a hold-harmless amount for each of the first five fiscal years beginning with Fiscal Year 1975, and, for a unit of general local government first qualifying for a basic grant amount after the fourth such fiscal year, for the first two years that unit of general local government receives a basic grant amount.

(2) The hold-harmless amount will be the sum of—

(i) The annual average during the five fiscal years ending June 30, 1972, of—

(A) Commitments for grants for urban renewal (excluding neighborhood development programs) under Part A of Title I of the Housing Act of 1949. For the purposes of this calculation, "commitments for grants" means either reservation of funds at the time of project approval and allocation of any funds other than those so reserved.

(B) Loans made for the purpose of rehabilitation of property under Section 312 of the Housing Act of 1964;

(C) Grants for open space land projects, including urban beautification and historic preservation, under Title VII of the Housing Act of 1961;

(D) Grants for water and sewer projects under Section 702 of the Housing and Urban Development Act of 1965;

(E) Grants for neighborhood facilities under Section 703 of the Housing and Urban Development Act of 1965; and

(F) Loans for public facilities under Title II of the Housing Amendments of 1955; and

(ii) The average annual grant for a neighborhood development program under Part B of Title I of the Housing Act of 1949 made during the five fiscal years ending June 30, 1972, or during Fiscal Year 1973 in the case where the initial grant for this purpose was made in that fiscal year; and

(iii) In the case of a unit of general local government having a model cities program which was funded or extended in Fiscal Year 1973 for a period ending after June 30, 1973, there will be included in the hold-harmless amount, amounts based on the following percentages of the average annual grant made for the model cities program under Title I of the

(J) Make initial findings and decision.

(5) *Hearings.* (i) In general: The administrative law judge shall preside at the hearing on a complaint. Testimony of witnesses shall be given under oath or affirmation. The hearing shall be stenographically recorded and transcribed. Hearings will be conducted pursuant to section 7 of the Administrative Procedure Act (5 U.S.C. 556).

(ii) Failure to appear: If a respondent fails to appear at the hearings, after due notice thereof has been served upon or upon its counsel of record, it shall be deemed to have waived the right to a hearing and the administrative law judge may make his findings and decision against the respondent by default.

(iii) Waiver of hearing: A respondent may waive the hearing by informing the administrative law judge, in writing on or before the date set for hearing, that it desires to waive hearing. In such event the administrative law judge may make his findings and decision based upon the pleadings before him. The decision shall plainly show that the respondent waived hearing.

(iv) The administrative law judge shall prior to or at the beginning of the hearing require that the parties attempt to arrive at such stipulations as will eliminate the necessity of taking evidence with respect to allegations of facts concerning which there is no substantial dispute. The administrative law judge shall take similar action, where it appears appropriate, throughout the hearing and shall call and conduct any conferences which he deems advisable with a view to the simplification, clarification, and disposition of any of the issues involved.

(6) *Evidence.* (i) Any evidence which would be admissible under the rules of evidence governing proceedings in matters not involving trial by jury in the Courts of the United States, shall be admissible and controlling as far as possible. Provided that, the administrative law judge may relax such rules in any hearing when in his judgment, such relaxation would not impair the rights of either party and would more speedily conclude the hearing, or would better serve the ends of justice. Evidence which is irrelevant, immaterial or unduly repetitious shall be excluded by the administrative law judge.

(ii) *Depositions.* The deposition of any witness may be taken pursuant to § 570.911(c) (7) and the deposition may be admitted.

(iii) *Proof of documents.* Official documents, records and papers of a respondent shall be admissible as evidence without the production of the original provided that such documents, records and papers are evidenced as the original by a copy attested or identified by the chief executive officer of the respondent or the custodian of the document, and contain the seal of the respondent.

(iv) *Exhibits.* If any document, record, paper, or other tangible or material thing is introduced in evidence as an exhibit, the administrative law judge may authorize the withdrawal of the exhibit subject

to any conditions he deems proper. An original document, paper or record need not be introduced and a copy duly certified (pursuant to paragraph (b) of this section) shall be deemed sufficient.

(v) *Objections:* Objections to evidence shall be in short form, stating the grounds of objection relied upon, and the record shall not include argument thereon, except as permitted by the administrative law judge. Rulings on such objections shall be a part of the record. No exception to the ruling is necessary to preserve the right of either party to the proceeding.

(7) *Depositions.* (i) *In general.* Depositions for use at a hearing may, with the written approval of the administrative law judge, be taken by either the Secretary or the respondent of their duly authorized representatives. Depositions may be taken upon oral or written interrogatories, upon not less than 15 days written notice to the other party, before any officer duly authorized to administer an oath for general purposes. Such written notice shall state the names of the witnesses and the time and place where the depositions are to be taken. The requirement of 15 days written notice may be waived by the parties in writing, and depositions may then be taken from the persons and at times and places mutually agreed to by the parties.

(ii) *Written interrogatories.* When a deposition is taken upon written interrogatories, any cross-examination shall be upon written interrogatories. Copies of such written interrogatories shall be served upon the other party with the notice, and copies of any written cross-interrogatories shall be mailed by first class mail or delivered to the opposing party at least 10 days before the date of taking the depositions, unless the parties mutually agree otherwise. A party upon whose behalf a deposition is taken must file with the administrative law judge and serve one copy upon the opposing party. Expenses in the reporting of depositions shall be borne by the party at whose instance the deposition is taken.

(8) *Stenographic record; oath of reporter, transcript.* (i) *In general.* A stenographic record shall be made of the testimony and proceedings, including stipulations and admissions of fact in all proceedings, but not arguments of counsel unless otherwise ordered by the administrative law judge. A transcript of the proceedings (and evidence) at the hearing shall be made in all cases.

(ii) *Oath of reporter.* The reporter making the stenographic record shall subscribe an oath before the administrative law judge, to be filed in the record of the case, that he (or she) will truly and correctly report the oral testimony and proceedings at such hearing and accurately transcribe the same to the best of his (or her) ability.

(iii) *Transcript.* In cases where the hearing is stenographically reported by a Government contract reporter copies of the transcript may be obtained from the reporter at rates not to exceed the maximum rates fixed by contract be-

tween the Government and the reporter. Where the hearing is stenographically reported by a regular employee of HUD a copy thereof will be supplied to the respondent or its counsel at actual cost of duplication. Copies of exhibits introduced at the hearings or at the taking of depositions will be supplied to the parties upon the payment of a reasonable fee (31 U.S.C. 483(a)).

(9) *Proposed findings and conclusions.* Except in cases where a respondent has failed to answer the complaint or has failed at the hearing, or has waived the hearing, the administrative law judge, prior to making his initial decision, shall afford the parties a reasonable opportunity to submit proposed findings and conclusions and supporting reasons therefor.

(10) *Initial decision of the Administrative Law Judge.* As soon as practicable after the conclusion of a hearing and the receipt of any proposed findings and conclusions timely submitted by the parties, but in no event later than 30 days after the submission of proposed findings and conclusions if they are submitted, the administrative law judge shall make his initial decision in the case. The initial decision shall include a statement of the findings of fact and the conclusions therefor, as well as the reasons, or basis therefor, upon all the material issues of fact, law or discretion preserved on the record, and shall provide for one of the following orders:

(i) An order that the respondent's payments be terminated, or

(ii) An order that the respondent's payments be reduced by an amount equal to the amount of such payments which were not expended in accordance with the Act and the provisions of this Part, or

(iii) An order that the Secretary limit the availability of payments to activities not affected by such failure to comply, or

(iv) An order dismissing the proceedings.

After reaching his initial decision the administrative law judge shall certify to the complete record, together with a certified copy of his initial decision, to the Secretary. The administrative law judge shall serve also a copy of the initial decision, to the Secretary. The administrative law judge shall serve also a copy of the initial decision by certified mail to the chief executive officer of the respondent or to its attorney of record.

(11) *What constitutes record.* The transcript of testimony, pleadings and exhibits, all papers and requests filed in the proceeding together with all findings, decisions and orders, shall constitute the exclusive record in the matter.

(12) *Procedure on review of decision of administrative law judge—(i) Appeal to the Secretary.* Within 30 days from the date of the initial decision and order of the administrative law judge, the respondent may appeal to the Secretary and file his exceptions to the initial decision and his reasons therefor. The respondent shall transmit a copy of his appeal and reasons therefor to the Secretary who may, within 30 days from



shall be liberally construed to secure just, expeditious, and efficient determination of the issues presented. The Rules of Civil Procedure for the District Courts of the United States, where applicable, shall be a guide in any situation not provided for or controlled by this subpart, but shall be liberally construed or relaxed when necessary.

(3) *Reasonable notice and opportunity for hearing.* (i) Whenever the Secretary has reason to believe that a recipient has failed to comply with any section of the Act or of the provisions of this part, and that termination, reduction, or limiting the availability of payments is required, he shall give reasonable notice and opportunity of hearing to such recipient prior to the invocation of any sanction under the Act.

(ii) Except in proceedings involving willfulness or those in which the public interest requires otherwise, a proceeding under this part will not be instituted until such facts or conduct which may warrant such action have been called to the attention of the chief executive officer of the recipient in writing and he has been accorded an opportunity to demonstrate or achieve compliance with the requirements of the Act and of this part. If the recipient fails to meet the requirements of the Act and regulations within such reasonable time as may be specified by the Secretary, a proceeding shall be initiated. Such proceeding shall be instituted by the Secretary by a complaint which names the recipient as the respondent.

(iii) A complaint shall give a plain and concise description of the allegations which constitute the basis for the proceeding. A complaint shall be deemed sufficient if it fairly informs the respondent of the charges against it so that it is able to prepare a defense to the charges. Notification shall be given in the complaint as to the place and time within which the respondent shall file its answer, which time shall be not less than 30 days from the date of service of the complaint. The complaint shall also contain notice that a decision by default will be rendered against the respondent in the event it fails to file its answer as required.

(iv) (A) *Complaint.* The complaint or a true copy thereof may be served upon the respondent by first-class mail or by certified mail, return receipt requested; or it may be served in any other manner which has been agreed to by the respondent. Where the service is by certified mail, the return Postal Service receipt duly signed on behalf of the respondent shall be proof of service.

(B) *Service of papers other than complaint.* Any paper other than the complaint may be served upon the respondent or upon its attorney of record by first-class mail. Such mailing shall constitute complete service.

(C) *Filing of papers.* Whenever the filing of a paper is required or permitted in connection with a proceeding under this Part, and the place of filing is not speci-

fied in this subpart or by rule or order of the administrative law judge, the paper shall be filed with the Secretary, Washington, D.C. 20410. All papers shall be filed in duplicate.

(D) *Motions and Requests.* Motions and requests may be filed with the designated administrative law judge, except that an application to extend the time for filing an answer shall be filed with the Secretary pursuant to § 570.911 (c) (3) (iv) (c).

(v) (A) *Filing.* The respondent's answer shall be filed in writing within the time specified in the complaint, unless on application the time is extended by the Secretary. The respondent's answer shall be filed in duplicate with the Secretary.

(B) *Contents.* The answer shall contain a statement of facts which constitute the grounds of defense, and it shall specifically admit or deny each allegation set forth in the complaint, except that the respondent shall not deny a material allegation in the complaint which it knows to be true; nor shall a respondent state that it is without sufficient information to form a belief when in fact it possesses such information. The respondent may also state affirmatively special matters of defense.

(C) *Failure to deny or answer allegation in the complaint.* Every allegation in the complaint which is not denied in the answer shall be deemed to be admitted and may be considered as proved, and no further evidence in respect of such allegation need be adduced at a hearing.

(D) *Failure to file answer.* Failure to file an answer within the time prescribed in the complaint, except as the time for answer is extended § 570.911 (c) (3) (v) (A), shall constitute an admission of the allegations of the complaint and a waiver of hearing, and the administrative law judge shall make his findings and decision by default without a hearing or further procedure.

(E) *Reply to answer.* No reply to the respondent's answer shall be deemed to be denied, but the Secretary may file a reply in his discretion and shall file one if the administrative law judge so requests.

(F) *Referral to administrative law judge.* Upon receipt of the answer by the Secretary or upon filing a reply if one is deemed necessary, or upon failure of the respondent to file an answer within the time prescribed in the complaint or as extended under § 570.911 (c) (3) (v) (A), the complaint (and answer, if one is filed) shall be referred to the administrative law judge who shall then proceed to set a time and place for hearing and shall serve notice thereof upon the parties at least 15 days in advance of the hearing date.

(vi) (A) If it appears that the respondent in its answer falsely and in bad faith, denies a material allegation of fact in the complaint or states that it has no knowledge sufficient to form a belief, when in fact it does possess such information, or if it appears that the respond-

ent has knowingly introduced false testimony during the proceedings, the Secretary may thereupon file supplemental charges against the respondent. Such supplemental charges may be tried with other charges in the case, provided the respondent is given due notice thereof and is afforded an opportunity to prepare its defense thereto.

(B) In the case of a variance between the allegations in a pleading and the evidence adduced in support of the pleading, the administrative law judge may order or authorize amendment of the pleading to conform to the evidence. *Provided*, The party that would otherwise be prejudiced by the amendment is given reasonable opportunity to meet the allegation of the pleading as amended. The administrative law judge shall make findings on any issue presented by the pleadings as so amended.

(C) A respondent or proposed respondent may appear in person through its chief executive officer or it may be represented by counsel or other duly authorized representative. The Secretary shall be represented by the General Counsel of HUD.

(4) *Administrative Law Judge; powers.* (i) *Appointment.* An administrative law judge, appointed as provided by Section 11 of the Administrative Procedure Act (5 U.S.C. 3105), shall conduct proceedings upon complaints filed under this subpart.

(ii) *Powers of administrative law judge.* Among other powers provided by law, the administrative law judge shall have authority, in connection with any proceeding under this subpart, to do the following things:

(A) Administer oaths and affirmations;

(B) Make ruling upon motions and requests. Prior to the close of the hearing no appeal shall lie from any such ruling except, at the discretion of the administrative law judge, in extraordinary circumstances;

(C) Determine the time and place of hearing and regulate its course and conduct. In determining the place of hearing the administrative law judge may take into consideration the requests and convenience of the respondent or its counsel;

(D) Adopt rules of procedure and modify the same from time to time as occasion requires for the orderly disposition of proceedings;

(E) Rule upon offers of proof, receive relevant evidence, and examine witnesses;

(F) Take or authorize the taking of dispositions;

(G) Receive and consider oral or written arguments on facts or law;

(H) Hold or provide for the holding of conferences for the settlement or simplification of the issues by consent of the parties;

(I) Perform such acts and take such measures as are necessary or appropriate to the efficient conduct of any proceeding; and

Demonstration Cities and Metropolitan Development Act of 1966 during fiscal years ending June 30, 1972—

(A) One hundred percent for each of a number of years, which, when combined with the number of funding years for which the unit of general local government has received grants prior to Fiscal Year 1975, equals five.

(B) Eighty percent for the year immediately following year five as determined in paragraph (c) (2) (iii) (A) of this section;

(C) Sixty percent for the year immediately following the year provided in paragraph (c) (2) (iii) (B) of this section; and

(D) Forty percent for the year immediately following the year provided in paragraph (c) (2) (iii) (C) of this section.

For the purpose of calculating hold-harmless amounts, the average annual grant under paragraphs (c) (2) (ii) and (iii) of this section will be established by dividing the total amount of grants made to the unit of general local government by the number of months of program activity for which such grants were made and multiplying the result by twelve. In calculating the hold-harmless amount, any portion of grants which were made as one-time payments for relocation costs under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601) will be excluded. In calculating the average annual grant under paragraph (c) (2) (iii) of this section, the Secretary will exclude Planned Variations grants and grants for such other special purposes as relocation costs for Project Rehab in model cities programs. In attributing credit to units of general local government for grants or loans for the purpose of calculating the hold-harmless amount, the Secretary will be guided primarily by the location of the project, and, in addition, the identity of the local government which contracted for such grants or loans. Thus, where a county park authority received a grant to provide recreational facilities in a metropolitan city, the city would be credited with the grant in the hold-harmless calculation, and not the county.

(d) *Phase-out of hold-harmless.* (1) In determining the hold-harmless grant for Fiscal Years 1975, 1976, and 1977, the full hold-harmless amount calculated under paragraph (c) of this section will be used in accordance with paragraphs (a) and (b) of this section. In Fiscal Years 1978 and 1979, if the hold-harmless amount exceeds the basic grant amount for a locality in any such year, as computed under § 570.102, it will be reduced so that—

(i) In Fiscal Year 1978, the excess of the hold-harmless amount over the basic grant amount for that year will equal two-thirds of the difference between such hold-harmless and basic grant amounts; and

(ii) In Fiscal Year 1979, the excess of the hold-harmless amount over the basic grant amount for that year will equal one-third of the difference between such hold-harmless and basic grant amounts.

(2) In Fiscal Year 1980, no hold-harmless grants will be made.

(3) In determining the adjustments under paragraph (d) (1) of this section for units of general local government not qualifying for a basic grant, the provisions of paragraph (d) (1) (i) and (ii) of this section will be applied as though such units had entitlement to a basic grant amount of zero.

(e) *Waiver of hold-harmless.* Any unit of general local government qualifying for a hold-harmless grant under the conditions contained in paragraph (b) of this section may, not later than thirty days prior to January 1, 1975, or not later than 30 days prior to the beginning of any fiscal year thereafter, irrevocably waive its eligibility for such grants. Such waiver must be submitted to the Secretary in writing. In the case of such a waiver, the unit of general local government shall not be excluded from the computations described in § 570.102 (b) (3) and § 570.104 (c) (1) and (2).

§ 570.104. Funds for discretionary grants.

(a) *Secretary's fund.* From the amount appropriated for community development block grants each fiscal year, excluding the transition fund described in paragraph (f) and fifty million dollars in each of Fiscal Years 1975 and 1976, HUD will determine an amount which is two percent of such appropriated funds for use in making grants—

(1) In behalf of new communities approved under Title VII of the Housing and Urban Development Act of 1970 or Title IV of the Housing and Urban Development Act of 1968;

(2) To States and units of general local government which jointly apply for such funds for addressing problems that are arewide in scope;

(3) In Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(4) To States and units of general local government for use in demonstrating innovative community development projects;

(5) To States and units of general local government for use in meeting emergency community development needs caused by disasters that, in the determination of the President, are of sufficient severity and magnitude to warrant major disaster assistance by the Federal Government, (but not more than one-fourth of the total amount reserved and set aside in the Secretary's fund under this section for each year will be used for this purpose); and

(6) To States and units of general local government where HUD finds it necessary to correct inequities resulting from the allocation provisions of this subpart.

Grants from the Secretary's fund may be made in addition to any other community development block grants which may be made under this Subpart.

(b) *Transition fund.* Using funds appropriated for Fiscal Years 1975, 1976 and 1977 for this purpose, grants may be made to units of general local government having urgent community develop-

ment needs which cannot be met through the operation of the allocation provisions of this Subpart. Grants under this paragraph will be limited to the total amount appropriated in each fiscal year for this purpose.

(c) *General purpose funds—*(1) *Metropolitan areas.* Any portion of the amount allocated to metropolitan areas under § 570.101, which remains after the allocation of (A) basic grant amounts to metropolitan cities and urban counties under § 570.102, and (B) hold-harmless grants to which units of general local government in metropolitan areas are entitled, under § 570.103, will be allocated for grants to units of general local government, other than metropolitan cities and urban counties, and to States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the total of those remaining amounts as the average of the ratios between—

(i) The population of that metropolitan area and the population of all metropolitan areas;

(ii) The extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas; and

(iii) The extent of housing overcrowding by units in that metropolitan area and the extent of housing overcrowding by units in all metropolitan areas.

In determining the average ratios for metropolitan areas, the ratio involving the extent of poverty will be counted twice; and in computing amounts for metropolitan areas there will be excluded any metropolitan cities, urban counties, and any units of general local government which receive hold-harmless grants under § 570.103 (b).

(2) *Nonmetropolitan areas.* Any portion of the amount allocated to nonmetropolitan areas under § 570.101 which remains after providing the allocation of hold-harmless grants to which units of general local government in nonmetropolitan areas are entitled under § 570.103 (b), will be allocated for grants to units of general local government in nonmetropolitan areas or to States for use in nonmetropolitan areas, allocating for the nonmetropolitan areas of each State an amount which bears the same ratio to the total of those remaining amounts as the average of the ratios between—

(i) The population of the nonmetropolitan area in that State and the population of the nonmetropolitan area in all States.

(ii) The extent of poverty in the nonmetropolitan area in that State and the extent of poverty in the nonmetropolitan area in all States; and

(iii) The extent of housing overcrowding by units in the nonmetropolitan area in that State and the extent of housing overcrowding by units in the nonmetropolitan area in all States.

In determining the average of ratios for nonmetropolitan areas, the ratio involving the extent of poverty will be counted twice; and in computing amounts for nonmetropolitan areas there will be ex-



cluded units of general local government in nonmetropolitan areas which receive hold-harmless grants under § 570.103 (b).

(d) *Adjustment to exclusions for hold-harmless grants.* In excluding the population, poverty and housing overcrowding data of units of general local government which receive hold-harmless grants as required under paragraphs (c) (1) and (2) of this section, only two-thirds of such data will be excluded for Fiscal Year 1978 and one-third of such data for Fiscal Year 1979.

(e) Specific criteria for determining recipients of discretionary funds may be found in Subpart E, Applications and Criteria for Discretionary Grants.

#### § 570.105 Qualification as urban county.

(a) *Determination of qualification.* The Secretary will determine the qualifications of counties to receive entitlements as urban counties pursuant to § 570.102(b) upon receipt of applications from counties in a form and manner prescribed by HUD. The Secretary shall determine eligibility and applicable portions of each eligible county for purposes of fund allocation under § 570.102(b) on the basis of information available from the U.S. Bureau of Census with respect to population and other pertinent demographic characteristics, and based on information provided by the county and its included units of general local government.

(b) *Qualification as an urban county.* A county will qualify as an urban county if such county—

- (1) Is in a metropolitan area;
- (2) Is authorized under State law to undertake essential community development and housing assistance activities ("essential activities") in its unincorporated areas, if any, which are not units of general local government; and
- (3) Has a combined population of 200,000 or more (excluding the population of metropolitan cities therein) consisting of persons residing—
  - (i) In such unincorporated areas.
  - (ii) In its included units of general local government in which it is authorized under State law to undertake essential activities (without the consent of the governing body of the locality) and which do not elect to have their population excluded from that of the county pursuant to § 570.102(b) (3).
  - (iii) In its included units of general local government in which it is authorized to undertake essential activities (upon the consent of the governing body of the locality and the county has received such consent) and which do not elect to have their population excluded from that of the county pursuant to § 570.102(b) (3) or
  - (iv) In its included units of general local government with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential activities pursuant to community development block grants. Such cooperation agreements may consist of the provision by the county of funds or

services or both in behalf of such essential activities.

(c) *Essential activities.* For purposes of this section, the term "essential activities" means community renewal and lower income housing activities. In determining whether a county has the required powers, the Secretary will consider both its authority and the activities previously undertaken by the county pursuant to such authority.

(d) *Certification as to authority.* A county wishing to qualify as an urban county shall, at a time designated by HUD, and on a form prescribed by HUD, describe its authority for undertaking essential activities.

Certification with respect to such authority by the appropriate legal office of the county shall be accepted as conclusive by the Secretary.

#### § 570.106 Qualification and submission dates.

The Secretary will fix qualification and submission dates necessary to permit the computations and determinations required under this Subpart to be made in a timely manner and all such computations and determinations will be final and conclusive.

#### § 570.107 Reallocation of funds.

(a) *Metropolitan areas.* Any amounts allocated to a metropolitan city, urban county, or other unit of general local government for basic grants or hold-harmless grants in metropolitan areas in any fiscal year which are not applied for by the date fixed by the Secretary for that purpose, or which are disapproved by the Secretary as part of the application review or program monitoring processes, will be reallocated for use by the Secretary in making grants to States, metropolitan cities, urban counties, or units of general local government; first, in any metropolitan area in the same State, and second, in any other metropolitan area. Any other amounts allocated to a metropolitan area for any fiscal year under § 570.104(c) (1) which the Secretary determines, on the basis of applications and other evidence available, are not likely to be fully obligated by the Secretary during the fiscal year for which the allocation has been made, will be reallocated by the Secretary sufficiently prior to the close of the fiscal year to allow a reasonable expectation that the funds may be used for making grants within that fiscal year to States, metropolitan cities, urban counties, and units of general local government, first, in that or any other metropolitan area in the same State, and second, in any other metropolitan area.

(b) *Nonmetropolitan areas.* Any amounts allocated to a unit of general local government for any fiscal year for hold-harmless grants in a nonmetropolitan area which are not applied for by the date fixed by the Secretary for that purpose, or which are disapproved by the Secretary as part of the application review or program monitoring processes, will be reallocated by the Secretary for use in making grants to units of general local government in nonmetropolitan areas in any other State or to any other State for use outside of metropolitan areas. Any other amounts allocated to nonmetropolitan areas of a State for any fiscal year under § 570.104 (c) (2) which the Secretary determines, on the basis of application and other evidence available, are not likely to be fully obligated during the fiscal year for which the allocation has been made, will be reallocated by the Secretary sufficiently prior to the close of the fiscal year to allow a reasonable expectation that the funds may be used for making grants within that fiscal year to units of general local government in nonmetropolitan areas of other States and to other States for use in nonmetropolitan areas.

(c) *Fiscal year reallocation.* Funds reallocated for any fiscal year which are not used within that fiscal year will remain available for the same use in subsequent fiscal years.

### Subpart C—Eligible Activities

#### § 570.200 Eligible activities.

(a) Grant assistance for a community development program is available for the following activities:

(1) Acquisition in whole or in part by purchase, lease, donation, or otherwise, of real property (including air rights, water rights, and other interests therein), which is—

(i) Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth, as determined by the recipient pursuant to State and local laws;

(ii) Appropriate for rehabilitation or conservation activities;

(iii) Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;

(iv) To be used for the provision of public works, facilities, and improvements eligible for assistance under paragraph (a) (2) of this section; or

(v) To be used for other public purposes, including the conversion of land to other uses where necessary or appropriate to the community development program.

(2) Acquisition, construction, reconstruction, or installation of the following public works, facilities, and site or other improvements: neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, water and sewer facilities, foundations and platforms for air rights sites, pedestrian malls and walkways, and parks, playgrounds, and other facilities for recreational participation; flood and drainage facilities in cases where assistance for such facilities has been determined to be unavailable under other Federal laws or programs pursuant to the provisions of § 570.608; and parking facilities, solid waste disposal facilities, and fire protec-

(4) The recipient shall maintain data which records its good faith efforts to identify, train and/or hire lower-income residents of the project area and to utilize business concerns which are located in or owned in substantial part by persons residing in the area of the project.

(g) *Davis-Bacon Fair Labor Standards Act.* Recipients should maintain records indicating that all contractors performing construction work with grant funds are aware of their obligation to pay prevailing wage rates as determined by the Secretary of Labor.

(h) *Unavailability of other Federal assistance.* Recipients using funds provided under this Part for the provision of public services as described in § 570.200(a) (8) or for the acquisition, construction, reconstruction, or installation of flood and drainage facilities as described in § 570.200(a) (2) shall maintain records of compliance with the procedures set forth in § 570.608 indicating that assistance for such facilities under Federal laws or programs is unavailable.

(i) *OMB Circular A-95 comments.* The recipient shall retain copies of all letters, correspondence, or other records received as a result of review of the community development program application by the appropriate clearinghouse pursuant to the provisions of OMB Circular A-95.

(j) *Record-keeping period.* Records required to be retained under this section shall be kept for a period of three years.

#### § 570.908 HUD Reports [Reserved].

#### § 570.909 Secretarial review and monitoring of recipient's performance.

(a) *General.* The Secretary will review each recipient's annual performance. The review of the recipient's performance will take place prior to approval of the succeeding year's application for grant.

(b) *Objective.* The review system is designed to determine:

(1) Whether the recipient has carried out a program substantially as described in its application;

(2) Whether that program conformed to the requirements of this Part and other applicable laws and regulations;

(3) Whether the recipient has demonstrated a continuing capacity to carry out in a timely manner the approved community development program. To determine the recipient's continuing capacity, the Secretary will consider:

(i) The recipient's performance in moving activities into execution or accomplishing activities undertaken as a part of the community development program in substantial conformance with the recipient's schedule or timetable for its activities; and

(ii) The recipient's performance in utilizing its resources, including funds received under this Part, at a rate which indicates substantial conformance with the recipient's planned rate of expenditure or utilization.

In making determinations concerning a recipient's continuing capacity, the Secretary will be guided by the experience

of other recipients of similar size with similar entitlement amounts as judged by the above factors. Where a recipient's performance with respect to the above factors lags substantially behind that of similar recipients, the Secretary may ask for additional information concerning the administrative, planning, budgeting, management, and evaluation functions of the recipient to determine whether a lack of capacity is the source of the recipient's substantial nonperformance. The Secretary shall further determine by this review if action on the part of the recipient to eliminate the causes of substantial nonperformance will satisfy the requirement of a finding that the necessary capacity to carry out in a timely manner its community development program in succeeding years exists.

(c) *Basis for Review.* Each recipient shall assist the Secretary in performing his review function with respect to:

(1) Review of reports and records of recipients;

(2) Review of certification by the recipient of conformance to applicable laws and regulations;

(3) Site visits and inspections on a routine sampling basis including interviews with citizens and representatives of official citizen's organizations.

#### § 570.910 Evaluation by HUD.

(a) The Secretary shall, in addition to his annual reviews and audits, evaluate programs conducted under this Part and their effectiveness in meeting the objectives of this Part.

(b) The Secretary may conduct such evaluation using HUD personnel, or by contract or other arrangement with public or private agencies.

(c) Recipients under this Part may be required to supply data or make available such records as are necessary for the accurate completion of these evaluations.

#### § 570.911 Remedies for non-compliance.

(a) *Secretarial adjustment of annual grants.* When the Secretary determines, on the basis of such reviews and audits as may be necessary or appropriate, that the recipient has not carried out a program substantially as described in its application, that the program did not conform to the requirements of the Act and other applicable laws, or that the recipient does not have a continuing capacity to carry out in a timely manner the approved community development program, he then may make appropriate adjustment in the amount of the annual grants in accordance with his findings pursuant to such reviews and audits. Adjustments may be made in annual grants for the current program period, the forthcoming program period, or both. Where the determination involves a failure to comply substantially with any provision of the Act, the provisions of § 570.911(c) shall apply.

(b) *Nondiscrimination compliance.* Whenever the Secretary determines that a State or unit or general local government which is a recipient of either grant

or loan assistance under this Part has failed to comply with the provisions of § 570.602, he shall notify the Governor of such State or the chief executive officer of such unit of general local government of the noncompliance and shall request the Governor or the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the Governor or the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); (3) exercise the powers and functions provided for in paragraph (c) of this section; or (4) take such other action as may be provided by law. When a matter is referred to the Attorney General pursuant to the preceding sentence, or whenever he has reason to believe that a State government or unit of general local government is engaged in a pattern or practice in violation of the provisions of § 570.602(a), the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

(c) *General compliance procedures.* (1) *Secretarial referral to the Attorney General.* The Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of the Act, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

Upon such a referral the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this Part which was not expended in accordance with it, or for mandatory or injunctive relief.

(2) *Secretarial actions on payments.* If the Secretary desires to terminate, reduce or limit the availability of payments to a recipient for failure to comply substantially with any provision of this Part, he may do so provided his finding of failure to comply is made after reasonable notice and opportunity for hearing. Alternative actions available to the Secretary are to:

(i) Terminate payments to the recipient; or

(ii) Reduce payments to the recipient by an amount equal to the amount of such payments which were not expended in accordance with this Part; or

(iii) Limit the availability of payments to programs, projects, or activities not affected by such failure to comply.

The following regulations govern the procedure and practice requirements involving adjudications where the Secretary desires to take action requiring reasonable notice and opportunity for hearing. The regulations in this part



(2) The recipient will be required to document the actions undertaken to further fair housing. Such documentation should indicate:

(i) Any actions undertaken to encourage the development and enforcement of fair housing laws.

(ii) Any actions taken to prevent discrimination in housing and related facilities developed and operated with assistance under this Part, and in the lending practices, with respect to residential property and related facilities, of lending institutions.

(iii) Any action taken to assure that land use and development programs funded under this Part provide greater housing opportunities throughout the planning area for any identifiable segment of the total group of lower-income persons in the community.

(iv) Any site selection policies adopted to promote equal opportunity in housing.

(3) The phrase "any identifiable segment of the total group of lower-income persons in the community" refers to women, and members of a minority group which includes Negroes, Spanish-Americans, Orientals, American Indians and other groups normally identified by race, color, or national origin.

(d) *Citizen participation.* (1) A local citizen participation plan has been developed and made public. The grantee shall specify in the plan how it intends to meet the citizen participation requirements of this Part, inclusive of a timetable specifying: (i) When and how information will be disseminated concerning the amount of funds available for projects that may be undertaken, along with other important program requirements; (ii) when in the initial stage of the planning process public hearings will be held; (iii) when and how citizens will have an opportunity to participate in the development of the application prior to submission; (iv) when and how technical assistance will be provided to assist citizen participants to understand program requirements such as Davis-Bacon, environmental policies, equal opportunity requirements, relocation provisions and like requirements, in the preapplication process; and (v) the nature and timing of citizen participation in the development of any future community development program amendments, including reallocation of funds and designation of new activities or locations.

(2) A local process has been developed which permits citizens likely to be affected by community development and housing activities, including low and moderate income persons, to articulate needs, express preferences about proposed activities, assist in the selection of priorities, and otherwise participate in the development of the application, and have individual and other complaints answered in a timely and responsive manner.

**§ 570.905 Reports to be submitted by recipient.**

(a) *General.* Recipients will submit such reports, including litigation reports as the Secretary may require.

(b) *Financial management.* Each recipient shall submit such financial reports as are deemed necessary by the Secretary, consistent with the requirements of Office of Management and Budget Circular A-102.

(c) *Relocation and acquisition reports.* Recipients will report at least annually on a form prescribed by the Secretary on numbers of persons and businesses relocated, numbers remaining in the relocation workload, and a general breakdown of relocation costs and on real property acquired.

**§ 570.906 Annual performance report.**

(a) *Submission.* Prior to the beginning of fiscal year 1977 and prior to each fiscal year thereafter, each recipient shall submit a performance report.

(b) *Contents.* (1) *Progress on planned activities.* The recipient shall indicate, on a form prescribed by HUD, progress on each of the activities that were to be carried out pursuant to its approved application for the previous fiscal year.

(2) *Recipient Assessment.* The performance report must include the recipient's assessment of the effectiveness of the program of community development activities conducted under this Part in meeting the objectives of this Part and the needs and objectives identified in the recipient's previous fiscal year application for funding under this part.

(3) *Housing Assistance Provided.* If the recipient's last application indicated that any housing assistance planned under § 570.303(c) (3) was to be provided, the performance report should indicate, on a form prescribed by HUD, progress in providing such assistance.

(4) *Listing of Environmental Reviews.* The performance report should indicate, on a form prescribed by HUD, the nature and status of all environmental reviews required on projects funded pursuant to this part.

(5) *Citizen Participation.* The recipient shall indicate progress made toward meeting the performance standards outlined in § 570.900(d).

(c) *Public Information.* The recipient will keep copies of the performance report for release as public information.

**§ 590.907 Records to be maintained by recipient.**

(a) *Financial management.* Recipients are to maintain records, in accordance with OMB Circular A-102, Attachment G, which identify adequately the source and application of funds for grant supported activities. These records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(b) *Citizen participation.* Recipients shall maintain the following records with respect to the citizen participation requirements outlined in § 570.900(d):

(1) narrative or other records describing the process used to inform citizens concerning the amount of funds available for proposed community development and housing activities, the range of

activities that may be undertaken, and other important program requirements.

(2) records of public hearings held to obtain the views of citizens on community development and housing needs.

(3) narrative or other records of the opportunities provided citizens to participate in the development of block grant applications.

(c) *Other resources.* All recipients, under the provisions of § 570.303(b), are required to set forth a community development program which includes activities to be undertaken to meet identified community development needs and objectives and indicates resources other than block grants which are expected to be made available toward meeting identified needs and objectives. Records shall be maintained in a form prescribed by HUD which indicate what amount of the resources indicated were actually provided for community development activities and for which activities they were used.

(d) *Relocation.* Recipients' records shall contain the following information concerning families and individuals relocated as a result of activities governed by the provisions of § 570.603:

(1) Recording of all persons eligible for relocation assistance and payments; services provided, payments received, and location to which relocated.

(2) Claim Forms.

(3) Worksheets for computing entitlements and amount of payments.

(4) Grievances filed and their disposition.

(e) *Acquisition.* Recipients' files shall contain the following records concerning real property acquisition governed by the provisions of § 570.603:

(1) Invitation to owner to accompany appraiser during inspection.

(2) Property appraisal.

(3) Statement of basis for the determination of just compensation.

(4) Written offer of just compensation.

(5) Purchase agreements, deeds, declarations of taking, and similar or related documents involving conveyance.

(6) Settlement cost reporting statement.

(7) Notice to surrender possession of premises.

(f) *Equal opportunity.* (1) The recipient shall maintain demographic data by census tract. The data shall include prevailing population characteristics relating to race, ethnic group, sex, age, and head of household.

(2) The recipient shall maintain racial, ethnic, and gender data showing the extent to which these categories of persons have participated in, or benefited from, programs and activities funded under this Part.

(3) The recipient shall maintain data which records its affirmative action in equal opportunity employment, including but not limited to employment, upgrading, demotions, transfers, recruitment or recruitment advertising, layoffs or terminations, pay or other compensation, and selection for training.

tion services and facilities which are located in areas in which other activities described in § 570.303(b) are being carried out.

(3) Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, is expected to arrest the decline of the area.

(4) Clearance, demolition, removal, and rehabilitation of buildings and improvements (including (i) interim assistance to alleviate harmful conditions in which immediate public action is needed and (ii) financing rehabilitation of privately owned properties through the use of grants, direct loans, loan guarantees, and other means, when in support of other activities described in § 570.303(b)).

(5) Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.

(6) Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities.

(7) Disposition, through sale, lease, donation, or otherwise of any real property acquired pursuant to this Part or its retention for public purposes, provided that the proceeds from any such disposition shall be expended only for activities in accordance with this part.

(8) Provision of public services not otherwise available in areas, or serving residents of areas, in which the recipient is undertaking, or will undertake, other activities described in § 570.303(b), where such services are determined to be necessary or appropriate to support such other activities and where assistance in providing or securing such services under other applicable Federal laws or programs has been applied for and denied or not made available pursuant to the provisions of § 570.608. For the purposes of this paragraph, such services shall be directed toward (i) improving the community's public services and facilities concerned with the employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas, and (ii) coordinating public and private development programs.

(9) Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of the community development program pursuant to § 570.303(b).

(10) Payment of the cost of completing a project funded under Title I of the Housing Act of 1949, including the provisions for financial settlement contained in Subpart I.

(11) Relocation payments and assistance for individuals, families, businesses, organizations, and farm operations displaced by activities assisted under this Part, including all benefits at least equal to the minimum levels established under the Uniform Relocation and

Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601).

(12) Activities necessary (i) to develop a comprehensive community development plan (which plan may address the needs, strategy, and objectives to be summarized in the application pursuant to § 570.303(a) but may treat only such public services as are necessary or appropriate to support activities meeting such needs and objectives), and (ii) to develop a policy-planning-management capacity so that the recipient may more rationally and effectively (A) determine its needs, (B) set long-term goals and short-term objectives, (C) devise programs and activities to meet the goals and objectives, (D) evaluate the progress of such programs in accomplishing these goals and objectives, and (E) carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

(13) Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including the provision of information and, at the discretion of the recipient, of resources to residents of areas in which other community development activities described in § 570.303(b) and the housing activities covered in the Housing Assistance Plan described in § 570.303(c) are to be concentrated with respect to the planning and execution of such activities.

Notwithstanding anything to the contrary in this section or in § 570.201, any ongoing activity being carried out in a model cities program shall be eligible for funding under this Part from that portion of the hold-harmless amount attributable to such model cities program as calculated pursuant to § 570.103(c) (2) (iii) (A).

(c) Costs incurred in carrying out the program, whether charged to the program on a direct or an indirect basis, must be in conformance with the requirements of Federal Management Circular 74-4, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," except as modified in these regulations.

**§ 570.201 Ineligible activities.**

The following listing of ineligible activities is illustrative:

(a) *Public facilities.* The general rule is that a public facility is ineligible to be provided unless it is specifically mentioned in § 570.200(a) (2), or was previously eligible under any of the programs consolidated by the Act (except the public facilities loan program, the model cities program, and an urban renewal local grant-in-aid eligible under section 110(d) (3) of the Housing Act of 1949) and cited in § 570.1(c). Examples of facilities which cannot be provided with these funds include the following:

(1) Buildings and facilities for the general conduct of government, such as city halls and other headquarters of government (where the governing body meets regularly), of the recipient and which are predominantly used for municipal

purposes, courthouses, police stations, and other municipal office buildings;

(2) Stadiums, sports arenas, auditoriums, concert halls, cultural and art centers, convention centers, museums, and similar facilities which are used by the general public primarily as spectators or observers;

(3) Schools generally, including elementary, secondary, college and university facilities, but excluding a neighborhood facility or senior center in which classes in practical and vocational activities (such as first aid, homemaking, crafts, etc.) may be taught;

(4) Airports, subways, trolley lines, bus or other transit terminals, or stations, and other transportation facilities; and

(5) Hospitals and other medical facilities open to the public generally, but excluding a neighborhood facility or senior center in which health services are offered.

(b) *Operating and maintenance expenses.* Except for the public services described in § 570.200(a) (8), the interim assistance authorized under § 570.200(a) (4), and fire protection services authorized in § 570.200(a) (2), operating and maintenance expenses in connection with community services and facilities are not eligible. Examples include maintenance and repairs of water and sewer and parking facilities, and salaries of staff operating such facilities.

(c) *General government expenses.* Expenses required to carry out the regular responsibilities of the unit of general local government are not eligible. Examples include all ordinary general government expenditures not related to the community development program described pursuant to § 570.303(b).

(d) *Political activities.* No expenditure may be made for the use of equipment or premises for political purposes, sponsoring or conducting candidates' meetings, engaging in voter registration activity or voter transportation (except where part of the communitywide registration drive sponsored by the unit of general local government), or other partisan political activities.

(e) *New housing construction.* Construction of new permanent residential structures is not a permissible use of funds provided under this Part, except as provided under 24 CFR Part 43.

(f) *Income payments.* Except as authorized under § 570.200, funds may not be expended for direct income payments for housing or for any other purpose. Examples include payments for income maintenance and housing allowances.

**Subpart D—Application for Entitlement Grants**

**§ 570.300 Pre-submissions.**

(a) *Timing of submission of applications.* The Secretary will establish the earliest and latest dates for submission of an application for each fiscal year. Applications, or draft materials relating to applications, received before the earliest date will be returned to the ap-



plicant without review. For fiscal year 1975, the earliest date for submission of an application shall be December 1, 1974; the latest date shall be April 15, 1975, unless specifically waived by the Secretary. Prior to the earliest date for submission of an application for each fiscal year, HUD will provide all applicants with forms and instructions, including the actual or estimated entitlement amount. Entitlement applicants wishing to apply for discretionary grants shall follow the procedures described in subpart E, Applications and Criteria for Discretionary Grants.

(b) *Meeting the requirements of OMB Circular A-95.* Applicants must comply with the procedures set forth in OMB Circular A-95 which require the submission of the application to the appropriate clearinghouse for review and comment prior to submission to HUD. Special procedures developed for the community development program provide for a single 45-day period for review of the entire application including the description of proposed activities.

#### § 570.301 Program year.

(a) *First program year.* The first program year shall start on the date of HUD approval of the application and shall run for twelve consecutive months, except when modified under the provisions of paragraph (b) of this section.

(b) *Subsequent program years.* The second program year shall normally begin twelve months after the beginning date of the first program year. However, an applicant may request to shorten the first program year by no more than three calendar months in order to meet urgent local needs and objectives or to conform the program year to State or local budgeting requirements. The applicant shall not submit an application for a program year beginning prior to the end of the preceding twelve-month program year without the prior concurrence of the HUD Area Office.

#### § 570.302 Advance of funds.

(a) *Request for advance.* For the first program year beginning after January 1, 1975, an applicant may request an advance of funds in an amount not to exceed ten percent of its entitlement amount. A request for advance may be submitted to the appropriate HUD Area Office no earlier than December 1, 1974. An advance of funds may not be approved prior to January 1, 1975, and the applicants' program year does not begin until approval of a full application for a grant. The Request for Advance shall be in a form and manner prescribed by HUD and shall identify and estimate the cost of the activities to be carried out with the advance.

(b) *Eligible uses of advance funds.* Advance funds will be made available for the following purposes:

(1) To plan and prepare for the implementation of activities to be assisted under this part; and

(2) To continue previously approved urban renewal (including Neighborhood Development Program) activities being

carried out under Title I of the Housing Act of 1949 or previously approved model cities activities being carried out under Title I of the Demonstration Cities and Metropolitan Development Act of 1966.

#### § 570.303 Application requirements.

An application for a grant shall conform and be limited to the prescribed HUD forms and content and shall include the following items:

(a) *Community development plan summary.* The application shall include a summary of a three-year community development plan which identifies community development needs, demonstrates a comprehensive strategy for meeting those needs, and specifies both short- and long-term community development objectives which have been developed in accordance with areawide development planning and national urban growth policies. The plan shall be written in a manner to encompass the needs, strategy and objectives designed to eliminate or prevent slums, blight, and deterioration where such conditions or needs exist, and to provide improved community development facilities and public improvements, including the provision of supporting health, social, and similar services where necessary and appropriate. In identifying the needs the applicant shall take into consideration any special needs found to exist in any identifiable segment of the total group of low-income persons in the community. With respect to areawide planning, the applicant must give careful consideration to applicable areawide plans but need not conform rigidly to such plan or secure approval of areawide planning agencies.

(b) *Community development program.* (1) The application shall include a summary of a community development program which:

(i) Includes the activities to be undertaken with the funds provided under this Part for the program year to meet the community development needs and objectives together with the estimated costs and general location of such activities as shown on accompanying maps of census tracts or enumeration districts which include the demographic data of prevailing population characteristics;

(ii) Indicates resources other than those provided under this Part which are expected to be made available during the program year toward meeting the identified needs and objectives; and

(iii) Takes into account appropriate environmental factors.

(2) An applicant may provide in the community development program for the planned expenditure of program year funds in the subsequent program year.

(c) *Housing assistance plan.* The application shall contain a housing assistance plan which:

(1) Accurately surveys the condition of the housing stock in the community. The applicant shall present in summary form a description of housing conditions (to the extent this information is generally available) by number of units in standard condition, in substandard con-

dition, or in deteriorating condition, distinguishing the numbers which are occupied and which are vacant, and further distinguishing to the extent possible, among those which are identified as in substandard or deteriorating condition, the number that are or may be suitable for rehabilitation.

(2) Estimates the housing assistance needs of lower income persons (including elderly and handicapped persons, large families, and persons displaced or to be displaced) either already residing in the community, or planning or expected to reside in the community as a result of planned or existing employment facilities. The assessment of housing assistance needs of lower-income persons should take into consideration any special needs found to exist in any identifiable segment of the total group of lower-income persons in the community.

(3) Specifies a realistic annual goal for the number of dwelling units or persons to be assisted including the relative proportion of new, rehabilitated and existing dwelling units, and the sizes and types of housing projects and assistance best suited to the needs of lower income persons in the community. This statement of the annual goal for dwelling units to be assisted shall take into consideration the housing conditions and needs summarized pursuant to the two preceding paragraphs of this section and shall anticipate progress toward meeting those needs. The goals for new, rehabilitated, and existing units should be consistent with the findings pursuant to § 570.303(c)(1) with respect to the availability of existing units and the suitability of existing units for rehabilitation. HUD field offices will advise applicants of the allocation of housing assistance resources pursuant to section 213 of the Housing and Community Development Act of 1974, prior to submission of the housing assistance plan by the locality.

(4) Indicates the general locations of proposed housing for lower income persons, with the objective of:

(i) Furthering the revitalization of the community, including the restoration and revitalization of stable neighborhoods to the maximum extent possible.

(ii) Promoting greater choice of housing opportunities and avoiding undue concentrations of assisted housing in areas containing a high proportion of low-income persons.

(iii) Assuring the availability of public facilities and services adequate to serve proposed housing projects.

(5) Includes a map showing the concentration of minority groups in the various census tracts or enumeration districts which make up the geographic boundaries of the applicant.

(d) *Community Development program budget.* The applicant shall submit a Community Development program budget on forms prescribed by HUD. Each applicant shall include sufficient funds in each year's budget to fully fund all displacement expected to be

of the unit of general local government in which the project is located, the Secretary may approve a financial settlement of the project if a surplus of capital grant funds will result after full repayment of temporary loan indebtedness. The form of the request for financial settlement will be prescribed by the Secretary. Financial settlements so requested shall be made at the discretion of the Secretary.

(1) *Disbursement and use of surplus funds.* Surplus grant funds remaining after financial settlement will be made available to the unit of general local government for use in accordance with the provisions of this Part.

(i) *Entitlement recipients.* Entitlement recipients may use surplus funds for activities previously approved in their application as specified in Subpart D. If activities not previously approved are to be undertaken with surplus funds, the recipient may either follow the amendment policy as specified in § 570.305, or it may include the proposed use of surplus funds in the first application for entitlement funds which is submitted after financial settlement. If the unit of general local government wishes to stage the use of surplus urban renewal funds over a period of years, it may request the Secretary to make the funds available on a schedule specified by the unit of general local government. In this event, the application or amendment must include only the surplus funds to be used in the program year covered by the application. The use of remaining surplus funds will be governed by subsequent years' applications. Amounts not identified in the application or amendment will be obligated to the recipient by contract and reserved until the use of funds is included in an approved application.

(ii) *Non-Entitlement communities.* Surplus funds resulting from a financial settlement under this section will be made available to a unit of general local government which receives no entitlement amount under Subpart B upon approval of an application as specified in Subpart E, Applications and Criteria for Discretionary Grants.

(2) *Release from contractual obligations under Title I of the Housing Act of 1949.* Prior to financial settlement of the project, the Secretary will negotiate with the LPA the requirements which must be met for completion of the project under the contract executed under Title I of the Housing Act of 1949, as amended, in accordance with § 570.803.

§ 570.802 Projects which cannot be completed without additional capital grants.

(a) *Use of funds by locality.* Units of general local government may use funds made available under this Part to complete projects funded under Title I of the Housing Act of 1949, as amended, as specifically authorized by § 570.200(a)(10).

(b) *HUD review of locality's intended use of funds.* The Secretary will review the application submitted pursuant to

§ 570.303 to determine whether the unit of general local government's use of funds will be sufficient to protect the Federal Government's financial interest in existing urban renewal projects. The Federal Government's financial interest in the existing urban renewal projects shall be determined to be sufficiently protected if the unit of general local government's proposed use of funds will ultimately result in full repayment of outstanding temporary loans plus accrued interest. In the event that full repayment of outstanding temporary loans is proposed to be accomplished over a period of more than three years, the proposed use of funds for payment of interest on outstanding temporary loans until full repayment can be accomplished shall be reviewed. If he determines that the unit of general local government's intended use of funds does not sufficiently protect the Federal Government's financial interest in the existing urban renewal project, the Secretary may, after consultation with the chief executive of the unit of general local government and the local public agency, deduct up to 20 percent from the unit of general local government's entitlement funds in any fiscal year for application to outstanding temporary loans plus accrued interest.

(c) *Deductions at the request of the locality.* The Secretary is authorized to make deductions from a unit of general local government's entitlement for repayment of temporary loans plus accrued interest if the local public agency carrying out the project submits to the Secretary a request which is concurred in by the governing body of the unit of general local government.

(d) *Release from contractual obligations under Title I of the Housing Act of 1949.* Prior to financial settlement of the project, the Secretary will negotiate with the LPA the requirements which must be met for completion of the project under the contract executed under Title I of the Housing Act of 1949, as amended, in accordance with § 570.803.

#### § 570.803 Requirements for Completion of Projects Prior to Financial Settlement [Reserved].

##### Subpart J—Program Management

#### § 570.900 Performance Standards.

Performance standards are the standards against which the Secretary will determine whether the recipient has complied with the specific requirements of this Part. Performance standards are operational program requirements complementing the simplified application review requirements of Subpart D in order to provide assistance, with maximum certainty and minimum delay, upon which communities can rely in their planning. The Secretary's review of performance standards will serve as the basic assurance that grants are being used properly to achieve the objectives of this Part. The Secretary may, either during or after performance, review, monitor, and evaluate the recipient's community development program. The

Secretary will use the following standards in determining compliance with this Part of the recipient's performance, including determinations under § 570.911.

(a) *Relocation.* (1) A locally developed process exists and has been made public which enables the applicant to answer individual and other complaints in a timely and responsive manner, and which assists the applicant to resolve conflict fairly and expeditiously.

(2) *Displacees:*

(i) Have received adequate notice explaining the reason for displacement.

(ii) Have received formal notice establishing eligibility for relocation payments.

(iii) Were provided a reasonable number of referrals to comparable replacement housing.

(iv) Were relocated into decent, safe, and sanitary housing in the case of residential relocation.

(v) Were offered assistance in finding replacement housing or nonresidential location.

(vi) Were offered other reasonable and needed services and assistance, other than assistance in finding replacement sites.

(vii) Received all payments to which they were entitled in a prompt manner.

(viii) Were provided sufficient information in an assimilable form so that displaced persons or businesses fully understood all rights, payments, and assistance to which they were entitled.

(b) *Acquisition.* Local acquisition policy complies with Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(c) *Equal opportunity.* (1) The recipient will be required to document the actions undertaken to assure that no person, on the ground of race, color, national origin or sex, has been excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any activity funded under this Part. Such documentation should indicate:

(i) Any methods of administration designed to assure that no person, on the ground of race, color, national origin or sex, has been excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any activity funded under this Part.

(ii) Criteria used in selecting sites for public facilities designed to further the accomplishment of the objectives of the programs or activities conducted under this Part with respect to any identifiable segment of the total group of lower-income persons in the community.

(iii) Any actions undertaken to overcome the effects of conditions which may have resulted in limited participation, in the past, in programs or activities of the type funded under this Part, by any identifiable segment of the total group of lower-income persons in the community.

(iv) Any actions undertaken to promote equal employment opportunities for any identifiable segment of the total group of lower-income persons in the community.



U.S.C. 327-332), and the contractors and subcontractors shall comply with all regulations issued pursuant to these Acts. This section shall apply to the rehabilitation of residential property only if such property is designed for residential use of eight or more families. The Secretary of Labor has, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Number 14 of 1950 (5 U.S.C. 1332-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

#### § 570.607 Architectural Barriers Act.

The Architectural Barriers Act is applicable to assistance under this Part and requires that the design of any facility constructed with funds from this title comply with the "American Standard Specification for Making Buildings and Facilities Accessible, and Usable by, the Physically Handicapped," Number A-117.1-1961, as modified (41 CFR 101-17.703).

#### § 570.608 Activities for which other Federal funds must be sought.

A recipient may use community development funds for public services as described in § 570.200(a) (8) for activities (other than those previously approved under the model cities program), or for flood or drainage facilities as described in § 570.200(a) (2), provided that:

(a) The recipient has applied or inquired in writing to the Federal agency or agencies which conduct a program or programs most likely to meet the needs for which community development funds are being considered, or of the State or local agency or agencies which customarily receive funds from such programs and administer them within the recipient's jurisdiction.

(b) The recipient has received (1) a written statement of rejection from such Federal, State or local agency; (2) a written statement that funds cannot be made available for at least 90 days after the request; or (3) no response from the Federal, State or local agency within a 90 day period from the date of application or inquiry; and

(c) The recipient has notified HUD of the results of the application or inquiry.

#### Subpart H—Loan Guarantees

##### § 570.700 Eligible applicants.

Units of general local government, which are eligible for grant assistance as specified in Subpart B, may apply for loan assistance under this Subpart. Applications may also be made by public agencies designated by such units of general local government if the unit of general local government certifies that it does not have the powers to carry out activities for which the loan assistance is being made available. The form of designation and certification will be prescribed by HUD.

##### § 570.701 Application requirements.

(a) *Timing of submission of loan application.* Applications for loan guar-

antees may be submitted at the time of or subsequent to the submission of an application for grant funds as specified in Subparts D and E. A revised grant application will be required if activities for which the loan assistance is being requested were not identified in the original grant application. Loan applications may be submitted after the grant application has been approved only if sufficient grant funds remain unobligated to meet the security requirements of § 570.702(c).

(b) *Submission requirements.* Applications for loan guarantees must be made in the form prescribed by HUD. Units of general local government will be required to furnish full faith and credit pledges, or pledges of revenues approved by HUD, pursuant to § 570.702(c).

##### § 570.702 Loan amount.

(a) *Eligible costs.* Guaranteed loans may be made to cover the costs of acquisition or assembly of real property and the related expenses of interest, demolition, relocation, and site improvements, as identified and approved in the grant application.

(b) *Prohibition on loans to benefit private individuals or corporations.* No guarantee shall be issued in behalf of any agency designed to benefit, in or by the flotation of any issue, a private individual or corporation.

(c) *Security requirements.* No guarantee or commitment to guarantee shall be made unless:

(1) The Secretary has reserved and withheld, from the applicant's entitlement or discretionary amount for the applicable program year, for the purpose of paying the guaranteed obligations (including interest), an amount which is at least equal to 110 percent of the difference between the cost of land acquisition and related expenses and the estimated disposition proceeds, which amount may subsequently be increased by the Secretary to the extent he determines such increase is necessary or appropriate because of any unanticipated, major reduction in such estimated disposition proceeds;

(2) The unit of general local government pledges its full faith and credit or revenues approved by the Secretary for the repayment of any amounts required to be paid by the United States pursuant to its guarantee as is equal to the difference between the principal amount of the guaranteed loan and interest thereon and the amount to be reserved and withheld under the preceding paragraph. If revenues are pledged, the applicant must submit evidence to the satisfaction of the Secretary that: (i) there is a reasonable expectation that the revenues will be available; and (ii) the revenues are unencumbered by any superior claim under the pledge; and

(3) The unit of general local government pledges the proceeds of any grants to which it may become eligible under this part for the repayment of any amounts which are required to be paid by the United States pursuant to its guarantee, and which are not otherwise

fully repaid when due pursuant to paragraph (c) (1) and (2) of this section.

##### § 570.703 Federal guarantee.

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

##### § 570.704 Marketing of notes and interest rates.

The Secretary will make provisions for the sale of notes to qualifying investors in the private market or to the Federal Financing Bank. Units of general local government must either participate in the HUD system for marketing of notes or receive HUD approval for the marketing of their own notes in order to qualify for the Federal guarantee. Interest rates on notes sold in the private market will be determined under competitive bidding procedures prescribed by the Secretary. Interest rates applicable to notes purchased by the Federal Financing Bank will be determined by the Secretary of the Treasury.

##### § 570.705 Grants for taxable obligations.

Obligations guaranteed by HUD may, at the option of the unit of general local government or designated agency, be subject to Federal taxation. If taxable obligations are issued, the Secretary will make grants to or on behalf of the issuer not to exceed 30 percent of the net interest cost (including such servicing, underwriting, or other costs as determined by the Secretary) of such obligations. A notice of intent to issue taxable obligations shall be furnished by the unit of general local government or designated agency when application for a guaranteed loan is made. Interest paid on taxable obligations shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

#### Subpart I—Financial Settlement of Urban Renewal Projects

##### § 570.800 General.

This subpart contains regulations governing the transition from the urban renewal and neighborhood development programs (NDP) pursuant to Title I of the Housing Act of 1949, as amended, to the programs undertaken pursuant to this Part.

##### § 570.801 Projects which can be completed without additional capital grants.

(a) Urban renewal and NDP projects which can be completed without additional capital grants may continue to completion under the existing contracts executed under Title I of the Housing Act of 1949, as amended.

(b) At the request of the local public agency (LPA) carrying out the project, with the approval of the governing body

caused by that year's Community Development program activities.

(e) *Certifications.* The applicant shall submit certifications, in such forms as HUD may prescribe, providing assurances that:

(1) The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (P.L. 88-352); Title VIII of the Civil Rights Act of 1968 (P.L. 90-284); Section 109 of the Housing and Community Development Act of 1974; Section 3 of the Housing and Urban Development Act of 1968; Executive Order 11246; Executive Order 11063, and any HUD regulations issued to implement these authorities.

(2) Prior to submission of its application, the applicant has:

(i) Provided citizens with adequate information concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important program requirements.

(ii) Held public hearings to obtain the views of citizens on community development and housing needs; and

(iii) Provided citizens an adequate opportunity to participate in the development of the application and in the development of any revisions, changes, or amendments.

(3) The applicant will comply with the relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(4) The applicant's certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such act apply pursuant to this Part, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(5) The applicant's financial management system complies with the standards prescribed in OMB Circular A-102, Attachment G, "Standards for Financial Management Systems."

(6) Either:

(i) The Community Development program has been developed so as to give maximum feasible priority to activities which will benefit low- or moderate-income families or aid in the prevention or elimination of slums or blight; or

(ii) The community development program activities are designed to meet other particularly urgent community development needs, which certification will be accepted upon determination by the Secretary that the program activities are consistent with the urgency of needs as described in the application and that such needs are not plainly inconsistent with generally available facts and data.

(f) *Performance Report.* Beginning with fiscal year 1976, and each fiscal year thereafter, the applicant shall submit an

annual performance report as described in § 570.906.

##### § 570.304 Waiver of application requirements.

(a) *Eligible applicants for waiver.* The Secretary may waive all or part of the application requirements contained in § 570.303 (a) and (b) if the applicant meets the following criteria:

(1) The applicant has a population of less than 25,000 according to the most recent data compiled by the Bureau of Census and is located:

(i) Outside a standard metropolitan statistical area, or

(ii) Inside such an area but outside an "urbanized area," as defined by the Bureau of Census;

(2) The application relates to the first community development activity to be carried out by such locality with assistance under this part; and

(3) The assistance requested is for a single development activity under this Part of a type eligible for assistance under § 570.200(a) (1) (iii); and neighborhood facilities, water and sewer facilities, historic properties, and parks, playgrounds, and similar recreational facilities authorized pursuant to § 570.200(a) (2).

(b) *Request for Waiver.* In determining that, having regard to the nature of the activities to be carried out, a waiver is not inconsistent with the purpose of this part, the Secretary will approve a waiver: *Provided*, That the funds applied for do not exceed \$1,000,000.

##### § 570.305 Program amendments.

(a) *Mid-year amendments.* An applicant shall submit an amended application to the HUD Area Office if the applicant's community development program is being revised so that more than ten percent of the community development program budget, excluding unspecified local option activities, is to be used for new or different activities not included in the approved community development program. An amendment shall also be submitted whenever the cumulative effect of a number of smaller changes add up to an amount equal to ten percent of the budget, excluding unspecified local option activities.

(b) *Other program amendments.* Program amendments not requiring prior HUD approval pursuant to the preceding paragraph may be undertaken by the applicant, provided all other requirements of this part are satisfied. Such amendments shall be reported to HUD as part of the annual performance report required with the subsequent annual application as described in § 570.906.

(c) *Reprogramming unobligated funds.* Funds that will be unobligated at the end of a program year may be reprogrammed as a part of a subsequent year's annual application for a grant. Such a reprogramming is not a requirement inasmuch as an applicant may continue to carry out activities included in a prior year's application. Reprogramming is authorized, however, in order to avoid subsequent program amendments.

##### § 570.306 HUD review and approval of application.

(a) *Acceptance of application.* (1) Upon receipt of an application, the HUD Area Office will accept it for review, provided that:

(i) It has been received before the close of business on the final date established by HUD for submission of applications for each fiscal year;

(ii) The application requirements specified in § 570.303 are complete, unless specifically waived pursuant to § 570.304;

(iii) The funds requested do not exceed the entitlement amount;

(iv) The required certifications have been properly executed; and

(v) The applicant has submitted evidence that it has either received the comments from the appropriate clearinghouse, pursuant to OMB Circular A-95, or the period for review of the application has expired.

(2) If the application is accepted in accordance with the preceding paragraph, the date of acceptance of the application will be the date of receipt of the application in the HUD field office, and the applicant will be so notified. If the application is not accepted for review, the applicant will be so notified, and will be advised of the specific reasons for nonacceptance.

(b) *Scope of review.* (1) HUD will normally accept the applicants' certifications, statements of facts and data, and other programmatic decisions for review purposes. HUD reserves the right, however, to consider substantial evidence which contradicts or challenges the certifications, facts, data, or other programmatic decisions, and to require additional information or assurances from the applicant as warranted by such evidence.

(2) Based on that review, the application will be approved unless:

(i) On the basis of significant facts and data, generally available (whether published data accessible to both the applicant and the Secretary, such as census data, or other data available to both the applicant and the Secretary, such as recent 701 comprehensive planning data or Workable Program data) and pertaining to community and housing needs and objectives, the Secretary determines that the applicant's description of such needs and objectives is plainly inconsistent with such facts or data, or

(ii) On the basis of the application, the Secretary determines that the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant, or

(iii) The Secretary determines that the application does not comply with the requirements of this Part or other applicable Federal laws, or proposes activities which are ineligible under this Part, or

(iv) On the basis of the review under § 570.802(b), the Secretary determines that the applicant's proposed use of funds will not be sufficient to protect the Federal Government's financial interest in existing urban renewal projects.

(c) *Approval or disapproval of application.* Within seventy-five days of the



date of acceptance of the application, or at such earlier time as review is completed, the Secretary will notify the applicant that the application has been either approved or disapproved. In the event the Secretary has not mailed a notification to the applicant within seventy-five days from the date of acceptance of the application that it has been disapproved, the application shall be deemed to be approved. If the application is disapproved, the applicant shall be informed of the specific reasons for disapproval.

(d) *Opportunity to correct deficiencies.* Within the seventy-five day period, the Secretary will provide every opportunity to an applicant to correct a deficiency or failure to meet the requirements of this Part. No such action on the part of the Secretary shall in any way extend the seventy-five day period for approval or disapproval.

(e) *Approval of less than full entitlement.* The Secretary may adjust the entitlement amount to the extent identified in an application submitted under this part designated for an activity or activities that are ineligible under § 570.201, or plainly inappropriate to meeting the needs and objectives identified by the applicant, where the deficiency has not been corrected prior to the expiration of the 75-day review period for the application. Funds not approved under the preceding sentence will be reallocated pursuant to § 570.107.

(f) *Conditional approval.* The Secretary may make a conditional approval, in which case the full entitlement amount will be approved but the utilization of funds for affected activities will be restricted until specified conditions are satisfied. Conditional approvals may be made where local environmental review under § 570.604 have not yet been completed, or where the requirements of § 570.608 regarding the provision of public services have not yet been satisfied.

#### Subpart E—Applications and Criteria for Discretionary Grants

##### § 570.400 [Reserved]

#### Subpart F—Grant Administration

##### § 570.500 Grant contract.

Upon approval of the application, the Secretary will authorize the execution of a grant contract for a one-year period. These regulations become a part of the grant contract.

##### § 570.501 Method of payment.

(a) *Advance Payments.* Advance payments will be made by either a letter of credit or by U.S. Treasury checks to recipients when the following conditions are met:

(1) The recipient has demonstrated to the Secretary, initially through certification in a form prescribed by HUD and subsequently through performance, its willingness and ability to establish procedures that will minimize the time elapsing between the transfer of funds to it and its disbursement of such funds;

(2) The recipient's financial management system meets the standards for fund control and accountability prescribed in Attachment G of OMB Circular No. A-102.

(b) *Reimbursements.* Recipients which do not meet the above conditions will receive grant payments by U.S. Treasury checks on a reimbursement basis.

##### § 570.502 Letter of credit.

A recipient meeting the conditions for advance payments described in § 570.501(a) will receive grant funds by letter of credit when there is or will be a continuing relationship between the recipient and HUD for at least a 12-month period and the total amount of advances to be received within that period from HUD is \$250,000 or more.

##### § 570.503 Advance by Treasury check.

A recipient meeting the conditions for advance payments described in § 570.501(a), but not meeting the conditions for funding by letter of credit, will receive grant funds by Treasury check on an advance basis. Advances by Treasury check will be for periods not to exceed 30 days.

##### § 570.504 Disbursement of transition and planning advances.

Advances made available pursuant to § 570.302 will be made through the same disbursement method as is appropriate for that recipient during the first program year.

##### § 570.505 Financial management systems.

Each recipient shall be required to maintain a financial management system which complies with Attachment G of OMB Circular A-102, "Standards for Grantee Financial Management Systems."

##### § 570.506 Program income.

(a) Units of general local government shall be required to return to the Federal Government interest earned on grant funds advanced by Treasury check or letter of credit in accordance with a decision of the Comptroller General of the United States (42 Comp. Gen. 289).

(b) Proceeds from the sale of personal property shall be handled in accordance with Attachment N of OMB Circular A-102 pertaining to Property Management.

(c) All other program income earned during the grant period shall be retained by the recipient and, in accordance with the grant agreement, shall be added to funds committed to the program and be used in accordance with the provisions of this part.

(d) Recipients shall record the receipt and expenditure of revenues related to the program (such as taxes, special assessments, levies, fines, etc.) as a part of the grant program transactions.

##### § 570.507 Procurement standards.

Recipients shall comply with the requirements of Attachment O of OMB

Circular A-100, "Procurement Standards."

##### § 570.508 Bonding and insurance.

Recipients shall comply with the requirements of Attachment B of OMB Circular A-102, "Procurement Standards."

##### § 570.509 Audit.

(a) The Secretary, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to all books, accounts, records, reports, files, and other papers or property of recipients or their subgrantees and contractors pertaining to funds provided under this Part for the purpose of making surveys, audits, examinations, excerpts and transcripts.

(b) Recipients shall, at least on an annual basis, audit or arrange for the audit of their operations and of subgrantees and contractors, in accordance with criteria prescribed by the Secretary, using city or State auditors or certified, licensed or registered public accountants. Audits of recipients, subgrantees and contractors shall, at a minimum, be sufficiently comprehensive in scope to determine: (1) Whether financial operations are properly conducted; (2) whether the financial reports are fairly presented; and (3) whether the available information indicates that the entity has complied with applicable laws, regulations and administrative requirements.

(c) The Secretary shall, at least on an annual basis, audit or arrange for the audit of recipients as appropriate giving full consideration to the results of audits made by recipients.

##### § 570.510 Retention of records.

Financial records, supporting documents, statistical records, and all other records pertinent to the grant program shall be retained by the recipient for a period of three years from the date of the submission of the annual expenditure report, except as follows:

(a) The records shall be retained beyond the three-year period if audit findings have not been resolved.

(b) Records for nonexpendable property which was acquired with Federal grant funds shall be retained for three years after its final disposition.

##### § 570.511 Grant closeout procedures. [Reserved]

#### Subpart G—Other Program Requirements

##### § 570.600 Maintenance of effort.

Funds made available under this part shall not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance.

##### § 570.601 Limitations on local option activities and contingency accounts.

No more than ten per centum of the estimated costs which are expected to be incurred during any program year may be designated for unspecified local option

activities, which are eligible pursuant to Subpart C, or for a contingency account for activities designated by the applicant pursuant to § 570.303(b).

##### § 570.602 Nondiscrimination.

(a) *Discrimination prohibited.* No person in the United States shall on the ground of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to this Part. For purposes of this section "program or activity" is defined as any function conducted by an identifiable administrative unit of the recipient, or by any unit of government or private contractor receiving community development funds or loans from the recipient. "Funded in whole or in part with community development funds" means that community development funds in any amount have been transferred by the recipient to an identifiable administrative unit and disbursed in a program or activity.

(b) *Specific discriminatory actions prohibited.* (1) A recipient may not, under any program or activity to within the regulations of this part may apply, directly or through contractual or other arrangements, on the ground of race, color, national origin, or sex:

(i) Deny any facilities, services, financial aid or other benefits provided under the program or activity.

(ii) Provide any facilities, services, financial aid or other benefits which are different, or are provided in a different form from that provided to others under the program or activity.

(iii) Subject to segregated or separate treatment in any facility in, or in any matter or process related to receipt of any service or benefit under the program or activity.

(iv) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.

(v) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any facilities, services or other benefit provided under the program or activity.

(vi) Deny an opportunity to participate in a program or activity as an employee.

(2) A recipient may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, or sex, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, national origin, or sex.

(3) A recipient, in determining the site or location of housing or facilities

provided in whole or in part with funds under this part, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, national origin, or sex; or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Act and of this section.

(4) (i) In administering a program or activity funded in whole or in part with community development block grant funds regarding which the recipient has previously discriminated against persons on the ground of race, color, national origin or sex, the recipient must take affirmative action to overcome the effects of prior discrimination.

(ii) Even in the absence of such prior discrimination, a recipient in administering a program or activity funded in whole or in part with community development block grant funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin or sex. Where previous discriminatory practice or usage tends, on the ground of race, color, national origin or sex, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which this part applies, the recipient has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Act.

(iii) A recipient shall not be prohibited by this part from taking any action eligible under § 570.200 to ameliorate an imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction, where the purpose of such action is to overcome prior discriminatory practice or usage.

(5) Notwithstanding anything to the contrary in this section, nothing contained herein shall be construed to prohibit any recipient from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

##### § 570.603 Relocation and acquisition.

(a) Title III of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (40 U.S.C. 4601), hereafter referred to as the Uniform Act, is applicable to all acquisition of real property assisted by this part.

(b) Title II of the Uniform Act is applicable to all displacement of persons, businesses, nonprofit organizations and farms occurring as a direct result of any acquisition of real property assisted under this Part.

(c) The recipient shall provide all benefits, including payments, services

and assistance in obtaining replacement housing, at levels at least equal to the minimum levels established by the Uniform Act using funds provided by this part and/or such other funds as may be available to the locality from any source, and shall budget sufficient funds in each year's community development program budget to fully fund all displacement expected to be caused by that year's community development activities. Assisted housing projects included in, or consistent with, an approved Housing Assistance Plan which involve displacement of persons may, for the purpose of eligibility for benefits under Title II of the Uniform Act, be considered community development activities.

##### § 570.604 Environment.

(a) In order to assure that the policies of the National Environmental Policy Act of 1969 are most effectively implemented in connection with the expenditure of funds under this Part, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may provide for the release of funds for particular projects to recipients who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act that would apply to the Secretary were he to undertake such projects as Federal projects.

(b) HUD Special Procedures Relating environmental review responsibilities of tification for the release of funds for particular projects set forth the regulations, policies, responsibilities and procedures governing the carrying out of environmental review responsibilities of recipients.

##### § 570.605 Historic preservation.

Recipients must take into account the effect of a project on any district, site, building, structure, or object listed on or eligible for listing on the National Register of Historic Places, maintained by the National Park Service of the U.S. Department of the Interior. Recipients should make every effort to eliminate or minimize any adverse effect on a historic property. Activities affecting such properties will be subject to requirements set forth in § 570.604(b). Recipients must meet the historic preservation requirements of P.L. 89-665 and Executive Order 11593, including the procedures prescribed by the Advisory Council on Historic Preservation in 36 CFR Part 800.

##### § 570.606 Labor standards.

All laborers and mechanics employed by contractors or subcontractors on construction work assisted under this Part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours Standards Act (40





OFFICE OF  
PLANNING AND DEVELOPMENT  
GARY E. STOUT  
ADMINISTRATOR

1220 S.W. FIFTH AVE.  
PORTLAND, OR. 97204

MEMORANDUM

To: Mayor Goldschmidt  
Commissioner Ivancie  
Commissioner Schwab  
Commissioner McCready  
Commissioner Jordon

From: Gary E. Stout

Date: September 19, 1974

Subject: Summary of Housing and Community Development Act

Planning, programming and budgeting for our Housing and Community Development (HCD) proposals, and preparation of the application for our block grant allocation, must be guided by a number of major constraints. These flow from the Act itself (The Housing and Community Development Act of 1974), statements of Congressional intent as recorded in Committee Reports, HUD's administrative guidelines, economic and fiscal realities, and local social and political considerations.

The most important of these requirements and constraints are outlined here under the headings PURPOSES AND OBJECTIVES; COMMUNITY DEVELOPMENT (Title I of the Act); ASSISTED HOUSING (Title II); FUNDING; APPLICATION; REVIEW AND AUDIT BY HUD; and TIME-LINE.

GES/co

## PURPOSES AND OBJECTIVES

The chief purposes and objectives mandated by the Act, and by which we must be guided, include:

- Development of viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.\*

\*\*(A: Title 1, Sec. 101, SS(c); D: Sec. 570.2(a))

- The elimination of slums and blight, and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income.

(A: Title 1, Sec. 101, SS(c)(1); D: Sec. 570.2(a)(1))

- The elimination of conditions which are detrimental to health, safety and public welfare.

(A: 55(c)(2); D: Sec. 570.2(a)(2)).

- The conservation and expansion of the nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income.

(A: SS(c)(3); D: Sec. 570.2(a)(3)).

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\* "Low income" - below 50% of local median income, or some 42,468+ persons in Portland. "Moderate income: = between 50% and 80% of local median, or some 140,550 persons in Portland. (Total below 80% of median = Approx. 183,018 persons)

\*\* See "References" at end of this memo.

- the expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income.  
(A: SS(c)(4); D: Sec. 570.2(a)(4)).
- The Act amends the National Housing Goals as mandated in the Housing and Urban Development Act of 1968, to express the sense of Congress that achievement of those goals requires a greater effort to preserve existing housing and neighborhoods, with greater concentration on housing in neighborhoods where deterioration is evident though not acute.  
(A: Title VIII)

#### COMMUNITY DEVELOPMENT

- A community development grant shall be made by HUD only if our Housing and Community Development Program (HCDP) has been developed so as to give maximum feasible priority to activities which will benefit low or moderate income families or aid in the elimination or prevention of slums or blight.  
(A: Sec. 104(b)(2); D: Sec. 570.303(e)(6)(i))
- Some activities may be included in the HCDP which are designed to meet other community development needs only if a particular urgency can be demonstrated, and if specifically approved by HUD.  
(A: Ibid; D: Ibid (6)(ii))

- A HCDP may include provision for "software"-type public services following the MC 5th "Action year," to the extent that (1) these are not otherwise available in HCDP areas; (2) they are essential or appropriate to support other activities in HCDP areas; and (3) if assistance for such services has been applied for from other applicable Federal sources and have either been denied or not made available in a reasonable time. Specific types of eligible services are spelled out in the Act. Both Committee Reports emphasize that the HCDP is primarily a physical development program; that necessary public services should be provided from other sources; and that it is the intent of Congress that in any event no more than 20% of HCDP funds shall be used for public service activities.

(A: Sec. 105(a)(8); B: p. 129 para (8); C: p. 11; D: Subpart ((a)(8))).

- Within these parameters, HCDP funds may be used for the same activities which were permitted under each of the consolidated categorical programs (Open Space - Urban Beautification - Historic Preservation grants, Water and Sewer grants, Neighborhood Facilities grants, Urban Renewal and NDP grants, Rehabilitation loans, and Model Cities Supplemental grants);\*

---

\* See attached list of assistance received through each of these programs during the "Hold Harmless" period (FY 68-72)

plus (1) activities necessary to develop a comprehensive plan and policy-management capacity to more effectively determine needs, set goals and objectives, develop and evaluate programs, and carry out management activities necessary for planning implementation; and (2) payment of reasonable administrative costs and carrying charges related to the planning and execution of activities.

(A: Sec. 105; D: Subpart C)

#### ASSISTED HOUSING

- Title II of the Act provides all of the limited federal assistance which will be available to us for new housing construction (HCDF funds may be used for rehabilitation but not new construction of housing), and the provision of low-income public housing.
- Chief reliance for meeting lower-income housing needs is placed on a limited continuation of the Conventional Public Housing (construction) program; and a revised and greatly expanded public housing leasing program ("Housing Assistance Payments) (the workability of this new leasing program, and particularly its real value as the chief source of lower-income housing assistance, is being seriously questioned by most housing interests).

Nonetheless, an acceptable local Housing Assistance Plan (PHAP) is a prerequisite to eligibility for HCDP funding -- and Title II provides the only federal resources which will be available for designing and carrying out our PHAP.

#### FUNDING

- Under the terms of the Act, HCDP funding will be made available to metropolitan cities such as Portland on an "entitlement" basis, i.e., we are entitled to receive an annual block grant of funds as determined by formula, subject only to submission of an acceptable plan (application) for using the money in accordance with the requirements of the Act. Our "basic entitlement grant" is approximately \$5,578,000.
- In addition, cities which have been participating in the former categorical grant programs (except Model Cities) are entitled to receive an amount which will prevent a reduction, for a period of three years, in the average amount we have been receiving through those programs. This "hold-harmless" amount is based on the average of all such assistance received during the period FY '68-'72. Model Cities will be funded in full through the 5th "Action Year" (7/1/75), and that amount will be reduced by 20% increments in the 3 subsequent years, then ended completely.



- In the first 3 HCDP years, each city will receive the larger of the amounts arrived at through these two calculations. Portland's "hold-harmless" funding level for the first year (Calendar Year 1975) is approximately \$8,574,000.
- At the end of 3 years, our excess of "hold-harmless" funding over basic entitlement grant will be reduced in 1/3 annual increments, till at the end of 6 years (FY 1980) we will be eligible only for the basic entitlement grant.
- Thus our maximum 6-year HCD expectations are approximately:

FY 1975	\$8,574,000
---------	-------------

FY 1976	8,134,000
---------	-----------

(Reduced by 20% Model Cities cut)

FY 1977	7,548,000
---------	-----------

(40% MC reduction)

FY 1978	6,501,000
---------	-----------

(60% MC reduction, plus 1/3 cut in hold harmless)

FY 1979	5,697,000
---------	-----------

(End of MC funds, plus additional 1/3 cut in hold-harmless)

FY 1980	5,578,000
---------	-----------

(Final 1/3 cut in hold-harmless)

- A number of observations on this funding picture should be carefully noted:
  - This is not new money, but the average of funds

we have been receiving and spending under the old programs.

- It is an average of receipts during a 5-year period which ended over 2 years ago, and makes no allowance for the effects of inflation in the interim -- or in the future.
- This average of assistance received was grossly inadequate to the magnitude of our needs then, and is even more inadequate now.
- The bulk of these funds in the past have been concentrated in one area of the city -- the MC/NDP area; while the intent of the new Act is that additional deteriorated or deteriorating areas now be included also.
- The hold-harmless amount will be statutorily decreased in future years to the level of our basic entitlement grant, and
- Even these inadequate and eroded "entitlements" will be subject every year to the vagaries and uncertainties of the Congressional appropriations process, and national administrative decisions based on considerations other than local needs and priorities.
- It is apparent that under this new Act, we will have even less money available for housing and community development purposes than we have had in the past. This means (1) an actual (and progressive) reduction

in program levels, or (2) significant augmentation from local resources, and (3) a serious constraint against initiation of any new program efforts.

- Up to 10% of the first year's estimated grant amount may be drawn in advance to continue ongoing programs till approval of application, or for development and preparation of the HC DP application. This 10% advance will be available on or about Jan. 1, 1975.
- Finally, the Act declares the intent of Congress that HCD funds shall not be used to reduce substantially the amount of local community development expenditures below the current level of such expenditures.

(A: Sec. 101(c)(7))

#### APPLICATION

The required application for HCD funding will consist of four major elements:

1. A summary of a 3-year Community Development Plan (CDP) which:
  - a. identifies city-wide CD needs, as defined in the Act.
  - b. presents a comprehensive strategy for meeting these needs.
  - c. specifies short and long term objectives compatible with area-wide planning and national urban growth policies.
  - d. presents a program of activities to meet these needs

- objectives, including cc ; and general locations of activities. These activities must be designed to eliminate slums, blight and deterioration; provide improved community facilities and public improvements, primarily for persons of low and moderate income; and support the local Housing Assistance Plan (PHAP).
- e. indicates capital and operating resources in addition to HCD funds which will be available for these purposes.
2. A Housing Assistance Plan which:
- a. accurately surveys the condition of the City's housing and assesses the housing assistance needs of the city's lower income residents (present and future).
  - b. specifies realistic annual goals for provision of all forms of housing assistance.
  - c. indicates general locations of all assisted housing included in the program.
  - d. includes the objectives of (1) revitalizing and stabilizing neighborhoods, (2) promoting increased housing dispersal and choices for lower income persons, and (3) assuring availability of public facilities and services adequate to serve the proposed housing projects.
3. A detailed action program and budget for HCD activities in the first Program Period or Year.
4. A catalog of "certifications" that we have met requirements vis-a vis A-95 review; compliance with Civil Rights Act, and the Uniform Relocation Assistance Act; Citizen participation in determining needs and preparing the

application; compliance of our financial management system with OMB Circular A-102; etc.

HUD expects to be ready to receive applications by mid-December. We expect to have our application ready to submit by that time or shortly thereafter.

HUD must act on all acceptable applications within 75 days of receipt. They may disapprove all or part of an application, and may do so only for the very specific reasons that (1) descriptions of needs and objectives are plainly inconsistent with available facts, (2) activities proposed are plainly inappropriate to the needs, or (3) the application does not comply with Federal laws, or proposes activities ineligible under the Act.

#### REVIEW AND AUDIT BY HUD

- All grantees will be audited at least annually by HUD. All subgrantees and contractors must be audited at least annually by us. All audits shall determine, as a minimum, (1) if financial operations are properly conducted; (2) if financial reports are accurate; and (3) if programs fully comply with all applicable laws and regulations. (D: Sec. 570.510; A: Sec. 104(d) and (g)).
- If review and audit discloses that any provisions of the Act have not been complied with, or that any HCD funds have been misspent, HUD may (1) make appropriate adjustments in the current grant period,

(2) limit availability of grant funds to specified program elements, (3) reduce payments by the amount not spent in accordance with the Act, (4) terminate payments entirely, and/or (5) refer the matter to the Attorney-General for civil action in the Federal District Court. An extensive provision for arbitration of disputes is outlined in the draft regulations for the Act.

#### TIME-LINE

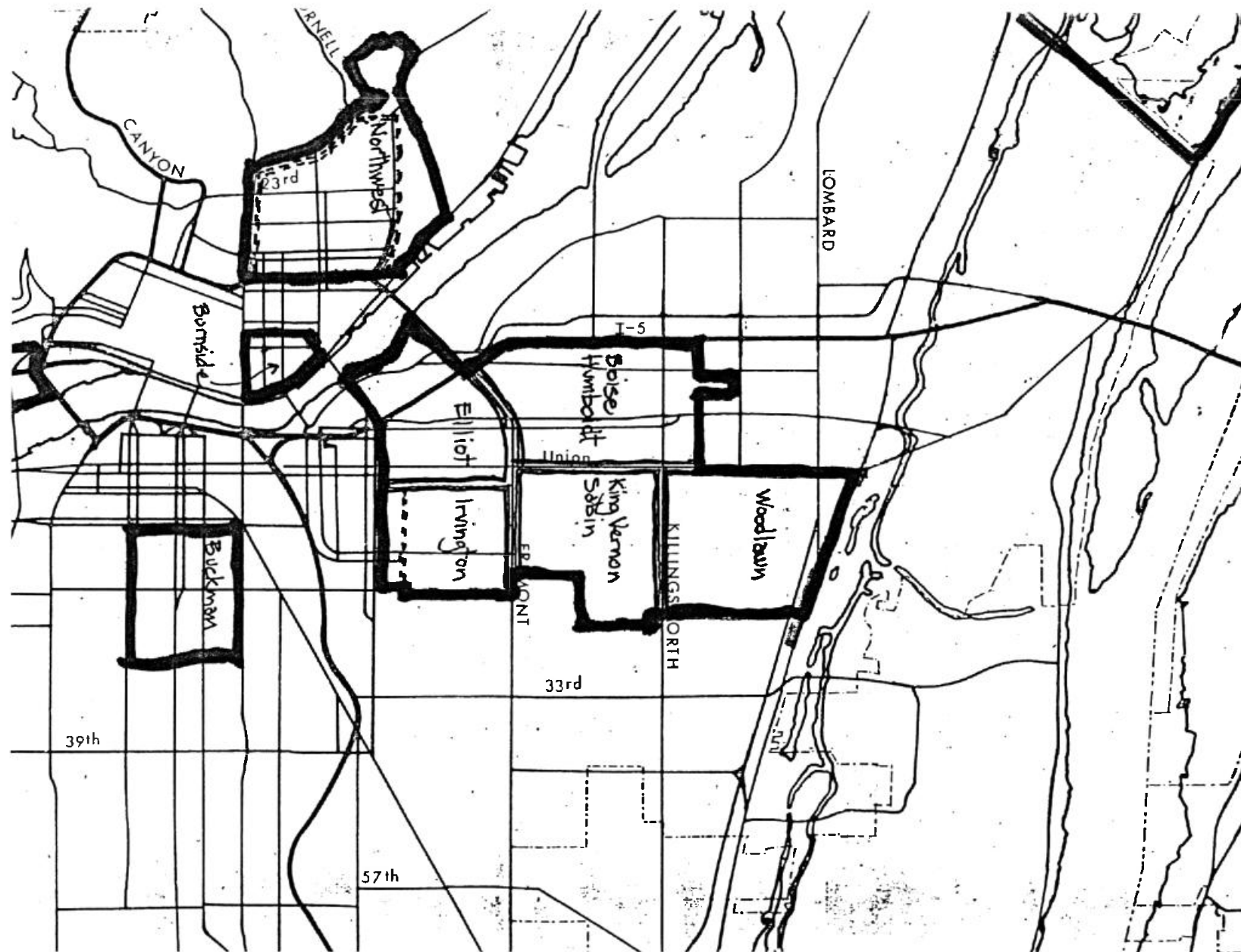
- 9/12 - HUD regulations published in FEDERAL REGISTER; 30 days for A-85 review procedure; approximately 30 additional days for revising, publishing and distributing regulations.
- 9/19 - Final decision by HCD Task Force on possible number of neighborhoods that could be included for action for the first Program Period.
- 9/24 - Meet with City Council.
- 9/26 - Criteria and procedures for selecting future target neighborhoods prepared by HCD Task Force.
- 9/30 - Housing Assistance Administrative Plan for first Program Period completed by Housing Task Force.
- 10/1-31 - Preliminary meetings in possible target neighborhoods regarding needs and application.
- 10/4 - HCD application for first Program Period, and procedures for planning and programming future Program Periods, outlined by HCD Task Force.

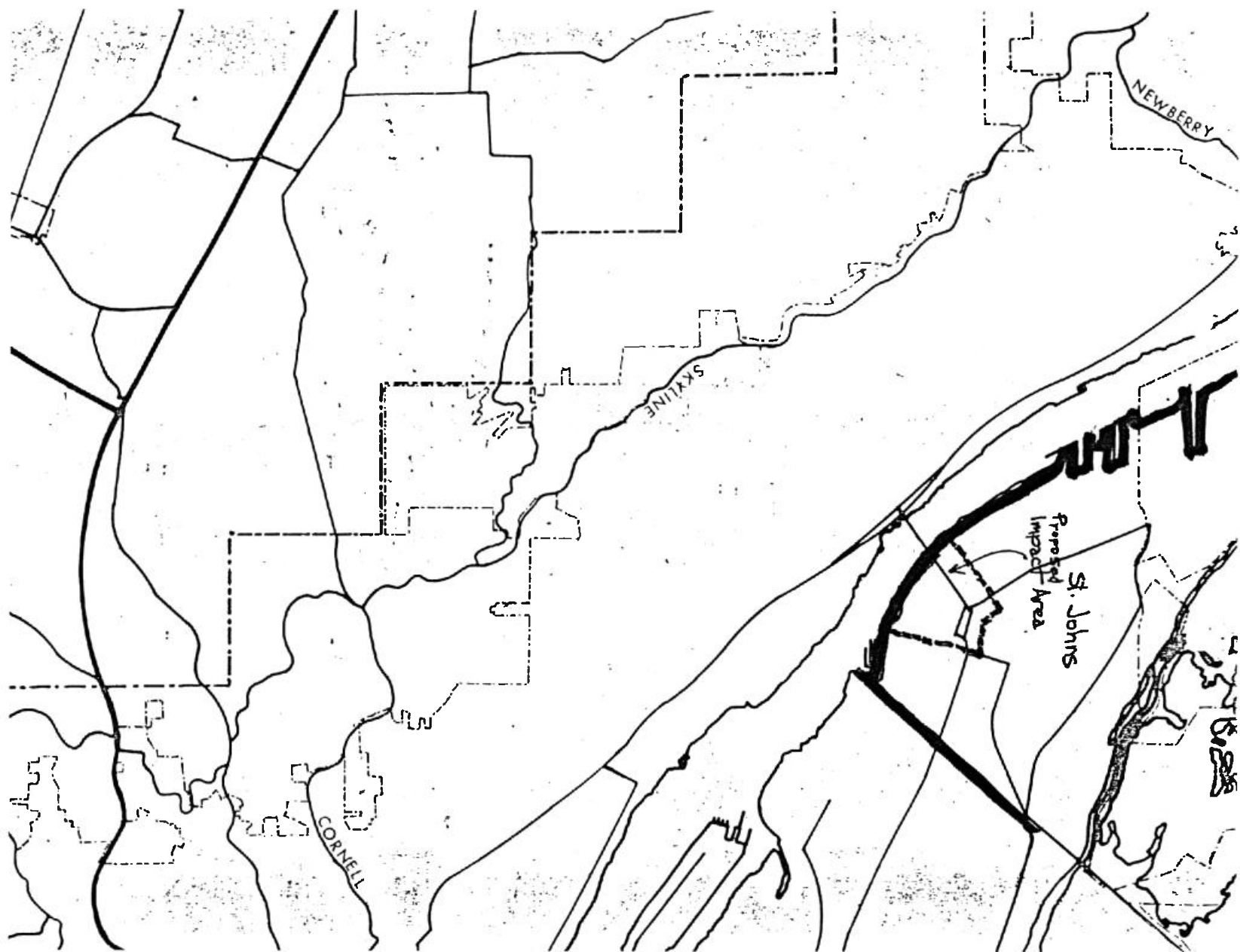
- 10/15-17 - Public hearings on HCD applications.
- 10/21-22 - Meetings in possible target neighborhoods to finalize application for first Program Period.
- 11/14 - HCD application sent to Council; informal A-95 distribution.
- 12/17 - Council approval of HCD application, and request for 10% advance.
- 12/18 - Request for 10 % advance sent to HUD.
- Formal A-95 review and approval of application (45 days max.)
- 1/1/75 - Continuing preparations and organization to carry out Program.
- Planning and programming for subsequent Program Periods, including development of target neighborhoods selection process, approval by Council, and initiation of process.
  - Continuation of ongoing HCD component activity (e.g., NDPs)
  - Receipt of 10% advance and initiation of new components in HCD program.
- 1/31 - (or earlier) application to HUD
- HUD accepts application for review; 75 day maximum review period starts.
  - Deadline for HUD approval of application (may be approved earlier)
  - First letter of credit received

## REFERENCES

- A: The Housing and Community Development Act of 1974.
- B: Report of the Committee on Banking and Currency of the House of Representatives, on the HCDA of 1974.
- C: Report of the Committee of Conference of the two Houses to accompany S. 3066, the HCDA of 1974.
- D: HUD, draft guidelines for implementation of the Act, dated August 24 & 25, 1974.







CDK

*distributed November 14, 1974*  
*received November 21, 1974*

19

# HOUSING AUTHORITY OF PORTLAND, OREGON

1605 N. E. 45th AVENUE • P. O. BOX 13220 • PORTLAND, OREGON 97213 • (503) 288 - 7111

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James O. Brooks

Lyndon R. Musolf  
Executive Director

## MEMORANDUM

September 30, 1974

To: Bruce Wade

From: Judith Londahl

For goal setting purposes the authorization in the Act itself may be useful.

Sec. 9(c): "Of the aggregate amount of contracts for annual contributions authorized in section 5(c) of this Act to be entered into on or after July 1, 1974, the Secretary is authorized to enter into contracts for annual contributions under this section aggregating not more than \$500,000,000 per annum, which amount shall be increased by \$60,000,000 on July 1, 1975."

If this program is fully funded and Portland receives its full share, HAP could have: 2,225 in '75; 2,716 in '76; 2,716 in '77.

Unless otherwise prohibited, HAP will attempt to allocate 50% of these units to new construction, 25% substantial rehab, and 25% existing units.

	<u>New Construction</u>	<u>Substantial Rehab</u>	<u>Existing</u>
1975	1,113	556	556
1976	1,358	679	679
1977	1,358	679	679

These are optimistic goals. The number of leased units can be reduced by:

inadequate appropriations,  
lack of construction and/or mortgage money,  
allocation on the Fair Share formula,  
or any number of unanticipated conditions.

mjm

cc: Lyndon Musolf

To locate Section 8 New Construction, a neighborhood must have:

FACTOR	AS INDICATED BY
Available Sites	An inventory of publicly held property (OSHD, City, Schools, etc.) developer's proposals.
Affordable Sites	Developer's willingness to proceed once the \$ are on the table.
Range of Incomes	'70 Census
Good Physical Services &/or the \$ in an approved budget to provide them.	?
Good public Transportation	Certainly no longer than a 20 min.wait
Accepted environmental standards must be maintained	Air & noise conditions could be measured by DEQ &/or Dept. or Neighborhood environment on Developments over 15 units.
Proximity of grocery stores, laundry facilities	Walking distance, this will vary for elderly or family developments.
Proximity of employment centers, not applicable for elderly though proximity to sheltered workshops for handicapped is a vital factor in site selection.	Within a 45 minute bus trip.

A site may not be selected which has occupants unless (1) the owner &/or developer of the project voluntarily undertakes liability for and provides for the funding of all relocation costs or (2) the city undertakes to finance the relocation costs.

While, priority will be given to sites meeting these criteria within neighborhoods selected by the City as target neighborhoods; HAP recognizes its responsibility to Multnomah County and its commitment to the thousands already on our waiting lists - it will not be possible to locate 100% of our Sec.8 allocation within target neighborhoods or even the City of Portland.



MEMORANDUM

TO: All Members of the Community Development Task Force and Housing Task Force

FROM: Homer Matson, Chairman

DATE: October 7, 1974

SUBJECT: Comments on HUD Proposed Regulations for the Housing and Community Development Act of 1974

OFFICE OF  
PLANNING AND DEVELOPMENT  
GARY E. STOUT  
ADMINISTRATOR

1220 S.W. FIFTH AVE.  
PORTLAND, OR. 97204

As you know, HUD has published its proposed regulations governing participation in the Act in the Federal Register, in compliance with A-85 requirements, with comments due at HUD no later than October 21, 1974. I am sure that many of us have comments to make on these proposed regulations.

In order to share our observations and concerns and to make our responses most effective, we will discuss the regulations and our reactions briefly at the Community Development Task Force Meeting on Thursday, October 10, 1974. At that time, one member of the Task Force will be assigned to the task of collating all comments, preparing them for review, and putting them in final form for submission to HUD.

The time is short and we are all over-worked, but I hope that we can get our stuff together in time to submit a well prepared, unified response to the proposed reg's by the deadline of October 21. If any of you have not received a copy of the proposed regulations, please let me know and we will get a copy to you.

HM/co

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A SUMMATION OF BRIEFING SESSIONS BY  
HUD & NAHRO OFFICIALS  
October 22, 23, 1974, Seattle Wash.  
on the  
1974 HOUSING & COMMUNITY DEVELOPMENT ACT

12/1/74  
2) HCD File  
→ copy to me  
→ CD RS File

Briefings were conducted by NAHRO Staff and HUD officials from Washington, D.C. and Region X. Following are pertinent points presented in the different sessions over the 2-day period.

Regulations Governing HCD Programs.

1. Final HCD regulations are now being prepared and will be available around Nov. 1, 1974. HUD forms will be available around mid-November.
2. Regulations regarding environmental review requirements were published in the Federal Register for general comment and review around October 10. These regs are pursuant to the NEPA Act of 1969, and outline requirements and procedures relative to environmental issues in the HCD program.
3. Regulations relative to the application and criteria for discretionary grants are unavailable, and there was no estimate as to when they will be. Advice on discretionary funds, if necessary, must come from local HUD officials.
4. Revised Housing Management regulations as they relate to HCD will be published in the Federal Register on December 15 for general review and comment. Final regulations should be available by April 1, 1975. Provisions will be made for the Urban Homestead Program, which at this time is still considered experimental.
5. New housing assistance, as provided for under Section 8 of the Act, will be based upon a fair share formula using census data. Total unit allocation under this Act for the first year is 400,000 units and involves \$15 million. The unit allocation for this area is unknown at this time, but will be made by the end of November. Projections under the required Housing Assistance Plan must fall within that allocation. It should be noted that allocations will be made to Area offices only. The Housing Assistance Plan may designate a number of units to be assisted during the program year, but there is no guarantee by HUD that the locality will receive that number.

Regulations governing these housing programs should be available by the end of December, and training programs for program administrators will be conducted by HUD in January and February, 1975.



## HCD Application Requirements.

It was emphasized several times throughout the 2-day session that the intent of the Act was to benefit and help the low-income family and disadvantaged persons in the community. Therefore, program development and application preparation should be guided by this precept.

1. The 3-year Community Development Plan must be realistic in its projections for accomplishing a community's development objectives. The test as to the realism of the 3-Year Plan will come when year end audits are made to see how much was actually accomplished.
2. The same is true of the 1-Year Community Development Plan. In terms of trying to meet "National Urban Growth Policies" in program development, localities should address itself to national policies for clean air, full employment, environmental protection, etc. There are no "national urban growth policies" as such.
3. Housing Assistance Plan projections should also be realistic because of year end audits. Projections should be based upon the locality's available manpower and expected HUD allocations for housing assistance.

Demographic and housing data should be compiled by neighborhoods as well as city-wide for easy separation and analysis.

4. It is not essential that environmental reviews be completed before submission of the application to HUD. Environmental reviews can occur after submission. In this regard, the locality must be certain that environmental assessment of the program is accurate or face possible litigation.
5. As much as possible, data included in the application should be quantified to accommodate the evaluation process at the end of the program year(s). Information which indicates trends would be more useful to HUD than information which reflects static conditions.
6. It is important that citizen participation be carried out to the degree intended. Interpretation of what is adequate C.P. is left to the locality, but the locality should exercise reasonable judgment. Provisions for C.P. are more explicit under this Act than they have been under other statutes. Certification of such activity must be accurate or the locality runs the risk of litigation.
7. HUD intends that HCD activities will be carried in concentrated areas on a year by year basis, and not "shot-gunned" throughout the locality. This obviously would maximize impact and result in more effective programs.
8. Generally, the HCD Application should be short, and consist of brief statements, summaries, and forms where possible. Keep in mind that everything will be audited at the end of the program year. Such an application obviously would lighten the workload for HUD, but the locality will still have to go through the whole process of research, analysis, appraisals, documentation, etc., to back up the "brief" statements and certifications made in the Application.

Program Implementa n.

1. HCD funds cannot be used for new housing construction, unless the locality has on-going displacement needs that cannot be accommodated otherwise.
2. Interest earned on HCD advances must be returned to HUD. However, disposition proceeds can be applied toward program expenses.
3. Consider the year end audit in carrying out the HCD program.
4. Feasible program alternatives should be developed in the event primary programs cannot be carried out.

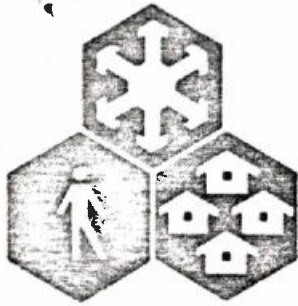
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# national association of housing and redevelopment officials

the Watergate Building / 2800 Virginia Avenue, Northwest

Washington, D. C. 20037 / (202) 333-2020



October 21, 1974

Rules Docket Clerk  
Office of General Counsel  
Department of Housing and Urban Development  
451 7th Street, S.W., Room 30245  
Washington, D.C. 20410

FOR YOUR INFORMATION

## OFFICERS

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**EXECUTIVE DIRECTOR**  
ROBERT W. MAFFIN

Dear Sir:

NAHRO was grateful for the opportunity to discuss the draft regulations on community development block grants and we appreciate this opportunity to comment formally on the regulations published on September 17, 1974. Our comments follow the sequence of the regulations.

## Section 570.1: Applicability and Scope

(c)(7) The law does not consolidate rehabilitation loans under Section 312 of the Housing Act of 1964. Rather, the law expressly extends Section 312 loans for one year from the date of enactment. The regulations should state this extension.

## Section 570.3: Definitions

(h) NAHRO takes issue with the Secretary's determination that it is neither feasible nor appropriate to adjust the computation of "extent of poverty" according to area or regional variations in income and the cost of living. We believe such adjustments are feasible. Data exists. There is precedent in HUD's determination of prototype cost and fair market rents by area. We also believe that adjustments in the definition of poverty are clearly appropriate to assure that a formula allocation of funds directs monies to areas of greatest need. NAHRO urges the Secretary to reconsider his determination.

NAHRO hopes that such adjustments are not precluded for the second and succeeding program years. At the least, the Secretary should explain the basis for his determination.

(s) The definition of the term "urban county" has confusing syntax and, thus, the definition is confusing.

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**MEMBERS-AT-LARGE TO 1975**  
JOHN E. ACUFF, JR.  
METROPOLITAN DEVELOPMENT AND  
HOUSING AGENCY, NASHVILLE  
  
AUGUSTUS BAXTER  
EXECUTIVE DIRECTOR  
ARCHITECTS WORKSHOP  
PHILADELPHIA, PENNSYLVANIA

**JOSEPH E. CANALE**  
EXECUTIVE DIRECTOR  
HOUSING AND REDEVELOPMENT  
AUTHORITY OF DARTMOUTH,  
CONNECTICUT

**CHARLES L. FARRIS**  
EXECUTIVE DIRECTOR  
ST. LOUIS LAND CLEARANCE FOR  
REDEVELOPMENT AUTHORITY

**MRS. PAULINE G. HILL**  
MARGATE CITY, NEW JERSEY

**JACK D. LETH**  
EXECUTIVE DIRECTOR  
URBAN RENEWAL AND COMMUNITY  
DEVELOPMENT AGENCY OF  
LOUISVILLE, KENTUCKY

**WILLIAM M. MCCANN**  
EXECUTIVE DIRECTOR  
DOVER, NEW HAMPSHIRE HOUSING  
AUTHORITY

**MRS. JUANITA H. SCOTT**  
CHAIRPERSON  
SAN BERNARDINO HOUSING AUTHORITY  
SAN BERNARDINO, CALIFORNIA

**MEMBERS-AT-LARGE TO 1979**  
PAUL O. CHAPMAN  
EXECUTIVE DIRECTOR  
TULSA URBAN RENEWAL AUTHORITY

**PETER DENARK**  
DEPUTY EXECUTIVE DIRECTOR  
HOUSING AUTHORITY OF THE  
CITY OF TACOMA, WASHINGTON

**ARTHUR E. EVANS**  
DEPUTY EXECUTIVE DIRECTOR  
SAN FRANCISCO REDEVELOPMENT  
AGENCY

**D. BART FRYE, JR.**  
EXECUTIVE DIRECTOR  
PORTSMOUTH, VIRGINIA  
REDEVELOPMENT AND HOUSING  
AUTHORITY

**JOHN M. JACOBS**  
EXECUTIVE DIRECTOR  
SAN FRANCISCO PLANNING AND  
URBAN RENEWAL ASSOCIATION

**ROBERT S. MOTER**  
DIRECTOR  
DIVISION OF HOUSING  
STATE OF DELAWARE

**RONALD T. ROTELLA**  
DEPUTY DIRECTOR  
METROPOLITAN DEVELOPMENT  
AGENCY OF TAMPA, FLORIDA

**MARIE MCGUIRE THOMPSON**  
WASHINGTON, D.C.

Section 570.103: hold-harmless grants

(2)(A) The sentence construction of "either" -- "and" should be changed to "either" -- "or."

(c)(2)(iii) As NAHRO has discussed with HUD on many occasions, we disagree with the Secretary's election to exclude all S-1 amendments in the computation of hold-harmless. In any event, that portion of S-1 amendments which did not constitute one-time "catch up" payments should be computed in hold-harmless.

The regulations do not explain how HUD will choose the determinant of hold-harmless credit between the location of the project and the unit of local government which contracted for the grant. The example in the regulations does not expose the logic of the decision. We recognize that giving weight to location will help assure continuity of activity and local effort, but it could also mitigate against the objective of fostering multi-jurisdictional cooperation. Consistently favoring one test could cause hardships. We urge HUD to develop policies that will minimize the potential for inequities.

(e) The waiver of hold-harmless should be amplified to explain which communities might benefit. HUD field offices should provide all pertinent data to communities to enable them to decide whether or not to waive their hold-harmless eligibility.

Section 570.105: Qualification as urban county

(c) The law and regulations refer throughout to housing for low and moderate income families. With respect to "essential activities" that define an urban county, the regulations speak of "lower income housing activities." We object to this change in phraseology since it suggests that to qualify for an entitlement, an urban county need not have the power to undertake low income housing programs. The language on essential activities should be modified to read "low and moderate income housing activities."

The term "community renewal" is not defined and, thus, could mean anything. As it stands, "community renewal" is an empty phrase. NAHRO prefers the definition related to Title I activities used in the earlier draft regulations.

We urge that the regulations reference the statutory provision that the chief executive officer of a state or unit of general local government can designate one or more public agencies to undertake all or part of a community development program. The underlined phrase should be inserted in 570.105(c):

Rules Docket Clerk  
October 21, 1974  
Page Three

"In determining whether a county has the required powers, the Secretary shall consider both its authority, or the authority of its designated agency, ..."

Section 570.107: Reallocation of funds

(c) The regulations should define what is meant by the "same use" of unused reallocated funds carried over from one fiscal year to the next.

Section 570.200: Eligible Activities

(a)(2) The regulations omit the statutory permission to locate parking facilities, and fire protection services and facilities outside of community development areas so long as they serve the residents of those areas. This concept should be retained in the regulations.

In addition, we urge that the words "in a concentrated manner" be added at the end of 570.200 (a)(2). The law used the term "designated community development area" to express the Congressional concern with concentrating community development activities to achieve maximum benefit. The phrase "in a concentrated manner" carries forward that intent.

For the same reason -- and because it is the statutory language -- we recommend in 570.200(8) that after the word "undertake," you insert the words "in a concentrated manner".

(3) We recommend that you retain the statutory language on code enforcement. The change from "may be expected to arrest the decline of the area" to "is expected...." suggests a more restrictive use of code enforcement than Congress intended.

(8) We strongly advise that the regulations include language from the conference committee managers' statement directing communities to expend no more than 20 percent of their grant on public services. The regulations should inform localities that Congress expects that localities will adhere to this 20 percent limitation. We believe this language is important to guide communities in their development of a program acceptable on a local level and ultimately acceptable to the Congress.

NAHRO questions the justification in Section 570.200(13) for exempting Model Cities hold-harmless recipients from the requirements of Section 570.200. We assume that the exemption was included to honor contractual or good faith commitments for Model Cities programs until the completion of the fifth action year.

NAHRO questions why prior program activities under Model Cities should be treated any differently from program activities under other consolidated programs.

In the absence of a contract, is there any basis for permitting the use of community development funds for non-eligible activities?

The regulations should explain the legislative basis for this exemption. The fact that the exemption is intended to be valid only through the fifth action year should be clearly stated -- not merely referenced.

In the law, the section on eligible activities concludes with a provision omitted from the regulations. This provision reads as follows:

"Upon the request of the recipient of a grant under this title, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with loans or grants for the rehabilitation of properties."

This provision is of great interest to many units of local government. We encourage an early explanation of how this provision will be implemented.

The regulations should indicate whether and under what circumstances, CD money can be used in conjunction with existing public housing projects.

#### Section 570.201: Ineligible activities

(c) NAHRO suggests striking the sentence, "examples include all ordinary general government expenditures not related to the community development program...."

(d) NAHRO does not believe there is any basis for permitting community development funds to be used for political purposes "where part of the community wide registration drive sponsored by the unit of general local government." This exception should be struck.

#### Section 570.300: Pre-submissions

(b) Because of the time constraints of the first program year, we recommend that communities be permitted to send their applications to the A-95 clearinghouse and to HUD concurrently for this initial application.

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October 21, 1974  
Page Five

Section 507.301: Program year

We hope that HUD will not permit a program year to extend beyond 12 months as it did under the NDP program.

Section 570.302: Advance of funds

(a) The Department should clarify as soon as possible the form and manner of requests for advances.

Section 570.303: Application requirements

NAHRO recommends that this section address the issue of who can be an applicant. The law states that the chief executive officer of a state or of a unit of general local government can designate one or more public agencies to undertake all or part of a community development program. The regulations omit any reference to this delegation of authority. This is a provision in the law and must be addressed.

We believe that because state and local laws and practices differ, maximum flexibility should be given communities in deciding who will contract with HUD for funding and who will carry out the program. The regulations should allow the chief executive officer, or his designee, to be the applicant.

(c)(1)(3) We urge HUD to make immediately known to applicants the general scope of housing allocations. However, NAHRO believes that the actual and specific allocations must reflect the housing requirements expressed in housing assistance plans: this relationship is necessary if housing assistance plans are to have validity in a community development program.

(e) We disagree with the Secretary's decision to mandate that in every case a local officer must assume the status of a Federal official in fulfilling NEPA requirements. We believe consistent with the statute, that localities should be given the option of assuming this responsibility.

The subsection on certifications raises questions which should be clarified:

- 1. Does the applicant certify to everything but NEPA, or does the certifying officer for NEPA make each certification?
- 2. Can the applicant designate a separate certifying officer for each certification?
- 3. Can the applicant and the certifying officer be one and the same?

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October 12, 1974  
Page Six

We suggest that the applicant have full discretion to be its own certifying officer or to choose a certifying officer or officers to act on its behalf. We also suggest it would be helpful if HUD gave examples of who might serve as certifying officers.

(e)(6) We strongly object to the wording of the regulations which presents communities with absolute freedom in choosing to certify either that a program addresses slums and blight or low and moderate income families or that it meets other urgent community development needs.

We object because the law gives clear priority to the first type of program, stating that the applicant must "give maximum feasible priority to activities which benefit low or moderate income families or aid in the prevention or elimination of slums or blight." The law goes on to say that the Secretary may also approve a program that meets other urgent needs. Clearly, the law does not equally weight these alternatives as do the regulations. We urge that this serious and misleading distortion be corrected.

Section 570.306: HUD review and approval of application

(c) We recommend that a ready-to-sign contract or a letter to proceed accompany the approval of an application or the expiration of the 75 day review period constituting approval.

(d) We strongly recommend that applicants be notified of deficiencies sufficiently early in the review period to allow for their correction before the expiration of the 75 day period.

Section 570.509: Audit

(b) We urge that HUD not require recipients to perform annual audits as described in the regulations. We believe that to require an audit of each subgrantee and contractor is unnecessary and potentially very costly. We recommend that audits be required of only principal subgrantees and contractors.

Section 570.604: Environment

(b) Please fill in the missing words.

Section 570.700: Eligible applicants

We strongly recommend that you strike the restriction that units of local government can designate local public agencies only if they lack the power to carry out activities for which the loan assistance is being made available.

The restriction will adversely affect units of local government which have the power but which have reached their bonded indebtedness.

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October 21, 1974  
Page Seven

The law does not contain this restriction and we urge that it be struck.

Section 570.704: Marketing of notes and interest rates

We recommend that the Secretary not preclude the use of negotiated bid procedures.

Section 570.705: Grants for taxable obligations

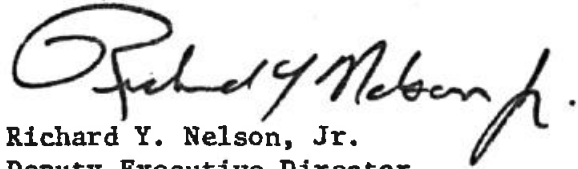
We recommend that the Secretary indicate whether and in what amount funds will be sought to pay the grants on taxable bonds.

Section 570.803: Requirements for completion of projects prior to financial settlement [Reserved]

An early issuance of these regulations would be helpful.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Y. Nelson, Jr.", with a stylized flourish at the end.

Richard Y. Nelson, Jr.  
Deputy Executive Director

RYNjr:aw

Questions + Answers for  
City re: HCD Act 1974

Oct 24, 1974  
(REPEAT)





REGION X  
Arcade Plaza Building  
1321 Second Avenue  
Seattle, Washington 98101

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PORTLAND AREA OFFICE  
CASCAD E BUILDING, 520 S.W. SIXTH AVENUE, PORTLAND, OREGON 97204

*Allen*  
*Gary*  
*Home*

October 24, 1974

RECEIVED  
OCT 28 1974

IN REPLY REFER TO:  
10.2PM (Arms  
Phone 221-2601)

Honorable Neil Goldschmidt  
Mayor of the City of Portland  
City Hall  
Portland, Oregon 97204

MAYOR'S OFFICE

Dear Mayor Goldschmidt:

We are pleased to send you the first of a Portland Area Office series of questions and answers regarding the Housing and Community Development Act of 1974. These questions and answers result from inquiries throughout Region X and may be of interest to you.

You may wish to file these in a binder for reference. Additional questions and answers will be sent to you from time-to-time as they are prepared. The sets will be sequentially numbered so that you will be assured to receive all pertinent information relative to the Housing and Community Development Act of 1974.

Any questions you may have will receive prompt attention and response from this office. Please send or call your questions to Floyd Arms, Program Manager, or Harold McDowell, Community Development Representative, of the Portland Area Office staff at the following phone number, 221-2601, or office address, 520 S.W. Sixth Avenue, Portland, Oregon, 97204.

Sincerely,

*Russell H. Dawson*

*for*  
Russell H. Dawson  
Area Director  
Portland Area Office

Enclosures

HUD REGION X  
HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

QUESTION AND ANSWER SERIES

NO. 1

1. Q. - Can you use the "extent of poverty" (counted twice) as a portion of a city's entitlement as an indication of the amount to be used for the benefit of low and moderate income families.
  - A. - The "extent of poverty" is one factor used in the determination of entitlement grant amounts for eligible units of general purpose local governments. The distribution of grant funds between projects to support the objectives of the Act are at the discretion of the locality.
2. Q. - What happens to NDP's, are they to be closed out and converted to block grant community development projects?
  - A. - NDP action years will end at the termination date specified in their existing annual funding agreement with HUD. The decision as to whether these activities are to continue under block grant funding is at the discretion of the local general purpose government.
3. Q. - Can a city with no housing authority put together a Housing Assistance Plan with some hope of being able to implement it?
  - A. - Yes, the method of implementation is at the discretion of the local general purpose government.
4. Q. - Will HUD provide assistance to communities in developing their Housing Assistance Plan?
  - A. - HUD Field Offices will advise applicants of the allocation of housing assistance resources pursuant to Section 213 of the Housing and Community Development Act of 1974, prior to submission of the housing assistance plan by the locality. HUD Field Offices will make available any data they have which may be of assistance to the locality in preparation of its plan.
5. Q. - What criteria will HUD use to measure the city's capacity to do the environmental impact statement?
  - A. - The most significant measure is the City's legal authority to assume the responsibility for carrying out all of the provisions of NEPA relating to particular projects for which the release of funds is sought.
6. Q. - Will HUD assist the cities with the preparation of their environmental impact statements?
  - A. - HUD will make available any data they have which may be of assistance to the locality in the preparation of their environmental impact statements; however, HUD will not prepare the statements.
7. Q. - What is the status of HUD's regulations concerning implementation of the Housing and Community Development Act of 1974?
  - A. - HUD published in the Federal Register, Volume 39, No. 181 - Tuesday, September 17, 1974, its proposed regulations concerning the implementation of Title I of the Act for these funds which will be distributed by entitlement based upon a needs formula and a hold-harmless basis.

HUD published in the Federal Register, Volume 39, No. 198 - Thursday, October 10, 1974, its proposed regulations concerning the implementation of the Environmental Review Procedures of Title I of the Act.

At a later date regulations will be published which will deal with the distribution and application process for discretionary funds under Title I of the Act.

REPEAT

Letter from Tom

Benjamin Oct 28

(Sung tung) 1974

10/29

Gary Stout -

here's Don Jeffer's opinion  
on the environmental requirement of  
HCOA. As I suspected, the requirements  
aren't really any different except:

1) we can be sued: ~~and~~  
<sup>but</sup> more importantly;

2) we must carry out the  
environmental process and make  
clear decisions about impact.

The second to last sentence of  
his memo is the key - <sup>the</sup> process must  
be followed.

THE CITY OF  
**PORTLAND**



**OREGON**

OFFICE OF  
CITY ATTORNEY

JOHN W. OSBURN  
CITY ATTORNEY

1220 S.W. FIFTH AVE.  
PORTLAND, OR. 97204  
503/248-4047

INTEROFFICE MEMO

4.7M  
207  
copy to HCD  
Task Force  
members  
19  
**RECEIVED**

OCT 29 1974

**MAYOR'S OFFICE**

Date: October 28, 1974

To: Tom Benjamin  
Federal Grants Coordinator

Subject: Housing and Community Development  
Act of 1974

You referred to this office for review copies of the proposed rules published by HUD in the Federal Register for implementation of the captioned Act and the copy of the Congressional Record reprinting the Act. You asked that we review the Act and the implementing rules with particular attention to sections dealing with compliance requirements for the National Environmental Protection Act and comment if we feel there is language in the Act that might give us a special concern.

I have reviewed the documents as well as the United States Code Annotated, Sections 4321, 4431, and 4432. It is my opinion that the City charter and state law do not present any obstacles in receiving and expending funds authorized under the Act in the manner described in the Act and by the Secretary of Housing and Urban Development in the proposed rules.

Section 570.303, Application Requirements (e)(4) states as follows:

"The applicant certifying officer (i) consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply pursuant to this part, and (ii) is authorized and consistent on behalf of the applicant and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official."

Tom Benjamin  
October 28, 1974  
Page 2

And at 570.604(a):

" \* \* \* may provide for release of funds for particular project to recipients who assume all of the responsibilities for environmental review, decision making, and action pursuant to such Act that would apply to the Secretary were he to undertake such projects as federal projects."

The National Environmental Policy Act has no doubt precipitated almost as much complication litigation as any Act of Congress. In the right situation exercising the responsibilities of the Secretary under that Act and the HUD Special Procedures relating to environmental review could be a matter of great concern. I do not believe there are any legal obstacles. However, it is appropriate that we consider at this time the various duties thus imposed. I am assuming that specific authorization for the Mayor to accept these responsibilities should be provided for by ordinance.

The proposed rules for implementation of this section were published by HUD, October 10, 1974, Vol. 39, No. 198, Part 2 of the Federal Register. At 58.15 there is a description of the steps included in the environmental review process. The major ones are as follows:

- (a) Assess the existing condition;
- (b) Identify environmental impact;
- (c) Examine the identified impact and proposed modification or modification of external factors and develop alternatives;
- (d) Arrive at an environmental finding that
  - (1) the project is not a major federal action significantly affecting the quality of human environment, or
  - (2) the project is a major federal action significantly affecting the quality of the human environment;
- (e) (1) if the project does not have a significant impact, the following procedure is followed (i) give notice of intent not to file an environmental impact statement which notice con-

Tom Benjamin  
October 28, 1974  
Page 3

tains project name, intent not to file the EIS, and the reasons for the decision. This notice is published and disseminated; (2) if it is a major action, then an environmental impact statement is prepared, and (i) notice of intent to file is given and published and disseminated; (ii) public hearings are held if certain factors are present including primarily public interest and impact; (3) draft and final copies of the environmental impact statement are prepared and disseminated with appropriate time allotted for review and comment by interested persons;

(f) During the environmental review process and pending clearance, the applicant may not use any funds or take any action with respect to the project;

(g) Certain activities clearly do not involve environmental consequences but do require an environmental review record including (1) description of the project; (2) finding that the project is not a major federal action significantly affecting the quality of human environment; (3) certification by the applicant of the fact that no other activities are involved; and (4) may be a statement of the National Environmental Protection Agency in certain cases;

(h) The exempt activities include relocation, comprehensive planning, policy and management planning, administrative costs for the foregoing, administrative costs of providing information and resources to residents of area involved in planning or execution of housing activities, the cost of following the environmental procedure, cost of monitoring programs in progress, continuation of projects previously cleared, etc.

The Act also requires that should the City or an interested person commence litigation in connection with the Environmental Protection Act or HUD's rules applying that Act to the Housing and Community Development Act of 1974, the federal

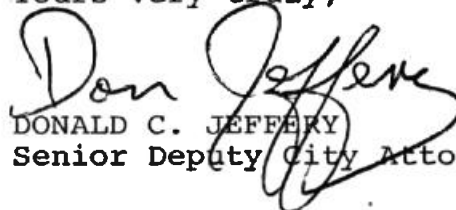
Tom Benjamin  
October 28, 1974  
Page 4

courts will be the forum and the City accepts its jurisdiction.

Litigation arises because the exact letter of the environmental impact review process is not followed. >

Should you require additional details, please let me know.

Yours very truly,

  
DONALD C. JEFFERY  
Senior Deputy City Attorney

DCJ:at  
encl. File retd.



*distributed November 14, 1974*

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*Nough*  
*Dal*

PART I  
INTRODUCTION

This plan has been prepared in response to the enactment by the Federal Government of the Housing and Community Development Act of 1974 (H.C.D.) (the Act is included as Appendix H), and provides the basis for application for funding under that act.

This new act replaces the following categorical programs which have been terminated.

- Urban Renewal and Neighborhood Development Projects Grants (all Title I activities)
- Neighborhood Facilities Grants
- Public Facility Loans
- ~~XXXX~~ Open Space Land Grants
- Urban Beautification Grants
- Historic Preservation Grants
- Basic Water and Sewer Grants
- Model Cities Grants
- Rehabilitation Loans

An analysis of the intent of the Act is contained in Appendix I, and Part II of the plan presents a brief analysis of the constraints included in the Act and the funding levels associated with the Act.

Part III contains a summary of the City's housing needs .

Part IV presents goals, policies and long and short term strategies.

Part V describes neighborhood priorities.

Part VI states housing priorities and special projects.

Part VII states programmatic activities with one year and *three* year objectives and budget.

Part VIII addresses overall program evaluation.

## PART II

### HCD GENERAL STRATEGY

The HCD Act itself provides a necessary context for a general strategy for a local HCD plan and program through the clear statement of goals and objectives and eligible activities, and further through funding levels and changes (reduction). This section specifies the direction specified by the act.

#### Funding

~~As noted above in Part I~~ The total Federal funding level to the City of Portland is established by previous funding levels under "categorical" programs. <sup>See Appendix</sup> No new money is provided. Indeed, the total funding to the City will be greatly lowered under HCDA than under Categorical Programs primarily because the City has been very successful in obtaining Federal funding in the past (especially massive renewal funds) and because the "Hold Harmless" amount is derived from an average of several years ending in 1972. Thus inflationary effects since 1972 are not taken into account.

Total actual HCD funding will be approximately:

FY 1975	\$8,574,000
FY 1976	8,134,000
FY 1977	7,548,000
FY 1978	6,501,000
FY 1979	5,697,000
FY 1980	5,578,000

Of particular relevance to local planning and programming decisions are:

- Activities must be directed toward low and moderate income need (if such needs exist)
- Throughout first and subsequent years, housing must remain a major portion of the local activity (unless no need can be shown, or an overwhelming need elsewhere).
- Housing and CD activities must be mutually supportive.
- Activities may not be concentrated in areas which are in the worst condition.
- Areas (neighborhoods) must be designated which are showing evidence of deterioration, but not acutely, both to forestall<sup>ing</sup> further deterioration there and responding to city wide low and moderate income needs.
- With the exception of community services necessary for HCD success the entire program is oriented to physical activity (excluding planning and administration).
- Funding levels will be initially lower than they have been in the past (slightly) and massively lower in ensuing years.

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per Directors meeting  
November 14, 1974*

## Part III

### Housing Assistance Needs - Summary

This statement presents a summary of housing needs in the City. For relevant data, analysis and method refer to Appendix A.

#### Inadequate Housing Defined

For the purpose of this analysis substandardness is equated with inadequacy which is defined as including:

1. Households occupying units lacking some or all plumbing and/or,
2. Households with more than 1.25 persons per room and/or
- 3a. Tenant households paying more than 25 percent of their income for rent or
- 3b. Owner households occupying housing more than 30 years old and valued at less than specified amounts.  
(\$10,000)

Although the considerable possibility<sup>of</sup> double counting should be noted, the effect of double weighing those with the greatest need is also evident.

Inadequate housing is broken down into two categories.

1. Inadequate as defined above.
2. Deteriorating which is defined as lacking some or all plumbing.

### Objective of Needs Statement

The objective of this statement is to provide an overview of/magnitude of housing problems of:

1. General distribution of housing conditions.
2. All households in the City in terms of inadequacy as defined above.
3. Low income households in the City in terms of housing inadequacy and deterioration.
4. Elderly households in terms of housing inadequacy.
5. Black households in terms of housing inadequacy.
6. Female households in terms of housing inadequacy.
7. Handicapped households in terms of housing inadequacy.

### Purpose of this statement

The purpose of the statement of need is to provide a context for long range and short range goals, policies and objectives for housing programming.

### Housing Need Defined

For this analysis housing need is defined as follows:

A lower income household or a very low income household which suffers housing inadequacy.

A lower income household is one with an income below 80% of the median income of the City (\$7500).

A very low income family is one which has an income below 50% of the City's median (\$4500).

Any HCD strategy may pursue any of these activities...

1. Acquire property (of specified types for specified purposes).
2. Acquire, construct, reconstruct or install public works, facilities and site or other improvements.
3. Code Enforcement and Public Improvements and services where such may be expected to arrest the decline in the area.
4. Clearance, demolition, removal and rehabilitation of buildings and improvements (including interim assistance and rehabilitation financing of private properties when incidental to other activities).
5. Removal of physical barriers which restrict mobility etc. of elderly and handicapped persons.
6. Payment for loss of rents while holding properties for relocation.
7. Disposition or retention of real property.
8. Public services, not otherwise available in areas of concentrated activity (as specified).
9. Payment of non-federal share of Federal grant programs undertaken as part of the CD program.
10. Completion of Urban Renewal and N.D.P. projects.
11. Relocation payments and assistance.
12. Comprehensive Policy-Planning-Management.
13. Administration of planning and CD activities.

If they accomplish these objectives...

1. Generally eliminate blight, conserve and renew older urban areas, improve the living environment of low- and moderate-income families or develop new centers of population and economic activity;
2. Primarily, develop viable urban communities, by providing decent housing and a suitable living environment and expand economic opportunities, principally for persons of low and moderate income.
3. Specifically by:
  - a. Elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;
  - b. Elimination of conditions which are detrimental to health, safety, and public welfare;
  - c. The conservation and expansion of the housing stock, principally for those of low and moderate income;
  - d. Expansion and improvement of community services, principally for persons of low and moderate income.
  - e. A more rational utilization of land and natural resources, and a better arrangement of activity centers;
  - f. Reduction of isolation of income groups within communities and areas and promotion of diversity and vitality of neighborhoods through special deconcentration of housing and the revitalization of deteriorating neighborhoods to attract persons of higher income;
  - g. Restoration of properties for his-

And especially if they

1. Are consistent with local and area wide development planning.
2. Preserve existing housing and neighborhoods and concentrate on housing and neighborhoods where deterioration is evident though not acute.
3. Undertakes housing and community development activities in a coordinated and mutually supportive manner.
4. Does not reduce the amount of local financial support for community development activities below the level prior to HCD.



original legal page was also  
cut off at first line of  
3. (g)

Inadequate Housing Conditions

Of the total occupied housing inventory the number considered inadequate are:

All Occupied Units

Total units  
144,904

Inadequate units  
42,540

% Inadequate  
29%

All Renter Occupied Units

Total units  
63,111

Inadequate units  
30,139

% Inadequate  
47%

All Owner Occupied Units

Total units  
81,793

Inadequate units  
12,401

% Inadequate  
15%

Deteriorating Units

All Dwelling Units (DU's)

Total DU's  
152,043

Deteriorating DU's  
7,907

% Deteriorating  
5.1

All Renter Units

Total DU's  
63,111

Deteriorating DU's  
5,867

% Deteriorating  
9

All Owner Units

Total DU's  
81,793

Deteriorating DU's  
834

% Deteriorating  
1

Of the total inadequate housing stock the present considered deteriorating are:

All inadequate units - 15% are deteriorating.

All inadequate renter units - 19% are deteriorating.

All owner units - 6% are deteriorating.

Physical Inadequacy US Income Adequacy

Of the total inadequate units (42,540) approximately 29,800 have some degree of physical inadequacy.

Of these the number of units considered to be inadequate but not deteriorating is approximately equally divided between renter and owner units with about 11,500 each.

There are approximately 13,600 households inadequately housed because they have low incomes.

Lower and Very Low Income

Needs by Household Size

Tables 1 and 2 below present the distribution of housing inadequacy by household size. (Tables 3 and 4 from Appendix A).

The massive inadequacies related to both owner and renter and two person households should be noted. The total number of individuals as well as households affected are inordinately high.

Elderly Housing Need

Tables 3 and 4 below describe the distribution of inadequate elderly housing conditions for renters and owners and low and very low income by household size. (Table 6 & 7 from Appendix A.)

TABLE 1

Renter Occupied (Households) Size	Number of Households Inadequately Housed	Percent of Total of Household Size	Individual Affected
One person - Lower Income	17,479	60 + %	17,479
Very Low Income	15,079	50 + %	15,079
(Total 28,001)			
Two persons - Lower Income	5,668	32 - %	11,336
Very Low Income	3,907	22 - %	7,814
(Total 17,839)			
Three or four persons - Lower Income	3,790	31 - %	13,265*
Very Low Income	2,325	19 + %	8,134*
(Total 12,236)			
Five persons - Lower Income	623	25 + %	3,115
Very Low Income	402	16 + %	2,010
(Total 2,454)			
Six or More Persons - Lower Income	868	33 + %	6,076**
Very Low Income	479	10 - %	3,353**
(Total 2,581)			

\* These figures assume an even distribution between three and four person households.

\*\* These figures assume an average of 7 persons per household.

TABLE 2

Owner Occupied (Households) Size	Number of Inadequately Housed	Percent of Total of Household Size	Individual Affected
One Person - Lower Income	3,470	26 + %	3,470
Very Low Income	2,966	20 - %	2,966
(Total 14,856)			
Two Persons - Lower Income	3,022	10 + %	6,044
Very Low Income	2,296	8 - %	4,592
(Total 29,726)			
Three or four persons - Lower Income	739	4 - %	2,583*
Very Low Income	325	1 + %	1,134*
(Total 23,829)			
Five Persons - Lower Income	157	2 + %	785
Very Low Income	80	1 + %	400
(Total 6,825)			
Six or more persons - Lower Income	264	4%	1,868**
Very Low Income	98	2-%	686**
(Total 6,557)			

\*)

\*\*) See Table 4 footnotes.

TABLE 3

Size of Household	Total Households (Renter)	Elderly Inadequately Housed (Renter)	Total Households	Elderly Inadequately Housed (Owner)
One Person	28,001	9,072	14,856	2,833
Two Person	17,839	1,780	29,726	3,158
Three of Four Persons	12,236	248	23,829	694
Five Persons	2,454	28	6,825	73
Six or More Persons	2,581	50	6,557	121



TABLE 4

Household Size	Elderly Renter Occupants		Elderly Owner Occupants	
	Lower Income	Very Low Income	Lower Income	Very Low Income
One Person	8,961	8,248	3,470	2,521
Two Persons	1,678	1,168	3,022	1,673
Three or Four Persons	228	118	241	99
Five Persons	18	0	26	17
Six or More Persons	25	15	12	4

Once again the massive <sup>problem</sup> of inadequacy should be noted, and here the general inability of the elderly to deal with these problems compounds the importance of the problem.

#### Nonwhite Housing Inadequacy

The distribution of inadequately housed blacks indicates that the problems in this area approximate those of the City as a whole.

#### Handicapped Housing Inadequacy

Inadequate and conflicting information indicates that there is probably some need, but it is not possible to define the degree or type of need at this time.

#### Women Inadequately Housed

There are approximately 12,689 households with female heads in the City (1970). Of these 3,409 are below the poverty level (approximately very low income) this would indicate approximately 5,000 lower income inadequately housed households in this area.

#### Vacancies

Approximately 3,600 of the 7,839 vacant DU's in the City can be considered to be inadequate with over 1200 of these deteriorating. The standard vacancy rate is approximately 2.8(1970).

#### Rehabilitation Potential

According to the Multnomah County Housing and Health Survey (1971)

approximately 1% or approximately 1550 units in the City are deteriorated beyond rehabilitation.

For Displacement - Demolition - New Construction - Improvements

- New Data - see P.D.C. app. write up.

PERSONS TO BE DISPLACED

The number of occupied units in a given year to be demolished indicates a need for replacement housing. It is expected that demolitions will decrease in number as conservation strategies, public opposition, and fewer freeways will affect volume of displacements. Table B-3 presents the history of gains and losses in the City's housing stock.

<u>HOUSING UNITS DEMOLITION RECORD</u>						
<u>1969</u>	<u>70</u>	<u>71</u>	<u>72</u>	<u>73</u>	<u>74</u>	<u>75 (EST)</u>
793	610	587	708	650	625	588

Assuming a conservation trend will take hold in the form of a 7% decrease in housing demolitions, then an estimate based on the average number of demolitions will yield the following:

1974....623  
1975....591  
1976....587

Relocation

# DOYERHILL - LOCATION

	CALENDAR YEAR				TOTALS
	1-1-75	7-1-75	1-1-76	7-1-76	
	6-30-75	12-31-75	6-30-76	12-31-77	
1 SOUTH AUDITORIUM	5	7		6	18
2		12		20	32
3 DOWNTOWN WATERFRONT	<del>100</del>	<del>250</del>	<del>250</del>	<del>500</del>	<del>1100</del>
4		Box (12)			
5 OREGON INT. CENTER					0
6					
7					
8 EMMAUEL			6	0	6
9					
10 ELIOT #1	13	—		0	13
11					
12 ELIOT #2	2	—		0	2
13					
14 ELIOT-UNION AVE	10	8	7		25
15					
16 N.E. WOODLAWN, KNS BURE	5	8	7	5	20
17					
18 TEA WILLIGER-JOHNS LANSING				3	3
19					
20 NORTHWEST		6	6	12	24
21					
22 ST. JOHNS				3	3
23					
24 BUCKMAN		3	3	9	15
25					
26 BUREAU OF PARKS	0	0	0	0	0
27					
28 M.C. COOG ENF	20	20	20	60	120
29					
30 HIGHWAY DEPT				435	435
31					
32 PORT OF PORTLAND			7	10	17
33					
34 SCHOOL DIST.					
35					
36 MULTNOMAH COUNTY	15	15	15	45	90
37					
38					
39					
40					
TOTALS	<del>1100</del>	<del>1100</del>	<del>1100</del>	<del>1100</del>	<del>2200</del>

## TABLE 3

## CHANGE IN HOUSING UNITS (1950-1973)

Portland

Year	New Construction <sup>1</sup>		Demolitions <sup>2</sup>	Net Gain/ Loss	Residential Alteration
	1 & 2 family	Apartments			
1973	577	997	650	924	2,223
1972	779	2,150	708	2,221	2,148
1971	758	2,496	587	2,667	3,024
1970	687	2,031	610	2,108	2,819
1969	514	1,227	793	948	2,649
1968	600	1,658	1,090	1,168	2,704
1967	435	1,278	944	769	2,856
1966	440	1,417	767	1,090	2,665
1965	554	1,418	1,431	541	2,959
1964	541	1,362	946	957	2,922
1963	535	885	1,162	258	3,135
1962	546	698	616	628	3,717
1961	704	331	1,075	-40	3,476
1960	609	1,052	959	702	3,197
1959	853	823	572	1,104	3,108
1958	790	578	408	960	3,078
1957	606	219	658	167	3,429
1956	808	191	517	482	3,347
1955	1,181	190	393	978	2,988
1954	1,709	470	1,185	994	2,942
1953	1,987	193	1,481	699	2,675
1952	1,705	198	811	1,092	N.A.
1951	1,536	185	244	1,477	N.A.
1950	2,576	1,244	54	3,766	N.A.
TOTALS	22,030	23,291	18,661	26,660	

Source: Bureau of Buildings Data

1. An estimated one percent of buildings for which building permits are issued are not constructed.
2. Fewer than one-quarter of one percent of residential structures which are demolished are done so without a demolition permit.



~~17~~

in group quarters) are inadequately housed it would still be useful to indicate the income levels of these individuals.

Very briefly, the median income in this category is approximately \$2,806 per year. To pay 25% or less of this income for rent would require rentals below \$701 per year, or less than \$58.33 per month.

There are a total of 65,745 unrelated individuals in the City and one half of them are below the median (by definition) or 32,872.

#### Needs

1. Updated data relevant to the determination of a more absolute description of housing related needs (see Data and Information Update and Collection below).
2. Approximately 42,500 households in the City presently have some sort of housing inadequacy. This is over 29% of the households in the City.
3. Approximately 9% of all rental units in the City can be considered to be in deteriorating condition, this is a total of over 5,850 units.
4. Approximately 1 percent of all owner occupied units in the City can be considered to be deteriorating. This is a total of less than 850 units.

5. Of all inadequate units (#2 above) almost 30,000 probably have some degree of physical substandardness.
6. The level of substandardness above deteriorating conditions noted above is relatively evenly divided between renter and owner occupied units with about 11,500 units in each category.
7. Approximately 13,600 households inadequately housed, can be considered such because their income is too low.
8. Refer to Table 4 and 5 for numbers of households and individuals inadequately housed by household size. Note this massive level of need in smaller units, particularly the distribution toward one person owner occupants and one and two person renter occupants.
9. There is a massive situation in smaller households where a combination of physically poor housing and inadequate income effects over one half of all households this size (which amounts to almost 20% of the City's households).
10. Refer to Tables 6 and 7, elderly households inadequately housed by household size, and distributions of elderly, inadequately housed, renter and owner occupants, with lower and very low income by household size.

~~275~~

Here the problem appears to be a massive one combining income and physical substandardness.

11. The need for housing for handicapped persons is not established, there appears to be some conflict between needs seen by those agencies closest to the problems and the history of local efforts in this area.
12. There does not appear to be any need in terms of this analysis which relates specifically to race.
13. It is probable that over one third of all families with female heads are inadequately housed, lower income, This is not inordinate with the figures for the total population (it is somewhat lower).

PART IV  
GOALS, POLICIES, LONG AND  
SHORT TERM STRATEGIES

The overall goal of the City's HCD program is to mobilize and coordinate all available resources to achieve a balanced community development program including housing, public works, and necessary social and health services, which will most effectively meet with both federal requirements and the needs of Portland's citizens, particularly those of low and moderate income.

More specifically to:

- Goal I. Improve housing conditions and expand housing, choice particularly for low and moderate income households and,
- Goal II. Eliminate and prevent slums and blight, and revitalize declining neighborhoods sufficiently to attract persons of higher income and facilitate the reversal of trends toward neighborhood disinvestment and deterioration.

By:

1. Preserving and improving existing housing stocks.

Primarily through:

The provision of loans from a continuing long term revolving fund created through utilizing the HCD "holding harmless" funding level, thus maximizing the impact of these nonrecurring funds. These funds to be provided on the form of whole or partial loans, to be eventually cycled back into the fund. There will be no direct grants of HCDA funds for individual housing rehabilitation or housing construction. Rather, assistance will be provided in the form of low-interest rate loans, repayment of which will be determined by the borrower's ability to pay. In hardship cases, repayment may be deferred entirely until the property is sold or transferred.

The leverageing of these funds to supplement private investment, personal, corporate and institutional to the extent possible.

The concentration of activities upon the revitalization of target neighborhoods where conditions of deterioration are evident but not acute, and where ~~neighboring~~ neither minority nor low income problems will be adversely impacted (middle neighborhoods).

Activities in each target neighborhood will be limited to the shortest time possible in order to achieve product goals (3 years maximum).

2. Facilitate development of new housing.

Primarily through:

The use of the Section 8 Housing Allowance Program (leased housing) which can provide new low income housing, or rehabilitation of low income multi-family structures, this program will be utilized to facilitate other City goals and strategies including neighborhood revitalization, downtown social policy and conservation of "Chapter 13" structures. In turn, HCD planning and capital improvements programming, and city policy in general, will be directed to the support of these efforts.

*The provision of "rent and seed money" for new construction*  
Goal III. Assure a suitable and attractive living environment for all residents of the City, present and future, particularly those of low and moderate income.

Goal IV. Expand employment and economic opportunities for target area residents within their neighborhoods; and for lower income persons throughout the city through preservation and enhancement of commercial and industrial areas.

By:

1. Improving and expanding public improvements, facilities and services as required to facilitate and support our other goals and policies.
2. Primarily in response to needs in target neighborhoods, provide or facilitate provision of full range of consumer and social services needed to
  1. Enable lower income households to take advantage of available resources and opportunities.
  2. Assure on-going conservation and maintenance of housing and neighborhoods.
  3. Expand employment and economic opportunities for target area residents.

Primarily in support of ~~the~~ other HCD activity and in response to needs in target neighborhoods.

3. HCD funds should be used to the maximum possible extent as leverage for additional federal grants for local programs, and to subsidize programs funded from other sources for lower income persons and neighborhoods.

Two further policies must be stated.

1. Relevant existing commitments will be met.

Primarily through:

The winddown and closeout of existing NDP commitments and the completion of the Pioneer Square project.

2. Specific projects in nontarget neighborhoods will be considered, if these projects contribute substantially to the revitalization of a neighborhood and are of a "one time" nature, and are feasible.

#### FIRST YEAR HCD STRATEGY

The strategy for the first year is to complete existing commitments in NDP areas, in addition to other high-priority projects which would have been eligible for categorical grants replaced by HCD. Neighborhoods which have been actively engaged in planning, including identification of housing and community development needs and priorities will also receive HCD funding. In general, these are "middle neighborhoods" in which blight is not too far advanced and can be "turned around" by an infusion of public improvements.

The emphasis will be on identification of specific projects and priorities by neighborhood residents, through recognized neighborhood associations. These recommendations will be submitted to City Council at public hearings for final approval.

Housing rehabilitation and neighborhood revitalization will be concentrated in locations which are mutually beneficial and can achieve maximum impact.

Criteria for Determining Neighborhood Eligibility for Housing and Community development (HCD) Funding

#### First Year

In order to be eligible for first year HCD funding a neighborhood must satisfy the following criteria:

1. Be an established neighborhood organization recognized by Council.
2. Show evidence of neighborhood involvement in planning such as:
  - a. an established neighborhood plan adopted or pending adoption by City Council.
  - b. A list of feasible projects prioritized by the community.
3. Make a specific request to the City for HCD funding of neighborhood projects.
4. Make specific neighborhood commitments to participate in project implementation. These might include:
  - a. Task force committees, block committees, community contact, neighborhood surveys, etc.
  - b. Neighborhood work parties such as clean-up projects.
  - c. Direct and indirect financial participation in projects (funding drives, donations, foundation grants, etc.)
  - d. Contributions for neighborhood improvement agreements to participate in voluntary code enforcement programs.
  - e. A petition circulated throughout the community demonstration a majority of signatures of property owners, renters, businesses supporting the neighborhood improvement program.

A list of the neighborhoods which best meet these criteria or which can demonstrate that the criteria will be met within the first year will be drawn up. Funding for neighborhood improvements through HCD would then go to neighborhoods in terms of their rank order on the list of eligible neighborhoods.

#### Second and Third Year — insert here

##### i. "Neighborhood Revitalization" Defined

A "neighborhood" can be defined as a geographic area, predominantly residential in character, containing services and facilities which cater to the needs of its residents. Neighborhoods generally have certain physical and social commonalities, such as age, income and household size of residents, type and condition of housing, and availability and quality of neighborhood services.

Neighborhoods undergo a continual process of change. This process is more rapid - and catastrophic in terms of its impact upon residents - in some neighborhoods than in others. Indicators of neighborhood decline include loss of population, rapid change in income levels, decline in home ownership, adverse environmental influences due to traffic, noise and air pollution, and an imbalance



between the provision of public services and tax revenues to pay for these services.

"Neighborhood revitalization" attempts to prevent the processes which lead to this loss of population, blight, and general deterioration of the livability of City neighborhoods. This can be done by concentrating public expenditures - including Housing and Community Development funds and other existing programs - in locations where the maximum impact  $\phi$  can be realized.



OFFICE OF  
PLANNING AND DEVELOPMENT

GARY E. STOUT  
ADMINISTRATOR

1220 S.W. FIFTH AVE.  
PORTLAND, OR, 97204

December 6, 1974

MEMORANDUM

To: Mayor Goldschmidt  
Commissioner Ivancie  
Commissioner Schwab  
Commissioner McCready  
Commissioner Jordon

From: Gary E. Stout


Subject: Status Report on the Housing and Community  
Development Act Activities

This status report is a followup on the September 15th memorandum to the Council regarding the Housing and Community Development Act (HCD), and the September 24th Informal Council discussion of the Act. This status report is divided into four major parts:

- 1) Requirements of the HCD Act and Regulations.
- 2) A brief review of staff activities to date
- 3) A summary of policy directions that will be requested of the Council in the near future.
- 4) A summary of a proposed community development strategy for Portland.

The HCD program essentially consolidates funds that formerly came to the City in a variety of categorical grants, each with numerous requirements. It should be stressed that the HCD block grant program is much more flexible and reliable than the former grant programs. Although this status report summarizes some of the more significant restrictions, the Council should know that the number of restrictions is less than the former programs, that most of these restrictions already are being met in existing programs (like the NDP program), and that there is a significant opportunity for the Council to establish a local program that meets local goals and purposes within these broad requirements. The staff also believes that a sound local program can be established within the time and guidelines available and that HUD will be reasonable in their review and monitoring of the program, especially in the first year.

GES/gr

  
Gary E. Stout  
Administrator

## SECTION I HCD ACT REQUIREMENTS

The following section summarizes some of the more significant HCD block grant requirements. Other requirements and constraints are contained in the Act itself, the final draft of the Administrative Regulations, and in Congressional Intent documents. For your convenience, the items listed below contain the paragraph reference in HUD's Administrative Regulations. A few specific additional references to the Act or Congressional intent are also listed.

570.303

Preparation of a three year Community Development Plan - (to be retained by the City)  
Also a summary of the Community Development Plan (to be submitted to HUD) which:

- a. identifies community development needs, as defined in the Act.
- b. presents a comprehensive strategy for meeting these needs.
- c. specifies short and long term objectives compatible with area-wide planning and national urban growth policies.
- d. presents a program of activities to meet these needs.
- e. indicate resources other than those provided under this Act which are expected to be made available during the program year to meet the identified needs and objectives (i.e., CIP, other grants and funds, etc.) 570.303b(1)(ii). Records must also be retained to indicate how funds (other than HCD resources) were actually spent toward meeting identified needs and objectives. 570.907c
- f. contains maps indicating areas of general locations at proposed activities and concentrations of minority groups and lower income persons.  
(from Census information) 570.303b(2)

570.303(c)

Preparation of a Housing Assistance Plan

No HCD Application will be accepted unless it contains a Housing Assistance Plan which:

- a. accurately surveys the condition of the City's housing and assesses the housing assistance needs of the City's lower income residents (present and future). and contains information regarding the number of standard, substandard, vacant units, and units available for rehabilitation.
- b. estimates the housing assistance needs of lower income persons (including elderly, handicapped, large families, displaced persons, and special needs of any identifiable segments of lower income persons in the community.) 570.303c(2)
- c. specifies a realistic annual goal for the numbers of dwelling units or persons to be assisted (including the new, rehabilitated and existing dwelling units) and considers the housing condition and needs data from the above two requirements 570.303c(3).
- d. promotes greater choice of housing opportunities. 570.303c(4)(ii).

570.303(d)

Community Development Budget

This document is a detailed action program and budget for HCD activities in the first program period. (A program period extends 12 months from the date that HUD approves the complete application.)

570.303(c)

Certifications

The Mayor must certify that:

- a. the program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352); Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284); section 109 of the Housing and Community Development Act of 1974; section 3 of the Housing and Urban Development Act of 1968; Executive Order 11246; Executive Order 11063,



and any HUD regulations issued to implement these authorities.

- b. citizens have had adequate information regarding the funds available, the range of eligible activities, and at least two public hearings must be held on community development and housings needs. Also, citizens must have an adequate opportunity to participate in the development of the application and any revisions. (documentation required in 570.907) (Note: Only the Council can make the final decisions regarding the application.)
- c. federal relocation laws will be followed. (See also 570.900 - Performance Standards)
- d. the City consents to be open for any environmental suits on HCD activities (formerly defense of such suits was the responsibility of the federal agency). (See also 570.603) The City also prepares all Environmental Impact statements and assessments.
- e. financial management procedures that comply with federal standards (Federal management circulars 74-4 and 74-7).
- f. an A-95 clearance (Note: HUD will not initiate their 75 day HCD application review period prior to the ending of the 45 day A-95 review period allowed. CRAG will only accept A-95 reviews by the first Friday of any given month). (See also 570.306a(4) and 500.300c)
- g. the C.D. program gives maximum feasible priority to activities that benefit low and moderate income families or aid in prevention of slums and blight. Any other activity requires HUD Secretary approval.
- h. the City will meet Davis-Bacon labor standard requirements (except for property to be rehabilitated for 7 or less families.) (See also regulation 570.605 and Congressional Intent p. 142)

570.306

HUD Approval

HUD will approve the application, providing it:

- a. is submitted prior to April 15, 1975, and is complete.
- b. the program is consistent with facts and dates generally available (from census and plans) regarding our community and housing needs and objectives. 570.306b(2)(i)
- c. the activities proposed are appropriate to our needs and objectives.
- d. we have complied with all applicable laws and requirements
- e. the activities are eligible under the HCD program.

570.900

Performance Standards

Performance Standards will be used by HUD to review our activities against specific requirements. This affects our eligibility for further funding. These standards are:

- a. relocation benefits (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970)
- b. acquisition policies
- c. equal opportunity (reports required under 570.905d and records required under 570.907f)
- d. citizen participation (documentation also required 570.907)

Other Requirements

There are a number of other requirements in the Regulations and Act. Some of these are summarized below:

- a. maintenance of effort. (570.600) Funds made available shall not be used to reduce substantially the amount of local financial support for community development activities

below the level available prior to HCD assistance. (See also the same statement under objectives and purposes of the program 570.2c). (Also in section 101c(7) of the Act regarding Intent of Congress).

- b. use local labor and business interests. The City is required to maintain records of good faith efforts to identify, hire and/or train lower income residents of project areas and to use business concerns which are in (or owned by persons who are in) the project areas. 570.907f(4)
- c. local planning. One of the stated purposes of the grant is to encourage community development activities which are consistent with local and area-wide development planning. 570.2b(2) (also in 101d(2) of the Act)
- d. Fund carry-over. The regulations state that unexpended funds can be carried over from one program year to the next. (570.305c) However, the regulations also state that HUD can adjust our grant if we do not have a continuing capacity to carry out in a timely manner the approved community development program. 570.911.
- e. historic property. We must make every effort to eliminate or minimize any adverse impacts on historic properties. 570.604
- f. audits. We must audit our HCD financial records at least every two years (570.509b), and HUD will audit us at least every year (570.509c). All records, reports, files or other papers are open to HUD and GAO (570.509a) (See also Act section 104g).

570.913

#### Failure to Comply

If HUD finds that we have failed to comply substantially with any provision of the Act or Regulations, the Secretary may:

- a. institute civil suit

- b. terminate all payments
- c. reduce payments in an amount equal to any payments not expended in accordance with the Act.
- d. institute a suit before an administrative law judge. (See also 570.11)

Note: HUD has some discretion to declare expenditures to be ineligible after these expenditures have taken place. Most likely HUD HCD application approval would eliminate almost all questionable items.



## SECTION 2 STAFF ACTIVITIES TO DATE

1. Initially the staff reviewed the source of the HCD block grant funds, in terms of activities and improvement areas formerly funded. Approximately 94% of the funds were due to activities in the Downtown and NDP areas. (2 areas)
2. Review of areas in which the Council had authorized past local planning and programs. (8 areas)
  - a. Council action approving plans and programs: Model Cities NDP area, Buckman NDP, N.W. Portland NDP, and St. John's.
  - b. Council action authorizing or reviewing plans: Corbett Terwilliger, N.W. Portland and Downtown.
  - c. Special Project areas: Thurman-Vaughn Corridor, Union Avenue.
3. Meetings held to review HCD Act
  - Informal Council - September 24, 1974
  - All Neighborhood Associations - September 26, 1974 (Chairmen)
  - S.E. PACT - October 10, 1974
  - N.E. (NDP) - October 14, 1974
  - N. Portland - October 16, 1974
  - S.E. Portland - October 17, 1974
  - N.W. Portland - October 24, 1974
  - S.W. Portland (Corbett) - November 6, 1974
  - St. John's N. Portland - November 14, 1974
  - Buckman - November 23, 1974 (workshop)
  - NWDA - November 23, 1974 (workshop)
  - S.E. Portland - November 25, 1974
  - N.W. Portland - December 3, 1974
  - Buckman - December 3, 1974
  - Corbett/Terwilliger - December 4, 1974
  - Elliot - December 4, 1974
  - Buckman - December 6, 1974
  - St. John's - December 12, 1974
  - Union Avenue - December 19, 1974
4. Capital Improvements Program coordination. OPD, PDC, Planning, Parks, and Public Works staffs are working with the neighborhoods to integrate a single neighborhood community development program for each area.
5. OPD, PDC, HAP, and Planning staff work is proceeding on preparation of information required in the Housing Assistance and Community Development Plan.

### SECTION 3 POLICY DECISIONS

The staff has proceeded to date following the requirements of the Act and Regulations. Several policy decisions must be made by the Council and time should be made available on Informal Council Agendas over the next several weeks in order to resolve these policy issues as they arise. These decisions are summarized below:

<u>Policy Decision</u>	<u>Time</u>
1. Maintenance of Community Development activities from January 1, 1975 to April 30, 1975*	December, 1974
2. Council consideration of neighborhood facility requests	December - January
3. Council approval of summary of recommended community development goals and strategy	December - January
4. Council direction regarding number of neighborhoods to be considered for HCD activities	December - January
5. Council review of HCD draft documents	January
6. Council approval of initiation of A-95 Review Process	?
7. Council Hearing on HCD document	?
8. Council approval of HCD document**	?

\* Staff recommends that this be limited to the NDP activities that Council previously approved, and that any new activity approvals be deferred until the remainder of the program is reviewed and accepted.

\*\* The complete and Council approved application package must be submitted to HUD by April 15, 1975, complete with the A-95 Review.



## Section 4 - Suggested Community Development Strategy

6 December 1974

OFFICE OF  
PLANNING AND DEVELOPMENT  
GARY E. STOUT  
ADMINISTRATOR

### MEMORANDUM

BUREAU OF  
PLANNING  
ERNEST R. BONNER  
DIRECTOR

TO: Gary Stout  
FROM: Ernie Bonner

424 S.W. MAIN STREET  
PORTLAND, OR. 97204

PLANNING  
503 248-4253

ZONING  
503 248-4250

The City of Portland is at a crucial point in its history.

Its population is declining somewhat and becoming slightly older than the metropolitan population as a whole, as births and additions by annexation fall a little short of deaths and net out-migration. But, basically, the population remains relatively stable.

At the same time, median City incomes are falling behind metropolitan incomes in a trend which deserves attention.

The residential neighborhoods of the City remain essentially sound. The quality of housing and public improvements is basically good.

But there are some notable exceptions.

A few neighborhoods need major private investment from residents with limited income -- a contradiction that only major public subsidy can resolve. A much larger number of neighborhoods need more limited public investment, not only to assist in maintaining the stock of housing and public improvements which are sound, but to rehabilitate housing and develop public improvements which are not. Though the housing stock is basically sound, almost 31,000 dwelling units in the City are in need of some kind of rehabilitation.

The City's economic base remains strong and diversified. Job opportunities in the City continue to grow. Portland's downtown and its major industrial areas continue to be strong and viable centers of activity and jobs.

But some suburbanization of industrial jobs is slowing the rate of job growth in the City, and suburban shopping centers are beginning to threaten the retail prominence of the downtown.

In short, the City of Portland is in unusually good shape relative to other central cities of this country. But this relative position will not be maintained without sincere and effective efforts starting now.

So what can the City of Portland do?

First, it should be clear what the City cannot do. The City cannot -- through public investment alone -- reverse any of the undesirable trends noted above. Private investment must be the major instrument of public policy. An example is instructive. If the City -- with the assistance of the state and federal governments -- were to rehabilitate the 31,000 deteriorating dwelling units (at an average cost of \$5,000 each) with public funds, it would have to spend \$155,000,000.

Add to that the cost -- even in today's dollars -- of necessary public improvements and you have an impossible burden on public treasuries.

Further, the City cannot rebuild itself anew. The cost of replacing existing units with new units is 4 to 5 times the cost of saving what we feasibly can. This is a cost that can be borne by neither the City nor those who were displaced by such action.

From this must come a clear direction. The City must conserve and rehabilitate itself, and it can only accomplish this as a junior partner with private investors such as home owners, landlords, banks and other financial institutions.

In line with the above, the Office of Planning and Development proposes the following Housing and Community Development goals:

1. Maintain and improve the quality of residential neighborhoods in the City of Portland by:
  - a. creating and maintaining a growing inventory of safe and sanitary housing units at prices and rents which households of all incomes can afford -- with special attention paid to the preservation of housing where deterioration is evident though not acute;  
  
(Because housing quality is a crucial determinant of neighborhood quality and because limited public resources can be spread further if the deterioration has not progressed too far.)
  - b. investing in public services, parks and public rights-of-way in the residential neighborhoods of the City -- particularly where such public improvements will occur in combination with private improvements;



(Because public services and public parks and rights-of-way are important determinants of neighborhood quality and because substantial improvements to residential neighborhoods will require much more than the limited public resources that are available for public improvements.)

- c. awakening a sense of community pride among the residents of Portland's neighborhoods.

(Because a resident's attitude about his neighborhood is at least as important as the physical quality of his neighborhood and because his attitude must be positive if he is to invest his own resources -- time or money -- in that neighborhood.)

- 2. Preserve and enhance the commercial and industrial areas of the City -- particularly where such efforts will expand economic opportunity for the lower-income residents of the City, promote private investment or prevent private dis-investment.

(Because the nonresidential areas of the City contain the jobs at which residents are employed and, in addition, provide a substantial part of the tax base from which a portion of the public resources must come to support investments in the residential neighborhoods.)

These goals are admittedly ambitious, if they are taken seriously. Compared to our resources, they are truly humbling.

What are those resources?

There are first the normal capital budget resources of the City. They have been, and will continue to be, used for public improvements throughout the City. They have not traditionally been used for housing. Last year, the City of Portland budgeted \$27 million in capital improvements -- only 10% of which, however, was for general fund expenditures. The remainder were largely for water and sewer projects (\$20 million), PDC (\$.8 million), Model Cities (\$.5 million), and others. So the amount available for spending without restrictions as to type or location in the City was truly minimal.

Tax increment funds are possible, though they can only be counted upon in a limited number of specially-defined areas of

the City. In those limited areas, however, funds are adequate. In the urban renewal areas 2 and 3, as much as \$65 million is estimated as available for project improvements, including housing.

The Housing and Community Development Act of 1974 offers to many the promise of new and substantial resources. But the level of resources available cannot be considered impressive. From a first year allocation of \$8.6 million, the funds drop to \$5.5 million over 6 years, while the rate of inflation reduces the effective buying power of those funds even more.

Furthermore, these limited funds do not come from the federal treasury without strings attached.

Congress clearly intended the Housing and Community Development program to be directed towards congressional objectives. To that end, several explicit objectives were established in the act itself. It is OPD's judgment that the goals prepared above are clearly consistent with federal HCD goals.

Congress also clearly intended the HCD program to be an addition to that program of expenditures already being undertaken by the City and it so stated that in the Act.

Finally, Congress clearly intended housing to be a major part of local plans developed for the use of HCD funds.

In addition to the federal requirement of consistency with national goals specified in the Act and the intent of Congress, there are some particular guidelines for local programs.

In summary, the resources available to seek our proposed housing and community development goals are limited in amount and constrained in their application by City, state or federal guidelines and statute. Clearly, a local program designed to accomplish our goals must be likewise limited in scope and carefully tuned to be consistent with those constraints.

EB:bn

newspaper!



# THE CITY OF PORTLAND

WILL RECEIVE  
**\$8,700,000\***

FROM THE FEDERAL  
GOVERNMENT IN THE  
NEXT YEAR, BUT FIRST  
WE NEED TO ANSWER  
THIS QUESTION:



## WHAT ARE PORTLAND'S REAL NEEDS?

\*THIS GRANT IS NOT NEW FUNDING,  
RATHER IT REPLACES GRANTS THAT  
THE CITY HAS BEEN RECEIVING.

### THE MONEY MAY BE USED IN PORTLAND FOR:

- PURCHASE, SALE OR LEASE OF BLIGHTED PROPERTY APPROPRIATE FOR REHABILITATION OR PRESERVATION.
- CONSTRUCTION OF PUBLIC WORKS OR IMPROVEMENTS: STREETS, LIGHTS, PARKS, SEWER AND WATER LINES, OPEN SPACE, NEIGHBORHOOD FACILITIES, SENIOR CENTERS.
- CODE ENFORCEMENT IN DETERIORATING AREAS.
- REHABILITATION OR DEMOLITION OF BUILDINGS.
- SPECIAL PROJECTS REMOVING BARRIERS WHICH RESTRICT THE ELDERLY AND HANDICAPPED.
- RENT PAYMENTS FOR TEMPORARY HOUSING, FOR PEOPLE DISPLACED BY C.D. ACTIVITIES.
- PUBLIC OR SOCIAL SERVICES NOT OTHERWISE AVAILABLE.
- LOCAL MATCHING FUNDS FOR OTHER FEDERAL PROGRAMS.
- COMPLETION OF URBAN RENEWAL PROGRAMS.
- RELOCATION ASSISTANCE.
- PLANNING A COMPREHENSIVE C.D. PROGRAM.
- REASONABLE ADMINISTRATIVE COSTS, INCLUDING CITIZEN INVOLVEMENT COSTS.
- FOR THIS FIRST YEAR STAFF HAS RECOMMENDED THAT FUNDS BE CONCENTRATED IN THE FOLLOWING AREAS: RESIDENTIAL NEIGHBORHOODS — IRVINGTON, KING/VERNON/SABIN, WOODLAWN, BOISE/HUMBOLDT, ELIOT, BUCKMAN, CORBETT/TERWILIGER, NORTHWEST DISTRICT, ST. JOHNS, AND SPECIAL PROJECTS: UNION AVENUE CORRIDOR, THURMAN/VAUGHN CORRIDOR, BURNSIDE AREA.

THIS MONEY MUST BE USED IN CONFORMANCE WITH FEDERAL LAWS RELATING TO: CIVIL RIGHTS, EQUAL OPPORTUNITY EMPLOYMENT, ENVIRONMENTAL PROTECTION, LABOR STANDARDS, RELOCATION, MINIMUM WAGE STANDARDS, CITIZEN PARTICIPATION, A-95 REVIEW, AND REPLACES GRANTS UNDER SOME PREVIOUS H.U.D. PROGRAMS.

### Why?

THIS YEAR CONGRESS PASSED NEW LEGISLATION CALLED: **“THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974”**

Its purpose is to provide BLOCK GRANTS of money to cities to promote *“the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”*

THE SPECIFIC GOALS ARE TO: ★Eliminate and prevent deterioration. ★Eliminate hazards through housing rehabilitation. ★Conserve and expand the housing stock. ★Improve the quality and quantity of community services. ★Make rational use of the land. ★Reduce isolation of income groups. ★Restore and preserve properties of aesthetic or historic value. ★Encourage activities consistent with local planning.

### PROPOSED STRATEGY

#### HOUSING ASSISTANCE PROGRAM

- Development of a revolving rehabilitation fund.
- Rehabilitation of owner - occupied housing.
- Assist low and moderate income people in obtaining home ownership.
- Rehabilitation of renter occupied housing.

#### NEIGHBORHOOD REVITALIZATION

- Concentrate improvements for maximum impact.
- Concentrate efforts in areas where deterioration is evident, but not acute.
- Work with established neighborhood organizations.

#### SPECIAL PROJECTS

- Long-term commitments to major physical projects.
- Providing “matching funds” for other funding sources.

### “DRAFT PLAN” FOR CITIZEN PARTICIPATION

THE “DRAFT PLAN” FOR CITIZEN PARTICIPATION INCLUDES:

#### A) Statement of Goals

- Assure interested citizens the opportunity to be involved in all steps of the process for the HCD Act.
- Special efforts to include affected citizens, particularly those of low and moderate incomes.

#### B) And the following subjects:

- Steps of the Process.
- Recordkeeping.
- Grievance Process.
- Citizen Rights.
- Technical Assistance.

Copies of the “Draft Plan” are available from the Office of Neighborhood Associations, Room 405 City Hall, 248-4519, and at city branches of the Multnomah County Library.

### YOUR THOUGHTS ARE NEEDED!

The staff has recommended these goals:

MAINTAIN AND IMPROVE LOW AND MODERATE INCOME RESIDENTIAL NEIGHBORHOODS BY:

Investment in public services — particularly where such services will occur along with private improvements.

Awakening of a sense of community pride among neighborhood residents.

PRESERVE AND ENHANCE COMMERCIAL AND INDUSTRIAL AREAS:

Particularly to expand economic opportunity for lower-income residents.

DECISIONS ON THE FINAL PROGRAM AND APPLICATION WILL BE MADE BY CITY COUNCIL.

CITY COUNCIL HEARINGS ARE BROADCAST ON KBOO RADIO 90.7FM

PLAN NOW  
TO HAVE A  
VOICE IN  
YOUR  
FUTURE.

ATTEND THE HEARINGS!

**H  
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PORTLAND CITY PLANNING COMMISSION

PORTLAND DEVELOPMENT COMMISSION

**JANUARY 8th  
7:30 P.M.**

Water Services Building  
510 S.W. Montgomery

For meeting information, call the city hall information desk at

**248-4210**

PORTLAND CITY COUNCIL

Date to be announced in public notice columns of newspapers and by flyers



# arts & entertainment

## Review: Rated a 'masterpiece'

By DANIEL YOST

In film reviews nationwide, Ingmar Bergman's "Scenes from a Marriage" is being acclaimed as a masterpiece. This generalized term, implying masterpiece of art and not just of film, is appropriate. This motion picture comes as close as anything printed, staged or filmed can, to encompassing the whole of a long-term, intimate relationship.

It does so despite the fact that the print (in

English, incidentally) now showing at the Cinema 21 is edited to a little less than half the original six-hour film that was intended to be shown in episodes on television.

Liv Ullman and Erland Josephson play a modern Swedish couple who, after ten years of marriage, want to believe and are led to believe that they have an ideal relationship. Everything is seemingly theirs: nice children, respected professions, security, possessions; and in relating to each other, there is a minimum of friction.

Gradually they realize, however, that the routine of their lives is leaching their desire to live, and that there is little of joy and spontaneity between them.

This leads to a dramatic turn of events, bringing change more than growth, but nevertheless change needed to go on with life. In the end we find them resigned to this change, but with a better perspective on their past and a clearer awareness of what life is, and is not for them.

This film is as demanding of the audience as it must have been for the actors, and is closer to the filmed plays of the American Film Theater than it is to the scene movement and sparse dialogue of most American movies.

The camera is not idle, however, as Bergman is constantly trying to pack more than is already present in dialogue and acting by highlighting certain movements and expressions and timing these highlights with the flow of dialogue or abrupt changes of mood.

The acting by Ullman and Josephson is magnificent, yet not without flaws. There are moments of anxiety so intense and subtle that is probably not possible for these to be duplicated outside the context of real life. (An exception might be if the actors were long-term marrieds and not acting, which is what Burton and Taylor were able to bring to "Who's Afraid of Virginia Woolf").

The film is also flawed, in allowing them to recover too quickly after releasing floods of repressed emotion. Once the hurt is out in the open, it cannot so quickly be brushed aside. There must follow long moments when speaking, even thinking, is not possible.

## Man's ascent is on film

PORTLAND—A number of impressive firsts are to be seen in a unique series of films, "The Ascent of Man" to be shown here on channel 10, starting Tuesday, Jan. 7.

Presented by Public Broadcasting Service and offered as a three credit course by Portland Community College, the series traces man's history through his scientific achievements.

Among the firsts shown are filming in the secret archives of the Vatican, Genghis Khan's direct descendants riding in full battle array across the plains of Afghanistan, and the migration of Bakhtiari tribes through the Zagros mountains of Persia, where few westerners have ever been.

The text for "The Ascent of Man" was prepared by Dr. Bronowski, an internationally known scientist, mathematician and literary figure. The films, made by Time-Life Inc., are narrated by Bronowski, in cooperation with the British Broadcasting Corp.

For further information on "The Ascent of Man" and how to enroll, contact Campus on the Air at 229-4847.



## Students offered design chance

TRI-COUNTY — When America's Viking spacecraft touches down on the surface of Mars about July 4, 1976, it will be carrying an emblem designed by an American student.

The opportunity to design the emblem is being offered to students by the National Science Teachers Association, in cooperation with NASA, through a nationwide contest. Any student in U.S. public, private, or American overseas

schools in grades 9 to 12 is eligible.

The ten best entries in each region will be selected as regional winners by local committees. Regional winners will then be judged by a national committee, which will select ten finalists. NASA will make the final selection. Winners will be announced in April 1975, about four months before the scheduled launch of Viking by Kennedy Space Center, Fla.

National finalists and their teachers will be invited to attend an expense-paid Viking educational conference at Kennedy Space Center and to observe the Viking launch. They also will receive special medallions.

Teachers may obtain information and entry forms by writing to the Viking Student Project, National Science Teachers Association, 1742 Connecticut Avenue, N.W. Washington, D.C. 20009.

## FAMOUS LABEL FASHION CLEARANCE

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FUN FURS, LEATHER & SUEDE COATS, ETC.

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FUR TRIM PANT COATS  
FUR TRIM DRESS COATS

1/2 PRICE  
LEADING STYLES & COLORS

\*FUR PRODUCTS LABELED TO SHOW COUNTRY OF ORIGIN OF IMPORTED FURS  
JACQUELINES  
LLOYD CENTER

## Square slates

### St. Bernards

SW PORTLAND — Washington Square is going to the dogs Jan. 4-5.

More than 30 St. Bernards will be in the dog show which will include three petting arenas, one obedience arena, one information center (with dog on duty), and a dog powered cart ride track.



# Marlboro

## new year's sale

Clip'n save  
**BORDERLESS SILK**  
COLOR PRINTS  
From most types color print film 126-110-127, etc.  
**12 EXPOSURE \$1.99**  
COUPON MUST ACCOMPANY ORDER. NO LIMIT.  
Valuable COUPON

Clip'n save  
**SLIDE and MOVIE PROCESSING**  
KODACHROME OR EKTACHROME  
8MM OR 20 EXPOSURE  
(110 not included)  
**EACH \$1.49**  
COUPON MUST ACCOMPANY ORDER. CASH VALUE 1/2¢ OF 1¢. NO LIMIT.  
Valuable COUPON

Clip'n save  
**BORDERLESS SILK**  
COLOR PRINTS  
From most types color print film 126-110-135, etc.  
**20 EXPOSURE \$3.99**  
COUPON MUST ACCOMPANY ORDER. NO LIMIT.  
Valuable COUPON

Clip'n save  
**BORDERLESS SILK**  
COLOR REPRINTS  
FROM KODACOLOR NEGATIVES  
**EACH \$1.19**  
COUPON MUST ACCOMPANY ORDER. NO LIMIT.  
Valuable COUPON

Clip'n save  
**5x7 COLOR ENLARGEMENTS**  
FROM NEGATIVES OR SLIDES  
POPULAR FILM SIZES ONLY  
**EACH \$.69**  
COUPON MUST ACCOMPANY ORDER. CASH VALUE 1/2¢ OF 1¢. NO LIMIT.  
Valuable COUPON

Clip'n save  
**JUMBO COLOR PRINTS**  
FROM SLIDES  
POPULAR SIZE SLIDES ONLY  
**EACH \$.29**  
COUPON MUST ACCOMPANY ORDER. CASH VALUE 1/2¢ OF 1¢. NO LIMIT.  
Valuable COUPON

**SALE ENDS JAN. 6**  
Coupons Good at All Stores

# Photo Factory

Check our prices and service on in-house camera repair services. BEAVERTON - GRESHAM OPEN SUNDAY

BEAVERTON	GRESHAM	NEWBERG
Bernard Mall Cedar Hills Blvd. 643-4503	Hood Center Burnside at Division Next to Pay Less 666-7082	514 East First St. Next to J.C. Penney's 538-9453



Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

16 mg. "tar," 1.1 mg. nicotine av. per cigarette, FTC Report Oct. '74



Copy of HCB Act 74

~~Environ  
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dispos  
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legislation~~

crucial point  
in history  
memo

*distributes January 7, 1975*

19

Housing & Community Development  
Act of 1974  
Goals and Strategy

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(Because housing quality is a crucial determinant of neighborhood quality and because limited public resources can be spread further if the deterioration has not progressed too far.)

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(Because public services and public rights-of-way are important determinants of neighborhood quality and because substantial improvements to residential neighborhoods will require



much more than the limited public resources that are available for public improvements.)

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(Because a resident's attitude about his neighborhood is at least as important as the physical quality of his neighborhood and because his attitude must be positive if he is to invest his own resources -- time or money -- in that neighborhood.)

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These goals are admittedly ambitious, if they are taken seriously. Compared to our resources, they are truly humbling.

What are those resources?

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adequate. In the urban renewal areas 2 and 3, as much as \$65 million is estimated as available for project improvements, including housing.

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Furthermore, these limited funds do not come from the federal treasury without strings attached.

Congress clearly intended the Housing and Community Development program to be directed towards congressional objectives. To that end, several explicit objectives were established in the act itself. It is OPD's judgment that the goals prepared above are clearly consistent with federal HCD goals.

Congress also clearly intended the HCD program to be an addition to that program of expenditures already being undertaken by the City and it so stated that in the Act.

Finally, Congress clearly intended housing to be a major part of local plans developed for the use of HCD funds.

In addition to the federal requirement of consistency with national goals specified in the Act and the intent of Congress, there are some particular guidelines for local programs.

In summary, the resources available to seek our proposed housing and community development goals are limited in amount and constrained in their application by City, state or federal guidelines and statute. Clearly, a local strategy designed to accomplish our goals must be likewise limited in scope and carefully tuned to be consistent with those constraints.

### The Strategy

The strategy designed to satisfy the goals, is intended to provide an overall framework for community development. Even though it is limited by federal guidelines and funds, it is designed to incorporate federal funds with existing state and local funding sources in order to carry out a broad range of activities focussed around the central goal of improving and sustaining the quality of residential neighborhoods. The primary thrust of this program is to devise a variety of

mechanisms for carrying out basic improvements to residential neighborhoods. These include: Public works and public facility improvements, housing rehabilitation and new construction of residential and commercial/industrial facilities. The key element in the strategy is to concentrate public investment in a manner which will stimulate private sector reinvestment. As mentioned earlier a few neighborhoods require a level of public investment far in excess of any anticipated private investment. It is doubtful, that an effective program of public improvements can be developed in these "deteriorated" neighborhoods that will adequately redirect the forces of urban blight. Without infusions of money far in excess of available resources it is impossible to assure a lasting public benefit except in those areas where private reinvestment can be enlisted and channelled to work in concert with public funding. Therefore, the strategy is to select a few neighborhoods each year which can demonstrate the capability to support public actions, through citizen involvement, private funding, and the possibility of stabilizing population and housing trends. Resources will be concentrated in these neighborhoods in a variety of programs and activities designed to encourage private participation and reinvestment. Such programs will emphasize a cost sharing between the public and private sectors. Actions such as home improvement loans; local improvement districts for street, and sewer improvements, local match for other funds are the mainstay of this effort. Actions where the funds are either recycled or leveraged against other private or public money.

Within the concept of "Neighborhood Revitalization" are two elements; a) Housing Assistance and, b) Community Development (primarily public works and public facilities improvements.)

The following is a detailed definition of the strategy to be pursued by the City of Portland.

#### I. Neighborhood Revitalization

A "neighborhood" can be defined as a geographic area predominantly residential in character containing services and facilities which cater to the needs of its residents. Neighborhoods generally have certain physical and social commonalities, such as age, income and household size of residents, type and condition of housing and availability and quality of neighborhood services.

Neighborhoods undergo a continual process of change. This



process is more rapid and catastrophic in terms of its impact upon residents in some neighborhoods than in others. Indicators of neighborhood decline include loss of population, rapid change in income levels, decline in home ownership, adverse environmental influences due to traffic, noise and air pollution, and an imbalance between the provision of public services and tax revenues to pay for these services.

Neighborhood revitalization attempts to prevent the processes which lead to this loss of population, blight and general deterioration of the livability of city neighborhoods. This can be done by the concentration of public expenditures, including Housing and Community Development funds as well as other funds and programs, in locations where the maximum impact can be realized.

This maximum impact is best realized in neighborhoods where conditions of blight are not too far advanced and can be "turned around" by an infusion of public improvements. The concept of neighborhood revitalization is to begin a program of concentrated neighborhood improvements in four to five residential neighborhoods around the city that have satisfied a number of pre-established criteria. The program would then incrementally add additional neighborhoods in each following action year. A pre-project planning period of six to nine months will be provided each neighborhood prior to which the neighborhood would prepare its plan, define priorities and projects for funding.

Technical assistance will be provided by the Planning Bureau to each neighborhood involved. The planning phase will provide the information for the neighborhood application for funding.

The objectives to be achieved under neighborhood revitalization are as follows:

- 1) To initiate a neighborhood revitalization program in those neighborhoods which meet the basic criteria for selection.
- 2) To concentrate funds in high impact areas for maximum effectiveness.
- 3) To initiate improvements which are not currently funded through other sources.

- 4) To utilize funds where possible as a leverage to stimulate additional public and private investment.
- 5) To concentrate housing assistance efforts and capital improvements for maximum effect.
- 6) To expand the neighborhood revitalization program to additional neighborhoods to the extent feasible under reduced funding levels.
- 7) To limit Housing and Community Development funding involvement in neighborhoods to the shortest time possible in order to achieve product goals. (3 years maximum)
- 8) To concentrate efforts in neighborhoods where deterioration is evident, though not acute.
- 9) Work with established neighborhood organizations to develop plans, set priorities and monitor project execution.

Of the some 52 established neighborhoods in the City, approximately 30 would qualify as below medium income level neighborhoods. With such a large number of potential project neighborhoods it is necessary to establish criteria for determining neighborhood eligibility. It is assumed that Housing and Community Development funds are one of many funding sources for the implementation of neighborhood action programs and that HCD will be treated as a part of an overall program of neighborhood improvements throughout the city. Under this concept, a pre-planning would take place in the following manner:

- 1) Neighborhoods shall be established and in the process of being recognized by the City Council.
- 2) Neighborhoods shall petition the Planning Bureau for technical assistance in planning related matters.
- 3) Neighborhoods showing a willingness to undertake on a voluntary basis some of the efforts required in the preparation of the planning program will receive priority. Such efforts might include interview surveys, Task Force Committees, Block Committees, etc. If a neighborhood establishes a planning committee, then according to the ordinance on neighborhood

associations, the committee must be representative of the geographical areas included in the planning and of the interests relating to that community.

- 4) Areas which demonstrate evidence of declining neighborhood quality such as demonstrated by declining housing conditions, declining rent levels, deteriorating physical condition, significant population shifts, increased poverty levels or other indicators of social and economic instability will be given priority.
- 5) Areas which are comprised of two or more neighborhood associations seeking mutual assistance will be given priority.

Once the neighborhoods have been selected, a pre-planning process would be initiated with the neighborhoods. This would be carried out over a six to nine month period. The neighborhood associations will receive technical assistance from the Planning Bureau and the Development Commission to prepare a preliminary plan. The plan would develop goals and objectives, contain an assessment of needs, statement of problems, development of alternative solutions, a cost feasibility analysis and prioritization of projects and the preparation of a work program for funding.

The emphasis will be on the identification of specific projects and priorities by neighborhood residents through established neighborhood associations. Recommendations will be submitted to City Council at public hearings for final approval.

Although neighborhoods will individually participate in setting priorities for activities to be undertaken in their area, city wide the overall priority will be housing assistance. This is necessary since a large share of the curtailed federal programs, replaced by HCD dealt directly with housing assistance and very few local programs exist to meet the need. Also as noted earlier in the goals statement, it is essential to Portland continued health and ultimate survival to possess a healthy, housing stock.

#### A. Housing Assistance Program

Utilize Community Development funds to establish



a housing revolving fund for the rehabilitation of existing housing units in neighborhoods designated for concentrated neighborhood improvements. This permanent fund would be established by utilizing the declining difference between the "hold harmless" amount and the "fixed formula" amount for Portland, at least during the next three years. Based on this concept, approximately \$3 million would be available for the first year; an additional \$2.5 million the second year; and \$2 million the third year, for a three-year total of \$7.5 million. The intent of the City is to use this money to establish a permanent fund for delivering housing rehabilitation assistance. In order for this fund to be permanent, it is necessary that all dispersals of funds be in the form of loans. At the same time, it is important to have the flexibility to deliver assistance in a way that addresses Portland's particular problems. Three categories of needs have been identified. These include:

- 1) Rehabilitation of owner-occupied housing. Several specific programs have been designed to carry this out. One program, the Public Investor Lender's Program designed to replace the 312 Loan Program, is already in operation. It uses local financing institutions as the primary funding source with publicly financed security deposit and administrative costs. Others include a Deferred Payment Loan Program where improvements are financed under a no interest, deferred payment loan with repayment taking place at the time of sale or the transfer of the property, a critical maintenance loan program and others.
- 2) Assistance in aid to low and moderate income people in obtaining home ownership. This program involves a working relationship between the Housing Authority and the Development Commission to provide a lease-option program oriented toward low income individuals.
- 3) Rehabilitation of renter-occupied housing. New programs are being designed to provide rehabilitation assistance to multi-family as

well as single family rental units. A rent control agreement will be required to assure delivery of assistance to the user. In addition, this program will be used effectively to complement other housing assistance programs such as Section 8 of the Housing and Community Development Act, and the State Housing Bond Fund which may be forthcoming.

Each neighborhood will submit as a part of its annual duplication the number of residential units it wishes to have rehabilitated. Housing rehabilitation and neighborhood revitalization will be concentrated in locations which are mutually beneficial and can achieve maximum impact. New housing will also be concentrated in locations where maximum impact can be realized.

In accordance with this, the guidelines for allocation of housing units under Section 8 of the Housing and Community Development Act are keyed to the selection of neighborhoods for concentrated improvements. The objectives for delivering Section 8 housing units are as follows:

- 1) To utilize Section 8 to the fullest extent possible towards meeting low income housing needs in the general Portland community.
- 2) Where feasible, to utilize Section 8 to achieve the community development goal of neighborhood revitalization, thereby increasing the impact of both resources.
- 3) Combine Section 8 with other resources (e.g., State bond funds) where possible, in order to meet the needs of those Oregonians in the lowest income bracket.

Based on these objectives, strategies have been developed for the dispersal of housing units under Section 8 as follows:

- 1) Some 20 percent of the total allocation would be reserved for use in the unincorporated portions of Multnomah County. The utilization

of these units should reflect the specific needs identified by the County and the Housing Authority of Portland.

- 2) The remaining 80 percent is divided approximately evenly between family and elderly and is allocated in the following manner (the several portions total 100% (of 80%):
  - A. New construction - 40% - 1/2 in tracts averaging below medium income levels and 1/2 in all other areas. New housing construction has the advantage of adding to housing stock of the community and thereby provides the best long-range solution to the low income housing needs. It also provides the best stimulus to a sagging economy. It may in fact be the only way in which needed housing can be provided in certain neighborhoods. Housing projects which support mixed income levels with no more than 50% low income will receive priority consideration. Such projects will require a detailed market feasibility analysis which demonstrates the capability of the site to support a mixed income population.
  - B. Substantial rehabilitation - 40% - to be expended entirely in low/medium income level tracts and the Downtown. This section will be particularly advantageous in supplementing the community development funds used in various programs to preserve and rehabilitate the residential housing stock. Because of the rehabilitation emphasis of the Community Development funds and the use of State housing bond funds this will present an opportunity to combine these resources to meet low income housing needs while preserving sound structures and upgrading certain neighborhoods.
  - C. The lease of existing housing - 20% - 1/4 in below median income tracts, 3/4 in all other areas. The use of existing housing has the advantage of permitting scattered site housing, thus only 1/4 in below median income tracts for low income housing may now



prevail. It does not add to the availability of housing although there may be some upgrading through the requirements to meet Code. Primary difficulty encountered is the limited availability of decent, safe housing at the "fair market rents" permitted by HUD.

### Implementation

The HUD area office will advertise for proposals for the given number of Section 8 housing units available. Respondents fall into three categories: private developers applying directly to HUD; private developers working through a "public housing agency"; and public housing agencies (e.g., HAP) functioning as owners/developers.

HUD has indicated that in all instances the City will have the right to evaluate the proposals in terms of its own housing-assistance plan. The housing assistance plan, prepared as a part of this application, will be used to specify types of housing to be delivered, income ranges to be met and general, if not specific, locations for housing projects.

- . The City will also administer a site location and design review procedure to which all projects must submit and be approved by prior to project approval.

Upon response of the City, HUD will award proposed projects based upon its own ranking system (within the limits of the allocation released). The City, as a part of its own on-going housing coordination activities, will evaluate the effectiveness of funded housing proposals under Section 8 and utilize the evaluation for adjustments to the housing assistance plan in future years.



B. Community Development Activities

As a part of neighborhood revitalization, the City will initiate and subsidize a number of public works and public facilities improvements. The level of assistance available through public action depends on the type of improvement program undertaken. The following is the description of the subsidy level provided under HCD or other public funding mechanisms for neighborhoods designated for concentrated improvements:

1. Streets -- New Construction and Reconstruction

a. Local Improvement Districts (LID's)

1. 2/3 HCD funding, 1/3 abutting property owner, based on City Engineer's preliminary estimate of work or actual cost of work if less than the preliminary estimate.
2. If cost of work is in excess of the preliminary estimate the amount in excess will be paid by the City (HCD).
3. Where an abutting property owner is in the "low-income" category, the entire share shall be paid from HCD funds.
4. Intersection work -- the entire amount (100%) to be paid from HCD funds.

b. Side Stripping

Side stripping is an improvement program for streets previously accepted for maintenance by the City of Portland but which do not meet city standards. Most of these streets have a paved center section. The paving was constructed as a part of WPA Programs carried out during the 30's.

On such streets the side section used for parking between the travel lane and the curb is unpaved. Sometimes curbs and sidewalks are installed and in other cases they are not. In the cases where a street qualifies for side stripping the following formula will apply:

1. All material costs will be paid from HCD funds (100%).



2. All personnel services including equipment will be paid from City funds (100%).
  3. An assessment of \$.50 per linear foot of frontage will be levied against abutting property owners.
2. The following eligible items and project areas will be paid in their entirety (100%) from HCD funds:
    - a. Real estate acquisition, relocation, site clearance.
    - b. Redevelopment areas -- eligible right-of-way improvements (streets, sewer, water, lighting, landscaping, etc.).
    - c. Traffic control -- were not funded through Capital Improvements Program or carried out as a part of maintenance by the Bureau of Traffic Engineering.
    - d. Street Lighting -- standard residential street lighting was not funded through the Bureau of Lighting.
    - e. Street Trees in Right-of-Way Areas -- were not funded through the Bureau of Parks, Capital Improvements Program.
    - f. Park Improvements -- were not funded through the Bureau of Parks, Capital Improvements Program.
    - g. Consultant Fees
  3. Where matching funds are required from another funding source for a neighborhood project, HCD funds shall be used as matching funds if the project is in conformance with HCD guidelines and local priorities.

In all cases, the priorities established by the neighborhoods and reviewed by the operating bureaus of the City shall be utilized as the primary justification for projects undertaken as a part of the neighborhood revitalization program.

## II. Special Projects

It is obvious that addressing the problems of the residential neighborhoods will not in itself adequately solve the manifold problems facing the City. In addition to residential areas there are commercial and industrial areas as well as the central City, all of which have their own special needs and problems. While it is clearly understood that the emphasis of the Housing and Community Development funds would be towards housing and neighborhood revitalization, it is also recognized that a certain portion of those monies need to go to address problems in areas defined as special projects.

Continual redevelopment activity in the downtown will require some federal funding, but the bulk of these activities to be carried out through tax increment funding (this funding mechanism is discussed later).

Also, in most cases, improvements to industrial areas will be carried out through private activity, LID's or public right-of-way improvement funded by the Economic Development Administration.

Under some circumstances, projects in commercial/industrial areas may receive HCD. To qualify, they must be designated as "Special Projects." In addition, a small percentage of HCD money will be used to fund "one-time-only" projects throughout the City.

Special projects are long term commitments to physical improvements within a given geographic area requiring several years to complete (five or more years). They are not necessarily tied to residential neighborhoods although they may be of specific concern to a neighborhood. However, special projects usually require an intensive planning and funding of improvements in order to accomplish the stated objectives.

### Criteria for Establishing Special Projects

1. There must be an established City commitment to carry out a program of project improvements within a given geographic area.
2. Specific and detailed planning relating to necessary improvements must be accomplished for the project.
3. The opportunity to match Housing and Community Development funds with other funding sources, i.e. categorical funds, local general fund commitments, etc., must be apparent.

Against these criteria special projects would be prioritized and funding levels determined to carry out specific program objectives. Citizen involvement requirements similar to those required for concentrated neighborhood improvement programs must be adhered to. In special projects the primary objective will be to leverage other funds through the use of Housing and Community Development funds as a local match.

### III. One Time Only Projects in Neighborhoods Not Designated for Concentrated Improvements

The rationale is to establish a pot of funds to carry out small scale projects of special interest or unusual circumstances in neighborhoods not participating in a program of concentrated neighborhood improvement. These are to be one time only expenditures in the range of \$10,000 to \$40,000 each. The projects would provide needed public facilities or improvements to otherwise non-participating areas. In addition, this will give us the opportunity to take advantage of unusual circumstances such as leveraging of categorical funds, foundation grants, time-constrained situations that cannot be responded to in other ways. The type of projects to be carried out under this one time only program would be neighborhood facility type projects; park improvements or park expansion projects; traffic signalization, etc. Projects will be evaluated on the basis of criteria to determine funding eligibility. (Criteria are as follows: project would have to be borne out of the neighborhood request from an established neighborhood organization. The project would have to be justifiable in its own right, irregardless of funding sources. There would have to be a demonstration of funding needs not able to be met elsewhere. It could qualify only if it was a one time only requirement. It must be of benefit to the entire community or specifically designed to serve disadvantaged groups, i.e. handicapped, elderly, poor, racial or cultural minorities.



HCD is but a part of an overall program of Community Development. Other methods of carrying out community development activity include the Capital Improvements Program (CIP) and tax increment financing.

Relationship of Housing and Community Development Funds to Capital Improvements Program of the City

The concept of neighborhood revitalization is a city-wide process that applies to all funding sources. Community Development funds as well as funds applied through the Capital Improvements process will be utilized to carry out neighborhood revitalization programs. The following procedure will apply for Capital Improvements Programming in neighborhoods designated for concentrated improvement programs.

1. City programs will capitalize upon the Community Development resources as a means of leveraging further improvements not feasible solely under the Capital Improvements Program. This can happen by simplifying procedures and handling administrative neighborhood revitalization programs.
2. Utilize Community Development funds to subsidize Local Improvement Districts and as a local match for other State and Federal funds, specifically land and water funds and Willamette Greenway funds.
3. Utilize Community Development funds to pick up cost over runs on capital improvement projects where it would be necessary to resubmit a project for citizen petition signatures such as an LID.
4. Utilize Community Development funds to accelerate funding of projects scheduled several years away under the normal Capital Improvements Programming process.

Relationship of Housing and Community Development Fund to Tax Increment Financing

Tax Increment is defined as a geographic area where public improvements are financed through the increment of increased property tax revenues brought about by private redevelopment activity. This may occur through strictly private action or through private redevelopment stimulated by public renewal activity.

According to state law an "indebtedness" must be incurred before tax increment can be used. Three methods presently exist for incurring the indebtedness.

1. Tax Allocation Bonds - Revenue bonds are sold to finance activities in the Tax Increment area. The debt (principle and interest) is serviced through the incremental increase in property taxes.
2. General Fund - Money from the City's general fund may be used to carry out public improvements as with any capital improvement and then be refinanced through tax increment.
3. HCD Funds - Housing and Community Development funds may be used to fund a project within a tax increment area as long as the project qualifies in its own right for HCD funding. The reimbursement of the HCD funds from the tax increment would provide future money for community development activity.

The strategy defined on these pages provides the general program to be followed in the application of HCD funds. This strategy is not intended to be a complete document of all local actions regarding community development. For instance, industrial redevelopment and the potential use of the State Housing Bond Fund were not covered in any detail, primarily because they do not impact directly on the use of HCD funds. Also, it is not intended that this strategy be considered as fixed and inflexible but that it adjust with changing conditions and take advantage of unforeseen actions and events.



## Planning panel adopts improvement act goals

The Portland Planning Commission adopted goals Wednesday to stabilize neighborhoods and halt blight under the federal Housing and Community Development (HCD) Act of 1974.

Before the commission vote, citizen group representatives generally favored local HCD plan during the joint hearing before the planning and development commissions in the Water Services Building.

More than 100 persons filled and overflowed the room in which the commissions sought comments on neighborhood need and ideas related to the federal program.

Portland is eligible for \$8.7

million during the first year of the plan, based on past federal funding of housing assistance and development projects. These include urban renewal, neighborhood development programs, Model Cities and water and sewer basic facilities.

The approved goals state: "Maintain and improve the quality of residential neighborhoods in the City of Portland by creating and maintaining a growing inventory of safe and sanitary housing units at prices and rents which households of all incomes can afford."

This goal also calls for investment in public services, parks and streets where such improvements would support home owners' rehabilitation efforts.

A second goal also calls for a preservation of commercial and industrial areas that would expand economic improvement for low-income residents, promote private investment or prevent businesses from going to suburban areas.

Several of the persons testifying at the hearing asked that Portland's housing and community aid programs take into consideration the needs of the elderly, low-income and handicapped persons.

A representative of the Oregon Architectural Barriers Council urged that any housing rehabilitation programs include the needs of persons in wheelchairs and those with other special handicaps.

## Agenda item falls to ice

BEAVERTON — Beaver-ton's heavily publicized bike-ways program drew a small crowd Wednesday night, but no one testified before the city's planning commission on the million-dollar proposal.

Commission Chairman Loren Alexander canceled the hearings, which had been scheduled as the last item on the planning commission's agenda, citing icy road conditions and lateness of the hour. The proposal did not come before the commission until 10 p.m.

A dozen persons turned out for the meeting, which was rescheduled for Feb. 5.

The adjournment proposal triggered a sharp exchange of opinion between Alexander, Commissioner Sharon Ritter and Hal Hewitt, city planning director, on the best placement for public hearings on a meeting agenda.

## Bruin ruined by buzz saw

PRICHARD, Idaho (AP) — Logger Lawrence Howell

## Councilman to be absent

SANDY — The City Council will be without one of its seven members for about two months. Vernon Richards is filling in as justice of the peace for Judge George Howeller and won't be able to join the council until Howeller recovers from injuries suffered recently in an accident.

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## Planners Clear Housing Request

The Portland Planning Commission Wednesday night approved a set of housing and community development goals for the city, setting in motion an application for \$8.7 million in federal funds appropriated for Portland under the Housing and Community Development Act of 1974.

The planners voted after a public hearing, required by the terms of the federal act, in which representatives of two dozen Portland neighborhood associations voiced approval of the goals but concerns about the fate of their own efforts to improve their surroundings.

Mary Peterson, director of the Neighborhood Planning Office, told The Journal that most neighborhood groups have spent years developing plans to meet the needs of their residents, "and they are afraid that the piece of the federal pie they end up with won't be one they ordered."

Under the terms of the act, the Portland City Council is required to make the final decision about how the money will be spent and where it will be spent.

Gary Stout, administrator of the Office and Planning and Development for the city, explained to the commission members that his office will recommend to the City Council a "preliminary shopping list" for the money, based on meetings with the neighborhood groups during the past three months.

The planning commission approval of the goals, explained Stout, will be followed by a series of poli-

cies determined by the City Council in the next few months, climaxing with council approval of the complete application before April 15, when it must be submitted to the U. S. Department of Housing and Urban Development.

A second public hearing on the matter will be held before the City Council in about three weeks, when the council must decide how many neighborhoods will be considered eligible for the money.

### Burn Victim Dies

Chester W. Turnbull, 65, Salem, died Wednesday at the University of Oregon Medical Hospital in Portland of burns suffered over 60 per cent of his body in a fire in his home about 12:50 a.m. Wednesday. The fire was attributed to smoker's carelessness.

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The family suggests memorial contributions to the Oregon Heart Association.

### GABOR BARTHA

Funeral services for Gabor Bartha, 31, Johnson City, were held Thursday at Peake Memorial Chapel in Milwaukee.

Born in Budapest, Hungary, Mr. Bartha came to the United States with his parents in 1956, settling in the Los Angeles area. He moved to the Portland area in 1971. He had been employed as a plumber the last three years.

He died Monday of wounds from gunshots fired by a police officer after refusing to surrender as a suspect in a bank holdup.

Survivors include his wife, Sandra; a daughter, Tammy and his parents, Mr. and Mrs. Antal Bartha of Van Nuys, Calif.

Interment was in Clackamas Cemetery.

### JUVA C. BLOOM

Funeral services were held Wednesday at Ross Hollywood Chapel for Juva C. Bloom, 70, who died Sunday in a Portland hospital. She lived at 2944 NE 37th Ave.

Born in Warren, Mrs. Bloom had been a Portland resident for more than 40 years.

Mrs. Bloom served for many years as a Red Cross volunteer and she also had been awarded for her needlework and baking entries at county fairs.

She is survived by her husband, Raynold; two sisters, Minnie Olson of Portland and Mrs. Alice Johnson of Columbia City and a brother, Clarence of St. Helens.

Interment was in Rose City Cemetery.

## Metropolitan Opera Star Tucker Dies

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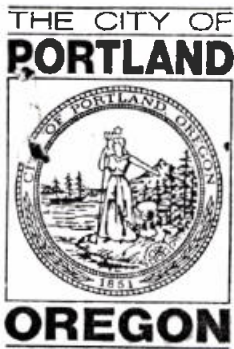
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April 8, 1975

OFFICE OF  
THE MAYOR  
NEIL GOLDSCHMIDT  
MAYOR

1220 S. W. FIFTH AVE  
PORTLAND, OR. 97204  
503 248-4120

Congressman Les AuCoin  
House Office Building  
Washington, D. C. 20515

Dear Les:

Bob Gordon, our Washington Assistant, passed on a request from Roger Eiss asking for a few comments and concerns we might foresee with HUD's new legislation and programs. I understand that you intend to use it as a guide to your thinking in preparation for oversight hearings in the Subcommittee on Housing and Community Development. Accordingly, I have had my staff put together the attached list of general items and concerns.

I am personally concerned about several recent developments that may directly affect the City of Portland in the near future. The first of these problems deals with the HCDA allocation formula which has recently developed some problems with the SMSA discretionary funds. As you are probably aware, funds are set aside for use by smaller towns, communities and counties outside of central cities like Portland in standard metropolitan statistical areas. These funds have now been taken back by HUD to be used for what is called Urban Counties. Multnomah County, unfortunately, does not qualify for this category. HUD and the Congress apparently underestimated the cost formula used in allocating block funds across the Country. The recent recapture of funds designated for smaller communities may cause a reappraisal of the basic HUD formula and may lead to reducing Portland's share. Already Portland's entitlement is calculated with a steadily declining dollar level which reaches approximately \$5.5-million after six years. Our current level of funding is \$8.7-million, but this reduces a significant amount each year.

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✓ The second issue deals with the current HUD subsidized housing proposal. The program HUD seems to be putting all its weight on is the Section 8 program. Unfortunately, the HUD local office has informed us that only about 800 units will be available for the Portland area this year. Furthermore, HUD has indicated that, due to staff shortages and a relatively new program guideline, processing of any units for Portland residents could not begin before December, 1975. I feel that the number of units is too small to provide us with the kind of assistance to deal with the problems we seem to have. In addition, the timing seems to be out of phase with the local spirit of the programs and the need to help reduce the effects of the current recession.

The third issue that particularly concerns me deals with housing programs in general. When the latest legislation was passed, the Congress specifically avoided an overall review of housing programs because of the controversial nature of these programs. I feel that housing programs for the Country should be a high priority in any consideration of HUD programs in the near future.

✓ A related issue is the impoundment of Section 235 Housing Program Funds. It is my understanding that Congress is asking to have these funds released and that the GAO has indicated that these funds should be released. From what I can tell from the news, HUD is still trying to prevent release of these funds. However, these program funds are exactly the kind that HUD should be able to put into the field to help alleviate the current housing shortage in a very short time. Portland's problem is not that we have a large number of units unsold as addressed by the new tax rebate bill, but that we have a very low vacancy rate for both single-family owned houses and apartment dwellings in general. We do have a higher vacancy rate in multiple-family units which are older and in need of extensive rehabilitation. This need also needs to be addressed, but cannot be done so by Section 235. What this program can do is provide the needed strength to local market to provide housing to those that cannot now get into units because of shortages and rising prices.



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I would be pleased to provide further information on these and the other issues listed in the attachment. Please let me know if we can be of further assistance to you.

Sincerely,




Neil Goldschmidt

NG:tbp

cc: Congressman Bob Duncan  
*Senator* ~~Congressman~~ Mark Hatfield  
~~Congressman~~ Bob Packwood

POTENTIAL PROBLEMS WITH HOUSING AND COMMUNITY  
DEVELOPMENT ACT OF 1974

1. Housing -

- 
- a) Section 8 housing will not be made available until December, 1975 due to staff shortages at HUD and new guidelines.
  - b) Market rent allowances for Section 8 are too low for existing non-rehabilitated units in Portland. Generally, the adjustment process is cumbersome, time-consuming and insensitive to local needs.
  - c) HUD policies at the National level seem to be attempting to reduce or eliminate the role of local housing authorities. The only item preventing this now is a requirement that all cities receiving block grant funds must prepare a Housing Assistance Plan (HAP). We feel our Housing Authority is doing a really good job and that if the HAP requirement can be maintained, that we will be able to handle housing programs locally.
  - d) Section 312 low interest rehabilitation loan program was continued for an additional year. This program is really a good one and fits Portland's programs really well. The program should be maintained or as a minimum all loan repayments ought to be turned over to the City as a permanent trust fund. Several bills on this program have been introduced. This program should provide loans to residences and small businesses only and should go to cities under some form of categorical grant program.

2. Community Development programs -

- a) There is much uncertainty about how we should deal with some program guidelines, especially the environmental impact and maintenance of effort requirements. These should be reviewed as experience is gained after July 1.
- b) HUD's new guidelines on Letter of Credit procedures have caused our accounting people some problems which promises to get worse. This is the mechanism by which we actually receive grant money.

3. Community Planning and Management (701 Planning) -

The administration (not HUD) is trying to reduce or eliminate this program. It provides Portland with a flexible pot of money desperately needed to address city-wide planning issues. Further, it provides assistance to the State and CRAG and they are generally not eligible for HCDA funds. This program should remain as a loose categorical grant.



19

7/75



Anthony Downs:

(A) FORCES that cause decline in neighborhood:

1) "Trickle-down" process

- enforcement of <sup>strict</sup> new construction techniques - hence expensive (\$39,000 average) - on fringes too last yr. (characteristic of US)
- disastrous for our cities

IMPORTANT → single hsg (suburban/exm't) effects  
inner city hsg. condition

2) population trends

- '70's production of housing really high - caused surplus
- smaller size households (adult/oriented)

↙  
3) falling total population still and declining density

4) Housing industry - connection to business cycles

5) social conditions

- discrimination
- violence, crime
- public housing problems

⑧ PROCESS of decline

- super-complex causes!
- exclusion of low-incomes in good neighborhoods



- hence the price you pay is a suffering in the good neighborhoods

- HUD, etc don't have all the tools (other agencies do)
- therefore, even though Congress says clean up neighborhoods, U.R. doesn't have all the tools.



- underfunded consistently

Hence: FAILURE TO solve the problems is built-in.

- U.R. has moved the blight around
- didn't do well in u'hoods but successes are in CBD's
- new relocation act has, slowed rehab., kept cities out of massive relocation areas -

③ HCD - "triple-shift"

### Geographic

- entire city now eligible!  
(worsens degree of under-funding) - must spread it thinner.
- you should move to marginally deteriorated areas first



## Political

- power shifts to Council.
- Tendency therefore to look at voters!
- less rules, more freedoms,  
hence power shifts.

## Types of programs

- newer ones

New players in the game!

## NEEDS

- must use private capital  
it takes money to turn n'hoods around.

new citizen participation techniques  
needed because of HCD.

Conclusion

- new freedoms bring new responsibilities — more users, same money (almost).
- (end)

RERC - disposition <sup>Report</sup> <sub>^</sub> 145 pm.

- UR has been a success
  - less red tape than expected (though developers often site this)
- the UR Director is the key to good disposition! (tenure of director directly ties to disposition rate)

- delaying factors:
  - HUD admin. problems (red-tape)
  - local mgmt "
  - local market factors
  - social/econ. (not under control of city)



⑥

UR as a part of CD?

1) all cities should look at  
their UR activities closely!  
(many failures underway)

-(what has it really done?)

(use Evaluation manual)

- by persons outside of agency!

UR benefits have outweighed the costs  
in spite of some failures.

(end)

---

NEIGHBORHOOD PRESERVATION

2:15pm

(see manual)



Fri. a.m  
9<sup>00</sup>

Downs :

- 1) Evaluate your neighborhoods
  - criticism of UR carries over to CD
  - no more massive clearance  
(but some areas will require it)
- 2) long-range planning needed
  - UR really hasn't taken a long time  
(10-15 yrs is normal)
- 3) extended periods of vacant land is not all that bad.
  - a) however surrounding conditions will change -
  - b) business things will change the market too
- 4) CD money should be committed over a long period of time
- 5) projects that are built on strengths

existing are best (near CBD,  
or good n'hood, university etc)  
lakes, etc.

- 6) existing firms, industries are  
another strength to build on
- 7) neighborhood shopping centres -  
(UR) are poor - none have worked
- 8) worst blighted areas can't be  
redeveloped successfully, usually  
- can't attract redevelopers  
- just let them decline further!
- 9) How do you then allocate facilities  
across the city?

A. Divide n'hoods in 3 types

↑ Stage 1 - healthy

↓ Stage 4 & 5 - absolutely gone  
(and everything in between)



CD allows you to go into all middle ones

to) Benefits from public spending:

a) highly visible (may not change  
n'hood though)

b) "input benefits" (jobs, incomes,  
power, training, etc)

(Model Cities falls here - upgrades  
People - not n'hood)

c) physical upgrading  
(reverses decline, rehab  
etc)

- all 3 are important (first one  
because of politics)

- worst n'hoods need the "input" type

- not the physical, since it's so  
costly there (Stage 4 & 5 n'hoods)



- better n'hoods (Stages 2-3) need the physical and highly visible

method:

divide your n'hoods, pick your needs, do it.

- ~~if~~ don't ~~do~~ too much in good n'hoods.

Remember: Fed's are spending lot's of money in the worst n'hoods already (- food stamps, welfare, medicaid, etc)

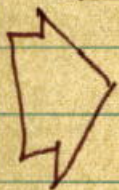
11) Leverage your money - use CD \$ to get private \$ !

- most UR developers are local.

Components of leverage:

a) Get private guys involved in planning.

b) Reduce risk of lending in bad n'hoods - help them



- ⇒ c) Direct public investment in areas  
where you want the private \$  
 (end)

## Neighborhood Housing Services Programs - very successful

(VOLUNTARY)

Bill Whitesides "Urban Reinvest T.F."

N'Hood Hsg. Services - is it the  
 vehicle to move into "anti-redlining"

- 1) found the program in Pittsburgh
  - local lenders think it's their program (good)

- city puts in improvements

- 2) totally flexible interest rates
  - supported by foundations

- 3) you need a sizable fund  
 (target \$300,000 revolving)  
 - tough amount for most cities



- lenders provide operating budget
- program can have a bonus to cities that already have a program similar in operation
- will be taking applications again this fall for '76-'77 - money?

[ PERSONAL REACTION: (end)  
Whitesides is a con-man. Underfunded. Inexperienced. ]

### Downs (2 PM)

- Leverage those HCD dollars!  
(all that you can)
- reviewed case studies. Not too fast moving of a session.

End.



19

# RULES AND REGULATIONS

## Title 24—Housing and Urban Development CHAPTER V—OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. R-75-292]

### PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS

#### Submission of Applications

On June 9, 1975, at 40 FR 24692, the Department revised 24 CFR Part 570 to consolidate the several changes previously made to the above Part. The regulations currently establish the dates of March 15, 1975, through May 15, 1975, for applicants to submit final applications for general purpose funds for metropolitan areas. The Department is changing the May 15, 1975, deadline to September 30, 1975.

When the regulations governing discretionary grants were first published on February 7, 1975, it was contemplated that funds would be available for discretionary grants in metropolitan areas from the Fiscal Year 1975 appropriation. The Department of Housing and Urban Development currently has on hand more than 1500 preapplications requesting \$438 million for metropolitan area discretionary grants.

As a result of the Department's validation of hold harmless calculations and the unexpectedly large number of applications submitted by urban counties, however, no funds remained for discretionary grants in metropolitan areas. Consequently, the preapplications have been held on file pending resolution of the funding situation.

The Congress has now passed, and the President has signed, a Fiscal Year 1975 supplemental appropriation of \$54,825,000 to be used exclusively for discretionary grants in metropolitan areas. The supplemental appropriation now makes it possible to proceed with the acceptance of final applications and the approval of discretionary grants in metropolitan areas.

Except for the extension of the deadline for receipt of final applications to September 30, 1975, the regulations governing discretionary grants remain unchanged and are applicable.

HUD will review each preapplication presently on hand and will advise each applicant of HUD's determinations on eligibility of proposed activities and the likelihood of proposed funding based on the criteria set forth in the regulations. HUD intends to complete this action by July 18, 1975. As provided in the regulations, HUD will also accept final applications from any eligible applicant, whether or not a preapplication was previously submitted.

It is necessary that this amendment take effect at the earliest possible date so that applicants can proceed with preparation of final applications within the time remaining under the extended

deadline. Accordingly, the Assistant Secretary for Community Planning and Development finds good cause for foregoing the usual public comment and the notice procedure, and he further finds good cause that this amendment to the regulations should take effect on the date of publication.

In connection with the environmental review of this technical change to the final regulations, a Finding of Inapplicability has been made under HUD Handbook 1390.1 38 FR 19182. A copy of the Finding is available for public inspection in the Office of the Rules Docket Clerk, Office of the General Counsel, Room 10245, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, D.C. 20410.

In view of the foregoing, 24 CFR Part 570 is amended by revising § 570.400(c) (3) (i) to read as follows:

#### (i) General purpose funds:

(A) For metropolitan areas—March 15, 1975 through September 30, 1975;

(B) For nonmetropolitan areas—March 15, 1975 through May 15, 1975.

(Title I of the Housing and Community Development Act of 1974 (Pub. L. 93-383); and sec. 7(8), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)))

**Effective date:** This amendment shall be effective July 22, 1975.

DAVID O. MEEKER, Jr.,  
Assistant Secretary for Community Planning and Development.

[FR Doc. 75-18985 Filed 7-21-75; 8:45 am]

*copies to  
from Benjamin  
Mayor's office*

*Chuck Olson  
PDC*

*to k  
7/31*

*Copies sent  
nm  
7/31*

## Title 39—Postal Service

## CHAPTER I—U.S. POSTAL SERVICE

## PART 111—GENERAL INFORMATION ON POSTAL SERVICE

## Postal Service Manual; Miscellaneous Amendments

Chapter I of the Postal Service Manual, which has been incorporated by reference in the FEDERAL REGISTER (see 39 CFR 111.1) has been amended by the issuance of Post Office Services (Domestic) Transmittal Letter 37, Issue 108, dated June 30, 1975.

In accordance with 39 CFR 111.3 notice of these changes is hereby published in the FEDERAL REGISTER as an amendment to that section and the text of the changes is filed with the Director, Office of the Federal Register. Subscribers to the Manual will receive these amendments automatically from the Government Printing Office. (For other availability of Chapter I of the Postal Service Manual, see 39 CFR 111.2.)

Description of these amendments to Chapter I of the Postal Service Manual follows:

## PART 112—DOMESTIC MAIL SERVICE

1. A cross-reference in the footnote is corrected.

## PART 124—NONMAILABLE MATTER—ARTICLES AND SUBSTANCES; SPECIAL MAILING RULES

2. A new section 124.155 is added to provide information on the number of customs declarations required on parcels mailed to the Canal Zone.

## PART 126—MAIL ADDRESSED TO MILITARY POST OFFICES OVERSEAS

3. Section 126.12 is amended to clarify the requirements pertaining to packaging and to require a sealed waterproof container around the absorbent cushioning material used in the packaging of liquids.

4. Section 126.161 is amended to include a specific flash point for flammable liquids and listing of poisons in reference to Part 124 in the general restrictions.

5. Section 126.163 is amended to provide requirements for the importation of firearms by military personnel from overseas Military Post Offices in accordance with Internal Revenue Service procedures.

6. New section 126.164 is added to recommend that restricted articles, which are sent to overseas military post offices, should also meet the requirements for International air shipment, since they may be shipped by air when space is available or when adequate surface transportation is not available.

7. Section 126.2 is amended to add and delete the numbers of various military post offices overseas and to amend the restrictions on mail addressed to those post offices.

## PART 131—FIRST CLASS

8. New sections 131.213 and 131.214 are added to define treatment for postage purposes on mailings of more than one firm or individual mailed under a single cover. Renumbered old sections 131.213 and 131.214 as 131.215 and 131.216.

## PART 134—THIRD CLASS

9. New section 134.112 is added to permit fourth-class rates to be applied when they are lower than the single piece third-class rate for identical matter within the third-class weight category.

## PART 146—PREPAYMENT AND POSTAGE DUE

10. Section 146.11a is amended to include metered reply mail, which has been inadvertently deposited in the mail without meter stamps, as an exception to the general requirement for prepayment of postage.

11. New section 146.122 is added to provide for forwarding metered reply mail, which has been inadvertently deposited in the mail without meter stamps, for collection from the addressee of the short paid postage plus the applicable business reply fee. Renumbered remaining sections.

## PART 154—CONDITIONS OF DELIVERY

12. Section 154.63 is amended to include the number of the form that allows delivery to hotel and apartment house employees and the change in instructions for delivery of restricted delivery mail.

In consideration of the foregoing, 39 CFR 111.3 is amended as follows:

## § 111.3 Amendments to Chapter I of the Postal Service Manual.

## Amendments to Postal Service Manual

Transmittal letter	Date	FEDERAL REGISTER publication
Letter 37, Issue 108.....	June 30, 1975	40 F.R. ....

These amendments are effective immediately.

(5 U.S.C. 552(a), 39 U.S.C. 401)

LOUIS A. COX,  
General Counsel.

[FR Doc.75-19442 Filed 7-25-75;8:45 am]

## Title 40—Protection of Environment

## CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

[FRL 405-7; PP 5F1603/R46]

## PART 180—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

## 4-Aminopyridine

On April 23, 1975, notice was given (40 FR 17872) that the Avitrol Corporation, 7644 E. 46th St., PO Box 45141, Tulsa OK 74145, had filed a pesticide petition (PP 5F1603) with the Environmental Protection Agency (EPA). This petition proposed the establishment of a tolerance for residues of the bird repellent 4-aminopyridine in or on the raw agricultural commodities sweet corn and popcorn at 0.1 part per million.

The data submitted in the petition and other relevant material have been evaluated, and the pesticide is considered to be useful for the purpose for which the tolerance is sought. There is no reasonable expectation of residues of the pesticide in eggs, meat, milk, and poultry and Section 180.6(a)(3) applies. The tolerance established by amending Section 180.312 of the regulations will protect the public health, and it is, therefore, concluded that the tolerance should be established as set forth below.

Any person adversely affected by this regulation may, on or before August 27,

1975, file written objections with the Hearing Clerk, Environmental Protection Agency, 401 M Street, SW, East Tower, Room 1019, Washington DC 20460. Such objections should be submitted in quintuplicate and should specify both the provisions of the regulation deemed to be objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought.

Effective on July 28, 1975, Part 180, Subpart C, is amended by revising Section 180.312 as set forth below.

AUTHORITY: Sec. 408(d) of the Federal Food, Drug, and Cosmetic Act [21 U.S.C. 346a(d)].

Dated: July 23, 1975.

EDWIN L. JOHNSON,  
Deputy Assistant Administrator  
for Pesticide Programs.

## § 180.312 4-Aminopyridine; tolerances for residues.

A tolerance of 0.1 part per million is established for negligible residues of the bird repellent 4-aminopyridine in or on the raw agricultural commodities corn fodder and forage, corn grain (including popcorn grain), fresh corn (including sweet corn kernels plus cob with husks removed), and sunflower seeds.

[FR Doc.75-19563 Filed 7-25-75;8:45 am]

## Title 45—Public Welfare

## CHAPTER X—COMMUNITY SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

## PART 1061—CHARACTER AND SCOPE OF SPECIFIC COMMUNITY ACTION PROGRAMS

## Emergency Energy Conservation Program

Section 222(a) of the Community Services Act of 1974 includes a new subsection (12) that authorizes:

A program to be known as Emergency Energy Conservation Services to enable low-income individuals and families, including the elderly and the near poor to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families, including the elderly and the near poor to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption.

The Director of the Community Services Administration proposes to establish the rules, regulations and grant application procedures set forth below relative to the Emergency Energy Conservation Program authorized under section 222(a)(12) of the Community Services Act of 1974 and funded under P.L. 5899 passed on June 12, 1975 which makes available for this program 16.5 million dollars of FY 75 funds for use through September 30, 1975.



Consultations that only concluded on July 14, 1975 were held between CSA and FEA regarding the development of these regulations. Consequently, this subpart is made effective as of this date as an interim regulation which will serve as the basis for initiating the grant application process. Interested persons are invited to submit comments by August 27, 1975, to Richard M. Saul, Office of Operations, Community Services Administration, 1200-19th Street, N.W., Washington, D.C. 20506.

This subpart discusses the purposes of the program, conditions of the program, funding policies, programs eligible for funding, application submission offices and required application documents.

Effective date: July 28, 1975.

BERT A. GALLEGOS,  
Director.

Sec.

1061.20-1	Applicability.
1061.20-2	Purpose.
1061.20-3	Purpose of the Special Program.
1061.20-4	Eligible Participants.
1061.20-5	Eligible Applicants.
1061.20-6	Programs Eligible for Funding.
1061.20-7	Program Policy.
1061.20-8	Funding.
1061.20-9	Application Requirements.
1061.20-10	Additional Requirements.

AUTHORITY: Sec. 602, 78 Stat. 530; 42 U.S.C. 2942.

§ 1061.20-1 Applicability.

This subpart is applicable to grantees funded under Title II and Title VII of the Community Services Act of 1974.

§ 1061.20-2 Purpose.

The purpose of this subpart is to (a) inform eligible grantees of a new provision in the CSA legislation which provides for funding of energy conservation programs; and (b) provide funding guidance to prospective grantees.

§ 1061.20-3 Purposes of the Special Program.

The major assumption underlying this program is that the problems of the low-income created by the energy crisis have severely limited their ability to maintain minimum living conditions and in some cases, to survive. While the long-range goal is to conserve energy and lessen the impact of the high cost of fuel for poor people, particularly through programs to increase the thermal efficiency of their dwellings, there are or will be in many communities emergency cases calling for programs of crisis intervention to restore utility service or prevent cutoff, provide emergency fuel deliveries or support other activities to assist those suffering serious hardships which endanger their health especially if there are further increases in energy prices.

§ 1061.20-4 Eligible Participants.

Low-income individuals and families, including the elderly and near poor are eligible to participate in programs funded under this section of the Act. For this program, the near poor are those persons in families or unrelated individuals whose incomes are between 100%

and 125% of the poverty thresholds as established in CSA's current Poverty Guidelines.

§ 1061.20-5 Eligible Applicants.

CAAs, SEOOs, and non-profit CDCs and other public and/or private non-profit organizations and agencies that meet CSA eligibility criteria may apply.

§ 1061.20-6 Programs Eligible for Funding.

Major emphases of programs eligible for funding include:

(a) *Winterizing*: making home repairs and retrofitting dwellings to minimize heat loss and improve thermal efficiency. Components include first, repairing of broken windows, patching of roofs and walls, and caulking of cracks and joints to reduce or prevent infiltration; second, insulating of attic, floors, walls, weatherstripping of doors and windows, and foundation banking; third, the lessening of infiltration problems may necessitate such measures as replacement of heating sources, replacement of furnace filters, minor adjustments and repair of heating systems or replacement of dangerous heating sources to assure that health hazards are not created due to malfunctioning heating sources. Such costs should be supported by funds from other sources, such as FmHA 504 loans or HUD funds, in any case where costs for minimum corrective action would require expenditures in excess of the maximum amounts as specified in § 1061.20-7(b) (iii).

(b) *Emergency Assistance*: intervention to prevent hardship or danger to health due to utility shut-off or lack of fuel. Components may include grants, loans, or payment guarantees; mediation with utility company or fuel supplier and financial counseling; and maintenance of emergency fuel supplies, warm clothing, and blankets.

(c) *Other support activities* as authorized by section 222(a) (12), e.g. technical assistance, assessment studies, alternate energy supplies, outreach activities, demonstration of innovative and new techniques and solutions.

§ 1061.20-7 Program Policy.

(a) *Winterization*. (1) The Office of Operations, CSA, Headquarters, will issue a *Community Action Guide to Winterizing* which, in addition to reviewing techniques and available materials, will provide indicators for optimal combinations of energy conservation techniques for different climatic conditions and fuel costs, based on studies of the National Bureau of Standards.

(2) Funded projects shall provide either in the proposal or in accordance with a Special Condition that in the case of winterization programs each administering agency shall on the basis of these indicators establish program standards including an optimal combination of energy conservation techniques to be attained by the program. The standards shall include a requirement that adequate repairs to stop infiltration shall be made in conjunction

with the insulation of any building, and shall establish a model of optimal winterization standards for a dwelling of 1200 square feet of ground floor space. Where the administering agency is other than the grantee, the grantee may require that the standards be subject to its approval.

(3) For each building to be winterized there shall be a *Building Winterization Plan* described on a standard form to be supplied by CSA. For each building the Plan will include a description of the buildings, a description of the existing level of insulation, a description of the optimal combination of energy conservation techniques to be achieved, a description of the amount of work accomplished toward the optimal level in the first program year, and the amount of work which will remain to be accomplished in succeeding program years. The Plan will also include a description of the need for the itemized cost of repairs to be made to prevent infiltration.

(b) *Program Advisory Committees*. (1) Funded projects shall provide that each administering agency shall establish a Project Advisory Committee, made up of at least 51% poor persons and including representatives of the local governments and other resource agencies within the community served as well as a representative or representatives of the local public utility and local fuel dealers.

(2) In the case of winterization programs the Project Advisory Committee shall establish policies for the selection and approval of dwellings to be winterized, and shall approve the program standards described in § 1061.20-7(a) including optimal winterization standards.

(3) In view of the limitations on funding under current appropriations, in any case where a Building Winterization Plan calls for expenditures during the first program year of more than two hundred and fifty dollars on any building in a program funded in Federal Region IV, VI, or IX, or more than three hundred and fifty dollars in a program funded in Region I, II, III, V, VII, VIII, or X the expenditure must be justified in writing and approved by the Project Advisory Committee. Documentation of such justification and approval shall be made available to CSA upon request.

(c) *Planning and Assessment of Need*. A major goal of all funded programs will be a more accurate assessment of the impact on the poor of energy shortages and price increases, and the development of a local planning capability involving major community resources to deal with both emergencies and long range implications of energy cost and availability. An important part of the impact assessment will be participation by all grantees in a program of information retrieval. (See § 1061.20-10(c)).

§ 1061.20-8 Funding.

(a) *Source*. H.R. 5899 is the appropriation source for the Emergency Energy Conservation Program of Fiscal Year 1975.

(b) *Funding Offices*. CSA Regional Offices will receive grant applications for



programs local in nature. CSA, Washington, D.C. will receive grant proposals that are national or demonstration in character. Grants will be made on a one-time basis out of FY 1975 funds with priority consideration to CAAs, SEOs, and CDCs.

(c) *Non-Federal Share.* (1) The non-Federal share requirement is waived for demonstration and direct financial assistance programs.

(2) The non-Federal share required for programs funded with FY 1975 funds shall be 20%; for programs funded with FY 1976 funds it shall be 30% except in the case of CAAs with 221 and 222(a) funding of less than \$300,000 per annum where it shall be 25%.

#### § 1061.20-9 Application Requirements.

(a) Documents Required. Applications shall include at a minimum the following:

(1) OEO Forms 394 and 419. (Required for all applications).

(2) CAP Forms 25 and 25a should be on file with the grantee.

(3) CAP Forms 5 and 84 (Required for uncapped areas except for CDCs funded under Title VII.)

(4) Narrative proposal (See § 1061.20-9(b) of this subpart).

(5) Evaluation component (See § 1061.20-10 of this subpart).

(6) OEO Form 301 and CAP Form 3. (For new grantees only).

(b) *Contents of Narrative Proposal.* The narrative proposal should include a brief narrative of each energy project in terms of:

(1) Description of problem addressed and the number affected.

(2) Past efforts in this project area and capacity to expand those efforts.

(3) Given your local community priorities, why this proposed solution is both feasible and most relevant.

(4) Non-CSA resource opportunities available for this project; maximum coordination should be sought from other agencies, such as FmHA 504 and 515; CETA; AOA; RSVP; the Emergency Assistance for Families AFDC in HEW. Mobilization of State and local resources is critical to the success of this program in achieving its goals of conservation and the avoidance of hardship.

(5) Projected results for each project effort with a unit cost estimate. (See § 1061.20-7 of this subpart).

(6) Evaluation design based on the performance standards and appropriate criteria. (See § 1061.20-10).

#### § 1061.20-10 Additional Requirements.

(a) *Administrative Costs.* In the case of winterization programs at least ninety percent of the funds provided under Section 222(a)(12) shall be expended for materials.

(b) *Evaluation.* (1) It is anticipated that the evaluation of energy programs will be twofold in nature. The first will be self-evaluation by the funded grantees; the design should be included

in the proposal. The design should include program goals and provisions for data collection sufficient to assess progress toward those goals. The effectiveness standards (CSA Instruction 7850-1a) should be useful in developing evaluation criteria and instruments.

(2) The second will be a Regional and National effort involving coordination with the Federal Energy Administration, the National Bureau of Standards and other appropriate agencies.

(c) *Information.* The Regional and National evaluation effort will be based on data collected on the Energy Data Form which will be sent to grantees once they are funded.

[FR Doc.75-19456 Filed 7-25-75;8:45 am]

#### Title 46—Shipping

#### CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

[CGD 75-111]

#### PART 4—MARINE INVESTIGATION REGULATIONS

#### PART 5—SUSPENSION AND REVOCATION PROCEEDINGS

#### Testimony of Coast Guard Witnesses in Litigation Between Private Parties

The purpose of these amendments to Title 46, Code of Federal Regulations, is to resolve a conflict in regulations concerning testimony of Coast Guard witnesses in litigation between private parties.

The procedures set forth in subparts 4.15 and 5.60 of Title 46, Code of Federal Regulations, have been superseded by newer regulations in 49 CFR 9.9, which set forth Department of Transportation procedures, and in 33 CFR 1.20-1, which set forth Coast Guard procedures. The two subparts deleted were substantively identical and imposed requirements beyond those contained in the newer regulations.

Since these amendments only concern rules of agency procedure, notice of proposed rulemaking under 5 U.S.C. 553(b) is not required.

In consideration of the foregoing, 46 CFR Chapter I is amended as follows:

#### PART 4—MARINE INVESTIGATION REGULATIONS

1. Subpart 4.15 is deleted and reserved.

#### PART 5—SUSPENSION AND REVOCATION PROCEEDINGS

2. Subpart 5.60 is deleted and reserved. (14 U.S.C. 633; 80 Stat. 937 (49 U.S.C. 1655(b)(1)); 49 CFR 1.46(b)).

*Effective Date:* These amendments become effective on August 27, 1975.

*Dated:* July 21, 1975.

O. W. SILVER,  
Admiral U.S. Coast Guard,  
Commandant.

[FR Doc.75-19485 Filed 7-25-75;8:45 am]

#### Title 47—Telecommunication

#### CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION

[Do. 19661; FCC 75-842]

#### PART 74—EXPERIMENTAL, AUXILIARY, AND SPECIAL BROADCAST, AND OTHER PROGRAM DISTRIBUTIONAL SERVICES

#### Slide and Voice Announcements; FM and UHF Translator Stations

In the matter of amendment of § 74.731(f) and 74.1231(f) of the rules pertaining to local originations of slide and voice announcements at UHF television translator stations and voice announcements at FM translator stations.

1. The Commission here considers the *Notice of Proposed Rule Making* in this docket, adopted December 14, 1972 (37 Fed. Reg. 28306), which proposed amendment of the rules governing UHF television broadcast translator stations and FM broadcast translator stations.

2. As mentioned in the *Notice*, Section 74.731(f) of the rules presently permits UHF television broadcast translator stations to transmit locally generated signals to a limited extent. Under the provisions of that section, such stations are allowed to transmit still photographs, slides and recorded announcements for a period not to exceed 20 seconds at intervals of no less than one hour. In issuing the *Notice* we recognized the contention of the National Translator Association (NTA) that the 20-second limitation had proved unworkable. This was so, NTA stated, because although at the time the rule was adopted television stations (the signals of which were re-broadcast by the translators) were using 20-second announcements, the general practice thereafter changed to the use of 30-second announcements. Thus, according to NTA, when a translator station originates its own 20-second announcement there is a 10-second residual announcement from the primary station that appears on the receivers of the translator viewers—a situation that NTA alleged is confusing to the viewers.

3. The *Notice* mentioned that Section 74.1231(f) of the rules permits the use of locally generated voice announcements on FM broadcast translator stations under the same general conditions as Section 74.731(f) permits the local generation of television pictures and sound. In view of this, in the interest of consistency we proposed to change the 20-second limit on locally originated voice announcements by an FM translator to 30 seconds.

4. Comments in favor of the proposal were filed by Television Technology Corporation<sup>1</sup> and by U.P.T.V. Systems, Inc. No opposing comments were filed.

5. We are of the view that the proposed amendment of Section 74.731(f) should be adopted since it will serve to

<sup>1</sup> The comments of this party contained several suggestions for other modifications of the § 74.731(f) which are outside the scope of this proceeding.

~~preliminary~~

~~Corr. / Planning  
in re: funding,  
areas that may  
review \$, project  
planning~~

# HCDA Block Grants

## A Preservationists' Guide to the Housing and Community Development Act of 1974

National Trust for Historic Preservation

A Preservation News Supplement

May 1975

By Geoffrey C. Upward

Title I of Public Law 93-383, the Housing and Community Development Act of 1974 (HCDA), sets up a program of community development block grants and is of prime importance to those interested in federal support for the historic preservation movement (PN, December 1975). Signed into law by President Gerald Ford in August 1974, the act took effect January 1, 1975. Basically, it is designed to improve urban living conditions through housing and environmental changes worked out at the local level but funded at the federal level, through the U.S. Department of Housing and Urban Development (HUD).

Federal money from the former categorical grant programs—urban renewal, open space (including urban beautification and historic preservation), model cities, rehabilitation loans, public facility loans, neighborhood facilities, sewer and water grants and neighborhood development programs—is now pooled into one block grant to each community and then spent according to local officials' estimates of their communities' priorities.

Preservationists seeking federal funds for projects must realize that they are now competing at the local level with other community development needs for a share of the block grant. They must also be watching for and prepared to oppose any adverse effects of HCDA-funded projects on historic properties.

PRESERVATION NEWS has compiled a list of questions and answers that might be raised by the complexities of the legislative language of the act and the community development block grant regulations. The material presented is meant to focus and simplify and should in no way be construed to be an exhaustive or authoritative replacement for the text of the act and implementing regulations, which are available from HUD. General regulations for the act were published in the *Federal Register*, vol. 29, no. 220, on November 13, 1974 (24 CFR Part 570); environmental review regulations were published in the *Federal Register*, vol. 40, no. 4, on January 7, 1975 (24 CFR Part 58); discretionary grant regulations were published in the *Federal Register*, vol. 40, no. 27, on February 7, 1975 (24 CFR 570.400).

This interpretive text was prepared with substantial assistance from John M. Fowler of the Advisory Council on Historic Preservation, George A. Karas of the U.S. Department of Housing and Urban Development, Marilyn P. Cable of the National Register of Historic Places and April M. Hockett of the National Trust Department of Field Services.



1. What is the total federal funding under Title of the act?

The three-year federal disbursement limitation is \$8.4 billion for FY 1973, \$2.95 billion for FY 1974 and \$2.95 billion for FY 1975. HUD community development projects may be used for FY 1973 and FY 1974 and \$100 million for FY 1977.

2. Who is eligible to receive funds?

Primarily, states, counties, cities and units of general local government will be the recipients. A few other eligible recipients are designated in the general regulations.

3. How will funds be distributed?

Metropolitan areas will receive 80 percent of the total and eligible nonmetropolitan areas 20 percent. Each city with a population of more than 50,000, central cities of Standard Metropolitan Statistical Areas (SMSAs) and certain urban counties are entitled to block grants for each of fiscal years 1973, 1974 and 1975. The amount of each grant is determined by a formula based on population, housing overcrowding and poverty (counted twice). A list of recipients is available from HUD area offices. A small amount of money will be available for innovative projects through the Secretary of Housing and Urban Development under a discretionary fund under procedures available from HUD area offices.

4. Are towns with populations under 50,000 eligible to grants on the allocation basis?

Such communities can apply to their HUD area offices for funds that are available according to the allocation formula but which are not used for block grant entitlement payments.

5. Will all communities receive the same amount of federal money for community development programs that they have in the past?

Not necessarily. However, if a community is to receive a different amount, there are provisions to ease the transition to the new funding level.

6. What happens to ongoing programs?

The act has provisions to allow the completion of urban renewal projects that are already under way. Noncommitted funds already allocated for the former categorical grant programs may be spent. Activities funded under the former categorical grant programs are eligible for funding with community development block grant monies.

The whole broad range of community development activities previously funded under the categorical grant programs are eligible. This includes urban renewal, model cities, water and sewer space, historic preservation, code enforcement and neighborhood facilities activities. For a full list of eligible activities, see section 570.200 of the HUD general regulations.

8. What types of historic preservation-related activities are eligible?

It is important to think imaginatively about preservation-related activities.

## Key Points

- Familiarize yourself with the process.
  - Work for the consideration of historic preservation at the beginning.
  - Monitor the environmental review process undertaken by the applicant to make sure historic preservation responsibilities are fulfilled.
  - If necessary, notify the Advisory Council of matters that may require its review.
  - Make certain you are on the applicant's mailing list for all environmental (and other) notices.
  - Read the newspaper carefully for news of the progress of plans and official notices.
  - Review and comment on any environmental impact statements prepared.
  - Object to release of funds if there are grounds for objection.
  - Monitor the recipient's performance and be prepared to go to court if necessary.
  - Maintain good relations with the applicant.
  - Stay eternally vigilant.
- For a full description of the citizen input process, see section 570.200 (a) (2) (ii) of the HUD general regulations. After the application is accepted and approved, the applicant must make separate requests for the release of funds for individual projects. Each such request for release of funds must meet environmental and historic preservation review requirements discussed in questions 20-24.
12. How long is each grant period and when are initial applications due?
- Grant activity periods are one year in length, except for the first year in which the grant period begins.
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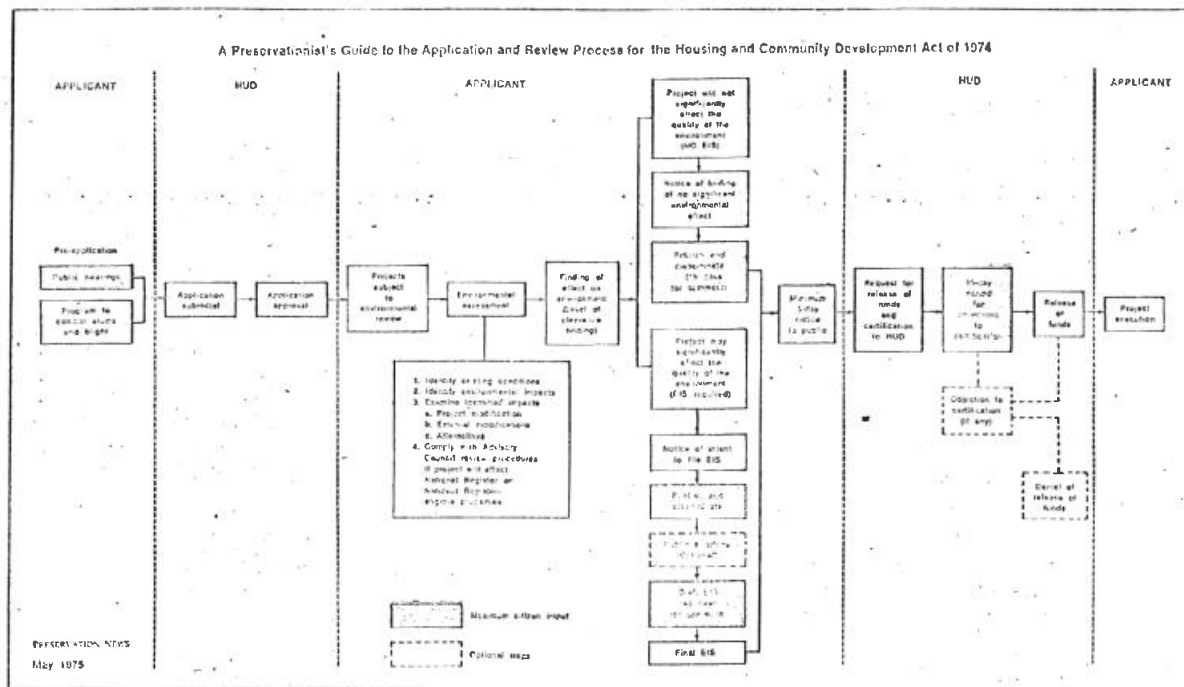
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# A Preservationist's Guide to the Application and Review Process for the Housing and Community Development Act of 1974



PRESERVATION NEWS  
May 1975

In particular, section 102(2) (C) of NEPA requires federal agencies to prepare environmental impact statements for major federal actions that would significantly affect the quality of the human environment.

17. Who is responsible for seeing that these requirements are fulfilled?

Herein lies a major change. Previously, HUD carried out all environmental reviews and made all findings for federally funded community development projects. Under HCDA, local officials will assume the federal responsibility. Thus, for individual projects, local officials will seek the comments of the Advisory Council, carry out environmental assessments, make findings and, where necessary, prepare and disseminate environmental impact statements. Preservationists must work directly with their local officials to assure that their interests are made part of the environmental review from the beginning. (Preservationists can also help, as they have in the past, by bringing to the attention of the Advisory Council and/or the respective state historic preservation officer, in case local officials have not, situations requiring Advisory Council comments.) HUD will no longer carry out any of these functions.

18. Does this mean that any lawsuits for noncompliance with these acts would be filed against the local officials?

Yes. HUD regulations require that local officials assume the status of a responsible federal official and consent to be sued in federal court.

19. Is HUD totally out of the picture in regard to compliance with environmental reviews?

HUD will, for the most part, accept certification from applicants that they have carried out all re-

quired review steps and will not investigate the substance of that review. However, HUD does retain a limited review on procedural grounds [see question 23].

20. What are the mechanics for considering environmental and historic preservation factors in individual projects?

After the application approval has set money aside for the program, there must be an environmental assessment and clearance before funds can be released for a project. This involves the following steps by the applicant:

- Assess existing conditions.
- Identify environmental impacts, including preservation impacts.
- Evaluate identified impacts with a view to possible project modification or alternative projects.
- Determine whether or not the project will significantly affect the quality of the environment.
- Maintain an "Environmental Review Record," which is written evidence (made available to the public) of the applicant's performance of its environmental review responsibilities.

21. Are there any special considerations that must be given to historic preservation during the environmental review process?

Yes. Section 50.24 of the HUD environmental review regulations specifies that as part of the environmental review process, applicants must comply with the requirements of section 106 of NHPA and Executive Order 11593 whenever a property included in or determined by the Secretary of the Interior to be eligible for inclusion in the National Register of Historic Places may be affected by the project, whether or not it is determined that the project will significantly affect the environment. The applicant

must afford the Advisory Council on Historic Preservation opportunity to comment in accordance with the Advisory Council procedures. These comments are to be included in the environmental review record and in any environmental impact statement prepared. Note that the applicant (rather than HUD, which bore the responsibility in the past) must deal directly with the Advisory Council and the state historic preservation officer, as well as with local preservation groups.

22. Though the HUD role has changed, has the role of the Advisory Council also changed?

No. The only difference is that now it is up to local officials, rather than HUD, to bring to the attention of the Advisory Council matters requiring its review.

23. Where it is determined by the applicant that the project will not significantly affect the quality of the environment, are there any additional steps required before HUD releases funds to the applicant?

Yes. There are several:

a. The applicant must first publish and disseminate a "Notice of Finding of No Significant Effect." Copies must be sent to the local news media; individuals and groups known to be interested in the applicant's activities; local, state and federal agencies; the applicable regional and/or state A-95 clearinghouse; and others deemed appropriate by the applicant. Such notice shall be published at least once in a newspaper of general circulation in the affected community.

b. From the date of initial publication, there follows a wait of at least 15 days, during which the public may comment to the applicant.

c. The applicant gives public notice of the date on which it will request release of funds at least five

days before the submittal to HUD of that request.

d. The request for release of funds is then forwarded to HUD by the applicant along with a certification that the applicant has completed all applicable environmental reviews.

e. HUD will receive objections for a 15-day period.

24. Where there is a finding by the applicant that the project may significantly affect the environment, what steps ensue before HUD releases funds to the applicant?

a. The applicant is required to publish and disseminate a notice of intent to file an environmental impact statement following the procedure described in question 23 for filing a Notice of Finding of No Significant Effect.

b. The applicant determines whether or not it will conduct separate public hearings to discuss environmental issues. (Note that the applicant makes this decision. Preservationists may wish to try to persuade the applicant to provide such a forum.)

c. A draft environmental impact statement is prepared by the applicant in accordance with the requirements of the Council on Environmental Quality. It is available for public comment for 90 days.

d. A final environmental impact statement, taking into account comments received, is made available for a final, 30-day public review.

e. The applicant gives public notice of the date on which it will request release of funds at least five days before the submittal to HUD of that request.

f. The request for release of funds is then forwarded to HUD by the applicant along with a certification that the applicant has completed all applicable environmental reviews.

Michigan Offers Case Studies of Block Grant Use

- Assist in evaluating the historical significance of properties affected by projects involving block grants and in seeking the required determination of National Register eligibility by the Secretary of the Interior.
- Participate in the review process of the Advisory Council and assist the applicant in meeting its responsibilities in that process.
- Advise localities on opportunities to use HCDA funds for historic preservation purposes.
- Assist in nominating properties to the National Register and in applying for National Park Service historic preservation grants, which may be matched with block grant monies.

**FOR MORE INFORMATION**

U.S. Department of Housing and Urban Development (HUD)  
Contract interests of 39 HUD area offices throughout the country.  
State Historic Preservation Officer (SHPO)  
Connecticut state government offices  
Advisory Council on Historic Preservation  
Suite 1070  
1622 K Street, N.W.  
Washington, D.C. 20005  
(202) 254-3874  
National Register of Historic Places  
National Park Service  
U.S. Department of the Interior  
Washington, D.C. 20030  
(202) 225-9583

The state historic preservation grant program?

What is the role of the state historic preservation officer in the community development block grants and complaints to the quirtes and complaints to the quirtes, but will refer such inquiries and complaints seeking certification, HUD will not respond to inquiries, following the approval of a HUD), following the approval of a approved certification must deal mutual assessments covered by an ing redress in relation to environ- funds, persons and agencies seek project activities. After release of

indicate that a copy of the ob- action has been mailed or de- vered to the chief executive off- HUD) will determine the validity of the question and take appropriate action, such as withholding funds until objectionable condi- tions have been corrected.

What does release of funds HUD) approval of certification and release of lands is deemed to the responsibilities of the Secretary of Housing and Urban development under NFPA, and the applicant may proceed with

"It's a good strong community organization," Painter said, speaking of the South Historic Sites. "Our biggest push is for the historic sites area to be more than just another house museum project."

"There is a general trend in the Upper Peninsula to be more excited than in other areas. The historic sites organization pushes a great unknown at the same time to involve people not previously interested in historic preservation projects."

"The board is made up of a broad cross section of the community—including the college, professional and business sectors as well as a average working people and ethnic groups. Painter himself is an American Indian.

1921) Black Grants: A Reevaluation of the Housing and Community Development Act of 1921 is a reprint of the 1925 book by the National Housing Administration. (25 or more) [from the National Trust, Department of Publishing, 2000 and 1925, N.W., Washington, D.C. 20005.

It has been a very good liaison between city hall and our organization. William Palmer, past president of South Historic Sites, told Restoration News. Three significant public meetings were conducted by the city after an initial announcement in the newspaper. Palmer said the first was an introductory session for a seminar of ideas. At the second, rough proposals for projects and funds were submitted by community groups. These proposals were finalized at the third meeting, and the city council voted on which projects to include in the city program. "After South Historic Sites was accepted, we had a series of other meetings with the city to go over details," Palmer said. "We must have had eight to ten Ship Museum meetings."

Although final disposition of the expected \$200,000 is not definite, Palmer said a significant amount will be applied to the group's historical marker museum on the 550 lot on Lake Highway, S.E. (Village Camp) (1917). The rest will be used in other areas of the riverfront historic district.

"It's like when you water a tree - you water the roots, not the branches," Palmer commented. The ship tourist building and grounds in the three-square block historic area.

Founded in 1967, South Historic Sites has since expended about \$150,000 in the historic area. More than \$100,000 of that came from a grant from the Economic Development Administration of

block program application, King provided to city officials in charge of the development program. King purchased and requesting a share of the funds. The foundation also participated in the annual public hearing on the application. Exjomo also told Preservation News that Heritage Hill will be the first neighborhood to benefit directly from a housing upgrading and inspection project under the Grand Rapids community development program. "We are very pleased and excited about this," she said.

The foundation received authorization for up to a \$25,000 loan from the National Trust National Historic Preservation Fund in 1972 for establishment of revolving fund and a \$1,500 National Trust consultant service matching grant in 1970 for development of a master plan for historic district preservation. South St. Marie has officially recognized the importance of historical preservation as an employer and tourist attraction by including the South Historic organization in its community development program. That group will receive \$20,000 in community develop-

[illegible]

A black and white photograph of a large, multi-story building, likely a school or institutional structure, with a prominent central tower and many windows. The building is situated on a hillside, and the foreground shows some trees and a fence. The image is somewhat faded and has a grainy texture.

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Black House (1844), now the Grand Rapids Art Museum.

The Heritage Hill Foundation wrote to the city in 1977, asking that the area be recognized by the end of this summer. The city agreed to place a plaque to replace lost Dutch trees. Work should be completed by the end of this summer. The Heritage Hill Foundation wrote to the city in 1977, asking that the area be recognized by the end of this summer. The city agreed to place a plaque to replace lost Dutch trees. Work should be completed by the end of this summer. The Heritage Hill Foundation wrote to the city in 1977, asking that the area be recognized by the end of this summer. The city agreed to place a plaque to replace lost Dutch trees. Work should be completed by the end of this summer.

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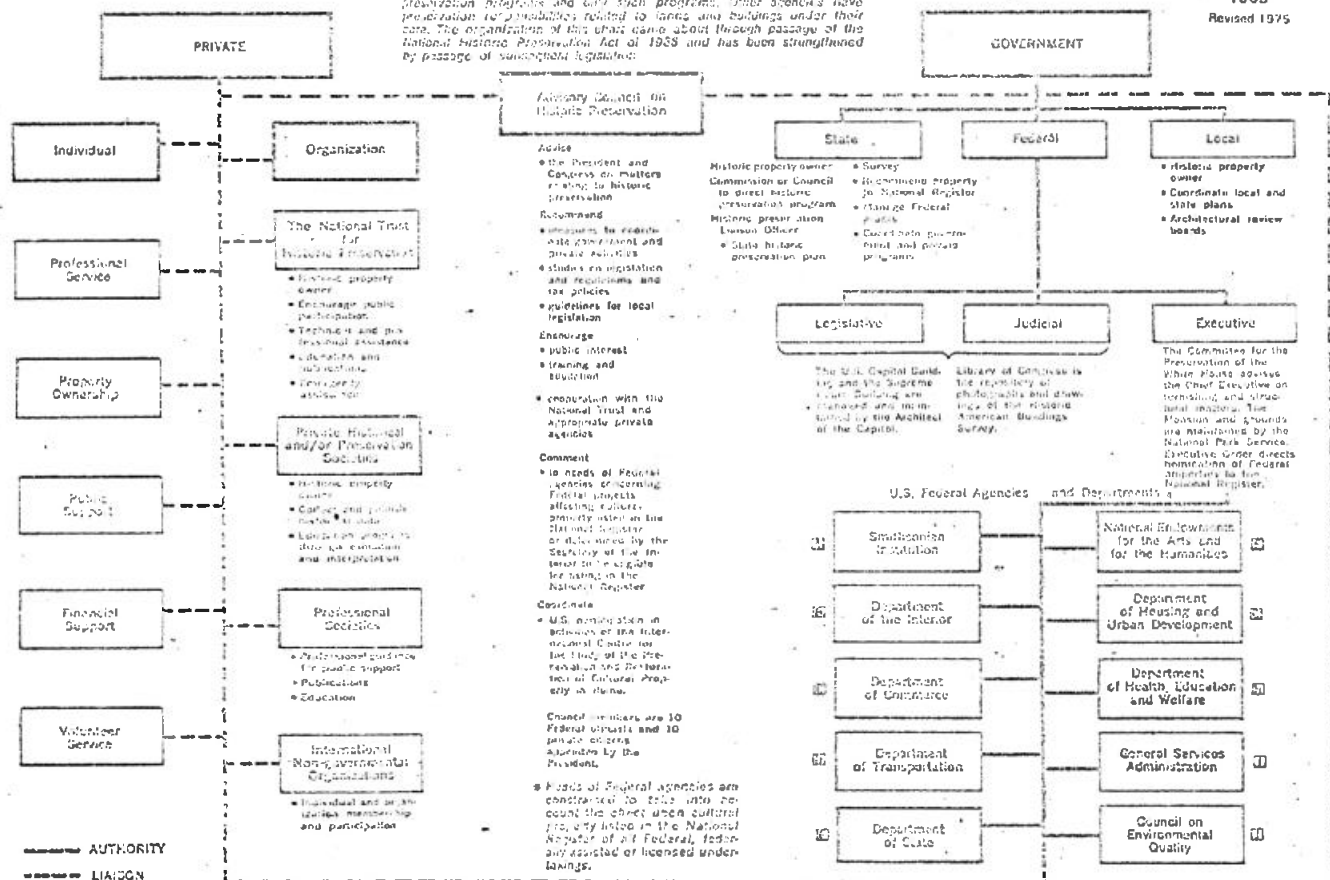
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# THE NATIONAL HISTORIC PRESERVATION PROGRAM

This chart is intended to show only those Federal agencies having historic preservation programs and/or such programs. Other agencies have preservation responsibilities related to lands and buildings under their care. The organization of this chart came about through passage of the National Historic Preservation Act of 1966 and has been strengthened by passage of subsequent legislation.



Stage collections of historic buildings or culturally significant. Care and preservation of historic public buildings in their ownership.

Index of American architectural drawings, industrial site and structure documentation and preservation program.

Historical archeology consultants.

Archaeological salvage program.

Historical surveys, archaeological investigation and research.

Archaeological salvage.

Archaeological laboratories.

Park history studies.

Historical surveys.

National Historic Landmarks.

Historic American Buildings Survey.

Historic American Engineering Record.

Restores and preserves historic structures.

Building crafts training.

Grants-in-aid for historic preservation.

National Register of Historic Places.

Publications.

Grants and loans for the economic development of historic areas.

No Department on Transportation program or project requiring the use of any historic site may be approved unless there is no feasible and prudent alternative and the program or project includes all possible planning to minimize harm to the site. Public parks, recreation areas, wildlife and waterfowl refuges receive the same consideration.

Archaeological surveys and salvage.

International cultural affairs.

Decorative arts collection displayed in diplomatic reception rooms and embassies.

Liaison with UNESCO.

Study and research grants.

Under Housing and Community Development Act of 1974, grants block grants for community development, includes acquisition and restoration or rehabilitation of significant properties, surveys, urban beautification. Grants may be used for nonfederal share of federal matching grant programs.

Urban homesteading.

Comprehensive planning grants.

Grants for education purposes at historic properties.

Restore and manage historic public buildings in Federal ownership and use.

Office of Fine Arts and Historic Preservation.

Transfers surplus historic Federal buildings for revenue-producing and museum purposes.

Guidelines for environmental impact statements.

Review of federal programs in light of National Environmental Policy Act.



HCD file  
programs (4)

# HCDA Block Grants

## A Preservationists' Guide to the

## Housing and Community Development Act of 1974

National Trust for Historic Preservation

A Preservation News Supplement

May 1975

By Geoffrey C. Upward

Title I of Public Law 93-383, the Housing and Community Development Act of 1974 (HCDA), sets up a program of community development block grants and is of prime importance to those interested in federal support for the historic preservation movement (PN, December 1975). Signed into law by President Gerald Ford in August 1974, the act took effect January 1, 1975. Basically, it is designed to improve urban living conditions through housing and environmental changes worked out at the local level but funded at the federal level, through the U.S. Department of Housing and Urban Development (HUD).

Federal money from the former categorical grant programs—urban renewal, open space (including urban beautification and historic preservation), model cities, rehabilitation loans, public facility loans, neighborhood facilities, sewer and water grants and neighborhood development programs—is now pooled into one block grant to each community and then spent according to local officials' estimates of their communities' priorities.

Preservationists seeking federal funds for projects must realize that they are now competing at the local level with other community development needs for a share of the block grant. They must also be watching for and prepared to oppose any adverse effects of HCDA-funded projects on historic properties.

PRESERVATION NEWS has compiled a list of questions and answers that might be raised by the complexities of the legislative language of the act and the community development block grant regulations. The material presented is meant to focus and simplify and should in no way be construed to be an exhaustive or authoritative replacement for the text of the act and implementing regulations, which are available from HUD. General regulations for the act were published in the *Federal Register*, vol. 29, no. 220, on November 13, 1974 (24 CFR Part 570); environmental review regulations were published in the *Federal Register*, vol. 40, no. 4, on January 7, 1975 (24 CFR Part 58); discretionary grant regulations were published in the *Federal Register*, vol. 40, no. 27, on February 7, 1975 (24 CFR 570.400).

This interpretive text was prepared with substantial assistance from John M. Fowler of the Advisory Council on Historic Preservation, George A. Karas of the U.S. Department of Housing and Urban Development, Marilyn P. Cable of the National Register of Historic Places and April M. Hockett of the National Trust Department of Field Services.



**1. What is the total federal funding under Title I of the act?**

The three-year federal disbursement limitation is \$8.4 billion: \$2.5 billion for FY 1975, \$2.95 billion for FY 1976 and \$2.95 billion for FY 1977. Urgent community development needs and other needs unfilled through the general allocation process can be met by urgent needs funds, for which \$50 million has been set aside for FY 1975 and FY 1976 and \$100 million for FY 1977.

**2. Who is eligible to receive funds?**

Principally, states, counties, cities and units of general local government will be the recipients. A few other eligible recipients are designated in the general regulations.

**3. How will funds be distributed?**

Metropolitan areas will receive 80 percent of the total and eligible nonmetropolitan areas 20 percent. Each city with a population of more than 50,000, central cities of Standard Metropolitan Statistical Areas (SMSAs) and certain urban counties are entitled to block grants for each of fiscal years 1975, 1976 and 1977. The amount of each grant is determined by a formula based on population, housing overcrowding and poverty (counted twice). A list of recipients is available from HUD area offices. A small amount of money will be available for innovative projects through the Secretary of Housing and Urban Development discretionary fund under procedures available from HUD area offices.

**4. Are towns with populations under 50,000 entitled to grants on the allocation basis?**

Such communities can apply to their HUD area offices for funds that are available according to the allocation formula but which are not used for block grant entitlement payments.

**5. Will all communities receive the same amount of federal money for community development programs that they have in the past?**

Not necessarily. However, if a community is to receive a different amount, there are provisions to ease the transition to the new funding level.

**6. What happens to ongoing programs?**

The act has provisions to allow the completion of urban renewal projects that are already under way. Noncommitted funds already allocated for the former categorical grant programs may be spent. Activities funded under the former categorical grant programs may be continued using one portion of the community's block grant funds at the community's discretion.

**7. What activities are eligible for funding with community development block grant monies?**

The whole broad range of community development activities previously funded under the categorical grant programs are eligible. This includes urban renewal, model cities, water and sewer, open space, historic preservation, code enforcement and neighborhood facilities activities. For a full list of eligible activities, see section 570.200 of the HUD general regulations.

**8. What types of historic preservation-related activities are eligible?**

It is important to think imaginatively about preservation-related

projects in all of the funded areas (housing rehabilitation, for example). Preservationists should view their goals as integral parts of the overall objectives of the act and eligible activities. However, the following represent some of the most obvious historic preservation activity areas:

- Acquisition, restoration or rehabilitation and disposition of historically significant property
- Acquisition of historic preservation easements
- Conservation of open space, natural resources or scenic areas
- Urban beautification
- Provision of recreational opportunities
- Code enforcement and public improvements to arrest decline of deteriorating areas
- Financing rehabilitation of privately or publicly owned properties by loans, grants, loan guarantees and other means
- Survey of historical and cultural resources in the community
- Payment of a nonfederal share required by a federal grant program that has been undertaken as part of the overall community development program

**9. Does this mean that community development block grant funds can be used to pay a nonfederal share required by federal grant programs, such as the historic preservation grant-in-aid program administered by the National Park Service?**

Yes, if the project thus supported is an eligible activity and is part of the community development plan.

**10. Are any local funds needed to match the community development block grants themselves?**

No.

**11. What does a community do to obtain funds?**

A community must first submit an application to the HUD area office for the basic entitlement. At least two public hearings at which community development projects are identified must be held prior to submittal. This is the first and most important opportunity for preservationists to see that funds are earmarked for preservation activity.

For a full description of the citizen input process before submittal of the application, see section 570.303 (e) (2) (ii) of the HUD general regulations. After the application is accepted and approved, the applicant must make separate requests for the release of funds for individual projects. Each such request for release of funds must meet environmental and historic preservation review requirements discussed in questions 20-24.

**12. How long is each grant period and when are initial applications due?**

Grant activity periods are one year in length, except for the first program "year," which is only six months long (January 1-June 30, 1975). To be reviewed, grant applications must be received by the appropriate HUD area office within a period specified each year by the Secretary of Housing and Urban Development. The deadline for the current program year was April 15. (Contact HUD area offices for information on exceptions.) The deadline for the second program year, which starts July 1, 1975, has not yet been set.

**13. What must be included in the annual application?**

In order to qualify, each annual application must:

- Include a summary of a three-year community development plan that identifies community development objectives and needs.
- Include a funding program and general location program (including geographic boundaries of applicant's jurisdiction, concentrations of low-income and minority groups and locations of proposed projects) to satisfy those objectives and needs.
- Describe a program to provide community improvements and facilities and prevent or eliminate deterioration, slums and blight.
- Contain a housing assistance plan.
- Comply with civil rights acts.
- Provide for adequate citizen participation, including at least two public hearings.
- Certify that the program will

conform with the Uniform Relocation Act and environmental review procedures (see questions 15-24).

• Beginning with FY 1976, include a performance report.

Specific requirements may be waived for smaller communities under certain conditions, as described in section 570.304 of the HUD general regulations.

**14. How are applications approved or rejected?**

Applications are considered approved 75 days after the date of submission unless the applicant is notified otherwise by HUD. HUD may only object to applications if:

- The applicant's description of housing needs and objectives is plainly inconsistent with available facts.
- It is determined that the activities to be undertaken are plainly inappropriate to meet the needs and objectives specified.
- The submission does not comply with application requirements, proposes ineligible activities or does not comply with other applicable federal laws.

**15. After the approval of the annual application, are there any special environmental or historic preservation reviews?**

Yes. Before release of funds for individual projects, the applicant must meet the requirements of the National Historic Preservation Act of 1966 (NHPA), Executive Order 11593 of 1971, the Archaeological and Historic Preservation Act of 1974 and the National Environmental Policy Act of 1969 (NEPA).

**16. What are the requirements of those laws?**

Section 106 of the National Historic Preservation Act requires that the head of a federal agency having jurisdiction over a federal, federally assisted or federally licensed undertaking that may affect a National Register property must, before approving the undertaking, afford the Advisory Council on Historic Preservation an opportunity to comment. Executive Order 11593 extends this commenting responsibility to federal, federally assisted, and federally licensed undertakings that affect properties eligible for the National Register. Procedures for meeting these requirements (36 CFR Part 800) are available from the Advisory Council on Historic Preservation, Suite 1030, 1522 K St., N.W., Washington, D. C. 20005.

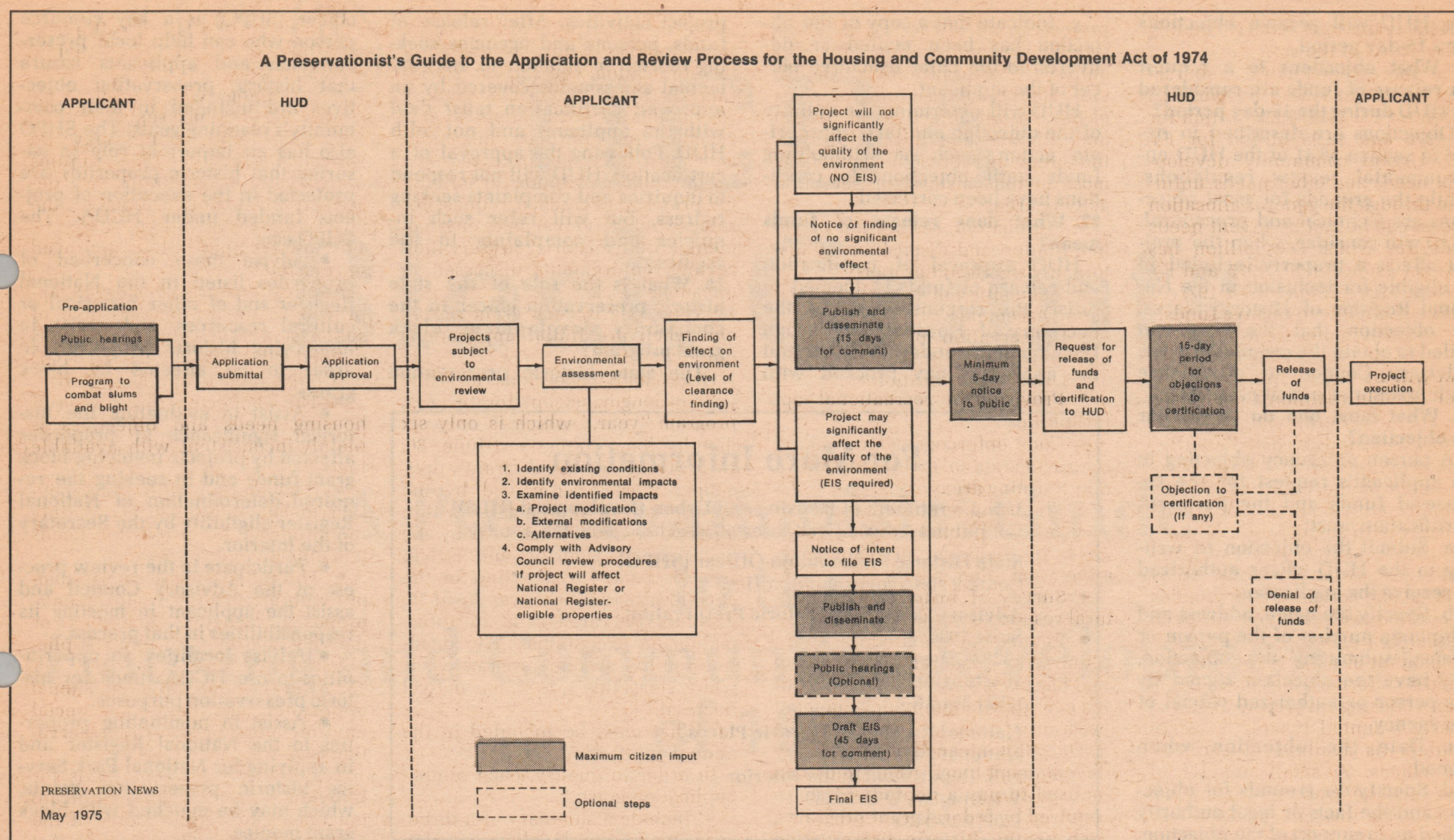
The Archaeological and Historic Preservation Act of 1974 (Public Law 93-291) provides authority for federal agencies and the Secretary of the Interior to utilize appropriated funds for recovery, preservation and protection of significant scientific, prehistorical, historical or archaeological data (including survey, investigation and publication of reports). The act also provides that agencies undertaking or participating in a federally assisted project may use a limited portion of the project funds for archaeological and historical data recovery through transfer of funds or assistance to the Secretary of the Interior.

The National Environmental Policy Act requires federal agencies to give due consideration to environmental factors, including historic preservation, in project planning.

## Key Points

- Familiarize yourself with the process.
- Work for the consideration of historic preservation at the beginning.
- Monitor the environmental review process undertaken by the applicant to make sure historic preservation responsibilities are fulfilled.
- If necessary, notify the Advisory Council of matters that may require its review.
- Make certain you are on the applicant's mailing list for all environmental (and other) notices.
- Read the newspaper carefully for news of the progress of plans and official notices.
- Review and comment on any environmental impact statements prepared.
- Object to release of funds if there are grounds for objection.
- Monitor the recipient's performance and be prepared to go to court if necessary.
- Maintain good relations with the applicant.
- Stay eternally vigilant.





In particular, section 102(2) (C) of NEPA requires federal agencies to prepare environmental impact statements for major federal actions that would significantly affect the quality of the human environment. 17. Who is responsible for seeing that these requirements are fulfilled?

Herein lies a major change. Previously, HUD carried out all environmental reviews and made all findings for federally funded community development projects. Under HCDA, local officials will assume the federal responsibility. Thus, for individual projects, local officials will seek the comments of the Advisory Council, carry out environmental assessments, make findings and, where necessary, prepare and disseminate environmental impact statements. Preservationists must work directly with their local officials to assure that their interests are made part of the environmental review from the beginning. (Preservationists can also help, as they have in the past, by bringing to the attention of the Advisory Council and/or the respective state historic preservation officer, in case local officials have not, situations requiring Advisory Council comments.) HUD will no longer carry out any of these functions.

18. Does this mean that any lawsuits for noncompliance with these acts would be filed against the local officials?

Yes. HUD regulations require that local officials assume the status of a responsible federal official and consent to be sued in federal court.

19. Is HUD totally out of the picture in regard to compliance with environmental reviews?

HUD will, for the most part, accept certification from applicants that they have carried out all re-

quired review steps and will not investigate the substance of that review. However, HUD does retain a limited review on procedural grounds (see question 25).

20. What are the mechanics for considering environmental and historic preservation factors in individual projects?

After the application approval has set money aside for the program, there must be an environmental assessment and clearance before funds can be released for a project. This involves the following steps by the applicant:

- Assess existing conditions.
- Identify environmental impacts, including preservation impacts.
- Evaluate identified impacts with a view to possible project modification or alternative projects.
- Determine whether or not the project will significantly affect the quality of the environment.
- Maintain an "Environmental Review Record," which is written evidence (made available to the public) of the applicant's performance of its environmental review responsibilities.

21. Are there any special considerations that must be given to historic preservation during the environmental review process?

Yes. Section 58.24 of the HUD environmental review regulations specifies that as part of the environmental review process, applicants must comply with the requirements of section 106 of NHPA and Executive Order 11593 whenever a property included in or determined by the Secretary of the Interior to be eligible for inclusion in the National Register of Historic Places may be affected by the project, whether or not it is determined that the project will significantly affect the environment. The applicant

must afford the Advisory Council on Historic Preservation opportunity to comment in accordance with the Advisory Council procedures. These comments are to be included in the environmental review record and in any environmental impact statement prepared. Note that the applicant (rather than HUD, which bore the responsibility in the past) must deal directly with the Advisory Council and the state historic preservation officer, as well as with local preservation groups.

22. Though the HUD role has changed, has the role of the Advisory Council also changed?

No. The only difference is that now it is up to local officials, rather than to HUD, to bring to the attention of the Advisory Council matters requiring its review.

23. Where it is determined by the applicant that the project will not significantly affect the quality of the environment, are there any additional steps required before HUD releases funds to the applicant?

Yes. There are several:

a. The applicant must first publish and disseminate a "Notice of Finding of No Significant Effect." Copies must be sent to the local news media; individuals and groups known to be interested in the applicant's activities; local, state and federal agencies; the applicable regional and/or state A-95 clearinghouse; and others deemed appropriate by the applicant. Such notice shall be published at least once in a newspaper of general circulation in the affected community.

b. From the date of initial publication, there follows a wait of at least 15 days, during which the public may comment to the applicant.

c. The applicant gives public notice of the date on which it will request release of funds at least five

days before the submittal to HUD of that request.

d. The request for release of funds is then forwarded to HUD by the applicant along with a certification that the applicant has completed all applicable environmental reviews.

e. HUD will receive objections for a 15-day period.

24. Where there is a finding by the applicant that the project may significantly affect the environment, what steps ensue before HUD releases funds to the applicant?

a. The applicant is required to publish and disseminate a notice of intent to file an environmental impact statement following the procedure described in question 23 for filing a Notice of Finding of No Significant Effect.

b. The applicant determines whether or not it will conduct separate public hearings to discuss environmental issues. (Note that the applicant makes this decision. Preservationists may wish to try to persuade the applicant to provide such a forum.)

c. A draft environmental impact statement is prepared by the applicant in accordance with the requirements of the Council on Environmental Quality. It is available for public comment for 90 days.

d. A final environmental impact statement, taking into account comments received, is made available for a final, 30-day public review.

e. The applicant gives public notice of the date on which it will request release of funds at least five days before the submittal to HUD of that request.

f. The request for release of funds is then forwarded to HUD by the applicant along with a certification that the applicant has completed all applicable environmental reviews.



g. HUD will receive objections for a 15-day period.

**25. What objections to a request for release of funds are considered by HUD during the 15-day period?**

Objections are described in detail in section 58.41 of the HUD environmental review regulations. While the grounds for most objections are technical and procedural, HUD will consider, when the project affects a property included in or eligible for inclusion in the National Register of Historic Places, an objection that the applicant failed to obtain the comments of the Advisory Council in accordance with Advisory Council procedures.

**26. What must one do to register an objection?**

A person or agency objecting to an applicant's request for the release of funds and the pertinent certification must:

a. Submit the objection in writing to the HUD officer authorized to receive the application.

b. Specify the name, address and telephone number of the person or agency submitting the objection, and have the objection signed by the person or authorized official of the agency.

c. Date the objection when signed.

d. Specify the grounds for objection and the facts or legal authority relied on in support of the objection.

e. Indicate that a copy of the objection has been mailed or delivered to the chief executive officer of the applicant.

HUD will determine the validity of the objection and take appropriate action, such as withholding funds until objectionable conditions have been corrected.

**27. What does release of funds mean?**

HUD approval of certification and release of funds is deemed to satisfy the responsibilities of the Secretary of Housing and Urban Development under NEPA, and the applicant may proceed with

project activities. After release of funds, persons and agencies seeking redress in relation to environmental assessments covered by an approved certification must deal with the applicant and not with HUD. Following the approval of a certification, HUD will not respond to inquiries and complaints seeking redress, but will refer such inquiries and complaints to the applicant.

**28. What is the role of the state historic preservation officer in the community development block grant program?**

The state historic preservation

officer (SHPO) is a key resource person who can help local preservationists and applicants assure that historic preservation objectives are included in their community's planning goals. The SHPO also has an important role in assuring that historic properties are protected in the execution of projects funded under HCDA. The SHPO can:

- Advise those concerned of properties listed in the National Register and of other historical or cultural resources and assist in identifying historic properties in areas to be affected by block grants.

- Assist in evaluating the historical significance of properties affected by projects involving block grant funds and in seeking the required determination of National Register eligibility by the Secretary of the Interior.

- Participate in the review process of the Advisory Council and assist the applicant in meeting its responsibilities in that process.

- Advise localities on opportunities to use HCDA funds for historic preservation purposes.

- Assist in nominating properties to the National Register and in applying for National Park Service historic preservation grants, which may be matched with block grant monies.

## For More Information

**U.S. Department of Housing and Urban Development (HUD)**  
Contact nearest of 39 HUD area offices throughout the country.

**State Historic Preservation Officer (SHPO)**  
Contact state government offices

**Advisory Council on Historic Preservation**  
Suite 1030  
1522 K Street, N.W.  
Washington, D.C. 20005  
(202) 254-3974

**National Register of Historic Places**  
National Park Service  
U.S. Department of the Interior  
Washington, D.C. 20240  
(202) 523-5483

# Michigan Offers Case Studies of Block Grant Use

Two Michigan community preservation organizations will soon be reaping the benefits sown by the passage of the Housing and Community Development Act. The Heritage Hill Foundation is expecting a \$6,000 share of the Grand Rapids \$4.76-million block grant and Le Sault de Ste. Marie Historical Sites, Inc., expects \$20,000 of the \$553,000 going to that Upper Peninsula city.

Linda DeJong, executive director of the four-year-old Grand Rapids group, told PRESERVATION NEWS that \$5,700 of the \$6,000 allocated by the city for the Heritage Hill Historic District will be used to match a grant from the National Register of Historic Places for a pilot streetscape project. The funds came through the state historic preservation officer.

New street lights and signs patterned after Victorian-era models will be installed in the parkway between the street and sidewalks in the 500 block of College Avenue, S.E. Trees will be planted to replace lost Dutch elms. Work should be completed by the end of this summer.

The Heritage Hill Foundation wrote

a letter to city officials in charge of the block-grant application, listing priorities and requesting a share of the funds. The foundation also participated in the final public hearing on the application.

DeJong also told PRESERVATION NEWS that Heritage Hill will be the first neighborhood to benefit directly from a housing upgrading and inspection project under the Grand Rapids community development program. "We are very pleased and excited about this," she said.

The foundation received authorization for up to a \$25,000 loan from the National Trust National Historic Preservation Fund in 1972 for establishment of a revolving fund and a \$1,500 National Trust consultant service matching grant in 1970 for development of a master plan for historic district preservation.

Sault Ste. Marie has officially recognized the importance of historical restoration as an employer and tourist attraction by including the Sault Historic Sites organization in its community development program. That group will receive \$20,000 in community develop-

ment funds for each of the next three years.

"It has been a very good liaison between city hall and our organization," William Palmer, past president of Sault Historic Sites, told PRESERVATION NEWS. Three significant public meetings were conducted by the city after an initial announcement in the newspaper, Palmer said. The first was an introductory session for submittal of ideas.

At the second, rough proposals for projects and funds were submitted by community groups. These proposals were finalized at the third meeting and the city council voted on which projects to include in the city program.

"After Sault Historic Sites was accepted, we had a series of other meetings with the city to go over details," Palmer said. "We must have had eight to ten meetings including the hearings."

## Ship Museum

Although final disposition of the expected \$20,000 is not definite, Palmer said a significant amount will be applied to the group's historical marine museum on the 550-foot lake freighter, S.S. *Valley Camp* (1917). The rest will be used in other areas of the riverfront historic site complex.

"It's like when you water a tree—you water the roots, not the branches," Palmer commented. The ship tourist trade provides restoration money for the buildings and grounds in the three-square-block historic area.

Formed in 1967, Sault Historic Sites has since expended about \$150,000 in the historic area. More than \$100,000 of that came from a grant from the Economic Development Administration of

the U.S. Department of Commerce, Palmer said. It was thought that the development of the *Valley Camp* as a tourist attraction would produce jobs.

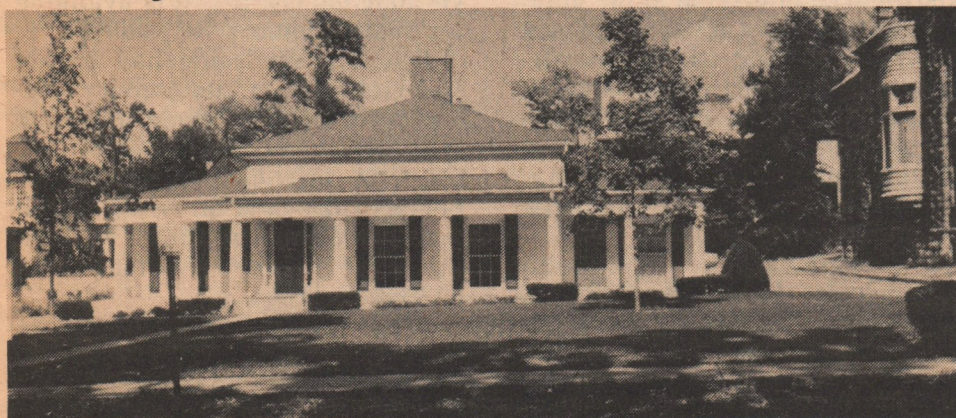
"E.D.A.'s dollars were well justified," he said. "Roughly 250 people of varied ethnic and social backgrounds have been employed on the ship." The National Register-listed *Valley Camp* also employs prisoners and first-offender delinquents.

## Community Organization

"It's a good strong community organization," Palmer said, speaking of the Sault Historic Sites. "Our biggest push is for the historic sites area to be more than just another house museum project."

"There is a general trend in the Upper Peninsula to be more practical than in many other areas. The historic sites organization practices a great turnover on its board of directors, trying at the same time to involve people not previously interested in historic preservation projects."

The board is made up of a broad cross section of the community—including the college, professional and business sectors as well as average working people and ethnic groups. Palmer himself is an American Indian.



Hatch House (1844), now the Grand Rapids Art Museum, in the Heritage Hill Historic District.

HCDA Block Grants: A Preservationists' Guide to the Housing and Community Development Act of 1974 is a supplement to the May 1975 issue of PRESERVATION NEWS, the monthly newspaper of the National Trust for Historic Preservation. Extra copies may be ordered for 10 cents each (5 cents in quantities of 25 or more) from the National Trust, Department of Publications, 740-748 Jackson Place, N.W., Washington, D.C. 20006.



The original location of the Beaudry Street House was the site of a proposed Bank of America computer center; however, a demolition permit was suspended while the board looked for a solution. In 1974 the Bank of America paid for the house to be moved to the Heritage Square development which contains a number of 19th-century buildings. The bank now has made a second gift to move the house off blocks and to a permanent location.

An architect member of the Advisory Committee for the Physically Handicapped now serves on the Heritage Square Committee to help solve problems. After January 1, a new California law permitting alternative building regulations for historic structures may assist in finding an appropriate solution.

#### HUD TO ISSUE REGULATIONS ON FHA-INSURED LOANS

In January the U.S. Department of Housing and Urban Development expects to publish in the Federal Register the proposed regulations for the expanded Title I home improvement loan program for residential properties which are in the National Register of Historic Places or certified to be eligible. FHA will insure loans made by financial institutions at market rates. The term will be up to 15 years and the loan limit will be \$15,000 per dwelling unit.

#### IPSWICH HISTORICAL COMMISSION AND OWNERS SIGN PRESERVATION AGREEMENTS TO PROTECT 16 HOUSES

The Ipswich (Mass.) Historical Commission has entered into agreements with 16 property owners providing for the preservation of the architecturally significant exterior and interior features of their residences. This use of recorded agreements for preservation purposes by a government agency is described in a new publication Something to Preserve. Copies of the report are available for \$3.50 plus mailing costs from the commission, 31 High Street, Ipswich, Mass. 01938. The following are excerpts from the report:

"Under the Agreement's provisions, the homeowner agrees not to permit any alterations to the designated interior or exterior fea-

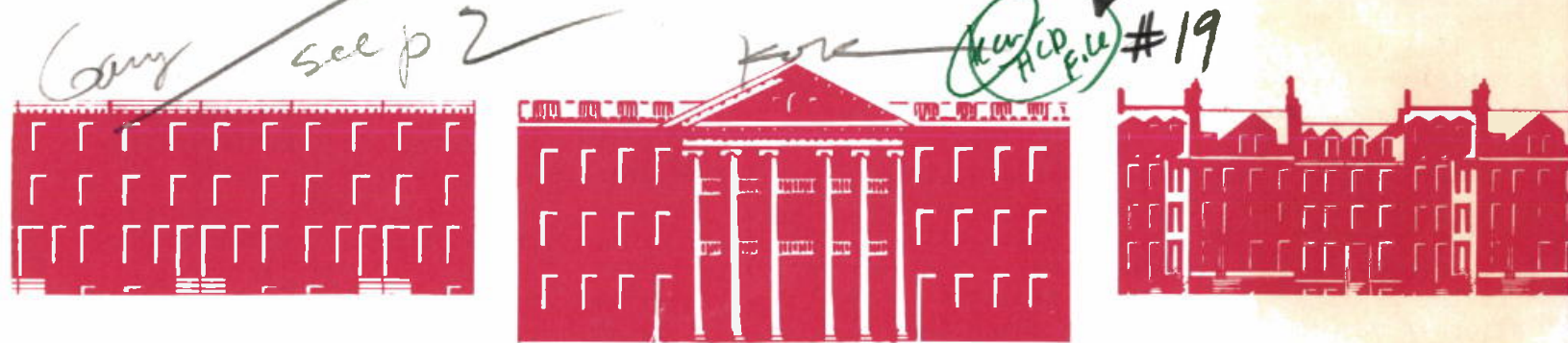
tures of his home. If he wishes to make any change, he must receive prior written approval of the Commission. If the Commission disapproves, the owner may request a review by a qualified person appointed by the Massachusetts Historical Commission. Of course, in the event of a serious disagreement that could not be resolved, either party would have the right to seek a ruling from the courts. . . .

"Though the Agreement offered and the fee involved, if any, were always the same, each house was of historic value for a different reason. There had to be flexibility. The form permitted the inclusion of specific reference to features of critical interest. At the same time, it made due allowance for the owner's natural desire and need to improve his operating equipment, to make necessary additions to living space, and, in general, to maintain his property. The aim of the Project was not to embalm, but to encourage and ensure the harmonious use of each dwelling, thereby fortifying its durability and increasing its value. In the experience of both the Commission and the Heritage Trust, the presence of a preservation clause in a deed to property has tended to increase its value, as a guarantee of its architectural authenticity. . . .

"The experience of the Ipswich Heritage Trust had demonstrated that its detailed restrictions were not a deterrent to purchasers in obtaining mortgage loans. Indeed, in some instances the restrictions seemed to have been regarded by bank officers as a 'plus,' apparently because they felt that the Trust's recognition of historical significance would assure proper maintenance and hence a long-term retention of value. Thus the Commission found it unnecessary to approach mortgagees in advance, and instead asked the owners about their mortgages and checked their information at the Registry of Deeds."

This newsletter is prepared by the Landmarks and Preservation Law Division of the Office of Preservation Services.

# LANDMARK & HISTORIC DISTRICT COMMISSIONS



NATIONAL TRUST FOR HISTORIC PRESERVATION, 740-748 JACKSON PLACE, N.W., WASHINGTON, D.C. 20005

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#### PROVIDENCE COMMISSION GAINS REPRESENTATION ON COMMITTEE MAKING COMMUNITY BLOCK GRANT PLANS

The Providence Historic District Commission has gained representation on the city committee that will develop the rehabilitation plans and review the individual construction work under the city community block grant program. In addition, the commission expects to work in close accord with the staff for the program.

Antoinette Downing, who chairs the commission, reports that the commission will participate in rehabilitation activities in seven target areas covering a large part of the city. This expanded role takes the commission beyond its statutory responsibilities, which have so far been chiefly limited to the administration of the College Hill Historic District.

Mrs. Downing explains that it is important for the historic preservation program to reach a broad cross section of the community. Using \$22,000 of community development block grant funds, the city has contracted for a citywide overview survey of historic property and for an in-depth study of the buildings in the South Providence neighborhood, a depressed section, which is a former Model Cities area. This approach will protect the neighborhood historic resources when the community development rehabilitation work commences.

When the block grant program was announced, the Providence commission took the initia-

tive and went to the mayor's office to explain that it wanted to make a citywide survey to identify the cultural and historic resources of the city so that they could be protected as the block grant program developed. The commission's interest in neighborhoods improving their properties without dislocating the residents aided in getting the favorable response from the city.

The rehabilitation work will be helped by a local conference on neighborhood conservation which will concentrate on the seven target areas. The National Endowment for the Arts approved the conference application submitted by the city at the urging of the commission.

The Providence commission also has used National Register nominations to broaden the scope of the local program. Inclusion of the West Broadway Historic District, 10 other districts and 45 individual buildings in the Register has paved the way for a request to the city council for local landmark designations.

CLEVELAND ALLOTS \$587,000 FOR WORK IN DISTRICT  
Expenditures of \$587,000 have been included in the 1976 community development block grant program in Cleveland to provide amenities for Prospect Avenue, a historic district study area.

The Cleveland Landmarks Commission submitted the grant application to stimulate further investments from the private sector. An estimated \$1,763,000 has been included



in the block grant program over a three-year period. Prospect Avenue is an inner-city area with established businesses and historic resources which would stimulate preservation and restoration. It contains five individual landmarks and in 1976 the commission will submit the proposed district to the city council for its approval.

In describing its approach for helping this area, John Cimperman, director of the commission, reports: "The project began with a study of the Prospect Avenue area conducted with the assistance of a grant from the National Endowment for the Arts under the City Options program. The project included an in-depth analysis of the street environment and recommendations for the physical amenities needed for preservation and restoration. Under the guidance of the Cleveland Landmarks Commission and with the support of the Community Development Department, a nonprofit corporation of owners and residents has been formed to implement the finding of the study.

"As of this date more than \$300,000 has been spent on improvement and restoration projects within the area and more is planned. The Junior League has agreed to undertake the restoration of a group of row houses to be its showcase house for 1976. The Garden Club of Cleveland has pledged to plant trees along the street and develop a garden and green area next to the row houses. The Cleveland Restoration Society has agreed to aid in the restoration of a group of row houses that were converted to a hotel. The president of that organization, who is a member of the Cleveland Landmarks Commission, has personally purchased that building for the society, to further that end."

The three-year program for Prospect Avenue area includes \$582,000 for groundcover, \$550,000 for walks, \$149,000 for concrete curbs, \$110,000 for refurbishing existing street lights, \$71,000 for trees and \$62,000 for utility relocation.

In a submission to the city Department of Community Development, Cimperman said, "We believe if certain amenities are provided in an orderly way as an incentive to induce further investments in the area, there will be little doubt of the success of the project."

PORTLAND, OREGON, DESIGNATES TWO COMMERCIAL HISTORIC DISTRICTS AS PART OF RENEWAL PLANS  
Portland, Oregon, designated two downtown historic districts this year following the amendment of its ordinance to permit district designations. This action will involve the Portland Landmarks Commission in the preservation and rehabilitation of commercial areas containing 19th-century business structures.

In addition, the two areas, the Skidmore/Old Town and the Yamhill Historic Districts, are integral elements of an overall design plan for the downtown Waterfront Urban Renewal Area. This urban renewal will be different from earlier Portland renewal projects, because its emphasis will be on conservation, rehabilitation and the development of public improvements.

The plan will depend primarily upon private investment which will be stimulated with public amenities and improvements. These amenities are to be financed through the tax increment technique of local renewal financing. Under this technique, the taxes from any increase over the 1974 assessed valuation of the urban renewal area will be used to fund project activities in it. Community development money has also been allocated to finance specific projects and to establish an urban conservation fund.

The Skidmore/Old Town Historic District, once the center of commerce and entertainment, contains the largest remaining collection of mid to late 19th-century business buildings in Portland. The district has a mixture of Italianate mercantile buildings with cast-iron fronts dating from the 1870s and early 80s and more massive brick and stone Richardsonian Romanesque structures of the late 80s and early 90s.

Of the 16 designated landmarks within the historic district, nine have been partially or completely restored by private investment. Individual landmark designations were made before the district was established. A large number of businesses, many visitor-oriented, that have entered this area in the last 15 years is evidence that the economic potential of the area is recognized. Although one-third of the area is open land, demolition has slowed, and only two buildings of landmark quality have been lost since 1960. The development plan for the Skidmore/Old

**SKIDMORE/OLD TOWN HISTORIC DISTRICT INVENTORY**

	No. of Bldgs.	Acres	% of Total
<i>Designated landmarks</i>	16	3.23	19%
<i>Potential landmark buildings &amp; sites</i>	15	1.54	9%
<i>Other buildings compatible with district character</i>	28	4.09	25%
<i>Buildings not compatible with district character</i>	16	2.10	13%
<i>Open developable land</i>	—	5.59	34%
	75	16.55	100%

From review draft of the urban design plan

Town District involves accelerating its restoration as a historic district by rehabilitating the historic buildings and placing compatible new development on vacant land.

The review draft of the urban design plan mentions one especially difficult situation in the Skidmore/Old Town area: "Key to the district's restoration is a solution to the skid road problem. Situated centrally in the Burnside community, the district houses a majority of the area's 1,750 single people, many of whom are chronic alcoholics. While rehabilitation of the district might include improvements in transient housing and services, there should be a reduction of the number of bars, wine stores, missions and flop houses to break the cycle which the present environment tends to reinforce."

The Yamhill Historic District is the only other area in the city that retains a significant concentration of 19th-century business structures; 8 of the 11 designated landmarks there have been partially or completely restored by private investment. Since 1960 only one structure of landmark quality has been lost. An uncommon characteristic of this district is the few remaining markets that provide a service to all of downtown and particularly the residential units in the area. The plan proposes to preserve the markets, rehabilitate historic buildings and stimulate compatible infill development of shops, offices and housing.

TRUST SPONSORS PUBLIC TAX POLICY CONFERENCE  
On February 5 and 6, the National Trust will hold the first national conference on public tax policy and its effects on the conservation of the built environment. The meeting will be at the Mayflower Hotel in Washington, D.C.

Speakers will discuss federal, state and local taxation and the current practices, procedures and effects. A number of leading tax attorneys will participate in the conference including Mortimer M. Caplin, former commissioner of the Internal Revenue Service.

U.S. Sen. J. Glenn Beall, Jr., of Maryland, Rep. Barber Conable of New York and Rep. Joseph Fisher of Virginia will comment on the proposed Historic Structures Tax Act of 1975 and other possible legislation that would change the rules on depreciation for historic buildings.

Speakers will present case studies concerning the impact of taxation on commercial and residential preservation projects and discuss assessment practices, easements, real property tax abatement programs and the taxation of preservation organizations.

The conference is open to the public. For registration and additional information, write or telephone the Office of Preservation Services, National Trust.

LOS ANGELES COMMISSION SEEKING SOLUTIONS FOR PROBLEM OF ACCESS FOR PHYSICALLY HANDICAPPED

To complete the relocation of the Beaudry Street House, a city landmark, the Los Angeles Cultural Heritage Board is working on the problem of access to the building for the physically handicapped.

Ileana Welch, coordinator for the board, reports that arrangements for the handicapped must be approved by the mayor's Advisory Committee for the Physically Handicapped before the Building and Safety Department will issue a building permit. The Cultural Heritage Board has been negotiating with the Advisory Committee in an effort to meet its standards.

A permit was given recently for limited foundation work, but further restoration may not proceed until the needs of the physically handicapped have been met.