

1985 CONSOLIDATED ANNUAL REPORT TO CONGRESS
ON COMMUNITY DEVELOPMENT PROGRAMS

This Report Incorporates Statutorily-mandated
Reports to Congress for FY 1984 on the:
Community Development Block Grant Program
Urban Development Action Grant Program
Rental Rehabilitation Grants Program
Section 312 Rehabilitation Loan Program
Urban Homesteading Program

U.S. Department of Housing and Urban Development
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Office of Program Analysis and Evaluation

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EXECUTIVE SUMMARY

This 1985 Consolidated Annual Report to Congress on Community Development Programs describes actions and activities undertaken in FY 1984 to meet the legislative objectives and requirements of the following community development programs :

1. the Community Development Block Grant (CDBG) Entitlement Program;
2. the CDBG Small Cities Program;
3. the Urban Development Action Grant (UDAG) Program;
4. the Rental Rehabilitation Program;
5. the Section 312 Rehabilitation Loan Program; and
6. the Urban Homesteading Program.

COMMUNITY DEVELOPMENT BLOCK GRANTS: ENTITLEMENT PROGRAM

Program Eligibility and Funding In FY 1984, 795 communities, 691 Metropolitan Cities and 104 Urban Counties, were eligible to receive CDBG entitlement grants. This is an increase of 60 communities over 1983. Since the initiation of the CDBG program in 1975, there has been a 34 percent increase in the number of eligible communities, as 170 new Metropolitan Cities and 31 new Urban Counties have become eligible. The majority of these communities, 149 of 20.1, have been added since 1979. The principal reason for this increase is that cities have been designated as central cities in existing or newly created Metropolitan Statistical Areas (MSAs).

Entitlement grants were made to 783 jurisdictions for FY 1984; 679 metropolitan cities received a combined total of \$1.93 billion, and 104 urban counties were awarded \$435 million.

Program Expenditures. During FY 1984, program expenditures by entitlement communities again exceeded the amount of new funds appropriated that year. In the early years of the CDBG program, communities built up a backlog of unexpended funds as the mechanisms for program administration were developed and projects were initiated. By FY 1979, the amount spent during the year exceeded the appropriations, and this trend has continued every year. The increased rate of expenditure since 1979 has reduced the backlog of unexpended funds from almost \$5 billion in FY 1979 to \$3.8 billion in FY 1984.

National Objectives. The Housing and Community Development Act of 1974 requires all grantees to submit an annual report on how they used CDBG funds. As part of this Grantee Performance Report (GPR), localities specify which of the program's three national objectives--benefitting low- and moderate-income persons, eliminating or preventing slums or blight, or meeting urgent local community development needs--is met by the expenditure of funds for each activity. Local officials reported that approximately \$2.212 billion, or ninety percent of all funds expended during FY 1982 (less administration and planning expenses), met the program's national objective of benefitting low- and moderate-income persons. Of the remaining expenditures, nine percent (\$230 million) was used to prevent or eliminate slums or blight, and one percent was directed toward meeting other urgent community development needs.

Local Uses of CDBG Funds. During FY 1982 (the most recent year for which information was available), entitlement communities spent approximately \$2.8 billion in program funds: Of this amount, \$2.4 billion were spent by Metropolitan Cities and \$419 million by Urban Counties. Housing related activities, principally rehabilitation, constituted the largest share of expenditures, \$988 million or 35 percent of all FY 1982 expenditures. The next largest broad category of expenditure was public works projects, on which some \$726 million (26 percent) were spent. The other major categories of expenditures (in order of the amount of funding for each) were economic development activities, public services, and acquisition and clearance-related activities. Communities expended relatively small amounts, \$50 million and \$3 million respectively, completing projects that were begun under the categorical programs that preceded the CDBG program (principally Urban Renewal), and repaying Section 108 loans. Planning and general program administration consumed 13 percent of program funds, or \$370 million.

Since FY 1979, except for economic development, the relative amounts budgeted for the major activities have changed little. Funding for housing-related activities, after years of steady growth in the program, has leveled off at about 35 percent of program funds. Similarly, public works appears to have reached a stable level of approximately 22 percent of budgeted funds after having declined for several years. Economic development activities have received an increasing amount of funds since 1979, when economic development first was made a specific eligible activity of the CDBG program. While the 13 percent of FY 1984 funds that communities intended to spend on this activity was still far below the funding levels of housing and public works projects, it represents a significant increase from the five percent devoted to economic development in FY 1981. In FY 1984, entitlement communities budgeted nine percent of total grant funds for public services, down from the 1983 high of 11 percent. Lesser amounts were budgeted for clearance-related activities (four percent), local contingencies (2 percent), and the completion of categorical programs (.5 percent).

COMMUNITY DEVELOPMENT BLOCK GRANTS: SMALL CITIES PROGRAM

Program Fundings and Participation. The Small Cities CDBG Program is HUD's principal vehicle for assisting communities under 50,000 population. Since 1982, States have had the option of administering their own programs. Forty-seven States and Puerto Rico assumed this responsibility by FY 1984, and determined how and where to award funds within their jurisdictions. Only three States remain in the HUD-administered program. In FY 1984, \$1.02 billion was available for the program, of which \$966.9 million was allocated to States administering their own programs and \$53 million was distributed by HUD. In addition to the formula determined allocation amounts, thirty-eight States received Secretary's Discretionary Fund grants totaling \$4.3 million to provide technical assistance to their small cities.

State Selection Systems. States have discretion to design systems to select communities they will fund and to establish State priorities and limits on the amounts awarded recipients. Since FY 1982, the great majority of States have awarded grants primarily by using competitive systems reflecting their economic and community development needs and policy preferences. Of the 48

States administering their own program in FY 1984, 45 allocated all but small shares of funds on a competitive basis. Characteristics of these competitions varied considerably.

In 34 States, funding categories ensured that priority would be given to specific types of projects, while others conducted general competitions among applicants, regardless of types of projects they proposed undertaking. In ten States, funding set-asides were established for particular sizes and/or types of communities.

State Selection Priorities. On average, States received 170 applications and made 57 awards. The average award made by States varied from \$55,000 in Utah to \$740,000 in Puerto Rico. States identified four major areas for priority funding. In order of frequency these were: Project Impact, Benefits to low- and moderate-income persons, Community Needs, and Leveraging Public/Private Funds. Local Commitments, Local Management, Housing Commitment, and Urgent Needs were among the most important selection factors common to many States.

Characteristics of Grants and Recipients. Very small cities and towns (population less than 2,500) were the most frequent recipients of State Block Grant awards; 37 percent of all grants and 33 percent of all funds went to such communities. Overall, larger nonentitlement cities (over 10,000) and counties received a larger average award than very small cities. The smallest average awards (\$221,000) were made to very small communities.

Program Activities. In FY 1984, the activities funded and the types of recipients receiving awards changed very little from those funded in FY 1982 and FY 1983. Activities most frequently funded by States were public works, followed by economic development, housing-related activities and planning. Multi-purpose allocations also constituted a substantial portion of the program. Economic development received 18 percent of both grant monies and of all grants awarded. Housing received 16 percent of grants, but 20 percent of funds. Most of the housing-related grant projects provided loans and grants for housing rehabilitation.

The HUD-Administered Small Cities Program. In 1984 only Hawaii, Maryland, and New York remained in the HUD-Administered Small Cities program. HUD received 116 applications and funded 78 (67 percent). The total amount of grants was \$53 million, or an average of about \$671,000, for one year funding commitments.

URBAN DEVELOPMENT ACTION GRANTS

Recent Program Developments. In FY 1984, the amount of UDAG dollars in applications which met the criteria for preliminary application approval exceeded the amount of UDAG funds available for each specific funding round. In response to this development, HUD established a selection formula by which each fundable application is scored. The formula strongly reflects existing statutory and regulatory requirements concerning the factors used to define the selection criteria and the relative weight given to each criterion. Applications are ranked by their scores, and the available UDAG funds are assigned to those with the highest scores.

HUD also modified the UDAG Program regulations to add the Labor Surplus Area (LSA) designation of the U. S. Department of Labor as an additional minimum standard of economic distress which may be met by large cities, urban counties, and small cities in the application for UDAG funds. The change is intended to ensure that the UDAG eligibility system adequately measures the economic distress that results from higher-than-average unemployment rates. The eligibility lists were revised to reflect this additional criterion.

The Department revised the regulations by which the UDAG program is administered during FY 1984 to reflect the change from a quarterly funding cycle to a four-month funding cycle. Under the revision, there are now six funding rounds in a year--three for each city type.

Program Operations. As of the end of FY 1984, announcements had been made for a total of 2,612 projects which had received preliminary application approval. Of these projects, HUD had signed grant agreements for 2,492 of these projects obligating appropriated UDAG funds in the amount of \$3,681,449,000. In FY 1984, obligations of \$740.3 million were incurred for 546 project and that there were 460 grant announcements for \$603.6 million in UDAG funds.

In 1984, more funds were awarded proportionately to the most-impacted large cities and less to the least-impacted communities than in previous fiscal years. Sixty-seven percent of all UDAG dollars were awarded to the one-third most-impacted communities in 1984 in comparison to 61 percent for the period 1978-83.

Program Benefits. Over the life of the UDAG program, all funded UDAG projects are expected to create 456,000 new permanent jobs of which 56 percent are intended for low- or moderate-income persons and 18 percent for minority persons.

The 457 projects funded in FY 1984 call for the creation of 66,000 new permanent jobs of which 60 percent are for low- or moderate-income persons and 30 percent for minority persons.

Through the end of FY 1984, UDAG projects were expected to produce more than 92,000 housing units, including 6,500 units in FY 1984. Almost 36,500 units, or 39 percent of those planned, had been completed by the end of FY 1984. Over half of the completed units have been reserved for occupancy by low- and moderate-income families.

For all projects, about \$513 million annually in new tax revenue is projected to be derived. For FY 1984 projects alone, grantees anticipate about \$69 million of additional annual revenue. Grantees report that through the end of FY 1984, \$114 million of additional annual tax revenue actually has been generated. Through FY 1984, grantees have reported payback of loans by private sector participants of \$80 million from UDAG projects.

Over one-half of all funded UDAG projects specifically identify planned new permanent jobs for minority persons. The total number of such jobs is about 83,000 which represents 18 percent of all new permanent jobs planned. As of the end of FY 1984, communities reported that almost 48,000 new permanent jobs had been filled by minority persons, or 58 percent of those planned. Fifty percent of all projects that have awarded one or more contracts as of the close of FY 1984 have involved the participation of minority-owned firms as contractors or sub-contractors. Minority persons and minority-owned firms have a financial interest in 13 percent of all funded projects.

Program and Project Characteristics. Fifty-two percent of Action Grant funds have been obligated in support of commercial projects, although the shares of project grant agreements signed to date are approximately the same for commercial (39%) and industrial projects (36%). Just under one-quarter of UDAG funds are for use in industrial projects, while mixed projects account for 15 percent and housing for 9 percent of the funds.

More than three-fourths of the subsidized debt for all UDAG projects has come from local Government sources. This reflects the heavy use of tax-exempt industrial revenue bonds which account for 94 percent of local government loans to UDAG projects. Twelve percent of the subsidized debt is derived from Federal non-UDAG sources, and slightly less, 11 percent, from State contributions.

CPD-ADMINISTERED REHABILITATION PROGRAMS

Rental Rehabilitation Grants Program

For FY 1984, 327 cities and 96 urban counties qualified for direct assistance under the Rental Rehabilitation Grants Program. Of the 421 local communities eligible for direct allocations, 400 actually elected to apply for and receive grants during the first year of the program. Of the 50 eligible State jurisdictions and Puerto Rico, 38 have chosen to administer their allocations directly during FY 1984. HUD Field Offices are managing the allocations for the 13 remaining States.

Of the 37 State-administered Rental Rehabilitation Programs (excluding Puerto Rico), 23 have thus far chosen localities to participate in the program for FY 1984 funding. As of January 11, 1985, 37 grantees, 36 communities and the State of Georgia, had notified the Department of a total of 80 impending Rental Rehabilitation projects. So far, nine communities had actually disbursed program funds, and one, Allegheny County, PA, had completed a project.

Section 312 Rehabilitation Loan Program

Since its beginning, the Section 312 program has awarded 93,650 loans totalling \$1.248 billion for the rehabilitation and occasional refinancing of housing.

Congress has appropriated no funding for the Section 312 program since FY 1981. Since then, the program has depended for funding support entirely on loan repayments and other income, recovery of prior year commitments, and the unobligated balance from FY 1983. \$86.119 million was obligated for loans in 390 communities during FY 1984. In that year, 70 percent of Section 312 assistance went to owners of single-family housing, and 22 percent went to owners of multifamily properties.

As of the end of FY 1984, there were 60,692 active Section 312 loans with unpaid balances totalling \$675.9 million. Eighty percent of all outstanding Section 312 loans and 77 percent of the outstanding loan amounts are current. If only the seriously delinquent loans (usually defined as three or more months delinquent) are considered, then ten percent of the Section 312 loans and 12 percent of the Section 312 loan amounts were seriously delinquent or in legal action as of November 30, 1984.

Urban Homesteading Program

Since 1975, Congress has appropriated \$79 million to support the acquisition of Federal properties for Urban Homesteading programs. This includes \$12 million Congress appropriated for the program in FY 1984.

By the end of FY 1984, Section 810 funds had been used to reimburse the HUD mortgage insurance and housing loan funds, VA, and FmHA for 8,503 properties in 116 of the participating localities. In addition, 52 participating localities had incorporated 1,045 locally-acquired properties into their homesteading programs. Eighteen communities had utilized 477 Federal properties purchased from sources other than Section 810. Homesteading communities have, over the life of the program, accumulated 10,025 properties for homesteading purposes.

Most urban homesteading communities currently depend on Federal, principally HUD, properties for their homesteading production. Of all participating communities, 87 percent have included HUD properties in their urban homesteading programs, 39 percent have used locally-acquired properties, 30 percent have employed Veterans Administration-owned properties, and only one locality has processed Farmers Home Administration-owned properties.

As of the end of FY 1984, HUD had approved 135 communities, 120 cities and 15 counties, for participation in the Urban Homesteading Program. Thirteen communities, 10 cities and three counties, entered the program during FY 1984. Of the 135 approved communities, 117 remained formally in the program as of the end of FY 1984. Eighteen communities have formally closed out their programs. Fifteen other communities had inactive programs during FY 1984 and are scheduled for formal closeout during FY 1985. Ninety-two communities added new properties during FY 1984, a basic indicator of program activity.

Over the life of the Urban Homesteading program, based on all properties acquired for homesteading from whatever source, 87 percent of all properties acquired had been transferred conditionally to homesteaders, 80 percent were occupied by homesteaders, renovation had begun on 83 percent, and renovation had been completed on 72 percent.

CHAPTER 1: LEGISLATIVE ACTIONS

INTRODUCTION

On November 30, 1983, President Reagan signed the Housing and Urban-Rural Recovery Act of 1983, Public Law 98-181. With respect to CPD-administered programs, that Act, hereafter called the 1983 Amendments, authorized a total of up to \$10.716 billion for use in CPD-administered programs through FY 1986, created one new program and three new demonstrations, and made several significant changes to existing programs. This chapter reports on the changes to programs administered by the Assistant Secretary for Community Planning and Development mandated by this Act and by the Housing and Community Development Technical Amendments of 1984 (hereafter called the 1984 Amendments or the Technical Amendments). Appropriation actions affecting the operation of FY 1984 programs are also described in this chapter.

The Chapter is divided into four major sections. The first section describes the funding-related actions that took place in FY 1984; subsequent sections describe major legislative changes to the Community Development Block Grant Program, the Urban Development Action Grant Program, and rehabilitation programs administered by the Assistant Secretary for Community Planning and Development.

AUTHORIZATION AND APPROPRIATION ACTIONS

The Housing and Urban-Rural Recovery Act of 1983 continued the Community Development Block Grant (CDBG) program, including the Secretary's Discretionary Fund and the Urban Development Action Grant (UDAG) Program, for another three years. The legislation provided a total of up to \$3.468 billion to fund the CDBG program for each of Fiscal Years 1984, 1985, and 1986. Of this sum, up to \$68.2 million annually was authorized for the Secretary's Fund and up to \$2 million in FY 1984 and 1985 was authorized for the newly enacted Neighborhood Development Demonstration. Under the UDAG program an appropriation not to exceed \$440 million was authorized for each of Fiscal Years 1984, 1985 and 1986, and of this amount up to \$2.5 million was authorized in each fiscal year for the Secretary to use for technical assistance to help small cities prepare and submit applications for assistance and implement UDAG programs. In addition, loan guarantees permitted under Section 108 of the CDBG legislation were authorized up to \$225 million for FY 1984.

A new program created by the 1983 Amendments, the Rental Rehabilitation Program¹, was authorized for \$150 million in each of Fiscal Years 1984 and 1985. One million dollars of this amount was to be available each year for technical assistance to participating communities.

The Act also contained an authorization of \$12 million for the Urban Homesteading program in Fiscal Year 1984 and "such sums as may be necessary for Fiscal Year 1985." The Secretary was directed to use up to \$1 million of any funds appropriated for each of these fiscal years for the Local Property Urban Homesteading Demonstration.

The FY 1984 Appropriation Act provided funds for all CPD programs, with the exception of the new Rental Rehabilitation Program, at the levels authorized by the 1983 Amendments.* In addition, the Section 312 Rehabilitation Loan Program, which received no new budget authority, was directed to use collections from outstanding loans, unexpended balances of prior appropriations, loan repayments and other income to make new loans, meet operating costs, and capitalize delinquent interest on delinquent or defaulted loans. The FY 1984 Appropriation also continued the 20 percent limitation on the amount of any CDBG grant that could be expended on planning and administration activities. Table 1-1 shows the allocation of funds appropriated for CPD-administered programs for FY 1984.

TABLE 1-1
APPROPRIATIONS FOR CPD-ADMINISTERED PROGRAMS, FY 1984
(Dollars in Millions)

<u>Program</u>	<u>FY 1984 Amount</u>
CDBG Program:	
Entitlement Communities	\$2,380
Metropolitan Cities	(1,949)
Urban Counties	(431)
Small Cities	1,020
Secretary's Discretionary Fund	66
Neighborhood Development Demonstration	2
Urban Development Action Grants	440
Rental Rehabilitation Grants Program	150
Urban Homesteading	12
Section 312	0
Total	\$4,070

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation.

LEGISLATIVE ACTION AFFECTING THE CDBG PROGRAM

The Housing and Urban-Rural Recovery Act of 1983 made several important changes to the CDBG legislation. The most important changes involved provisions affecting benefit to low- and moderate-income persons, grantee reporting requirements, the eligibility of previously prohibited activities,

* Congress subsequently provided funding for the Rental Rehabilitation Program as a part of HUD's FY 1985 appropriation measure which was signed by President Reagan on July 18, 1984.

and citizen participation requirements in the program. Unless specifically indicated, these changes apply to both the Entitlement Program and the Small Cities' Program. In addition, the 1983 Amendments also made changes to provisions of the Act that affected only the State-administered part of the CDBG Program.

Low- and Moderate-Income Benefit. In FY 1984, Congress made changes to four provisions in the Housing and Community Development Act that affected the operation of the CDBG program regarding benefit to lower-income persons. First, Congress clarified the low- and moderate-income objective of the CDBG program by changing the purposes section of the Housing and Community Development Act of 1974. That section (Section 101(c)) now states that not less than 51 percent of the grant assistance, including funds received as a guarantee under Section 108, must be used for the support of activities that benefit persons of low- and moderate-income. Prior to this change, the Act's primary objective was stated in terms that stressed it was "principally for low- and moderate income persons," but did not define "principally" as to how much funds were to be spent. A similar change was made to Section 104(b)(3) of the Act, requiring local officials to certify that, during a one-to-three year period which they select, at least 51 percent of the aggregate CDBG funds expended, including loan guarantees under Section 108, shall be spent on activities principally benefitting persons of low- and moderate-income. The States are subject to this requirement, rather than each Small City grant recipient in the State program.

Second, the 1983 Amendments and refinements in the 1984 Technical Amendments standardize the definition of low- and moderate-income persons. Under this definition, low- and moderate-income families and individuals are those with incomes not exceeding 80 percent of the area median income; low-income families and individuals are those whose incomes do not exceed 50 percent of the area median, and moderate-income families and individuals are those whose incomes are between 50 and 80 percent of area median. Area must be defined in the same way as it is in the Section 8 housing assistance program. Moreover, as in that program, the Secretary may make adjustments in the income levels to reflect smaller or larger families. Finally, the percentages of median income for any area may also be adjusted higher or lower if the Secretary finds the area has unusually high or low family incomes. Prior to these changes, States had discretion to set the low- and moderate-income definitions in their programs, and "low" and "moderate" were not separately defined.

The third change the 1983 Amendments made regarding low- and moderate-income benefit specified the extent to which certain activities may be considered to benefit such persons. These changes apply to three major uses of CDBG funds-- the acquisition or rehabilitation of residential property; economic development projects carried out by private for-profit Firms; and any activities which serve an area generally and which are designed to meet the needs of low- and moderate-income persons living in the area. The Amendments state that property that is acquired or rehabilitated for residential uses with CDBG funds may be considered to benefit low- and moderate-income persons only to the extent that such housing will, upon completion, be occupied by lower-income persons. This statutory provision differs from existing regulatory standards in counting lower income benefit. Under the regulations, if 51 percent of the occupants of property acquired or rehabilitated for residential use are lower income persons, all funds spent on the activity are

credited toward the local program's overall lower income benefit count. After the 1983 Amendments, however, only the amount of funds equal to the proportion of lower income persons in the property will count toward the new 51 percent lower income benefit certification. To qualify as a benefit to low- and moderate-income persons under the new statutory provision, the economic development activities must: (1) be carried out in a neighborhood consisting predominantly of low- and moderate-income persons and provide services for such persons; (2) involve facilities designed for use predominantly by persons of low- and moderate-income; or (3) involve employment of persons, a majority of whom are low- and moderate-income. This new statutory provision largely restates existing regulatory standards for economic development projects.

The 1953 Amendments, as further clarified by the 1984 Technical Amendments, also essentially incorporate for entitlement communities the regulations in force at the time for determining when an activity that serves an area generally, as opposed to an individual, may be considered to principally benefit low- and moderate-income persons. Under the new law, an areawide activity is considered to benefit low- and moderate-income persons if it is clearly designed to meet the needs of such persons and it takes place in an area where at least 51 percent (rather than a "majority" as specified in the regulation) of the residents of the area are low- and moderate-income persons.

The 1983 Amendments, like the regulations in force when they were enacted, also provided an exception to the 51 percent area requirement for those communities with scattered low- and moderate-income populations and that therefore, have no areas with a majority of residents of low- and moderate-income. However, the unique and rapid manner in which the 1983 Amendments were passed resulted in the new law not reflecting Congressional intent that the statutory coverage also mirror the existing regulation's inclusion of communities having few areas with low- and moderate-income majorities. This oversight was clarified in the 1984 Technical Amendments. Areawide community development activities now may be qualified if they are clearly designed to meet the needs of low- and moderate-income residents and the area served ranks among the top 25 percent of all areas within the community having the highest concentration of low- and moderate-income residents. The importance of the exception criteria to many local community development programs was reflected in Congressional directions that the amendment take effect immediately upon enactment (October 17, 1994) and that HUD implement the provision first through interim instructions to grantees and then by issuing a final regulation by June 1, 1985.*

* HUD issued instructions to field offices on October 19, 1984 extending the deadlines for the submission of cooperation agreements and opt-out notices for urban county qualification for 1985-87. This provided units of general local government in urban counties whose decision to participate or not may have been affected by the 1983 Amendments narrow language a chance to reconsider their choice. In addition, on January 4, 1985 HUD transmitted instructions to all entitlement grantees on how the new exception rule was to be interpreted.

New Planning and Information Requirements. The 1983 Amendments added several new planning and information requirements that affect the certifications and information grantees must submit to HUD. These Amendments modify both the Final Statement of Community Development Objectives submitted as a prerequisite to obtaining funding and the performance report submitted at the end of a grantee's program year.

Entitlement and State grantees must now certify that they have prepared a community development plan that covers the same period that the grantee specified for meeting the 51 percent low- and moderate-income benefit test described above. The plan must identify community development and housing needs of lower-income families and include both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Act.

Entitlement and State grantees must advise citizens of their plans for minimizing displacement of persons as a result of CDBG-funded activities and for assisting persons actually displaced by those activities. Small Cities recipients must only certify that they will minimize the displacement of persons as a result of CDBG-funded activities. Grantees must also inform citizens of the estimated amount of CDBG funds to be used for activities benefitting low- and moderate-income persons.

The 1983 Amendments also require Entitlement and State grantees to submit additional information each year as part of their Proposed and Final Statement of Community Development Objectives and Projected Use of Funds. As a result of this change, the Statements must contain a description of the grantee's use of funds since the preparation of the last statement, an assessment by the grantee of the relationship of the past use of funds to the community development objectives identified in the previous Statement and to the three national objectives of the Housing and Community Development Act of 1974, and a description of how the grantee is meeting the overall program requirement that at least 51 percent of funds be used for activities benefitting low- and moderate-income persons.

For Entitlement and State Program grantees, recent legislative changes made five substantive additions to the content of the annual report on performance. Grantees are required to describe the accomplishments of their local programs, explain the nature of any changes in program objectives and the reasons for those changes, indicate how they would change their program as a result of their recent experience, evaluate the extent to which CDBG funds have been used for activities that benefitted low- and moderate-income persons, and include summaries of citizens' comments received during the reporting period.

The new law also directs the Secretary to encourage and assist States, National Associations of States and small cities recipients and units of general local government in nonentitlement areas to develop and recommend to the Secretary uniform record keeping, performance reporting, and evaluation reporting and audit requirements for States and local governments. Based upon the Secretary's approval of such recommendations, such uniform requirements shall be established for States and nonentitlement local governments.

Citizen Participation. The 1983 Amendments also added new citizen participation requirements for entitlement communities and States. These changes concerned access to local records, amendment of past Statements, and preparation of performance reports. They require grantees to provide citizens with reasonable access to records regarding the past use of CDBG funds. The new provisions require citizen participation when a grantee modifies or amends its Final Statement. Citizens must be provided with reasonable notice of any substantial change to the proposed use of funds and an opportunity to comment on such changes. The Amendments also specifically require a grantee to consider citizen comments, make the modified Final Statement available to the public, and submit a copy of the modified Final Statement to HUD. Citizen participation is also addressed in the development of the annual report required to be submitted by grantees. The report must be made available to citizens in sufficient time to permit them to comment before it is submitted to HUD.

State Small Cities grantees must certify that they will provide opportunities for citizen Participation, public hearings, and access to information similar to those required of Entitlement and State jurisdictions.

Eligible Activities. The 1983 Amendments broadened the discretion allowed local officials in using CDBG funds by making several changes in the eligibility of certain activities. The Amendments remove all previous limitations on the funding of activities involving parks, playgrounds, river reclamation, flood and drainage, parking, fire protection, solid waste disposal, and recycling and conversion facilities. Buildings for general conduct of government remain the only public facility ineligible for funding, and the Act specifically defines the categories of government buildings affected. Two housing-related activities were also made eligible for CDBG funding. The development, except by new construction, of shared-housing opportunities for elderly persons was added as a specific eligible activity when undertaken by neighborhood-based nonprofit organizations or other private or public nonprofit organizations. The Amendments also made assistance to the development or rehabilitation of housing assisted under the new Rental Rehabilitation and Housing Development Grants Programs eligible for CDBG funding.

The 1983 Amendments also give local officials greater discretion in the use of CDBG funds by raising the limitation on public services activities from 10 to 15 percent beginning with the program year funded by FY 1984 appropriations. Recipients that used more than 15 percent of their grants for public services in FY 1982 or FY 1983 may in future years use either the amount or percentage of such funds used in either 1982 or 1983, whichever is greater.

Changes in Entitlement Status and Eligibility. The 1983 Amendments and the 1984 Technical Amendments contain three Provisions grandfathering the eligibility of entitlement communities and specifying new rules for qualifying certain additional Urban Counties. Those actions assure that Metropolitan Cities and Urban Counties that lost population according to the 1980 census or lost classification as central cities continue to be considered entitlement communities for FY 1984 and 1985. In the case of Urban Counties, the retention of entitlement status may be for a longer period if new three-year cooperation agreements among participating jurisdictions are executed in 1984. However, an existing Urban County's status would not be protected if

its population fell below 200,000 as a result of its failure to renew cooperation agreements or because an included unit of government elected to exclude its population from the county, e.g., because of its new designation as a Metropolitan City. The law now permits a local government attaining Metropolitan City status in 1984 and 1985 to elect to defer its classification and to have its population included in an Urban County in 1984, 1985 and 1986.

Finally, to accommodate the needs of rapidly expanding urban areas, the new law provides that a county not in the Entitlement program in 1983 may qualify for an Urban County entitlement if it has a combined 1980 population of CDBG-included areas between 190,000 and 199,999, had a growth rate of at least 15 percent over the most recent applicable 10-year census period, and can show a current combined population, excluding Metropolitan Cities, of at least 200,000, and if it meets all current requirements.

State Administration. The 1983 Amendments contain several provisions solely affecting the administration of the State Small Cities program. The new law prohibits States from refusing to distribute funds for any activities defined as eligible under the statute. Local governments may apply for funding for any eligible activity. However, the States may establish criteria and priorities for selecting among the various activities proposed for funding in small city applications, and the Governor must certify that each community to be funded will identify community development and housing needs, including the needs of low- and moderate-income persons and activities to be undertaken to meet such needs. However, States and nonentitlement communities do not have to develop or follow a Housing Assistance Plan.

States are now allowed to cover a larger share of their administration expenses from the CDBG grant. Beginning in FY 1984, a State may deduct the first \$100,000 of its expenses from grant funds and then 50 percent of any additional expenses in excess of \$100,000, provided that the excess does not exceed two percent of the total grant.

The new law also deletes the ten percent State match or buy-in provision from the certification requirements imposed on States. In addition, any decision to administer the program after FY 1984 is permanent and final. If a State administering the program in FY 1985 and in subsequent years fails to submit its Final Statement and certifications, the State's funds will be reallocated to other States in the succeeding fiscal year. Finally, the 1983 Amendments provide that activities carried out by recipients of the State program are to be subject to the same provisions of Title I and other applicable laws in the same manner and to the same extent as activities carried out by entitlement communities.

Other Changes. In addition to changes that affected the operation of the CDBG program in the five broad areas described above, the 1983 and 1984 Amendments included several changes that affected specific provisions of the Housing and Community Development Act. One 1983 Amendment to the Act requires entitlement communities, States, and Small Cities recipients to certify that they will not recover any capital costs of public improvements assisted in whole or in part with CDBG funds. If assessments are made on the non-CDBG portion of a public improvement, CDBG funds must be used to pay the assessments in behalf of low-income persons (i.e., generally those whose incomes are less than 50 percent of the area median). The grantee also must pay the assessments of moderate-

income households (generally those between 50 and 80 percent of area median) unless it certifies that it has insufficient CDBG funds to do so. In addition, entitlement communities, States, and Small Cities recipients must now certify that they will affirmatively further fair housing.

Other provisions of the 1983 Amendments require grantees to provide reasonable benefits to persons involuntarily and permanently displaced as a result of assistance used to acquire or substantially rehabilitate property; require grantees to make substantial disbursements of rehabilitation revolving loan funds within 130 days after the receipt of a lump-sum drawdown; and permit entitlement and small cities recipients to retain program income if such income was realized after the initial disbursement of grant funds and if the proceeds are used for eligible community development activities. A State may require the return of all program income from its local government grantees, except that which the local government uses for the same activity which generated the income. The 1983 Amendments also add a provision requiring entitlement communities to take into consideration vacant and abandoned dwelling units when they develop their annual Housing Assistance Plans (HAP).

LEGISLATIVE CHANGES AFFECTING THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

The Housing and Urban-Rural Recovery Act of 1983 made a number of changes affecting the determination of eligibility, disclosure of information to citizens, and the selection criteria used in the UDAG program. HUD is now required to include surplus labor data as a measure of distress for determining UDAG eligibility. Under existing rules, unemployment had been included as a measure of distress for large cities and urban counties, but its use for small cities was limited because there were no uniform unemployment data for communities with a population under 25,000. However, the Department of Labor does collect unemployment statistics for counties and the balance of counties excluding any city with a population over 50,000. Those areas that have an unemployment rate of 120 percent of the national average over a two year period are designated "labor surplus areas". Without the use of this measure, HUD would have had to rely on 1980 census data, and this would have resulted in many communities which were severely affected by the 1982 recession losing their UDAG eligibility. The 1983 Amendments also specify that no small city eligible for a UDAG in 1983 shall lose its eligibility until it is determined whether it would qualify for assistance when the labor surplus criterion is added to the eligibility.

The Act directs the Secretary to encourage cooperation by geographically proximate cities of less than 50,000 population by permitting consortia of such cities, which may include non-urban counties, to apply for grants on behalf of an eligible small city.

The 1983 legislative changes also affect Pockets of Poverty provisions for determining eligibility for UDAG awards. One change permits an identifiable unincorporated community of an Urban County to qualify for a UDAG if it meets the Pockets of Poverty distress criteria. Another provision allows Pockets of Poverty projects to be located in contiguous "Neighborhood Statistics Areas" as defined by the Bureau of the Census, as long as eligibility standards for population, income, and poverty are met.

Applicant Disclosure and Selection Standards. UDAG applicants are required to make available to any interested person or organization From an affected neighborhood the analysis of project impact on residents (particularly those of lower income) of the proposed site and on the neighborhood. The UDAG program regulations required the preparation of such a neighborhood impact analysis.

The phrase "for a national competition" was added to the section of the Statute dealing with selection criteria. In making awards, the Secretary cannot discriminate among projects on the basis of the particular type of activity involved, whether such activity is primarily a neighborhood, industrial, or commercial activity. This provision is designed to continue the funding of qualified projects that involve only housing or in which housing is the principal activity.

The 1983 Amendments contained a provision which permitted the Secretary to use up to \$2.5 million of FY 1984 appropriations to make technical assistance grants to States or their agencies, municipal technical advisory services operated by universities, or State associations of counties or municipalities to enable them to assist units of local government (small cities) in developing, applying for, and implementing UDAG projects.

LEGISLATIVE ACTIONS AFFECTING CPD-ADMINISTERED REHABILITATION PROGRAMS

Rental Rehabilitation Program.* Several clarifications relating to the Rental Rehabilitation Program authorized by the Housing and Urban-Rural Recovery Act of 1983 were contained in technical amendments enacted in October 1984. These Amendments concerned State administration of the program, the use of housing vouchers in conjunction with the program, the definition of communities eligible to receive funds through the State's program, and the program requirements involving assistance to large families with children.

The 1984 Amendments permit States to use CDBG funds to cover part of the administrative costs of the Rental Rehabilitation Program. A State may now use its CDBG funds for any reasonable cost of administering the program, including running a competition to distribute funds to local recipients, designing the program, conducting workshops and training sessions, and performing other management functions. Any funds spent on rental rehabilitation management are also subject to the matching requirement and the overall limitation on administrative expenses to two percent of the State's CDBG grant.

The 1984 Amendments also expand the range of localities in which funds can be used under a State Rental Rehabilitation program. The Amendments now permit States to include in their programs all units of general local government other than those eligible for a formula allocation or for Title V Rural

* ~~The legislative requirements of the Rental Rehabilitation Program are described in the First Report on the Rental Rehabilitation Program, which was submitted to Congress in December 1984.~~

Housing Assistance under the Farmers Home Administration (FmHA). This corrects language that prohibited States from assisting certain units of general local government, such as non-urban counties. This change also assures that activities can be carried out in all areas that contribute to the demographic data used to determine the State's allocations.

The 1984 Technical Amendments related to Section 8 Housing Vouchers expands their use to include families whose incomes are between 50 and 80 percent of area median income and who are displaced from units rehabilitated under the Rental Rehabilitation Program because of physical construction needs, housing overcrowding, or change in the use of the unit. Vouchers issued for this purpose would be subject to the existing five percent national limit on the number of families in the 50 to 80 percent income category that can be admitted to certain units under the Section 8 Housing Assistance and Public Housing Programs.

Before the Technical Amendments, the program could provide such Section 8 assistance only to displaced families whose incomes did not exceed 50 percent of median, although properties with tenants whose incomes lie between 50 percent and 80 percent are eligible for the Rental Rehabilitation Program. This limitation on the use of housing vouchers could have forced grantees either to choose more deteriorated neighborhoods with higher percentages of very low-income families (below 50 percent of the area median), thereby increasing rehabilitation costs, or to provide relocation assistance to displaced households. Such projects would result in higher program costs and fewer units rehabilitated or few projects being financially feasible for rehabilitation.

Another 1984 Technical Amendment related to the new program clarifies the statutory requirement that an equitable share of rehabilitation funds must be provided for housing families. The new law provides that an equitable share of program funds must be provided for families with children, particularly those requiring three bedrooms or more.

Urban Homesteading Program. The 1983 Act makes several changes in the existing Urban Homesteading program and authorizes two new demonstrations of the urban homesteading concept. The Amendments increase from three to five years the period that a homesteader is required to occupy a property prior to receiving fee simple title and increase from 18 months to three years the time they are permitted to complete repairs necessary to meet local standards for decent, safe, and sanitary housing. The Act also makes persons who own other homes ineligible to participate and establishes a special priority in the homesteader selection process for low- and moderate-income persons who live in substandard or overcrowded housing, pay in excess of 30 percent of their incomes for rent, need the homesteading opportunity to improve their housing, and can contribute substantial "sweat-equity" to the rehabilitation of their houses. Finally, the 1983 Act authorizes HUD to transfer property not occupied by a person legally entitled to reside there to local homesteading agencies.

The two new demonstrations of the homesteading concept that the 1983 Amendments authorize HUD to undertake involve HUD-owned multifamily properties and non-HUD-owned single-family properties. HUD is authorized on a demonstration basis to convey properties it considers suitable for a multi-

family homesteading program for consideration agreed upon by HUD and designated state and local governments. These properties must be used primarily for residential purposes after rehabilitation, and at least 75 percent of the homesteaders must be lower income. The Secretary is also directed to undertake a demonstration of providing assistance to State and local governments for the purchase of local single-family properties for urban homesteading use. The Amendments require HUD to give preference to local demonstrations involving the acquisition of properties available through satisfaction of public lien procedures.

~~Section 312.~~ The 1983 Amendments prohibit the earmarking of Section 312 funds for any particular type of housing (such as single-family or multifamily dwellings). Moreover, the Secretary may not establish a priority for receipt of Section 312 funds based on the receipt or use of other Federal funds for housing or community development, other than the priority for use in conjunction with the Urban Homesteading Program.

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION PROGRAM.

The 1983 Amendments created a demonstration program to determine the feasibility of supporting neighborhood development by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations can generate from individuals, businesses, and nonprofit or other organizations in their neighborhoods. The program is intended to increase the self-sufficiency of local organizations. Matching funds to any organization shall not exceed \$50,000. In awarding grants, the Secretary shall consider the extent to which the proposed activities benefit low- and moderate-income persons.

Projects must either create permanent jobs, establish or expand businesses within the neighborhood, or develop, rehabilitate, or manage housing in the neighborhood, develop delivery mechanisms for essential services that have lasting benefit to the neighborhood, or further the planning, promoting, or financing of voluntary neighborhood improvement efforts.

An applicant must be a private voluntary nonprofit neighborhood development organization that has a majority of neighborhood residents on its governing board and has operated for at least three years within an area eligible for UDAG assistance. In addition, an applicant must request that a local government certify that the Demonstration project is not inconsistent with local housing and community development plans.



CHAPTER 2

COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT PROGRAM

INTRODUCTION

The Community Development Block Grant (CDBG) Entitlement Program provides funding to central cities in Metropolitan Statistical Areas (MSAs), to cities with populations of over 50,000, and to Urban Counties, which are counties in MSAs that have populations of 200,000 or more excluding any cities that qualify for a CDBG entitlement grant and any smaller communities that do not choose to participate in the program through the Urban County. The amount of CDBG entitlement funds that a community receives is determined by two allocation formulas that incorporate the current population, the rate of population change, the number of persons in poverty, the extent of overcrowded housing, and the amount of pre-1940 housing.* Communities that receive an entitlement grant may use the funds for a broad range of community development-related activities. Because it is a block grant program, communities have considerable discretion in designing and implementing their own programs. The activities selected must either benefit low- and moderate-income persons, prevent or eliminate slums and blight, or meet local urgent needs. Since the 1983 Amendments to the Housing and Community Development Act of 1974, at least 51 percent of all program expenditures over a period of one to three years selected by the grantees must be used for activities that benefit low- and moderate-income persons.

This chapter reports on the progress of Metropolitan Cities and Urban Counties receiving entitlement grants. The chapter is organized into two major sections: program funding and participation, and local uses of grant funds. The first section discusses actual participation and funding during Fiscal Year 1984. The second section reports how communities intended to use the funds budgeted in FY 1984, as well as reports of funds actually expended during FY 1982. Information on monitoring, audits, and other aspects of program management related to the CDBG Entitlement Program is provided in Chapter Six of this report.

PROGRAM FUNDING AND PARTICIPATION

This section discusses trends in the overall CDBG program since 1979. It is divided into three parts that examine community eligibility and participation, annual allocations, and rates of program expenditures.

* The exact components of the formula and the methodology for determining grant amounts are described in 24 CFR Section 570.102.

GRANTEE ELIGIBILITY, PARTICIPATION, AND FUNDING

Eligibility. In FY 1984, there were 795 communities, 691 Metropolitan Cities and 104 Urban Counties, eligible to receive CDBG entitlement grants. Sixty of these communities, 54 cities and six counties, were new participants in the Entitlement Program. Fifty-two cities qualified for entitlement grants as a result of becoming central cities in MSAs, and two cities became eligible because their populations grew to exceed 50,000. Five of the six new Urban Counties qualified because of the new criteria adopted in the 1983 Amendments that qualify a county if it: (1) had a combined population in participating non-entitlement areas of between 190,000 and 199,999, (2) had a population growth of not less than 15 percent during the most recent ten-year period, and (3) submitted data that satisfactorily demonstrated that it had a total population excluding any Metropolitan Cities of not less than 200,000. The other new Urban County qualified under the traditional criteria for Urban Counties.

The 1983 Amendments also continued the eligibility of ten cities that would have lost their 1984 and 1985 entitlement status because their populations dropped below the 50,000 threshold. Nineteen cities that would have been denied entitlement eligibility because they lost their status as central cities also had their eligibility continued by the legislation for those two years.

Since the initiation of the CDBG program in 1975, there has been a 34 percent increase in the number of eligible communities, as 170 new Metropolitan Cities and 31 new Urban Counties have become eligible. The majority of these communities, 149 of 201, have been added since 1979. (See Table 2-1.) The principal reason for this increase is that cities have been designated as central cities in existing or newly created Metropolitan Statistical Areas (MSAs).

The average population of the cities that qualified as central cities was 33,509. Because of their relatively small sizes, these communities received small CDBG grants averaging \$567,000.

TABLE 2-1

ELIGIBLE CDBG ENTITLEMENT COMMUNITIES
1979-1984

<u>Grantee Type</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Metro Cities	562	573	583	636	637	691
Urban Counties	84	85	86	96	98	104
<u>Totals</u>	<u>646</u>	<u>658</u>	<u>669</u>	<u>732</u>	<u>735</u>	<u>795</u>

SOURCE: Department of Housing and Urban Development,
Assistant Secretary for Community Planning and
Development, Office of Management.

FY 1984 Participation and Funding. Grantees in the CDBG program have funds available from three sources--new appropriations, reallocations of prior year funds, and income generated from activities they had previously undertaken with CDBG funds. The large majority of available funds, however, comes from the formula grant they receive annually. In FY 1984 entitlement grants were made to 783 jurisdictions; 679 metropolitan cities received a combined total of \$1.93 billion, and 104 urban counties were awarded \$435 million. As in FY 1983, five Metropolitan Cities chose to have their grants combined with an Urban County program. (See Table 2-2.) Four of the approved entitlement grantees (three Metropolitan Cities and one Urban County) had their grants partially reduced. The reduction of \$523,000 from these grantees will be reallocated during FY 1985. As of February 1, 1985, the FY 1984 grants to three cities were still pending because questions regarding their submission or past performance were preventing approval. Eight cities did not apply for FY 1984 CDBG funds, even though they were eligible for an entitlement grant, and one city withdrew its approved submission as a result of a local referendum.

TABLE 2-2

FUNDING STATUS OF CDBG ENTITLEMENT COMMUNITIES DURING FY 1984

(Dollars in Thousands)

Status	Total		Metro Cities		Urban Counties	
	Number	Amount	Number	Amount	Number	Amount
Eligible	795	\$2,379,860	691	\$1,949,412	104	\$430,448
Awarded:	783	\$2,366,513	679	1,931,424	104	435,089
Full Awards	774	2,311,611	671	,884,788	103	427,393
Partial Award'	4	, 50,093	3	47,156	1	2,937
Combined with Urban County	5	4,759	5	N/A	N/A	4,759
PENDING APPROVAL	3	5,296	3	5,296	0	0
Not Awarded:	9	7,528	9	7,528	0	0
Did Not Apply	8	7,060	8	7,060	0	0
Withdrawn	1	468	1	468	0	0

Grant reductions totalled \$523,000. These funds, along with those that were not awarded, will be reallocated during FY 1985.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Data Systems and Statistics Division. Compiled by the Office of Program Analysis and Evaluation.

FY 1984 Reallocations. In addition to grants from each Fiscal Year's appropriation, HUD reallocates, according to statutory direction, the previous years' funds that were not applied for, withheld, or recaptured. The law provides that funds are to be reallocated by formula among other entitlement recipients in the same metropolitan area as the community from which the funds were obtained. In FY 1984 a total of \$10.1 million was reallocated (\$2,075,707 from FY 1982 and \$8,044,255 from FY 1983 actions) to

343 entitlement grantees. Fifty-eight percent of these grantees (200 communities) received reallocations of \$1,000, and 34 grantees (10 percent) received over \$50,000 each.

Under the law, a community that has its grant reduced may not receive a share of those funds when reallocated. Thus, where a metropolitan area has only one grantee, that grantee is banned from having its funds "reallocated" to itself. Additionally, no community may receive reallocated funds in an amount that exceeds 25 percent of its basic grant amount. Funds that become available for reallocation but may not be received by communities under these rules are reallocated nationally by formula to all grantees. In FY 1984, \$456,628 was reallocated nationally under this provision.

Program Income. The third source of income available to grantees is the income generated by previous activities assisted by CDBG funds. Although not all communities undertake activities that generate income, the aggregate amount of funds produced is considerable. During the 1982 program year, the most recent year for which this information is available, entitlement communities reported receiving income of about \$200 million from their CDBG activities. Thus, \$200 million in program income for FY 1982 represented approximately eight percent of the new funds appropriated that year. Program regulations require this money to be spent in a manner that is consistent with the laws and regulations governing the CDBG program.

TABLE 2-3

CDBG FY 1982 PROGRAM INCOME
(Dollars in Thousands)

<u>Source of Income</u>	<u>Total Revenue Generated</u>	<u>Percent of All FY 1982 Program Income</u>
Revolving Loan Funds	\$ 56,565	28%
Loan Repayments	45,636	23
Sale of Land	40,436	20
Refunds	10,516	6
Rental Income	8,148	4
Fees for Services	2,552	1
<u>Other Income Source</u>	<u>36,102</u>	<u>18</u>
<u>Total</u>	<u>\$199,955</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

As Table 2-3 indicates, the main sources of program income are loan repayments including repayments from revolving funds, and the sale of real property.* Together these sources accounted for 71 percent of all program income. Loan repayments are broken into two categories according to whether or not they are part of a local revolving fund. Usually the loan repayments are from housing rehabilitation programs but loans to businesses make up a large share. The \$40 million in income from the sale of land represents some of the payback that communities are realizing from the acquisition and clearance-related activities that constituted a major CDBG activity in the early years of the program. Refunds, rental income, and fees for services were sources of more modest amounts of program income. The \$36 million in other program income mainly includes monies that communities reported in a way that did not lend itself toward precise and accurate inclusion in another category.

RATES OF EXPENDITURE AND UNEXPENDED PROGRAM FUNDS

During FY 1984, program expenditures by entitlement communities again exceeded the amount of new funds appropriated that year. In the early years of the CDBG program, communities built up a backlog of unexpended funds as the mechanisms for program administration were developed and projects were initiated. By FY 1979, the amount spent during the year exceeded the appropriations, and this trend has continued every year. Table 2-4 indicates that this increased rate of expenditure has reduced the backlog of unexpended funds from almost \$5 billion in FY 1979 to \$3.8 billion in FY 1984. The rate at which unexpended appropriations were reduced reached its highest in FY 1982, when the unexpended balance was nine percent less than the previous year. In FY 1984, the rate of reduction slowed to one percent over the previous year, largely due to the influx of an additional one-time appropriation in 1983 of \$770 million to entitlement communities as part of the CDBG Jobs Program. In order to expend these emergency funds quickly, some communities channelled these funds into projects that ordinarily would have been funded under the regular CDBG program. In addition, some communities lacked the capacity to handle the unexpected addition of a relatively large amount of funds made available to them with little advance notice.

That unexpended appropriated funds have been reduced is further illustrated by Table 2-5. Overall in FY 1982, grantees spent 112 percent of the funds newly available that year, including their FY 1982 grants and program income. As Table 2-4 indicated, the 112 percent rate of expenditures in FY 1982 coincided with a nine percent reduction in unexpended appropriations from the previous year.

* The sources of income that are shown in table 2-3 may not be precise, since they are drawn from narratives provided by individual communities, but they do offer an indication of the relative importance of the different sources of program income in the CDBG Entitlement Program.

TABLE 2-4

UNEXPENDED CDBG ENTITLEMENT PROGRAM APPROPRIATIONS,
 FY 1979 - FY 1984
 (Dollars in Millions)

<u>Fiscal Year</u>	<u>Total Unexpended Appropriations</u>	<u>Percent Change From Previous Year</u>
1979	\$4,956	+4%
1980	4,739	-4
1981	4,471	-6
1982	4,065	-9
1983	3,810	-6
1984	3,787	-1

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Budget Division. Compiled by the Office of Program Analysis and Evaluation.

Table 2-5

FY 1982 CDBG EXPENDITURE RATES REPORTED BY COMMUNITIES
 (Dollars in Millions)

	<u>Metro Cities</u>	<u>Urban Counties</u>	<u>All Grantees</u>
FY 1982 Grants + Program Income	\$2,104	\$ 416	\$ 2,520
FY 1982 Expenditures	\$2,413	\$ 419	\$ 2,832
Expenditures/Grant	115%	101%	112%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

LOCAL USES OF GRANT FUNDS

This section examines how CDBG funds available to entitlement communities were spent. The first part of this section considers the activities that communities funded with their grant money. It includes an analysis of actual expenditures during FY 1982 and an examination of local budgeting of CDBG funds from program years 1979 through 1984. The second major part describes how communities have expended their funds to meet the national objectives of the program and the benefits that have derived from these expenditures."

SPENDING BY ACTIVITY CATEGORY

During FY 1982, entitlement communities spent approximately \$2.8 billion in program funds. Of this amount, \$2.4 billion were spent by Metropolitan Cities and \$419 million by Urban Counties. In the program as a whole, housing related activities, principally rehabilitation, constituted the largest share of expenditures, \$988 million or 35 percent of all FY 1982 expenditures. The next largest broad category of expenditure was public works projects, on which some \$726 million (26 percent) were spent. The other major categories of expenditures (in order of the amount of funding for each) were economic development activities, public services, and acquisition and clearance-related activities. (See Table 2-6.) Communities expended relatively small amounts, \$50 million and \$3 million respectively, completing projects that were begun under the categorical programs that preceded the CDBG program (principally Urban Renewal), and repaying Section 108 loans. Planning and general program administration cost 13 percent of program funds, or \$370 million.

Metropolitan Cities and Urban Counties differed somewhat in the types of activities they supported through CDBG expenditures. While housing-related activities received equivalently large funding shares from both types of jurisdictions, the largest funding category for Urban Counties was public works, which received 40 percent of all their funds. In contrast, Metropolitan Cities spent only 23 percent of their funds for public works projects, and spent a substantially higher portion of their funds for public services and acquisition and clearance-related activities than did Urban Counties.

Spending on Specific Activities. This section analyzes spending by Metropolitan Cities and Urban Counties on the specific activities that made up the largest CDBG expenditure categories in FY 1982 -- housing-related activities, public works projects and local CDBG economic development programs, and planning and administration costs. Tables 2-7, 2-8, 2-9, and 2-10 provide detailed breakdowns of the components of these three major expenditure categories, and also highlight the differences in the expenditure patterns of Metropolitan Cities and Urban Counties.

* The data used in the analysis of FY 1982 expenditures are taken from Grantee Performance Reports (GPRs). Fiscal Year 1984 information is drawn from Projected Use of Funds documents that communities submit as a prerequisite to receiving their grants.

TABLE 2-6

CDBG ENTITLEMENT PROGRAM
EXPENDITURES BY MAJOR ACTIVITIES AND GRANTEE TYPE
FY 1982
(Dollars in Millions)

Activity	Program Total		Metro Cities		Urban Counties	
	Amount	Pct.	Amount	Pct.	Amount	Pct.
Housing-Related	\$988	35%	\$848	35%	\$140	34%
Public Facilities and Improvements	726	26	558	23	168	40
Economic Development	269	9	238	10	31	7
Public Services	232	8	220	9	12	3
Acquisition and Clearance-Related	194	7	184	8	10	2
Completion of Categorical Programs	50	2	50	2	*	*
Repayment of Section 108 Loans	3	*	2	*	1	*
Administration and Planning	370	13	313	13%	57	14
Totals	\$2832	100%	\$2413	100%	\$419	100%

* Less than .5%, or less than \$500,000.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

CDBG-Funded Housing Activities. The principal components of CDBG housing-related expenditures appear in Table 2-7. The principal component of housing expenditures in FY 1982 was loans and grants to facilitate the rehabilitation of single-family housing. Urban Counties concentrated a large majority of their housing funding, 73 percent of all such expenditures, in single-family rehabilitation. Metropolitan Cities, on the other hand, used their CDBG funds to undertake a broader range of activities such as the rehabilitation of multifamily (usually renter-occupied) housing, public housing modernization, and the rehabilitation of other publicly-owned residential housing. Both types of grantees spent smaller amounts of housing funds in administering their housing programs and supporting code enforcement, general housing repair, housing development, or non-profit corporations or other sub-recipients to undertake similar activities. Overall, these figures suggest that entitlement communities may be using their CDBG funds more for the rehabilitation of multifamily or rental properties than in past years. The differences in the mix of housing activities between cities and counties are consistent with general aggregate differences in their housing characteristics. Urban Counties, which are comprised of suburbs to a large extent, are characterized by single-family, owner-occupied housing. In contrast, Metropolitan Cities tend to have a greater proportion of multifamily

rental housing and Federal public housing. Consequently, although single-family rehabilitation still is by far the largest category of expenditures for cities, they spend a larger proportion of funds in other areas than do Urban Counties.

TABLE 2-7

COMPONENTS OF HOUSING SPENDING FY 1982
CDBG ENTITLEMENT PROGRAM
(Dollars in Millions)

Activity	Metro Cities		Urban Counties		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Single-Family						
Rehabilitation	\$406	48%	\$102	73%	\$509	51%
Multi-family/Rental						
Rehabilitation	160	19	13	9	173	18
Rehabilitation of						
Public Residential						
Facilities	130	15	4	3	134	14
Housing Activities						
by Sub-Recipients	46	6	15	11	61	6
Code Enforcement	55	6	3	2	58	6
Other	2		1		3	
Administration of						
Housing Programs	48	6	3	2	51	5
Totals	\$848	100%	\$140	100%	\$988	100%

* Less than .5%, or less than \$500,000.

SOURCE U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

CDBG-Funded Public Works Activities. Table 2-8 indicates that street and sidewalk improvements, construction and repair of public facilities, improvements, to water and sewer facilities, and construction of parks and recreational facilities are the leading uses of CDBG public works funds. On the whole, Urban Counties emphasize public works more in their CDBG programs than do Metropolitan Cities, and this is especially true in the area of water- and sewer-related activities. Urban Counties devote some 29 percent of their CDBG public works funds (compared with 13 percent in Metropolitan Cities) for activities such as building or repairing water systems, sewer systems, and facilities to control flooding or improve drainage. It is likely that the higher level of CDBG funding for water and sewer facilities reflects the cost of building or expanding such systems in growing parts of the Urban Counties, and the relatively small capital improvement budgets available to communities participating in the CDBG program through the Urban County. Other public facilities spending, which includes the construction and repair of seniors centers, facilities for the handicapped, neighborhood facilities, and other buildings for use by the public, constitutes about the same proportion of spending in entitlement cities and counties.

TABLE 2-8

COMPONENTS OF CDBG ENTITLEMENT PROGRAM
PUBLIC WORKS SPENDING, FY 1982
(Dollars in Millions)

Activity	Metro Cities		Urban Counties		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Street Improvements	\$241	43%	\$60	36%	\$301	41%
Public Facilities	137	25	39	23	176	24
Water and Sewer	73	13	48	29	121	17
Parks	80	14	15	9	95	13
Other	27	5	6	3	33	5
Totals	\$558	100%	\$168	100%	\$726	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

CDBG-Funded Economic Development Activities. CDBG-funded economic development activities have been a steadily increasing part of the entitlement program (See Figure 2-1). The extent to which entitlement grantees used CDBG funds to undertake such activities in FY 1982 is shown in Table 2-9. Monies provided to businesses, usually subsidized loans, frequently were for the rehabilitation of existing buildings (19 percent overall), although other loans to businesses, including money for start-up or expansion capital and to improve production equipment, received somewhat greater emphasis (27 percent of all CDBG economic development funds). These sums included loans made directly by the city to private businesses, but many communities also channelled funds through subrecipients such as economic development corporations. The other economic development category (\$33 million) mainly included the funding of such subrecipients who, in turn, provided technical assistance to businesses, fostered the formation of public/private partnerships, developed economic development plans, and made loans to businesses.

As in other CDBG funding categories, there are notable differences in the economic development activities that counties and cities emphasized. Counties, consistent with their overall emphasis on using CDBG-funded public works, spent a larger proportion on infrastructure development in support of economic development than did Metropolitan Cities. Conversely, Metropolitan Cities tended to support redevelopment and rehabilitation activities by spending \$66 million to acquire and package land, and \$49 million to provide assistance to rehabilitate existing commercial and industrial facilities.

TABLE 2-9

COMPONENTS OF CDBG ENTITLEMENT PROGRAM
ECONOMIC DEVELOPMENT SPENDING, FY 1982
(Dollars in Millions)

Activity	Metro Cities		Urban Counties		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
Loans and Grants to Businesses	\$111	47%	\$13	42%	\$124	46%
-- for Rehab	(49)	(21)	(3)	(10)	(52)	(19)
-- Other	(62)	(26)	(10)	(32)	(72)	(27)
Land Acquisition/ Disposition	66	28	4	13	70	26
Infrastructure- Related	30	16	9	29	47	18
Other Assistance	23	9	5	16	28	10
Total	\$238	100%	\$31	100%	\$269	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

CDBG Planning and Administrative Expenditures. Entitlement communities reported spending \$370 million, or 13 percent of all funds, on planning and administration, a share within the statutory requirement that not more than 20 percent of a community's annual grant be used for such purposes. Administration activities that are directly required in the delivery of a program product or service currently are not counted against the 20 percent requirement. Examples of these administrative costs, called "activity delivery" costs, include staff costs of reviewing applications for low interest home improvement loans or of monitoring to ensure that rehabilitation work is completed properly.

Entitlement communities spent \$271 million during FY 1982 on general program management, which was 73 percent of planning and administration expenses (ten percent of all FY 1982 expenditures). (See Table 2-10.) This represents the basic overhead of local administering agencies, including such items as staff salaries, office space, travel costs, and legal and audit expenses associated with the general administration of a local program. Approximately \$56 million were reported as being directed toward planning activities, such as preparing environmental reviews, developing comprehensive community development plans, and preparing plans for particular city neighborhoods or types of infrastructure improvements. Another \$43 million were spent for administrative activities other than general program management, such as providing information to citizens, providing fair housing counselling, providing assistance to facilitate bonding, and preparing applications for other Federal programs.

TABLE 2.10

CDBG ENTITLEMENT PROGRAM PLANNING AND ADMINISTRATION EXPENDITURES,
FY 1982

(Dollars in Millions)

Activity	Expenditures	
	Amount	Percent
General Program Management	\$271	73%
Planning Activities	56	15
Other Administration	43	12
<u>Total</u>	<u>\$370</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

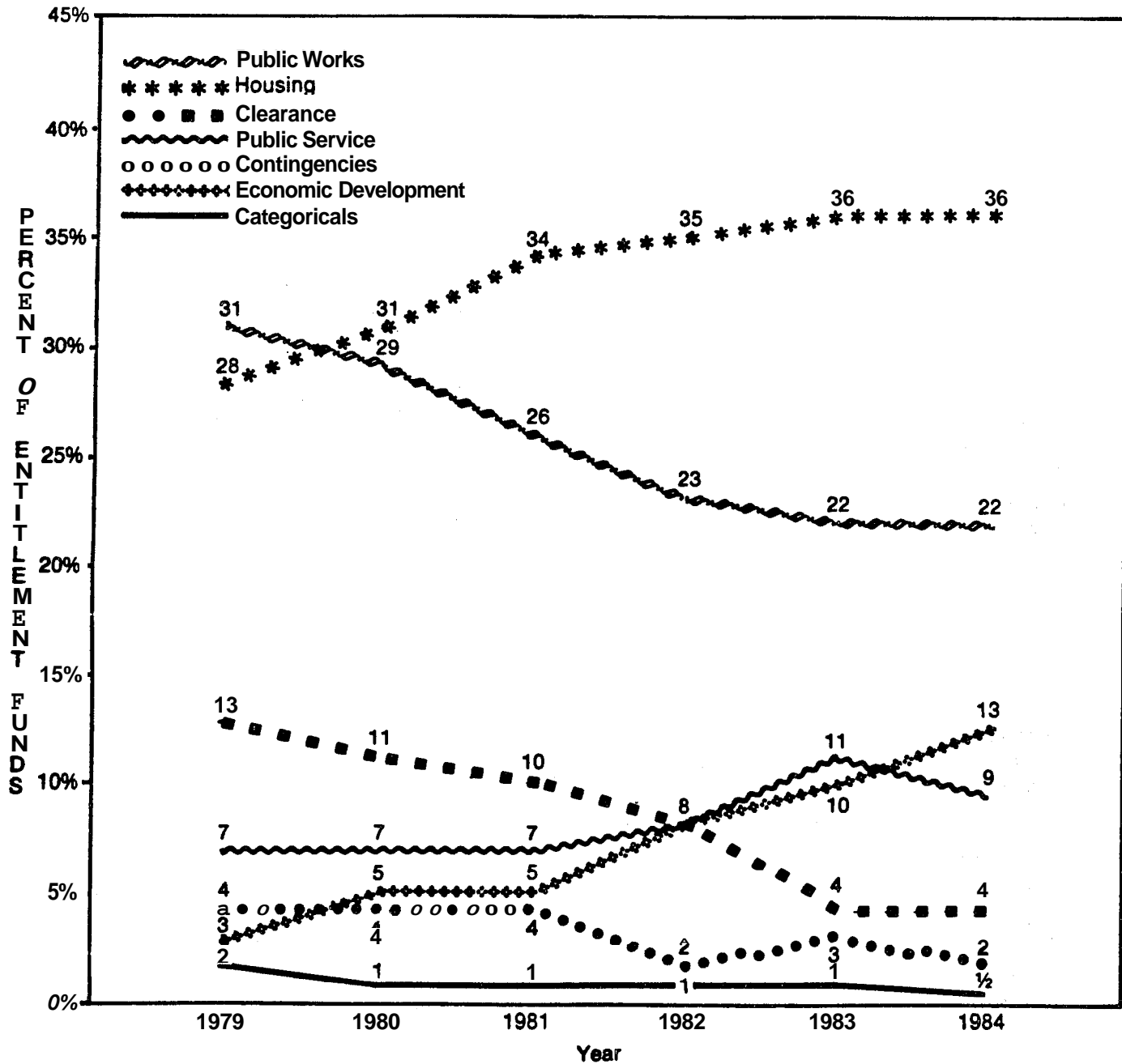
Planned Entitlement Spending ~~in~~ ^{###} FY 1979 through FY 1984. Figure 2-1 illustrates the intended use of funds for major program activities during FY 1979 through FY 1984. As this figure shows, except for economic development, the relative amounts budgeted for the major activities have changed little during recent years. Funding for housing-related activities, after years of steady growth in the program, has leveled off at about 35 percent of program funds. Similarly, public works appears to have reached a stable level of approximately 22 percent of budgeted funds after having declined for several years.

Economic development activities have received an increasing amount of funds since 1979, when economic development first was made a specific eligible activity of the CDBG program. While the 13 percent of FY 1984 funds that communities intended to spend on this activity was still far below the funding levels of housing and public works projects, it represents a significant increase from the five percent devoted to economic development in FY 1981.

In FY 1984, entitlement communities budgeted nine percent of total grant funds for public services, down from the 1983 high of 11 percent. This appears to reflect the 1981 statutory changes that generally limited the amount of spending for public services to ten percent of a community's grant. A more recent statutory change has increased that general limit to 15 percent, so a reversal of this trend may follow.

Figure 2-1

Planned Spending in the CDBG Entitlement Program By Program Activity, 1879-1984



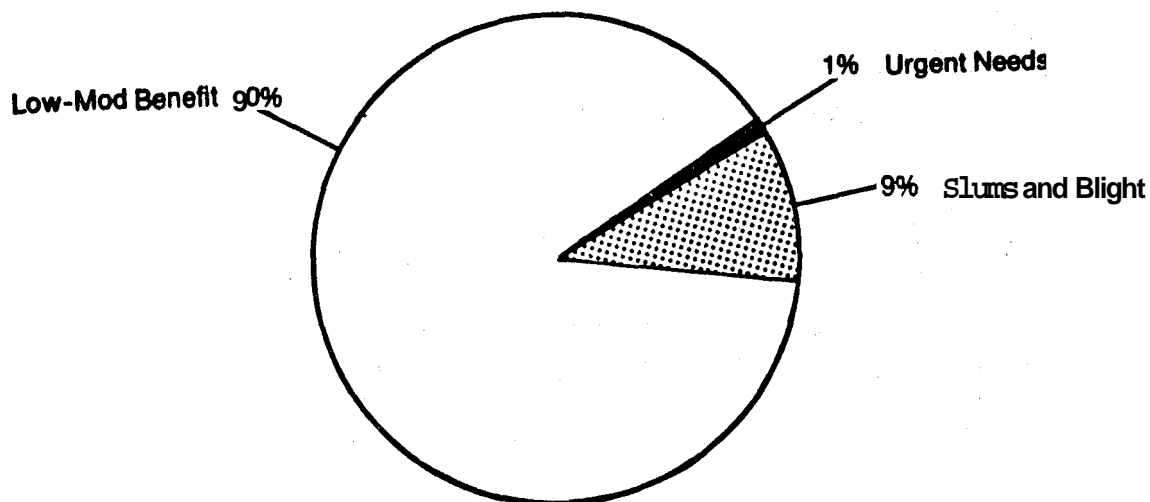
SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

USE OF ENTITLEMENT PROGRAM FUNDS TO MEET NATIONAL OBJECTIVES

The Housing and Community Development Act of 1974 requires all grantees to submit an annual report on how they used CDBG funds. As part of this Grantee Performance Report (GPR), localities specify which of the program's three national objectives -- benefitting low- and moderate-income persons, eliminating or preventing slums or blight, or meeting urgent local community development needs -- is met by the expenditure of funds for each activity. This section reports the amount of funds grantees claimed to have spent on activities designed to address each of the national objectives and gives particular attention to describing activities that grantees report undertaking to benefit low- and moderate-income persons. The 1983 Amendments to the legislation authorizing the CDBG program, which did not govern FY 1982 expenditures, require that 51 percent of CDBG funds be used for activities that benefit low- and moderate-income persons during a one to three consecutive year period as specified by each grantee.

figure 2-2

Distribution of FY 1962 CDBG Entitlement Expenditures by National Objective



SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

Expenditures by National Objective. Local officials reported that approximately \$2.2 billion, or ninety percent of all funds expended during FY 1982, met the program's national objective of benefiting low- and moderate-income persons.* Of the remaining expenditures, nine percent (\$230 million) was used to prevent or eliminate slums and blight, and one percent was directed toward meeting other urgent community development needs. Figure 2-2 illustrates the relative amounts of funding to each of the three objectives, and Table 2-11 shows the breakdown of FY 1982 expenditures for each national objective by the type of activity funded.

TABLE 2-11

CDBG ENTITLEMENT PROGRAM EXPENDITURES BY TYPE OF ACTIVITY
AND NATIONAL OBJECTIVE, FY 1982[†]
(Dollars in Millions)

Activity	National Objective						Total
	Low and Moderate Income Benefit		Eliminate Slums and Blight		Urgent Needs		
	Amount	Pct.	Amount	Pct.	Amount	Pct.	
Housing-Related Public Facilities and Improvements	\$ 943	95%	\$ 45	5%	*	*	\$ 988
Economic Development	673	93	44	6	9	1	726
Public Services	213	79	54	20	2	*	269
Acquisition and Clearance-Related	229	99	3	1	*	*	232
Completion of Categorical Programs	129	66	59	30	6	3	194
Totals	25	50	25	50	*	*	50
	\$2212	90%	\$230	9%	\$17	1%	\$2459

* Less than .5%, or less than \$500,000.

[†] This table excludes \$373 million in expenditures for administration and planning and the repayment of Section 108 loans.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

With one relatively minor exception, at least two-thirds of the total FY 1982 expenditures for each type of activity was reported by local officials to have benefited lower-income persons. Virtually all (99 percent) of expenditures for public services and more than 93 percent of expenditures for housing-related activities and public works projects were described as meeting this

* Funds spent for program administration are presumed by regulations to benefit low- and moderate-income persons in the same proportions as the remainder of the grant.

statutory objective. Substantial percentages of economic development (79 percent) and acquisition and clearance activities (66 percent) were also reported to benefit lower-income persons. The balance of funds used for these two activities were used almost inclusively for projects described as eliminating slums and blight, one of the other statutory objectives. Funding for categorical projects provided the one exception to the pattern of predominate low- and moderate-income benefit. Local officials reported that expenditures for such projects were split almost equally between benefitting low- and moderate-income persons and preventing or eliminating slums and blight.

While 90 percent of the total entitlement program funds expended during FY 1982 was reported to benefit persons with low- and moderate-incomes, the proportion of spending claimed to qualify under this provision varied substantially from community to community. Table 2-12 indicates that most entitlement communities for which information was available reported spending more than 90 percent of their funds to benefit persons with low- and moderate-incomes, although some communities reported spending as little as ten percent of FY 1982 expenditures for this purpose. The median level of reported spending under this provision was 97 percent, and 195 of the 536 communities claimed to have spent all program funds principally for the benefit of people with low- and moderate-incomes.

TABLE 2-12

BENEFIT TO PEOPLE WITH LOW- AND MODERATE INCOMES
FROM FY 1982 CDBG EXPENDITURES

Percent of Expenditures Reported as Low- and Moderate- Income Benefit	Entitlement Communities	
	Number	Percent
100%	195	36%
91 - 99	151	28
76 - 90	110	21
51 - 75	71	13
10 - 50	9	2
Totals	536	100%
Median = 97 percent		
Overall Program Total = 90 percent		

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

The CDBG programs in the nine communities that reported spending less than half of their FY 1982 funds for low- and moderate- income benefit were dominated by relatively large redevelopment projects designed to eliminate slums and blight. Consequently, these communities showed a low proportion of benefit to low- and moderate- income persons out of the fairly small amount of funds that they had expended during their FY 1982 program years.

DIRECT BENEFITS AND AREA BENEFITS

In the CDBG program, benefits to low- and moderate-income persons result either from direct benefit activities, such as providing individuals with social services or a housing rehabilitation loan, or through activities that improve the neighborhood where lower income people live, e.g., by improving the streets or constructing a park.* This section discusses the proportion of funds expended on direct benefit activities and characteristics of the beneficiaries of these expenditures.

Use of CDBG Funds for Direct Benefit Activities. Over three-quarters of the \$591 million that entitlement communities spent to provide direct benefits to persons with low- and moderate-incomes funded housing-related activities, Public services (14 percent) constituted the second largest category of direct benefit expenditures. Table 2-13 indicates direct benefit spending by activity group for Metropolitan Cities and Urban Counties.

TABLE 2-13

CDBG DIRECT BENEFIT SPENDING BY ACTIVITY GROUP AND GRANTEE TYPE
FY 1982
(Dollars in Millions)

Activity Group	Metro Cities		Urban Counties		Total	
	Amount	Pct.	Amount	Pct.	Amount	Pct.
<u>Housing-Related</u>	<u>\$376</u>	<u>76%</u>	<u>\$85</u>	<u>89%</u>	<u>\$461</u>	<u>78%</u>
Public Services	75	15	5	6	80	14
Acquisition and Clearance-Related	24	5	3	3	27	4
Public Facilities and Improvements	12	2	1	1	13	2
Economic Development	4	1	1	1	5	1
Completion of Categorical Programs	5	1	0	0	5	1
<u>Totals</u>	<u>\$496</u>	<u>100%</u>	<u>\$95</u>	<u>100%</u>	<u>\$591</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Performance Monitoring and Evaluation Data Bases.

Direct benefit activities are those that identify particular individuals to receive assistance with CDBG funds. The activities that provided most of these benefits in FY 1982 included making grants and loans to low- and moderate-income homeowners or to rehabilitate buildings in which lower-income persons live. Public service activities, such as day care and assistance to the elderly, handicapped, or abused wives also received substantial amounts of direct benefit funds. Activities such as relocation assistance (within

* A direct benefit activity is defined as any activity that requires the beneficiary to submit an application or to complete a personal record as an integral part of receiving the benefit of the activity.

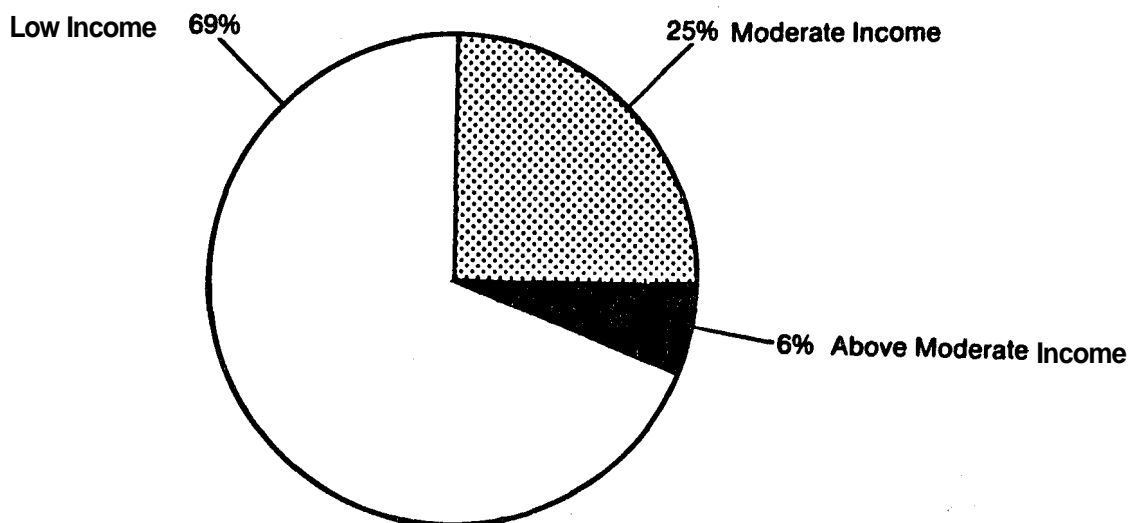
acquisition and clearance), improvements of buildings to provide direct benefits (public facilities), and relocation assistance where the displacement was caused by clearance for economic development consumed smaller amounts of direct benefit funding.

Urban Counties and Metropolitan Cities differed somewhat in direct benefit spending. The counties placed a higher emphasis on housing-related activities, principally the rehabilitation of single-family homes, than did Metropolitan Cities, which spent more to provide direct benefits by funding public services. Housing, nonetheless, was also the largest category of direct benefit spending in Metropolitan Cities (76 percent).

Income and Ethnicity of Direct Beneficiaries. Sixty-nine percent of the beneficiaries of direct benefit activities were identified by local officials as members of households that had incomes that were less than half of the median income of the SMSA in which they lived; only nine percent of the beneficiaries were reported as not having low- and moderate-incomes (i.e. with a household income that exceeded 80 percent of the SMSA median family income). See Figure 2-3.

Figure 2-3

Incomes of Beneficiaries of Direct Benefit Activities In the CDBG Entitlement Program, FY 1982

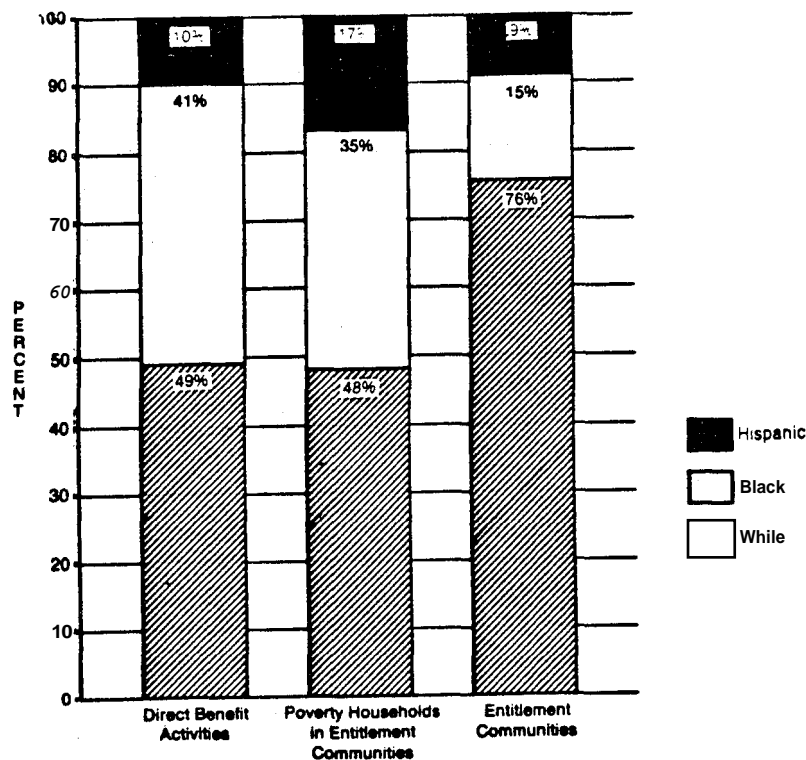


SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Performance Monitoring and Evaluation Data Bases.

In addition to the preponderance of beneficiaries of direct benefit programs funded during FY 1982 having low- and moderate- incomes, large proportions of these beneficiaries also were members of minority groups. The proportion of beneficiaries of direct benefit spending by ethnic group, as well as the proportions of these groups in the total population and the poverty population of all entitlement communities are presented in Figure 2-4.

Figure 2-4

Ethnicity of Beneficiaries of CDBG Direct Benefit Spending



+ Figure 2.4 excludes Puerto Rico, which is 100 percent Hispanic. Its inclusion would alter distribution somewhat to favor Hispanic recipients. The "white" category includes American Indians and Asians; these two groups were not separately identifiable in the data base.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

According to information provided by local officials in their GPRs, minorities, particularly Blacks, represented a much larger percentage of beneficiaries in CDBG-funded direct benefit activities than they did in entitlement communities as a whole. Thus, while 15 percent of the residents

of entitlement communities are Black and 9 percent are Hispanic, 39 percent of the beneficiaries of direct benefit spending in these communities were Blacks and 10 percent were Hispanics. Clearly, the CDBG monies that communities reportedly have used to provide services such as social services or housing rehabilitation assistance were in FY 1982 benefiting minority households. However, the lower-income population of entitlement communities tend to be more minority than the population as a whole. Figure 2-4 indicates that the CDBG direct benefit population is composed of minorities in rough proportion to their incidence in the population of households with incomes below the poverty line.* This figure suggests that, during the 1982 program year, lower-income Whites and Blacks benefited somewhat more than did lower-income Hispanics from CDBG direct benefit spending,

Location of FY 1982 Funded Activities

Table 2-14 illustrates the amounts of spending by the national objectives under which local officials qualified the activity and the type of census tract in which the spending occurred.

TABLE 2-14

NATIONAL OBJECTIVE BY TYPE OF CENSUS TRACT+
(Dollars in Millions)

<u>Spending Was Directed to:</u>	<u>Low- and Moderate Income Benefit</u>		<u>Slums and Blight</u>	<u>Urgent Needs</u>	<u>Total</u>
	<u>Direct</u>	<u>Other</u>			
Low/Moderate- Income Tracts	\$277 (11%)	\$789 (32%)	\$127 (5%)	\$ 8 (*)	\$1201 (49%)
Non-Low/Moderate- Income Tracts	96 (4%)	347 (14%)	47 (2%)	9 (*)	499 (20%)
Citywide	218 (9%)	484 (20%)	56 (2%)	1 (*)	758 (31%)
<u>Totals</u>	<u>\$591</u>	<u>\$1620</u>	<u>\$230</u>	<u>\$18</u>	<u>\$2458</u>
Percent	24%	66%	9%	1%	100%

* less than .5%

+ excludes \$373 million in planning and administration and the repayment of Section 108 loans.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

*

While the definition of low- and moderate-income in the CDBG program is different from the definition of poverty, the latter figure is a rough indicator of the ethnic composition of the lower-income population of entitlement communities.

Communities reported spending \$1.201 billion, or 49 percent of the \$2.459 billion in program funds expended during FY 1982, in census tracts where a majority of households had incomes of less than 80 percent of the SMSA median family income. Approximately two-thirds of this amount were expended on activities that met the area test for low- and moderate-income benefit, and another one-quarter provided benefits directly to low- and moderate-income households.

The remaining \$1.258 billion in FY 1982 expenditures went to census tracts where a majority of residents did not have low- and moderate-incomes (20 percent of all funds) or were reported by grantees as being spent "citywide" (31 percent). The largest portion of these funds that were not spent in low- and moderate-income census tracts nonetheless met the area test for low- and moderate-income benefit. Two factors account for most of the money that is spent in non lower-income census tracts meeting the area test for low- and moderate-income benefit. One is that a community may employ a geographic area other than a census tract in defining the area of benefit; for example, a target area that is a lower-income block group that is part of a non-low- and moderate-income census tract. The other factor, which is most applicable to suburban cities and Urban Counties, is that some entitlement communities contain very few, if any, low- and moderate-income census tracts. These communities may qualify low- and moderate-income activities if the funds are spent in their least affluent areas.

TABLE 2-15
ESTIMATED PLANNED EXPENDITURES OF CDBG ENTITLEMENT PROGRAM FUNDS,
FY 1984
(Dollars in Millions)

	<u>METRO CITIES</u>	<u>URBAN COUNTIES</u>	<u>All ENTITLEMENTS</u>
<u>HOUSING-RELATED</u>	837.8	132.5	970.3
(percent)	(37.9)	(27.9)	(36.1)
Private Residential Rehab.:			
Single-family	414.4	100.3	514.7
Multi-Family	114.9	14.2	129.1
Rehab. of Pub. Res. Property	93.3	1.0	94.3
Rehab. of Pub. Housing	19.0	2.6	21.6
Code Enforcement	45.2	2.8	48.0
Historic Preservation	3.0	.2	3.2
Housing Activities by Sub-Recip:			
New Housing & Acquisition	19.9	3.2	23.1
Rehabilitation	46.6	2.0	48.6
Rehabilitation of Closed Schools	1.5	-	1.5
Weatherization Rehabilitation:			
Single-family	6.7	2.0	8.7
Multi-family	1.5	-	1.5
Rehabilitation Administration	71.8	4.2	76.0
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	421.8	164.7	586.5
(percent)	(19.1)	(34.7)	(21.8)
Street	186.7	64.7	251.4
Park, Recreation, etc.	55.0	12.2	67.2
Water and Sewer	56.2	43.3	99.5
Flood and Drainage	11.2	6.7	17.9
Neighborhood Facilities	24.6	5.6	30.2
Solid Waste Facilities	2.6	0.2	2.8
Removal of Arch. Barrier	5.7	5.4	11.1
Senior Centers	4.3	9.3	13.6
Centers for Handicapped	4.7	2.4	7.1
Renovation of Closed Schools	1.2	1.1	2.3
Historic Preservation	5.4	2.9	8.3
Other Pub. Fac. and Improve.	64.2	10.9	75.1
<u>ECONOMIC DEVELOPMENT</u>	293.1	62.2	355.3
(percent)	(13.3)	(13.1)	(13.2)
Assistance to For-Profit Entities			
Rehab loans and grants	.2	-	.2
Other loans and grants	1.2	-	1.2
Other assistance	.2	-	.2
Comm. and Industrial Improvements by Grantee:			
Land acq./disposition	41.6	14.1	55.7
Infrastructure development	65.2	12.9	78.1
Rehab. loans and grants	34.4	6.5	40.9
Other loans and grants	42.5	15.4	57.9
Other improvements	42.2	4.9	47.1
Special Activities Subrecipients:			
Loans and grants	32.8	2.7	35.5
Other assistance	20.8	2.2	23.0
Rehab. of Private Property	12.0	3.5	15.5
<u>PUBLIC SERVICES</u>	217.9	22.3	240.2
(percent)	(9.9)	(4.7)	(8.9)
Public Services	201.0	20.7	221.7
Special Activities by Subrecipients	16.9	1.6	18.5

TABLE 2-15 (Continued)
 ESTIMATED PLANNED EXPENDITURES OF CDBG ENTITLEMENT PROGRAM FUNDS,
 FY 1984
 (Dollars in Millions)

	<u>METRO CITIES</u>	<u>URBAN COUNTIES</u>	<u>A11 ENTITLEMENTS</u>
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>85.3</u>	<u>5.5</u>	<u>90.8</u>
(percent)	(3.9)	(1.2)	(3.4)
Acquisition of Real Property	11.7	.9	12.6
Clearance	43.8	2.1	45.9
Relocation	18.5	2.2	20.7
Disposition	11.3	.3	11.6
<u>OTHER</u>	<u>64.5</u>	<u>16.6</u>	<u>81.1</u>
(percent)	(2.9)	(3.5)	(3.0)
Completion of Urban Renewal	9.8	--	9.8
Contingencies/Local Options	37.1	15.5	52.6
Repayment of Section 108 Loans	16.7	.9	17.6
Special Activities by Subrecip.	.9	.2	1.1
<u>ADMINISTRATION AND PLANNING</u>	<u>287.3</u>	<u>68.6</u>	<u>355.9</u>
(percent)	(13.0)	(14.4)	(13.3)
Administration	264.0	61.0	325.0
Planning	23.3	7.6	30.9
<u>TOTAL PROGRAM RESOURCES*</u>	<u>2,210</u>	<u>475</u>	<u>2,685</u>

* Includes CDBG entitlement grants, program income, loan proceeds, and funds reprogrammed from prior year's grants.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

TABLE 2-16: PART 1
ESTIMATED PLANNED EXPENDITURES-BY-CDBG ENTITLEMENT CITIES,
FYs 1979-1983
(Dollars in Millions)

	1983	1982	1981	1980	1979
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>\$431.0</u>	<u>\$423.0</u>	<u>\$569.4</u>	<u>\$632.6</u>	<u>\$712.4</u>
(percent)	(19.2)	(20.0)	(24.0)	(26.9)	(28.8)
Street Improvements	182.4	164.3	279.1	266.8	278.5
Parks, Recreation, etc.	58.2	55.0	67.3	81.2	104.5
Water and Sewer	52.0	44.0	68.9	66.7	78.8
Flood and Drainage	22.7	14.3	16.6	21.3	39.1
Neighborhood Facilities	16.2	19.4	49.0	70.2	67.9
Solid Waste Facilities	8.7	2.5	1.3	1.1	2.2
Parking Facilities	7.1	.7	9.4	23.8	12.1
Fire Protection Facilities	6.5	9.6	9.5	9.7	12.4
Removal of Arch. Barriers	6.0	6.8	11.0	13.2	13.4
Senior Centers	6.0	8.3	9.6	14.7	16.8
Centers for the Handicapped	1.3	1.4	8.2	8.6	7.2
Other Public Works and Facilities	46.0	96.7	40.1	55.4	79.8
<u>HOUSING RELATED ACTIVITIES</u>	<u>\$802.5</u>	<u>\$768.1</u>	<u>\$816.0</u>	<u>\$752.8</u>	<u>\$702.6</u>
(percent)	(37.3)	(36.3)	(34.4)	(32.0)	(28.4)
Rehab. of Private Property	548.0	584.2	610.7	575.9	471.6
Rehab. of Pub. Res. Structures	105.0	108.9	115.0	88.5	133.6
Rehab. of Pub. Housing Mod.	18.3	12.5	27.0	28.4	29.7
Code Enforcement	54.8	52.6	52.2	47.5	53.4
Historic Preservation	9.2	9.9	11.1	12.5	14.3
New Housing LDCs	67.2	-NA-	-NA-	-NA-	-NA-
<u>ACQUISITION CLEARANCE RELATED</u>	<u>\$ 99.9</u>	<u>\$176.0</u>	<u>\$260.4</u>	<u>\$278.7</u>	<u>\$324.7</u>
(percent)	(4.6)	(8.3)	(11.0)	(11.9)	(13.1)
Acquisition of Real Property	25.4	92.3	141.3	151.0	182.6
Clearance	36.4	45.5	53.8	60.2	65.3
Relocation	27.9	31.0	54.5	58.8	68.8
Disposition	11.2	7.2	10.8	8.7	8.0
<u>PUBLIC SERVICES</u>	<u>\$254.1</u>	<u>\$195.1</u>	<u>\$180.3</u>	<u>\$180.1</u>	<u>\$191.2</u>
(percent)	(11.8)	(9.2)	(7.6)	(7.7)	(7.7)
<u>ECONOMIC DEVELOPMENT</u>	<u>\$204.7</u>	<u>\$174.1</u>	<u>\$121.5</u>	<u>\$119.4</u>	<u>\$89.2</u>
(percent)	(9.5)	(8.2)	(5.1)	(5.4)	(3.6)
Local Development Corporation	90.4	73.7	74.8	68.5	38.4
Public Fac. and Impr. for ED	27.1	31.7	16.5	22.5	22.3
Com. and Ind. Fac. for ED	58.6	52.5	19.1	18.0	17.3
Acquisition for ED	28.6	16.2	11.1	10.4	11.2
<u>COMPLETION OF CATEGORICAL PROGRAMS</u>	<u>\$19.8</u>	<u>\$31.6</u>	<u>\$19.8</u>	<u>\$36.8</u>	<u>\$43.1</u>
(percent)	(.9)	(1.5)	(.8)	(1.6)	(1.7)
<u>CONTINGENCIES AND LOCAL OPTIONS</u>	<u>\$ 53.8</u>	<u>\$ 47.3</u>	<u>\$ 79.9</u>	<u>\$ 95.3</u>	<u>\$102.4</u>
(percent)	(2.5)	(2.2)	(3.4)	(4.1)	(4.1)
<u>ADMINISTRATION AND PLANNING</u>	<u>\$304.2</u>	<u>\$303.4</u>	<u>\$327.1</u>	<u>\$255.0</u>	<u>\$304.2</u>
(percent)	(14.1)	(14.3)	(13.8)	(10.8)	(12.3)
Administration	249.8	253.4	272.1	205.9	250.0
Planning	54.4	50.0	55.0	49.1	54.2
<u>TOTAL RESOURCES</u>	<u>\$2152.1</u>	<u>\$2118.6</u>	<u>\$2374.3</u>	<u>\$2350.7</u>	<u>\$2471.1</u>
Net Grant Amount	1954.0	1963.9	2196.8	2216.8	2282.7
Other Program Resources ¹	198.1	154.7	177.5	133.9	188.4

N/A = Not available

¹ Includes program income, surplus urban renewal funds, loan proceeds, and funds reprogrammed from prior years grants.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

TABLE 2-16: PART 2
ESTIMATED PLANNED EXPENDITURES BY CDBG ENTITLEMENT CITIES,
FYs 1975-1978
(Dollars in Millions)

	1978	1977	1976	1975
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u> (percent)	\$ 751.8 (30.8)	\$ 830.2 (34.6)	\$ 759.4 (33.9)	\$ 601.5 (30.0)
Public Works, Facilities, and Site Improvements	751.4	830.1	759.2	601.3
Payments for Loss of Rental Income	.4	.1	.2	.2
<u>REHABILITATION</u> (percent)	\$ 402.3 (16.5)	\$ 329.5 (13.7)	\$ 285.3 (12.7)	\$ 228.0 (11.4)
Rehabilitation Loans and Grants	356.8	294.0	255.4	195.7
Code Enforcement	45.5	35.5	29.9	32.4
<u>ACQUISITION/CLEARANCE</u> (percent)	\$ 527.8 (21.6)	\$ 440.0 (18.0)	\$ 420.1 (18.8)	\$ 436.4 (21.7)
Acquisition	207.7	225.5	215.5	240.0
Clearance Demolition and Rehabilitation	234.8	125.8	112.5	105.8
Disposition	4.8	3.7	7.0	3.1
Relocation Payments and Assistance	80.5	85.0	85.1	87.5
<u>PUBLIC SERVICES</u> (percent)	\$ 220.6 (9.0)	\$ 174.6 (7.3)	\$ 149.1 (6.7)	\$ 87.4 (4.4)
Provision of Public Services	200.5	163.1	136.4	72.2
Special Projects for the Elderly and Handicapped	20.1	11.5	12.7	15.2
<u>COMPLETION OF CATEGORICAL PROGRAMS</u> (percent)	\$ 113.9 (4.7)	\$ 204.4 (8.5)	\$ 261.1 (11.7)	\$ 320.9 (16.0)
Completion of Urban Renewal Projects	76.0	151.9	154.3	158.1
Continuation of Model Cities Activities	2.4	17.6	66.4	132.2
Payment of Non-Federal Share	35.5	34.9	40.4	30.6
<u>CONTINGENCIES AND LOCAL OPTIONS</u> (percent)	\$ 86.2 (3.5)	\$ 107.3 (4.5)	\$ 93.6 (4.2)	\$ 97.2 (4.9)
<u>ADMIN. AND PLANNING</u> (percent)	\$ 335.0 (13.7)	\$ 309.3 (12.9)	\$ 270.6 (12.1)	\$ 232.5 (11.6)
Administration	251.5	229.5	201.4	150.6
Planning/Management	83.5	79.8	69.2	81.9
<u>TOTAL RESOURCES</u>	\$2437.6	\$2395.3	\$2239.2	\$2003.9
Net Grant Amount	2295.8	2263.3	2115.9	1986.9
Other Program Resources ¹	141.8	132.0	123.3	17.0

¹ Includes program income, surplus urban renewal funds, loan proceeds, and funds reprogrammed from prior years' grants.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Data Systems and Statistics Division

TABLE 2-17: PART 1
 ESTIMATED CDBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES BUDGETED
 FYs 1979-1983
 (Dollars in Millions)

	1983	1982	1981	1980	1979
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	\$161.2	\$155.6	\$171.1	\$178.5	\$186.6
(percent)	(34.1)	(37.7)	(39.3)	(42.3)	(45.7)
Street Improvements	61.6	51.2	61.2	65.5	60.8
Parks, Recreation, etc.	11.4	13.1	17.1	15.8	17.1
Water and Sewer	39.0	32.3	42.5	42.6	47.6
Flood and Drainage	9.7	9.3	10.7	9.9	11.2
Neighborhood Facilities	.9	11.5	10.7	13.8	16.5
Solid Waste Facilities	.5	1.9	.2	-----	.2
Parking Facilities	2.5	1.0	1.7	1.9	2.5
Fire Protection Facilities	4.5	3.2	4.2	3.6	3.9
Removal of Arch. Barriers	5.2	3.8	5.8	6.9	6.0
Senior Centers	8.2	7.9	11.3	10.9	12.2
Centers for the Handicapped	1.7	1.1	.9	1.8	1.3
Other Public Works and Facilities	16.0	18.6	4.1	4.6	4.2
<u>HOUSING RELATED ACTIVITIES</u>	\$119.1	\$117.4	\$135.7	\$109.6	\$ 94.4
(percent)	(25.2)	(28.5)	(31.2)	(26.0)	(23.2)
Rehab. of Private Property	100.6	110.4	119.1	97.2	84.0
Rehab. of Pub. Res. Structures	1.5	1.6	5.4	3.3	3.4
Rehab. of Pub. Housing Mod.	2.2	1.1	2.2	2.1	1.6
Code Enforcement	3.2	3.0	6.6	4.8	2.9
Historic Preservation	2.0	1.6	2.4	2.2	2.5
New Housing LDCs	9.6	-NA-	-NA-	-NA-	-NA-
<u>ACQUISITION/CLEARANCE RELATED</u>	\$ 7.1	\$ 18.9	\$ 32.9	\$37.2	37.0
(percent)	(1.5)	(4.6)	(7.6)	(8.8)	(9.1)
Acquisition of Real. Property	1.4	13.3	24.7	29.3	26.9
Clearance	2.2	2.3	3.9	3.5	4.9
Relocation	3.4	3.3	4.1	4.4	4.9
Disposition	.1	-----	.2	-----	.3
<u>PUBLIC SERVICES</u>	\$ 22.0	\$ 18.4	\$ 7.6	\$ 7.3	\$ 8.0
(percent)	(4.7)	(4.5)	(1.7)	(1.7)	(2.0)
<u>ECONOMIC DEVELOPMENT</u>	\$ 58.1	\$ 31.2	\$11.5	\$ 10.3	\$ 8.2
(percent)	(12.3)	(7.6)	(2.6)	(2.4)	(2.0)
Local Development Corp.	14.0	5.4	7.2	5.7	3.7
Public Fac. and Impr. for ED	3.7	6.7	2.6	1.2	1.9
Com and Ind. Fac. for ED	25.0	11.4	.5	1.8	1.9
Acquisition for ED	2.1	1.9	1.2	1.6	.7
<u>COMPLETION OF CATEGORICAL PROGRAMS</u>	\$.2	\$.7	\$.7	\$ 1.2	2.1
(percent)	(*)	(.2)	(.2)	(.3)	(.5)
<u>CONTINGENCIES AND LOCAL OPTIONS</u>	\$ 34.3	\$ 15.9	\$21.9	\$ 24.1	\$22.0
(percent)	(7.3)	(3.9)	(5.0)	(5.7)	(5.4)
<u>ADMINISTRATION AND PLANNING</u>	\$ 70.4	\$ 55.2	\$ 54.3	\$ 54.5	51.1
(percent)	(14.9)	(13.4)	(12.5)	(12.9)	(12.6)
Administration	47.8	41.3	45.5	46.4	40.1*
Planning	22.6	13.9	8.8	8.1	11.1
<u>TOTAL RESOURCES</u>	\$472.4	\$412.6	\$435.0	\$421.8	\$406.2
Net Grant Amount	426.0	404.3	424.7	417.3	396.0
Other Program Resources'	46.3	8.3	10.3	4.5	10.2

N/A = Not available

* Includes program income, surplus urban renewal funds, loan proceeds, and funds reprogrammed from prior years' grants.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

TABLE 2-17: PART 2
ESTIMATED ODBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES,
FYs 1975-1978

	(Dollars in Millions)			
	1978	1977	1976	1975
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u> (percent)	\$ 166.0 (44.5)	\$ 156.9 (47.2)	\$ 102.9 (48.2)	\$ 40.8 (37.4)
Public Works, Facilities, and Site Improvements	166.0	156.9	102.9	40.8
Payments for Loss of Rental Income	0	0	0	0
<u>REHABILITATION</u> (percent)	\$ 63.9 (17.1)	\$ 52.1 (15.7)	\$ 28.2 (13.2)	\$ 13.7 (12.5)
Rehabilitation Loans and Grants	60.6	49.6	25.8	11.7
Code Enforcement	3.3	2.5	2.4	2.0
<u>ACQUISITION/CLEARANCE RELATED</u> (percent)	\$ 49.3 (13.2)	\$ 47.8 (14.4)	\$ 32.7 (15.3)	\$ 17.4 (15.9)
Acquisition of Real Property	28.7	31.2	22.1	11.2
Clearance Demolition and Rehabilitation	14.8	11.2	7.1	4.2
Disposition of Real Property	---	---	---	.1
Relocation Payments and Assistance	5.8	5.4	3.5	1.9
<u>PUBLIC SERVICES</u> (percent)	\$ 16.5 (4.4)	\$ 10.8 (3.2)	\$ 7.0 (3.3)	\$ 4.1 (3.8)
Provision of Public Services Special Projects for the Elderly and Handicapped	6.7 9.8	6.8 4.0	3.6 3.4	2.6 1.5
<u>COMPLETION OF CATEGORICAL PROGRAMS</u> (percent)	5.6 (1.5)	\$ 3.9 (1.2)	\$ 4.9 (2.3)	\$ 7.4 (6.8)
Completion of Urban Renewal Projects	3.1	.9	.2	1.5
Continuation of Model Cities Activities	.1	-----	.9	4.3
Payment of Non-Federal Share	2.4	3.0	3.8	1.6
<u>CONTINGENCIES AND LOCAL OPTIONS</u> (percent)	\$ 18.6 (5.0)	\$ 19.4 (5.8)	\$ 12.0 (5.6)	\$ 6.4 (5.9)
<u>ADMINISTRATION AND PLANNING</u>	\$ 52.7 (14.1)	\$ 41.3 (12.4)	\$ 25.7 (12.0)	\$ 19.4 (17.8)
Administration	36.1	27.4	15.1	9.0
Planning/Development	16.6	13.9	10.6	10.4
<u>TOTAL RESOURCES</u>	\$ 372.8	\$ 332.4	\$ 213.5	\$ 109.2
Net Grant Amount	368.1	327.7	208.1	108.9
Other Program Resources ¹	3.6	4.7	5.4	.3

¹ Includes program income, surplus urban renewal funds, loan proceeds, and funds reprogrammed from prior years' grants.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Data Systems and Statistics Division

TABLE 2-18
ESTIMATED EXPENDITURES OF CDBG ENTITLEMENT FUNDS,
FY 1982
(Dollars in Millions)

	<u>METRO CITIES</u>	<u>URBAN COUNTIES</u>	<u>A11 ENTITLEMENTS</u>
<u>HOUSING-RELATED</u>	<u>848.0</u>	<u>139.6</u>	<u>987.6</u>
(Percent)	(35.1)	(33.3)	(34.9)
Private Residential Rehab. :			
Single-family	396.6	101.2	497.8
Multi-Family	158.6	12.8	171.4
Rehab. of Pub. Res. Property	100.5	1.2	101.7
Rehab. of Pub. Housing	29.3	2.7	32.0
Code Enforcement	55.3	2.8	58.1
Historic Preservation	2.7	.2	2.9
Housing Activities by Sub-Recip:			
New Housing & Acquisition	17.1	12.8	29.9
Rehabilitation	28.8	1.8	30.6
Rehabilitation of Closed Schools	-	.4	.4
Weatherization Rehabilitation:			
Single-family	9.4	1.3	10.7
Multi-family	1.4	-	1.4
Rehabilitation Administration	48.3	2.4	50.7
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>557.6</u>	<u>168.0</u>	<u>725.6</u>
(percent)	(23.1)	(40.1)	(25.6)
Street	233.6	58.7	292.3
Park, Recreation, etc.	79.8	14.8	94.6
Water and Sewer	64.9	42.7	107.6
Flood and Drainage	8.0	5.2	13.2
Neighborhood Facilities	44.5	13.1	57.6
Solid Waste Facilities	.3	.2	.5
Removal of Arch. Barrier	10.7	5.0	15.7
Senior Centers	14.0	10.8	24.8
Centers for Handicapped	5.2	1.7	6.9
Renovation of Closed Schools	3.9	.9	4.8
Historic Preservation	7.4	2.0	9.4
Other Pub. Fac. and Improve.	85.3	12.9	98.2
<u>ECONOMIC DEVELOPMENT</u>	<u>234.5</u>	<u>27.7</u>	<u>262.2</u>
(percent)	(9.7)	(6.6)	(9.3)
Assistance to For-Profit:			
Land acq./disposition	-	-	-
Infrastructure development	.9	1.2	2.1
Rehab loans and grants	7.0	-	7.0
Other loans and grants	17.0	2.4	19.4
Other assistance	1.7	.8	2.5
Comm. and Industrial			
Improvements by Grantee:			
Land acq./disposition	66.1	2.6	68.7
Infrastructure development	22.5	3.9	26.4
Rehab. loans and grants	28.7	.6	29.3
Other loans and grants	7.7	3.5	11.2
Other assistance	14.9	3.5	18.4
Special Activities Subrecipients:			
Loans and grants	37.5	4.0	41.5
Other assistance	17.7	1.3	19.0
Rehab. of Private Property	12.8	2.7	15.5

TABLE 2-18
ESTIMATED EXPENDITURES OF CDBG ENTITLEMENT FUNDS,
FY 1982 (Continued)
(Dollars in Millions)

	METRO CITIES	URBAN COUNTIES	A11 ENTITLEMENTS
<u>PUBLIC SERVICES</u>	<u>220.0</u>	<u>12.2</u>	<u>232.2</u>
(percent)	(9.1)	(2.9)	(8.2)
Public Services	193.5	11.4	204.9
Special Activities by Subrecipients	26.5	.8	27.3
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>184.5</u>	<u>9.8</u>	<u>194.3</u>
(percent)	(7.6)	(2.3)	(6.9)
Acquisition of Real Property	66.9	3.2	70.1
Clearance	60.4	2.5	62.9
Relocation	43.3	4.0	47.3
Disposition	13.9	.1	14.0
<u>OTHER</u>	<u>55.0</u>	<u>4.3</u>	<u>59.3</u>
(percent)	(2.3)	(1.0)	(2.1)
Completion of Urban Renewal	49.4	.3	49.7
Contingencies/Local Options	NA	NA	NA
Repayment of Section 108 Loans	1.8	.9	2.7
Special Activities by Subrecip.	3.8	3.1	6.9
<u>ADMINISTRATION AND PLANNING</u>	<u>313.2</u>	<u>57.0</u>	<u>370.4</u>
(percent)	(13.0)	(3.6)	(13.1)
Administration	265.6	48.7	314.5
Planning	47.6	8.3	55.9
<u>TOTAL PROGRAM EXPENDITURES*</u>	<u>2,412.8</u>	<u>418.7</u>	<u>2,832.1</u>

* Includes CDBG entitlement grants, program income, and loan proceeds.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, CDBG Performance Monitoring and Evaluation Data Bases.

METHODOLOGICAL APPENDIX

CDBG Performance Monitoring and Evaluation Database

The data presented in this chapter come from the CDBG Performance Monitoring and Evaluation Database maintained by HUD's Office of Program Analysis and Evaluation. This database contains information extracted by content analysis from Final Statements of Community Development Objectives and Projected Use of Funds and Grantee Performance Reports (GPR) submitted by each Urban County and a representative sample of 220 Metropolitan Cities. The 220 cities included in the database were selected by a stratified random sample of all cities eligible for CDBG formula grants. The strata used in drawing this sample distinguished grantees by the size of entitlement grant, whether the community is a central city or a non-central city, and whether the community received its grant according to Formula A or Formula B.

1982 GPR Universe, Sample, and Coding

The universe of communities required to submit 1982 GPRs consisted of 623 Metropolitan Cities and 96 Urban Counties that received 1982 CDBG grants and four Metropolitan Cities that were required to submit GPRs covering expenditures from grants received in previous years.

Data on the actual use of FY 1982 CDBG entitlement program funds came from GPRs submitted by 87 Urban Counties and 207 Metropolitan Cities in the sample. GPR's from eleven Metropolitan Cities and nine Urban Counties were not included because they were received too late to be coded. In addition, two cities included in the sample of eligible communities were not required to submit a GPR because they had never applied for CDBG funds and one city's GPR could not be coded.

Each city was weighted to reflect the ratio of sampled communities to the universe in that stratum. Table 1 shows the composition of the 1982 GPR universe and the coded sample of Metropolitan Cities in each stratum.

1984 Statement Universe, Sample, and Coding

In FY 1984 691 Metropolitan Cities and 104 Urban Counties were eligible to receive CDBG entitlement grants. Of that number, 676 cities and 104 counties (5 cities chose to combine with counties) applied for and received funding; the application of one other community for FY 1984 funding was pending at the time this report was prepared. Two of the Metropolitan Cities included in the CDBG sample participated in the program through Urban Counties and the Statements submitted by two other cities were not received in time to be coded and included in this Report. Consequently, the data presented in this chapter on the planned use of FY 1984 funds are based on information submitted by 214 Metropolitan Cities and 104 Urban Counties.

Each city was weighted to reflect the ratio of sampled cities to the total number of communities in the stratum that received grants. Table 2 shows the composition of the 1984 universe of cities receiving entitlement funds and the coded sample of Metropolitan Cities in each stratum.

TABLE 1

CHARACTERISTICS OF 1982 GPR UNIVERSE AND
SAMPLE OF METROPOLITAN CITIES

Grant Amount	Central Cities				Non-Central Cities			
	Formula A		Formula B		Formula A		Formula B	
	N	n	N	n	N	n	N	n
\$10,000,000+	10	10	22	20	0	-	0	-
4,000,000- 9,999,999	20	17	30	19	2	2	1	1
2,000,000- 3,999,999	29	14	41	15	8	3	16	7
1,000,000- 1,999,999	49	14	58	14	24	4	29	13
Less Than 1,000,000	115	18	66	12	87	20	20	4
Total	223	73	217	80	121	29	66	25

N = Number of communities in universe of entitlement communities submitting 1982 GPR.

n = Number of communities included in the sample.

TABLE 2

CHARACTERISTICS OF 1984 STATEMENT UNIVERSE AND
SAMPLE OF METROPOLITAN CITIES

Grant Amount	Central Cities				Non-Central Cities			
	Formula A		Formula B		Formula A		Formula B	
	N	n	N	n	N	n	N	n
\$10,000,000+	10	10	22	22	0	-	0	-
4,000,000- 9,999,999	20	19	30	19	2	2	1	1
2,000,000- 3,999,999	30	15	41	16	8	3	14	6
1,000,000- 1,999,999	50	14	60	15	23	4	29	13
Less Than 1,000,000	146	18	84	15	87	19	19	3
Total	256	76	237	87	120	28	63	23

N = Number of communities awarded Entitlement Program grants in 1984.

n = Number of communities included in sample.

CHAPTER 3: THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

INTRODUCTION

This Chapter reports on the activities of the Urban Development Action Grant Program (UDAG) through the end of Fiscal Year 1984. The Chapter begins with a discussion of Recent Program Developments covering FY 1984 program participation, and regulatory and administrative changes. This is followed by a section on Program Operations which is divided into four subsections. The first provides basic information on the financial and distributional characteristics of all 2,282 projects funded as of the end of FY 1984. The second deals with project progress and expenditure rates, and the next identifies planned and actual program benefits. The final subsection focusses on the characteristics of various project types and the sources and uses of project funds in 1,688 projects with Signed Grant Agreements. A description of each of the 460 projects announced during FY 1984, arranged alphabetically by State and municipality, is included in an Appendix to the Report.

RECENT PROGRAM DEVELOPMENTS

1984 PARTICIPATION

During FY 1984, the Department reviewed and made a final disposition decision on a total of 1,167 applications for UDAG funds from 721 eligible jurisdictions. Of those 1,167 applications, 707 received no further consideration because they had insufficient financial commitments, did not meet minimum leveraging requirements, the city withdrew the application, or the application was incomplete. Preliminary application approval was announced for 460 applications; however, three of these projects subsequently were terminated during FY 1984. The balance of the 457 funded projects announced during FY 1984-- located in 335 jurisdictions-- involves \$602 million in Action Grant funds. An additional 801 applications were received during FY 1984 for which final funding decisions will be made in FY 1985.

REGULATORY CHANGES

Change in Funding Cycle. The Department revised the regulations by which the UDAG program is administered during FY 1984 to reflect the change from a quarterly funding cycle to a four-month funding cycle. Under the former quarterly funding cycle, there were eight funding rounds in a year--four rounds for large cities and urban counties and four rounds for small cities.* Under the revision, there are now six funding rounds in a year--three for each city type.

The revised funding cycle provides applicants and private parties participating in the projects more time to complete and refine their applications. The revision also gives more time between each funding round

* In the remainder of the chapter, the term "large city" includes urban counties.

for HUD to prepare contracts and amendments to grant agreements and to work with applicants to improve the quality of grant applications. It should also reduce the amount of time applicants and HUD spend on reprocessing applications.

Addition of Labor Surplus Areas. HUD also modified the UDAG program regulations during FY 1984 to add the Labor Surplus Area (LSA) designation of the U.S. Department of Labor as an additional minimum standard of economic distress which may be met by large cities, urban counties, and small cities in the application for UDAG funds as provided for in the Housing and Urban-Rural Recovery Act of 1983.¹ The change is intended to ensure that the UDAG eligibility system adequately measures the economic distress that results from higher-than-average unemployment rates. The eligibility lists for both large cities and for small cities were revised to reflect this additional distress criterion and the application of updated data from the U.S. Bureau of the Census and the U. S. Bureau of Labor Statistics relating to the minimum standards of distress for other criteria.

Clarification of Small City Distress Criteria. Language in the section of the regulations which deals with distress criteria was changed to make clear that small cities may qualify by meeting any two other standards in cases where the age of housing standard is twice the HUD-established standard but the city does not meet the poverty standard.

Language in the regulations was also changed to make it clear that the poverty standard applies uniformly to all possible UDAG grantees. The use of a "poverty penalty" was more clearly described as applicable to small cities of less than 25,000 population by requiring that in cases where such a city's percentage of poverty is less than one-half of the HUD-established standard, it will have to meet one additional distress criterion beyond the normal number.

ADMINISTRATIVE CHANGE

application approval began to exceed the amount of UDAG funds available for each specific funding round. This was the case in the funding rounds for large cities as well as for small cities. In response to this development, HUD established a selection formula by which each fundable application is

PROGRAM OPERATIONS

This section summarizes the operation of the UDAG program from its inception in FY 1578 to the end of FY 1984.² The section is divided into four major subsections. The first provides information on the characteristics of 2,282 projects funded during that period as well as the distribution of projects and UDAG dollars by city and project type, and the distribution of UDAG dollars by degree of impact. The second deals with construction progress and expenditure rates in funded projects. The next shows planned versus actual benefits in funded projects in regard to employment, taxes, housing and minorities. The final subsection describes the characteristics of various project types and the sources and uses of project funds based on an analysis of 1,688 projects with grant agreements which had been signed by both HUD and the grantee as of the end of FY 1984.

CHARACTERISTICS OF FUNDED PROJECTS

UDAG Funds Obligated. As of the end of FY 1984, announcements had been made for a total of 2,612 projects which had received preliminary application approval. Of these projects, HUD's Fiscal Year 1986 Budget shows that since the beginning of the program, HUD had signed grant agreements for 2,492 of these projects obligating appropriated UDAG funds in the amount of \$3,681,449,000. Budget documents indicate that in FY 1984, obligations of \$740.3 million were incurred for 546 projects and that there were 460 grant announcements for \$603.6 million in UDAG funds.

Financial Characteristics of Funded Projects. This analysis is based on the number of funded projects. A "funded" project is one which has received an announcement of preliminary application approval, has not been subsequently terminated,³ and is either still underway or has been closed out or completed.³ Of the 2,612 announced projects, 330 subsequently have been cancelled or terminated, leaving a balance of 2,282 funded projects as of the end of FY 1984.

TABLE 3-1

NUMBER OF FUNDED PROJECTS AND SOURCES OF FUNDS
(Dollars in millions)

<u>Category</u>	<u>FY 1984</u>	<u>Program Totals</u>
Number of Funded Projects	457	2,282
Action Grant Funds	\$602	\$3,505
Private Investment	2,962	19,611
Other Public Funds	220	1,785
Total Project Costs	\$3,784	\$24,901

SOURCE: Department of Housing and Urban Development,
Assistant Secretary for Community Planning and
Development, Office of Management.

As shown in Table 3-1, these 2,282 projects account for \$24.9 billion in total planned costs. Action Grants constitute \$3.5 billion or 14 percent of this amount with 79 percent, or \$19.6 billion, expected to be leveraged in private investment and seven percent or \$1.8 billion from other Federal, State and local government sources. Basic information on the financial characteristics and planned benefits of funded projects, by fiscal year and in total, is shown in Exhibit 3-2 at the end of this Chapter.⁴

The 457 projects funded during FY 1984 involve \$602 million in Action Grant funds. These funds are expected to leverage almost \$3.0 billion in private investment and \$220 million in other public funds, bringing total planned project costs to \$3.8 billion.

For FY 1984 projects, the ratio of private investment to Action Grant dollars was 4.9:1.0 which is 14 percent lower than the average for FY 1978-1983 projects of 5.7: 1.0. Action Grant dollars per project averaged \$1,317,000 in FY 1984 compared to \$1,591,000 for FY 1978-1983 and average total project costs of \$8,280,000 were significantly lower than the average for FY 1978-1983 projects of \$11,516,000.

Distribution of Projects and Action Grant Dollars by City Type. Legislation requires that at least 25 percent of the funds appropriated for the UDAG program be made available for cities with a population of less than 50,000 which are not central cities of Standard Metropolitan Areas. Small cities compete for this share of the funds separately from large cities.

While four large city selection rounds were held during FY 1984, the awards for only three rounds were actually announced during FY 1984 compared to four rounds announced for small cities. As a consequence, large cities received just 61 percent of the UDAG dollars in FY 1984, as shown in Figure 3-1.⁵ Small cities received \$239 million, the other 39 percent of the total.⁵ This represented the largest annual amount for small cities in the history of the UDAG program and brought the small city share of UDAG dollars in funded projects up to 25 percent of the total over the life of the program.

The average large city project in FY 1984 required \$1,697,000 in UDAG funds compared to an average of \$970,000 in small city projects. Over the life of the program, the averages are \$2,090,000 for large cities and \$854,000 for small cities.

Pockets of Poverty Projects. Jurisdictions which do not otherwise meet the UDAG eligibility standards for distress can apply for awards if certain requirements are met for pockets of severe distress within the community. The statute provides that up to 20 percent of funds appropriated in any fiscal year may be used for Pockets of Poverty projects. These projects must provide substantial direct benefits to low- and moderate-income residents of the Pocket, particularly in regard to employment opportunities. In FY 1984, the Department made seven Pockets of Poverty awards involving \$11 million in UDAG funds. Since the statute was amended in 1979 to include this type of project, 34 such⁶ projects have been funded with a total Action Grant amount of \$57 million.

Construction and Completion Status. By the end of FY 1984, construction had not yet started on 30 percent of all funded projects. (See Figure 3-5). Grantees reported that construction was underway or completed, prior to close-out, in an additional 43 percent of the projects. Twenty-seven percent of all projects had reached the closeout stage or had been completed.

UDAG Drawdowns. The Department's Office of Finance and Accounting reports that UDAG recipients had drawdown \$1,961,374,000 as of the end of FY 1984. This is 53 percent of the \$3,681,449,000 in program funds which had been obligated.

Private Investment Expenditure. As shown in Table 3-2, there is more than \$19.6 billion in planned private investment associated with all 2,282 funded UDAG projects. By the end of FY 1984, grantees reported that more than \$14.5 billion, or 74 percent of that amount, had been expended. The expenditure rate of planned private investment (74%) is significantly higher than the UDAG drawdown rate (53%) because private investment can begin before Legally Binding Commitments from project participants are approved by HUD and because most UDAG grant agreements are written to stipulate that a specific proportion of the private funds must be spent before a proportionate amount of the UDAG funds can be drawn down.

The reported private expenditure rate in small city projects of 77 percent is somewhat higher than the 73 percent for large cities. This finding probably reflects the higher proportion of UDAG industrial projects in small cities and that industrial projects show the highest rate of private expenditure (83%).

Grantees reports that actual private investment in projects which are either closed out or completed exceeds 120 percent of the planned amount. This is accounted for by a combination of higher than anticipated costs, inflation, and, in some cases, expanded project scope.

TABLE 3-2

ACTUAL VERSUS PLANNED PRIVATE INVESTMENT IN FUNDED PROJECTS
(Dollars in millions)

<u>Projects</u>	<u>Planned</u>	<u>Actual</u>	<u>Percent</u>
All Projects	\$19,611	\$14,533	74%
Large Cities	14,505	10,590	73
Small Cities	5,107	3,943	77
Commercial	10,209	7,119	70
Industrial	6,119	5,104	83
Neighborhood	3,284	2,310	70

SOURCE: Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

PROGRAM BENEFITS

This section describes planned versus actual benefits deriving from all funded Action Grant Projects in the areas of jobs, taxes, housing, and for minority persons and firms. The findings from a study of UDAG paybacks are also discussed. It should be noted that, for the first time, recent performance data for a substantial number of completed and closed-out projects are incorporated in the analysis. As a consequence, the reported benefits more accurately reflect the actual benefits being provided by the program. 8

EMPLOYMENT BENEFITS

Planned Job Generation. The 457 projects funded in FY 1984 call for the creation of 66,000 new permanent jobs of which 60 percent are for low- or moderate-income persons and 30 percent for minority persons. Over the life of the UDAG program, the 2,282 total funded projects are expected to create 456,000 new permanent jobs of which 56 percent are intended for low- or moderate-income persons and 18 percent for minority persons. (See Table 3-3).

For all projects, the average number of planned new permanent jobs per project is 200, while for FY 1984 the average is 145. This downward trend reflects more accurate job estimates by grantees as well as a generally downward trend in average project size.

TABLE 3-3

PLANNED EMPLOYMENT BENEFITS IN FUNDED PROJECTS

<u>Item</u>	<u>FY 1984 Projects</u>	<u>All Projects</u>
New Permanent Jobs	66,391	456,352
Low/Moderate Income Jobs	40,105	253,984
Percent Low/Moderate	60%	56%
Minority Jobs	20,155	82,593
Percent Minority	30%	18%
New Permanent Jobs per Project	145	200
UDAG Dollars per New Job	\$9,067	\$7,680
Retained Jobs	4,784	119,022
Construction Jobs	50,919	353,440

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

The average amount of UDAG dollars per planned new permanent job in FY 1984 projects of \$9,100 represents a slight decline from the average of \$9,600 in FY 1983 projects. Fiscal Year 1984 was the first year in the history of the program that the average UDAG subsidy required to provide a new permanent job has declined. This decline can be partially accounted for by the higher proportion of small city awards where less average investment per job is required and to the lower number of housing projects, in which few if any jobs are created. The average UDAG dollar-per-job figure for all 2,282 projects funded from FY 1978-FY 1984 is \$7,700.

Over the history of the UDAG program, industrial projects have shown the lowest average UDAG dollar cost (\$6,000) per planned new permanent job for typically, industrial projects have a higher leveraging ratio than other project types. In comparison, the average cost for commercial projects is about \$7,200, while that for neighborhood projects is over \$15,300. The high cost-per-job for neighborhood projects is because many of them involve housing activities which generate few new permanent jobs. By city type, the average of \$6,600 UDAG dollars per new permanent job for small city projects compares to \$8,100 for projects in large cities and urban counties. The difference probably reflects lower construction costs and the predominance of industrial projects in small cities.

A number of projects have been funded that will retain existing permanent jobs that would otherwise have been lost to the community. Over 119,000 such jobs have been identified over the life of the program. For projects announced in FY 1984, the reported number of jobs retained for was 4,800. As more emphasis has been placed on economic development and new job creation in the administration of the UDAG program, the number of jobs retained has become a much smaller proportion of all planned new permanent jobs. The ratio of new permanent jobs to retained jobs for FY 1984 is 13.1:1 compared to a ratio for all projects (FY 1978-1984) of 3.8:1.

In addition to new permanent jobs, most UDAG projects create temporary construction jobs. Over 353,000 construction jobs were expected to occur from all UDAG projects with almost 51,000 from those awarded in FY 1984 projects.

Actual Jobs Created. As of the end of FY 1984, grantees reported that almost 161,000 new permanent jobs actually had been created by the UDAG program--35 percent of those planned in all funded projects. (See Table 3-4). In projects which have been either closed-out or completed, 82 percent of all planned new permanent jobs have been created.

TABLE 3-4

NEW PERMANENT JOBS CREATED IN FUNDED PROJECTS			
Type of Job	Planned	Created	Percent
New Permanent	456,352	160,806	35%
Low/Mod Income	253,984	96,728	38

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

PLANNED FISCAL BENEFITS

Another intended benefit of UDAG projects is the generation of new tax revenue for distressed communities. For all projects, about \$513 million annually in new tax revenue is projected to be derived. Of this amount, \$334 million is to come from increases in property taxes, \$161 million from other taxes such as local sales taxes, local income taxes, and inventory taxes, and \$18 million from payments in lieu of taxes (PILOT) as shown in Table 3-5.

For FY 1984 projects alone, about \$69 million of additional annual revenue is anticipated. Of that total, \$40 million is to come from increases in real estate taxes, \$25 million from other taxes and \$4 million from payments in lieu of taxes. For all projects, each UDAG dollar is anticipated to generate 15¢ per year in increased local revenue compared to 11¢ in FY 1984 projects.

TABLE 3-5

PLANNED ANNUAL FISCAL BENEFITS FROM FUNDED PROJECTS
(Dollars in millions)

Type of Revenue	FY 1984 Projects	All Projects
Property Tax	\$40	\$334
Other Taxes	25	161
PILOT	4	18
Total	\$69	\$513

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

Tax Abatements. About 22 percent of all UDAG projects involve some type of a tax abatement. The numbers shown in Table 3-5 are net of abatements.* Twenty-six percent of the projects in large cities and 17 percent of those in small cities have abatements. The percentages are similar for industrial projects (26 percent) and commercial projects (24 percent). Over the life of the program, 86 percent of the abatements have been provided by local governments and the remaining 14 percent by State governments; however, in more recent Fiscal Years, the percentage of abatements provided by local governments approaches 95 percent.

Actual Tax Revenues. Grantees report that through the end of FY 1984, \$114 million of additional annual tax revenue actually has been generated. This represents 22 percent of what is planned for all funded projects. Of that amount, \$71 million has come from property tax revenue increases, \$29 million from other taxes, and \$14 million from payments in lieu of taxes. (See Table 3-6.) The explanation as to why 78 percent of planned PILOTs are being received is that PILOTs were included in planned "Other Taxes" over most of the program's history.

* This percentage has remained reasonably consistent from year to year.

In projects which have been closed out or completed, 54% of all planned increased annual revenue is reported as being received.

Payback of UDAG Loans. Another source of revenue to distressed communities from UDAG projects is the payback of loans by private sector participants. Through FY 1984, grantees have reported receiving approximately \$75 million in the form of paybacks from UDAG projects.

TABLE 3-6

TAX AND RELATED REVENUES RECEIVED IN FUNDED PROJECTS
(Dollars in millions)

<u>Revenue Source</u>	<u>Planned</u>	<u>Received</u>	<u>Percent</u>
Property Tax	\$334	\$71	21%
Other Taxes	161	29	16
PILOT	18	14	78
Total	\$513	\$114	22%

SOURCE: Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

UDAG PAYBACK STUDY

During FY 1984, CPD's Office of Program Analysis and Evaluation undertook a major study of paybacks to cities to be generated by UDAG projects announced through March, 1984. The study identified the number of projects involving paybacks, the amount of money including interest to be repaid, and how cities plan to use or actually are using such funds. The major findings of the study are that:

- o Seventy-five percent of all UDAG projects require a payback in the form of loan repayments, lease payments, or equity participation.
- o The percentage of projects requiring some type of repayment has increased from 37 percent of FY 1978 projects to 94 percent of FY 1984 projects.
- o Fifty-seven percent of total UDAG program dollars awarded are to be repaid--usually with interest. The average interest rate is 5.7 percent.
- o Five percent of the cities with projects requiring paybacks account for forty percent of all UDAG funds extended as loans.
- o It is estimated that repayments, including principal and interest, from projects for which funds had been obligated at the time of the study will total at least \$3.0 billion.

- o Total reported repayments received through 1983 were nominal--\$66 million. This relatively small amount reflects the average loan term of 19 years and the average period of two years from project announcement to scheduled beginning of repayments. Also, some loans provide for deferred payments of principal and/or interest.
- o Cumulative repayments will increase significantly in future years as more projects reach the stage when repayments begin.
- o An estimated 68 percent of projects with repayments are earmarked for economic development purposes--the balance for other eligible activities.
- o Of the cities surveyed, 59 percent have established, or plan to establish, revolving loan funds to recycle UDAG repayments for economic development.

HOUSING BENEFITS

Through the end of FY 1984, over 92,000 housing units, including 6,500 units in FY 1984, are planned to be constructed or rehabilitated in UDAG projects. Seventy-eight percent of the planned units in FY 1984 projects involve new construction compared to the program average of 49 percent. Lower interest rates have lessened the demand for UDAG funds for projects involving rehabilitation which is not as rate-sensitive as new construction.

In FY 1984 projects, 34 percent of all planned housing units has been reserved for low-or-moderate-income families. This compared to 39 percent over the life of the program and is up significantly from the 20 percent in FY 1983 projects.

Housing Performance. Almost 36,500 units, or 39 percent of the number planned, had been completed as of the end of FY 1984. One-half of the completed units has been reserved for occupancy by low- and moderate-income families.

BENEFITS TO MINORITIES

Urban Development Action Grant projects provide a variety of benefits to minority persons and opportunities for participation by minority-owned firms. Table 3-7 summarizes this information.

Minority Employment. Over one-half of all funded UDAG projects specifically identify planned new permanent jobs for minority persons. The total number of such jobs is about 83,000, which represents 18 percent of all new permanent jobs planned in funded projects. As of the end of FY 1984, communities reported that almost 48,000 new permanent jobs had been filled by minority persons, or 58 percent of those planned. In the early years of the program, grantees were not asked to identify jobs planned for minority persons although they report the number of actual minority jobs created for each project. As a consequence, the number of projects with planned jobs for minorities and the

number of such planned jobs *is* understated. This accounts for the high percentage of planned jobs for minorities reported as actually created (58%) compared to that for all new permanent jobs (35%).

Minority Contracts. Grantees report that fifty percent of all projects that had awarded one or more contracts as of the close of FY 1984 involved the participation of minority-owned firms as contractors or sub-contractors. These are firms in which 50 percent or more of the firm is owned by persons of racial or ethnic minorities. Fifteen percent of the number of all contracts has been awarded to minority-owned firms, and they have received seven percent of all contract funds. The total value of contracts awarded to minority-owned firms through the end of FY 1984 is \$777 million.

Minority Financial Interests. Minority persons and minority-owned firms have a financial interest in 13 percent of all funded projects. This financial interest can involve an ownership role or equity position in the project, a specific set-aside of space to be leased, or a specific set-aside of construction contracts.

Other Benefits. In addition, almost one-quarter of all projects include planned benefits for minorities, other than jobs and ownership, such as loans to minority persons to purchase or rehabilitate housing units.

TABLE 3-7

BENEFITS TO MINORITY PERSONS AND FIRMS FROM ALL FUNDED PROJECTS	
<u>CATEGORY</u>	<u>PERCENT</u>
Percent of Projects with Planned New Permanent Jobs for Minority Persons	53%
Percent of Planned New Permanent Jobs Designated for Minority Persons	18
Percent of Planned New Permanent Jobs for Minority Persons Actually Created	58
Percent of Projects with Involvement of Minority Contractors in Projects Which Had Awarded Contracts	50
Percent of the Number of Contracts Awarded to Minority Firms	15
Percent of the Value of Contracts Awarded to Minority Firms	7
Percent of Projects with Minority Financial Interest	13
Percent of Projects with Other Benefits for Minorities	24

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System.

CHARACTERISTICS OF PROJECTS WITH SIGNED GRANT AGREEMENTS

This subsection describes the characteristics of UDAG projects by development type, e.g., industrial, commercial, housing and mixed-use. It also identifies the sources and uses of project funds. Findings are based on an analysis of 1,688 projects in which a grant agreement had been signed by both HUD and the grantee as of the end of FY 1984. This number represents a significant percentage of all such projects. The grant agreement legally defines the physical activities to be undertaken by all parties to the project and specifies the sources of project financing, the terms and conditions of UDAG loans and paybacks, and the distribution of project funds by activity.¹⁰

ECONOMIC CHARACTERISTICS OF ACTION GRANT PROJECTS

As noted previously, Action Grant projects can be characterized according to whether the project contributes to industrial, commercial or neighborhood development. However, commercial projects can include the development of housing units, and neighborhood projects, while largely comprised of housing development, can include commercial, and occasionally, industrial development activities. This analysis departs from those standard categories and treats projects according to their economic characteristics: industrial, commercial, housing, and mixed-use development--the latter typically including a combination of commercial and housing activities.

As seen in Table 3-8 a higher proportion of Action Grant funds has been obligated in support of commercial projects (52%) than any other project type, although the shares of projects with grant agreements signed to date are approximately the same for commercial (39%) and industrial projects (36%). Just under one-quarter of UDAG funds is for use in industrial projects while mixed projects account for 15 percent and housing for nine percent of the funds.

TABLE 3-8

DISTRIBUTION OF PROJECTS AND UDAG DOLLARS BY PROJECT TYPE
IN PROJECTS WITH SIGNED GRANT AGREEMENTS

	Project Type				Total
	Industrial	Commercial	Housing	Mixed-Use	
UDAG Dollars	24%	52	9	15	100%
Projects	36%	39	14	11	100%

SOURCE : U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

As indicated in Table 3-9, the average development costs of the various project types, including the amount of Action Grant funds to be expended in support of these projects, varies considerably. Mixed-use development projects, typically including the development of new housing as well as commercial space and often associated with major downtown development efforts, average the highest amount in total development cost - \$15.5 million. The \$15.3 million average total cost for a commercial project is significantly higher than the \$9.0 million average for industrial projects funded under the program, and twice as large as the average housing development project cost of \$7.6 million. The average Action Grant amount of \$1.5 million represents 13 percent of the average total project costs of \$11.9 million, and that percentage shows only slight variation among project types.

TABLE 3-9

AVERAGE TOTAL PROJECT COST AND UDAG AMOUNT BY
PROJECT TYPE IN PROJECTS WITH SIGNED GRANT AGREEMENTS
(Dollars in millions)

Category	Project Type				Total
	Industrial	Commercial	Housing	Mixed-Use	
Avg. Total Cost	\$9.0	\$15.3	\$7.6	\$15.5	\$11.9
Avg. UDAG	1.1	2.0	1.0	2.3	1.5
Percent UDAG	12%	13%	13%	15%	13%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

Most of the funds involved in Action Grant projects support the development of new, as opposed to rehabilitated, commercial or industrial facilities or housing units. Overall, 62 percent of all funds are planned to be expended in projects developed entirely through the construction of new facilities. Projects that involve only rehabilitation characterize the use of 17 percent of Action Grant funds, and projects that include a combination of new and rehabilitated structures comprise 21 percent of funds obligated. New construction is likely to be more characteristic of industrial projects than any other project type. The figures in Table 3-10 indicate that over 69 percent of such projects are developed solely through the construction of new facilities, largely due to the concentration of such projects in small city locations where structures suitable for industrial firm start-up, relocation, or expansion are unavailable. Despite the high proportion of new construction in industrial projects, industrial and housing projects share roughly equivalent proportions of grant funds planned for rehabilitation. The emphasis in commercial projects lies in both new construction, and in projects that include a mixture of renovation and new retail, office or hotel development. Particularly in downtown locations in large cities, the development of new commercial facilities often accompanies the rehabilitation of existing buildings.

TABLE 3-10

DISTRIBUTION OF UDAG FUNDS BY CONSTRUCTION CHARACTERISTICS
BY FACILITY TYPE IN PROJECTS WITH SIGNED GRANT AGREEMENTS

Construction Type	Facility Type			Total
	Industrial	Commercial	Housing	
New Construction	69%	58%	63%	62%
Rehabilitation	21	12	26	17
Both Types	10	30	11	21
Total	100%	100%	100%	100%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

COMMERCIAL PROJECTS.

Action Grant commercial projects are intended to contribute to economic development in distressed cities. These projects range from high-visibility downtown projects that incorporate new office, hotel, and retail development to the renovation of commercial strip districts that provide services to neighborhood residents. In addition, commercial projects include development of cultural and social service facilities, often under the sponsorship of nonprofit organizations.

The majority of Action Grant funds obligated in support of commercial projects, and a high proportion of Action Grant commercial projects, involve multi-use commercial development. As shown in Table 3-11, 66 percent of UDAG funds for commercial projects and 46 percent of the projects which support commercial development involve the development of some combination of office space, retail, hotel, and other facilities. Though not noted in the table, almost two-thirds of such multi-use commercial projects include retail space development, one-quarter include the development of new or renovated hotel rooms, and one-quarter include the development of new office space. Of other facility types, retail projects comprise slightly over one-fourth of all commercial development funded under the UDAG program, office space about one-sixth, and hotel projects seven percent.

TABLE 3-11

DISTRIBUTION OF UDAG FUNDS AND PROJECTS AND AVERAGE PROJECT COSTS
IN COMMERCIAL PROJECTS WITH SIGNED GRANT AGREEMENTS BY TYPE OF FACILITY
(Dollars in millions)

Category	Facility Type					Total
	Retail Only	Office Only	Hotel Only	Other	Multi- Use	
UDAG Dollars	13%	12	5	4	66	100%
UDAG Projects	27	12	7	9	46	100
Avg. Total Cost	\$6.3	\$15.3	\$12.2	\$5.8	\$22.8	\$15.3

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

Over one-half of large city commercial projects consist of the development of multi-use commercial facilities compared with 35 percent of small city projects. In addition, small city multi-use commercial development often involves relatively low-cost downtown fix-up projects, in contrast to large city support of new facilities development. And as indicated in Table 3-12, a high proportion of small city commercial projects, 39 percent, is concentrated in retail development, compared with only 19 percent of large city projects.

TABLE 3-12

DISTRIBUTION OF THE NUMBER OF UDAG COMMERCIAL PROJECTS
WITH SIGNED GRANT AGREEMENTS BY CITY TYPE

Facility Type	City Type		Total
	Large	Small	
Retail	19%	39%	26%
Hotel	7	2	7
Office	14	9	12
Other	8	10	9
Mixed	52	34	46
Total	100%	100%	100%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

INDUSTRIAL PROJECTS.

Action grant support for industrial projects, in addition to stimulating the development of new and retained jobs for distressed communities, is intended to contribute directly to the development of productive capacity. New production facilities, including the development of industrial structures and the introduction of new, more productive, capital equipment, are assisted through Action Grant funds.

TABLE 3-13

DISTRIBUTION OF AWARDS AND UDAG FUNDS IN INDUSTRIAL
PROJECTS WITH SIGNED GRANT AGREEMENTS
BY INDUSTRY CLASSIFICATION

Industry Classification	Percent of	
	Awards	Funds
Machinery	21%	23%
Metals	14	12
Wood Products	13	9
Food Processing	11	12
Chemicals	10	11
Textiles	6	5
Leather and Glass	6	6
Trade	5	4
Transport	5	6
Other	9	12
Total	100%	100%

SOURCE: Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

The highest proportion of Action Grant funds planned to be expended in support of industrial projects are directed to the core manufacturing sectors of the American economy. Assistance to firms in the machinery-building industry accounts for 23 percent of UDAG funds, with an additional 12 percent supporting firms in the production and fabrication of primary metals. Including the 11 percent of funds assisting firms in the chemical industry, support for sectors of the economy involving the manufacture of producer goods comprises 46 percent of UDAG funds in industrial projects as shown in Table 3-13.

Firms in sectors that primarily produce goods for the consumer market receive 32 percent of UDAG funds in industrial projects. This includes 12 percent to food processing industries; 9 percent in wood products and furniture manufacturing; 6 percent in leather and glass industries; and 5 percent to firms in textile manufacturing. Trade and transport industries total 10 percent of funds, and the remaining 12 percent support firms in other sectors of the economy or the development of speculative industrial space.

The distribution of industrial projects by construction type is presented in Table 3-14. Small city industrial projects are more apt to plan for the development of entirely new industrial space, reflecting the comparative absence of structures suitable for manufacturing activity, while large city plant development contains a higher proportion of projects that involve the rehabilitation of existing industrial facilities. The construction of entirely new structures comprises 74 percent of small city projects, while the corresponding figure for large cities is 51 percent. Slightly more than one-third of large city projects, in contrast, involve only the rehabilitation of existing industrial space, while only 16 percent of small cities projects have this characteristic.

TABLE 3-14

TYPE OF CONSTRUCTION IN INDUSTRIAL PROJECTS
WITH SIGNED GRANT AGREEMENTS BY CITY TYPE

Construction Type	City Type		Total
	Large	Small	
New Construction	51%	74%	65%
Rehabilitation	35	16	24
Both Types	14	10	11
Total	100%	100%	100%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

HOUSING PROJECTS

Though not funded at levels approaching Action Grant support for industrial or commercial projects, UDAG assistance to housing development activities has been substantial. The types of projects that include housing, the occupancy and construction characteristics of housing units developed through the Action Grant Program vary according to the type of project development involved. As portrayed in Table 3-15 housing development in mixed-use projects is characterized by the production or renovation of rental units. Rental housing comprises 66 percent of the units developed as part of mixed-use projects; mixed-use projects also involve more new construction than housing-only projects. Rental housing is consistent with the thrust of mixed-use projects in supporting downtown development activities. In contrast, and reflecting the dominant purpose of housing-only projects to stabilize neighborhoods, 66 percent of such units involve rehabilitation and fully 83 percent are intended to be owner-occupied.

TABLE 3-15

CONSTRUCTION AND OCCUPANCY CHARACTERISTICS OF HOUSING UNITS
IN UDAG PROJECTS WITH SIGNED GRANT AGREEMENTS
BY DEVELOPMENT TYPE

Construction Type	Development Type		Total
	Mixed-Use	Housing-Only	
New Construction	60%	34%	41%
Rehabilitation	40%	66%	59%
<u>Occupancy</u>			
Owner	34%	83%	67%
Renter	66%	17%	33%

SOURCE: U. S. Department of Housing and Urban Development,
Assistant Secretary for Community Planning and Development,
Office of Program Analysis and Evaluation, Grant Agreement
Data Base.

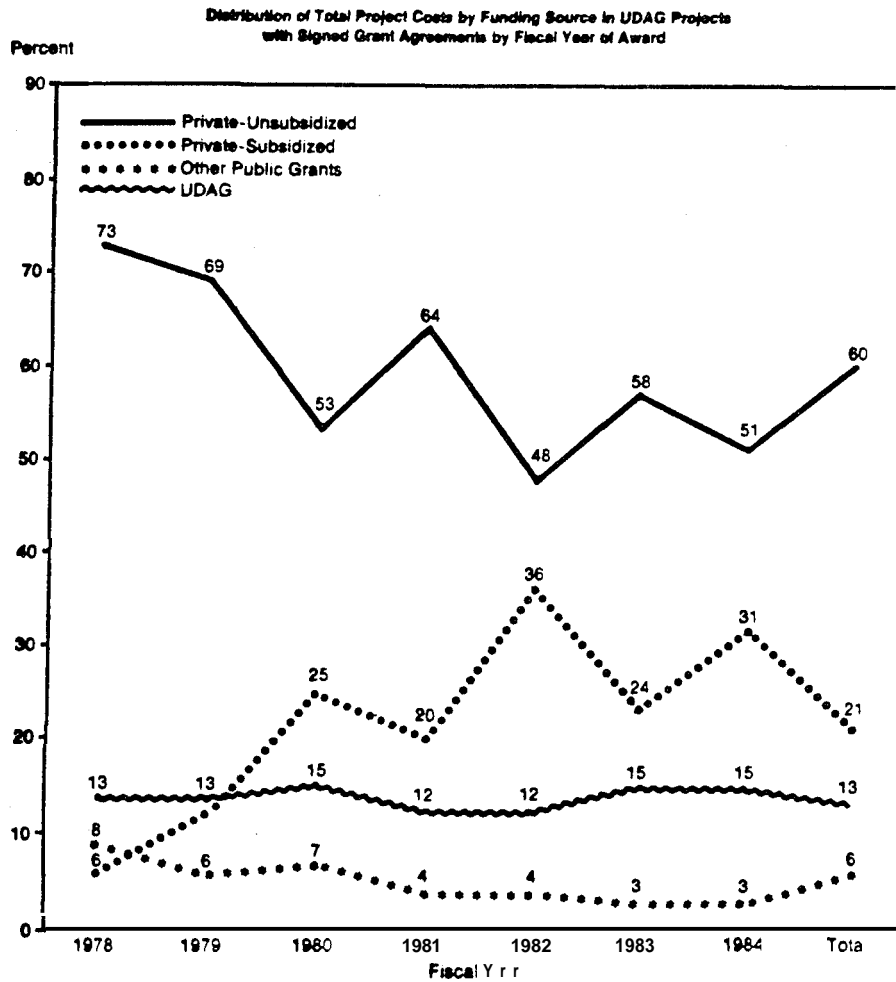
SOURCES OF FUNDS IN ACTION GRANT PROJECTS.

The funds invested in Action Grant projects are derived from three basic sources: private sector parties, Action Grants, and other non-Action Grant public sources. Under the statutory mandate that the Action Grant be the "least amount necessary" for the project to go forward, private sector developers are encouraged to seek as much financing as possible from other sources. Private funds may come in the form of equity through a cash contribution or from project syndication proceeds; through borrowing at market interest rates from private lenders; and from borrowing funds made available through the issuance of tax-exempt bonds or directly from state, local, or Federal sources. These latter sources of funds--subsidized private investment--may be considered a public sector contribution to the project in that foregone tax revenues or funds loaned at below-market rates of interest represent a public subsidy of private sector borrowing. Public funds also may be provided in the form of direct grants to assist project development.

Cumulatively, 60 percent of the total costs of UDAG projects come from private unsubsidized sources--either developer equity or private, unsubsidized debt. Non-UDAG subsidized private debt is the largest component of government aid to UDAG projects (21 percent) and is generally derived from the sale of tax-exempt revenue bonds to private sector purchasers in the open market. UDAG grants to local governments (which in turn lend most of such proceeds to the private sector) constitute only 13 percent of total project costs. Other non-UDAG public sector grants account for just six percent of total project costs. In many cases, these State or local grants were obtained from Federal sources, such as the Community Development Block Grant Program.

The proportion of total project costs attributable to the various funding sources is shown in Figure 3-6. The contributions of Action Grant funds and non-UDAG grants from other public agencies have remained relatively stable, as have total private funds.

Figure 3-6



Types of Funding by Project Category. There is considerable variation in the funding sources for the various types of UDAG projects as shown in Table 3-16. Commercial projects rely most heavily on unsubsidized, private financing--65 percent of total costs come from this source for such projects. In contrast, housing projects receive only 43 percent of funds from this source. The share of funds from subsidized private debt is highest in housing (37%) and industrial (28%) projects. Other public funds involved in project financing and extended in the form of grants is a fairly small proportion of each project type out are highest in mixed-use (7%) and commercial projects (6%). Housing projects show the highest percentage of UDAG funds (17%) with industrial projects having the lowest (12%).

TABLE 3-16

SOURCE OF FUNDING FOR UDAG PROJECTS
WITH SIGNED GRANT AGREEMENTS
BY PROJECT TYPE

Source of Funds	Project Type				Total
	Industrial	Commercial	Housing	Mixed-Use	
Unsubsidized Private	58%	65%	43%	59%	60%
Subsidized Private	28	16	37	20	21
Other Public Grants	2	6	3	7	6
UDAG	12	13	17	14	13
Total	100%	100%	100%	100%	100%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

Source of Funds by Level of Government. More than three-fourths of the subsidized private debt for all UDAG projects has come from local Government sources. This reflects the heavy use of tax-exempt industrial revenue bonds which account for 94 percent of local government loans to UDAG projects. Twelve percent of the subsidized private debt is derived from Federal non-UDAG sources, slightly higher than the State contribution of eleven percent. (See Table 3-17.) Similarly, almost two-thirds of the non-UDAG grants come from local governments--often involving the use of CDBG funds. Non-UDAG Federal grants account for 25 percent and State grants for 10 percent. The relative share of subsidized debt provided from these sources has, since the first two program years, remained fairly constant with the only exception being a brief rise in the Federally-subsidized share in 1982--a likely consequence of the recession. However, the proportion of project grants from local and Federal sources shows considerable variation over time, with no discernable pattern.

Table 3-17

DISTRIBUTION OF LOANS AND NON-UDAG GRANTS
FROM GOVERNMENTAL SOURCES
IN PROJECTS WITH SIGNED GRANT AGREEMENTS

Type	Government Source			Total
	State	Local	Federal	
Loans	11%	77%	12%	100%
Grants	10	65	25	100

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

ACTION GRANT FINANCING CHARACTERISTICS

This section describes the manner in which Action Grant funds are invested in support of project activities. UDAG project funding is intended to be contingent on the assurance that "but for" the Action Grant, the private sector would not invest the funds needed to undertake the project, i.e. the investment by the private sector is not economically or financially feasible without Action Grant assistance. The amount of the Action Grant is, by legislation, determined by the requirement that the UDAG contribution be the least amount necessary to assure project development. This amount is the minimum required to fill the "gap" between the resources available to the private sector and the total development costs of a project including grants from other public agencies, or to generate a reasonable return on investment in order to attract private capital.

UDAG funds are normally used by local government grantees either to provide public facilities essential to the project or are loaned by them to the private sector participants in the project. In addition, in consideration of the provision of public funds to support project development, where levels of profit usually unattractive to private investment, or longer periods for project maturity occur, and as a hedge against above-average profits, cities are often given an equity position in projects involving commercial development. Profits in excess of a specified return on private investment in office buildings, shopping centers and hotels are often shared between localities and private sector developers. HUD regulation and policy encourage projects that include a repayment of Action Grant funds from private sector parties to the sponsoring jurisdiction.

Over the history of the program, 62 percent of all Action Grant funds in projects with signed grant agreements have been invested in UDAG projects in the form of subordinated loans. In 28 percent of the projects announced since FY 1980, grant agreements incorporate a provision that the sponsoring community is to receive a potential repayment by virtue of its equity-like position in the project. Both the percentage of project funds that are loaned as well as the incidence of equity participation arrangements have increased yearly since the inception of the program. By FY 1984, the percentage of all UDAG funds to be expended as loans had reached 94 percent. About 32 percent of all FY 1984 projects include some quasi-equity participation agreement.

Project financing mechanisms vary by project type. About 65 percent of the UDAG funds provided to both commercial and industrial projects are in the form of subordinated loans. This compares to approximately 45 percent each in housing and mixed projects.

The relatively low proportion of Action Grant loans in housing projects reflects the limited ability of housing developments to generate cash flow. In addition, much of the funds loaned in housing projects are "soft second" mortgages, designed to reduce the effective interest rate to the borrower, with liberal repayment terms that contain anti-speculation provisions and may include some kind of forgiveness provision. Two factors explain the below-average share of funds to be repaid in mixed-use development projects. First, a high proportion of mixed-use projects were funded in the early years of the program--a period in which Action Grant funds were less likely to be used as loans. Secondly, the mixed-use development project, which often involves

large-scale commercial development in downtown locations, typically requires costly land assembly and substantial improvements in public infrastructure improvements that are traditionally carried out by public sector agencies without charges to private sector users.

Action Grant loans generally take the form of second mortgages, subordinated to the private debt, and carry below-market rates of interest. The repayment terms of Action Grant loans are structured so as to "blend" the rate of interest carried on the non-UDAG debt with a below-market UDAG loan rate to produce an average interest rate for the private sector investors that will make a project feasible under prevailing economic conditions. The average rates for Action Grant loans and the corresponding average prime rate for each year since 1978 are presented in Table 3-18. Over time, the average rate of Action Grant loans rose from 1.6 percent for projects announced in FY 1978 to a high of 8.0 percent in 1982. Subsequently, average interest rates have declined, moving in tandem with market rates of interest. In addition to the effect of prevailing market rates, HUD policy shifted in late 1979 to emphasize the use of UDAG funds as loans, a change which was accepted by both the public and private sector participants in the program. Partly in consequence of this change, the proportion of UDAG loans carrying no interest declined sharply. The 1980 average rate of 6.2 percent is in sharp contrast to the 1979 average of 2.7 percent.

TABLE 3-18

AVERAGE UDAG LOAN INTEREST RATE COMPARED
TO THE PRIME INTEREST RATE IN
PROJECTS WITH SIGNED GRANT AGREEMENTS

Interest	Year						
	1978	1979	1980	1981	1982	1983	1984
UDAG Rate	1.6%	2.7%	6.2%	7.2%	8.0%	6.9%	6.4%
Prime Rate	9.1	12.7	15.3	18.9	14.9	10.8	12.0
Spread	7.5	10.0	9.1	11.7	6.9	3.9	5.6

SOURCE: U. S. Department of Housing and Urban Development,
Assistant Secretary for Community Planning and Development,
Office of Program Analysis and Evaluation, Grant Agreement
Data Base.

THE USES OF PROJECT FUNDS

The specific use of Action Grant funds is determined by the development needs of the project. The largest share of UDAG funds (54%) is expended for construction followed by infrastructure improvements (13%), capital equipment (13%), acquisition, clearance and relocation (8%) and other uses including administration (7%). Significantly, only two percent of funds are used by local governments for grant administration. That figure is substantially below the cap of five percent of grant funds per project. In practice, this cost burden in large cities is absorbed by the locality.

The distribution of the uses of Action Grant funds varies greatly by project type, as shown in Table 3-19. Expenditures for construction constitute 87 percent of UDAG funds in housing projects and 70 percent in commercial projects. In contrast, only about one-quarter of UDAG funds in industrial projects support construction, compared to almost one-half planned for the purchase of capital equipment. The largest proportions of UDAG funds used for public infrastructure improvements (19%) and for reimbursement of acquisition costs, clearance and relocation (12%) are found in mixed projects. As noted previously, this type of development project, larger than average and generally located in downtown areas, typically involves clearance and relies on improvements to public infrastructure as a necessary adjunct to private sector development efforts. In contrast, only about four percent of total funds expended to support housing is devoted to infrastructure improvements.

TABLE 3-19

DISTRIBUTION OF THE USES OF ACTION GRANT FUNDS
IN PROJECTS WITH SIGNED GRANT AGREEMENTS BY PROJECT TYPE

Use of Funds	Project Type				Total
	Industrial	Commercial	Housing	Mixed-Use	
Acquisition					
Clearance, Relocation	10%	7	4	12	8%
Public Infra- structure	10	16	4	19	13
On-site construction	26	70	87	56	59
Capital Equipment	45	2	0	4	13
Other	9	5	5	9	7
Total	100%	100%	100%	100%	100%

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

The uses of project funds vary by source of funding, with Action Grant loans and private sector investments devoted largely to on-site construction, while other UDAG funds and other public grant funds, as would be expected, generally support public infrastructure improvements. (See Table 3-20.) Considering the preparatory work of acquisition, clearance, or relocation and support for infrastructure improvements, such as streets, water and sewer, and the provision of public parking structures, 67 percent of UDAG funds that involve no private sector repayment are earmarked for these purposes, as are 54 percent of other non-UDAG public grants. About one-half of private funds and 64 percent of UDAG loans support construction activities. Insofar as on-site construction represents a direct contribution to the value of privately-owned property, funds expended in support of this activity typically carry a private sector obligation to repay. Finally, the one-quarter of private funds included in the category noted as "Other" are generally expended to support

the "soft costs" of physical development activities, such as professional fees, interim costs, and the costs of tenant improvements.

TABLE 3-20

DISTRIBUTION OF THE USES OF FUNDS BY FUNDING SOURCE
IN UDAG PROJECTS WITH SIGNED GRANT AGREEMENTS

Use of Funds	Source of Funds				Total
	<u>UDAG Loans</u>	<u>Other UDAG</u>	<u>Other Public</u>	<u>Private</u>	
Acquisition, Clearance, Relocation	5%	29%	14%	9%	9%
Public Infra- Structure	9	38	40	2	10
On-Site Construction	63	20	36	49	50
Capital Equipment	16	-	1	16	14
Other	7	13	9	24	17
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

SOURCE: U. S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

FOOTNOTES

- 1 In general, LSAs are **high** unemployment cities with a population greater than 50,000, counties and county balances which are designated by the **Department** of Labor for the purpose of targeting Federal procurements. An area receives the LSA designation **if it** surpasses a threshold. This threshold is calculated by utilizing the national average unemployment rate. An area receives the LSA designation **if it** exceeds 120 percent of the national average **unemployment** rate over the last two years. The range of the threshold cannot exceed 10 percent or go below 6 percent. While the Labor Department makes LSA designations annually in October based on the previous two calendar years and adds areas to those designations monthly based on changing unemployment conditions, HUD will base the standard on the most recently available unemployment data and monthly additions which are used by the Department of Labor to designate LSAs as of the time that HUD is **revising eligibility determinations**. HUD **will** not **revise** the UDAG **eligibility** monthly with the monthly LSA additions.
- 2 The UDAG program was initially authorized under Section **110(b)** of the Housing and Community Development Act of 1977, Public Law 95-128, approved October 12, 1977; amended **Title I** of the Housing and **Community** Development Act of 1974 and added Section 119.
- 3 An Action Grant project is "Closed Out" when HUD and the grantee determine that the activities to be carried out by both the grantee and private sector participants, as defined in the grant **agreement**, are complete and that all costs to be paid with grant funds have been incurred. At that time the grantee enters into a Grant Closeout Agreement with HUD. Projects are "Complete" and a Certificate of Project Completion is issued when a final audit has been approved, all **responsibilities** and requirements under the grant agreement and **applicable** laws and **regulations** have been carried out satisfactorily, and any performance requirements called for in the Grant Closeout Agreement have been met.
- 4 Information on the financial characteristics, distribution by city and project type, distribution by **degree** of impact, and planned benefits for the 2,282 funded projects has been derived **from** the Project History file of the Action Grant Information System (AGIS). This information **is** recorded at the **time** a project receives preliminary application approval.
- 5 The FY 1984 appropriation for the UDAG program of \$440 million was divided 75 percent for large cities (\$330 million) and 25 percent for small cities (\$110 million) as required by law. The announcement of awards for small cities of \$239 million in FY 1984 reflects the additional availability of unobligated funds carried-over **from** previous fiscal years and funds recaptured from terminated and cancelled projects.
- 6 Section **104(a)**, Section **119(b)** of the Housing and **Community** Development Act of 1974 as amended, Public Law 96-153, approved December 21, 1979.

- 7 Housing and Community Development Amendments of 1981, Public Law 97-35, Section 308(a) (1981), amending Section 119(a) of the Housing and Community Development Act of 1974, as amended.
- 8 Information on actual private investment and benefits achieved in funded projects is obtained from the Project Monitor file of the AGIS data base. Grantees are required to report project progress to the Department on a semi-annual basis until the project is closed out. This data was supplemented by information provided in 329 Project Closeout Reports and in 322 Annual Post-Grant Closeout Reports. The UDAG Closeout Procedures Handbook, published in April 1983, requires that once a project is closed out, grantees are to submit an Annual Post-Grant Closeout Report until such time as a Certificate of Project Completion is issued. Information on the receipt and expenditure of paybacks is to be reported annually for an additional five years. These reports provide information on the attainment of project benefits as of September 30 of each year.
- 9 Minorities include the following racial and/or ethnic groups: Black, Non-Hispanic; American Indian or Alaskan Native; Hispanic; and Asian or Pacific Islander. Minority-owned firms or businesses are those in which 50 percent or more of the company is owned by minority persons as defined above.
- 10 Information describing the characteristics of projects with mutually-executed grant agreements is contained in the Grant Agreement Data Base maintained by the Office of Program Analysis and Evaluation.

EXHIBIT 3-1
UDAG PROJECT SELECTION SYSTEM

Selection Criteria	<u>Large Cities Data Elements</u>	<u>Small Cities Data Elements</u>	<u>Points</u>
A. Impaction ¹		40	
Pre-40 Housing		Pre-40 Housing	
Poverty	Poverty		
Population	Population		
Growth Lag/Decline		Growth Lag/Decline	
B. Distress		30	
Per Capita Income		Per Capita Income ²	
Unemployment		Labor Surplus Area (LSA) ³	
Job Lag/Decline			
C. Other Criteria		30	
Composed of following:			
Leverage Ratio	10	Retained Jobs	1/2
UDAG Dollars Per Job	6	Construction Jobs	1/2
Total New Permanent Jobs	2	Impact of Physical Development	1/2
Percent Low/Moderate Income Jobs	1	Impact of Economic Conditions	1/2
Percent Minority Jobs	1	Timeliness	1
Percent CETA Jobs	1	Demonstrated Performance	1
State and Local Funds Per UDAG Funds	1	Relocation	1
Tax Benefits per UDAG Funds	1	Minority Business Participation	1
		Energy	1

¹ Impaction is the comparative degree of economic distress among applicants, as measured by a weighted average of three factors: Age of the housing stock weighted at 50 percent; the extent of poverty - 30 percent; and population growth/lag - 20 percent.

² For the small cities distress criterion, up to ten points will be allocated for Per Capita Income and 20 points for LSAs. This criterion will not include job lag data or unemployment which are not available for all small cities.

³ Within the LSA measure, ten points will be allotted if the city is within a county that meets the LSA threshold. One point is then added for every unemployment percentage point above the LSA threshold. Conversely, one point is deducted for each percentage point by which the city is under the LSA threshold.

SOURCE: U.S. Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Urban Development Action Grants.

EXHIBIT 3-2

URBAN DEVELOPMENT ACTION GRANT PROGRAM
 PLANNED INVESTMENT AND BENEFITS IN FUNDED PROJECTS

FISCAL YEAR OF AWARD*

ITEM	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	TOTAL
Number of Projects	123	256	288	356	306	496	457	2,282
Large (#)	75	120	164	211	193	277	218	1,258
Small (#)	48	136	124	145	113	219	239	1,024
Large (%)	61	47	57	59	63	56	48	55%
Small (%)	39	53	43	41	37	44	52	45%
UDAG Dollars	\$276M	\$419M	\$563M	\$587M	\$361M	\$697M	\$602M	\$3,505M
Large (\$)	\$226M	\$322M	\$438M	\$442M	\$297M	\$535M	\$370M	\$2,103M
Small (\$)	\$50M	\$96M	\$125M	\$145M	\$64M	\$162M	\$232M	\$875M
Large (%)	82	77	78	75	82	77	61	75%
Small (%)	18	23	22	25	18	23	39	25%
Private Investment (\$)	\$1,745M	\$2,520M	\$2,855M	\$3,946M	\$2,129M	\$3,454M	\$2,962M	\$19,611M
Ratio to UDAG Dollars	6.3	6.0	5.1	6.7	5.9	5.0	4.9	5.6
State and Local (\$)	\$195M	\$185M	\$201M	\$331M	\$109M	\$106M	\$182M	\$1,309M
Other Federal (\$)	\$104M	\$130M	\$61M	\$53M	\$52M	\$39M	\$37M	\$476M
Total Investment (\$)	\$2,320M	\$3,253M	\$3,680M	\$4,916M	\$2,651M	\$4,297M	\$3,784M	\$24,901M
New Permanent Jobs (#)	48,416	69,069	76,420	78,537	45,054	72,465	66,391	456,352
UDAG Dollars Per Job (\$)	\$5,721	\$6,066	(7,367)	(7,474)	\$8,013	\$9,618	\$9,067	\$7,680
Low/Moderate Income (%) Jobs	62	53	59	56	59	43	60	56%
Construction Jobs (#)	43,218	59,620	45,216	65,002	32,742	56,723	50,919	353,440
Total Housing (Units)	13,139	12,279	16,317	13,816	13,155	17,298	6,468	92,472
New Construction (%)	55	38	43	37	27	76	78	4%
Low/Moderate Income (%) Housing	64	49	43	39	26	20	34	39%
Total New Revenue? (\$)	\$33M	\$86M	\$70M	\$128M	\$34M	\$92M	\$69M	\$513M

* Totals are adjusted relative to previous annual reports to account for project terminations. Detail may not add due to rounding.

SOURCE: U. S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Data Systems and Statistics Division, Action Grant Information System Data Base.

CHAPTER 4

COMMUNITY DEVELOPMENT BLOCK GRANTS: THE SMALL CITIES PROGRAM

INTRODUCTION

The Small Cities Community Development Block Grant Program (the State Block Grant Program) is HUD's principal vehicle for assisting communities under 50,000 population that are not central cities. From its inception in FY 1974 until FY 1982 the program was administered exclusively by HUD, and more than \$4.3 billion in grants were awarded through competitions managed by HUD Field Offices. In 1981 HUD sponsored a demonstration program that permitted State governments in Wisconsin and Kentucky to assist in administering the CDBG program for their nonentitlement communities. At the Administration's request, Congress changed the administrative structure of the Small Cities program in the Omnibus Budget Reconciliation Act of 1981. This change offered States the option of administering the program for their nonentitlement communities. Most States and Puerto Rico have since assumed this responsibility and now determine how and where to award CDBG Small Cities funds within their jurisdictions. By FY 1984, only three States remained in the HUD-administered Small Cities program.

This Chapter describes the operation of the CDBG State and HUD-administered Small Cities Program in FY 1984. The Chapter is organized into five principal sections. In the first section, program participation and funding among the States in FY 1984 is addressed. The second discusses how States allocated their funds among their communities and the priorities they emphasized in their allocation processes. Section three presents a brief analysis of the types of projects that States funded during the 1984 program year, and the fourth section examines the funding patterns of States participating in the program since FY 1982. The final section includes a brief discussion of the FY 1984 HUD-administered Small Cities program.

PROGRAM FUNDING AND PARTICIPATION

The number of States* participating in the State Block Grant program has increased dramatically since Kentucky and Wisconsin first participated in the FY 1981 demonstration. In FY 1982, 37 States elected to administer the program, and in FY 1983 ten more States exercised this option. After Kansas decided to administer its CDBG funds in FY 1984, HUD administered the Small Cities program for nonentitlement communities in only three States--New York, Maryland and Hawaii.

Funding for the Small Cities program is established by Section 106 of the Housing and Community Development Act of 1974, as amended, at thirty percent of the entire CDBG annual appropriations that remain after subtracting the amount allocated to the Secretary's Discretionary Fund. In FY 1984 \$1.02

* --Throughout this Chapter, the term "States" includes Puerto Rico.

billion was available for use in the Small Cities program. These funds are allocated among the States using the same dual formula process that is used in the entitlement program, except that formulas are modified to include only data reflecting nonentitlement areas of each State. Through these formulas, \$966.9 million was allocated in FY 1984 to the 48 States administering their own CDBG programs. The balance, approximately \$53 million, went to grantees located in the three States in which HUD continued to administer the program.*

Each State may use a portion of the funds it receives to pay for costs incurred in administering the program. Beginning in FY 1984, a State could deduct from its total allocations \$100,000 plus 50 percent of any expenses in excess of \$100,000. The total amount deducted as excess, however, could not exceed two percent of the total grant.

Thirty-eight States received technical assistance grants totalling \$4.3 million in FY 1984 from the Secretary's Discretionary Fund, to provide assistance to their small cities to better utilize CDBG funds. The FY 1984 State Technical Assistance Program had two components - a formula system for States with FY 1983 assistance grants that ended prior to March 1984, and a competitive system for States with grants ending after February 1984. The formula system established a funding level for each State, and the States undertook projects which related to their CDBG needs. The competitive system was based on States identifying their critical needs and designing an effective program to meet those needs. The States used almost one-half (45 percent) of their monies for local capacity building and about one-quarter (27 percent) for economic development-related assistance. Other types of technical assistance, in order of funds used, included State staff capacity building, development and management of recipient public facilities and rental rehabilitation programs and local application development.

STATE GRANTS TO SMALL CITIES

Each State is responsible for selecting an agency to administer its Small Cities Program. In FY 1984, agencies administering the program remained the same as in FY 1983. In 21 of the 48 participating States, the department of community affairs administered the program; in 13 States, including Kansas, which administered CDBG funds for the first time in FY 1984, economic and community development agencies ran the program. State planning or industrial agencies, or the Governor's Office, were designated in the other 14 States. Agency staff commitments to the program varied from one to 23 person-years per State. Three States formally use regional agencies both to provide assistance to applicants and to aid in tasks associated with grant administration. In addition, many other States, used regional organizations to assist recipients in various grant-related tasks.

* Table 4-10 shows the allocations to each State for FY 1981 through FY 1984.

State administering agencies have discretion, within the requirements imposed by the Act and HUD regulations, to design their systems for selecting communities, to determine which eligible activities will get special emphasis, and to establish limits to the amounts awarded applicants. This section describes these features of the State program.

State Selection Systems. Before States assumed administrative control of their own Small Cities programs, HUD established the criteria for rating applications submitted by nonentitlement communities and conducted competitions to rank the applications received. Since FY 1982, when States first began to administer the Small Cities program, most States have awarded grants primarily by using competitive systems that tend to reflect their special economic and community development needs and individual policy preferences. In FY 1984, forty states maintained more than one competitive allocation category. These included general competition only, or competitions by type of activity (such as public facilities or economic development), or by the size, location or other characteristics of recipients.

In FY 1984, the pattern of distributing funds through a competitive process continued. Of the 48 States that administered their own CDBG program in FY 1984, 45 allocated all but a small share of their funds based on competitions. Specific characteristics of the competitions, however, varied considerably. In 34 States, specific funding categories ensured that certain types of projects were funded.

In ten States, including seven that also established categories for specific types of projects, funding categories were established that set-aside portions of the States' funds for particular types of communities. Most often, categories were established to ensure that eligible communities of all sizes received funding. To assure geographic dispersion in two States (Arizona and Utah), CDBG funds were awarded through regional organizations. Mississippi established regional entitlements which were funded, and through this method funds were distributed to local recipients. Vermont and South Carolina ensured geographic distribution by allocating a percentage of funds for use in rural areas. Another type of earmarking was used in Louisiana, which reserved almost 15 percent of its funds for communities that had never received funding from either the State or HUD. Finally, eight States chose not to make such distinctions but conducted one general competition in which all applicants were ranked against one another, regardless of the type of project proposed.

Table 4-1 illustrates the number of States that used a competitive awards process with special funding categories earmarked for either specific types of projects or types of community recipients.

TABLE 4-1

STATE METHODS OF MAKING AWARDS
IN STATES USING A COMPETITIVE SYSTEM,
FY 1984

<u>Special Funding Categories</u>	<u>Number</u>	<u>Percent</u>
For types of projects	27	60%
For types of projects, and community recipients	7	16
For types of community recipients	3	7
<u>No special categories</u>	<u>8</u>	<u>18</u>
<u>Total</u>	<u>45</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development,
Community Planning and Development, Office of Block Grant
Assistance.

Ohio and Puerto Rico awarded significant portions of their funds through formulas that primarily reflected the relative population of eligible communities, although each State supplemented this practice with competitions for at least some part of their FY 1984 grants. For example, Ohio allocated approximately 40 percent of its FY 1984 grant by formula, while the majority of all other funds were awarded through project-based competitions, primarily to economic development, comprehensive rehabilitation, and neighborhood revitalization projects. Puerto Rico changed from a competitive and formula-based system to an all formula system in FY 1984.

State Selection Priorities. In general, State administering agencies used the same types of selection criteria in FY 1984 that they had used in FY 1983 (See Table 4-2). Criteria used by one-half or more of the States were, in order of frequency: project impact, community needs, and benefits to low- and moderate-income persons. One-third to one-half of the States also used the extent to which the project leveraged other funds, met urgent community needs, local commitment to the project, and the applicant's management capacity. Factors such as promoting equal opportunity and creating employment were often incorporated by States as part of more general categories such as project impact. Consequently, their importance in the States' programs is probably underrepresented in the count in Table 4-2, which shows only States in which they are singled out as factors in selection.

Twenty-nine States set aside \$190 million for economic development (20 percent of total FY 1984 State funding); 21 earmarked \$42 million for imminent threats, emergencies and special opportunity projects (four percent of funds); and 15 States reserved \$6 million for "planning only" (one percent). Thus, twenty-five percent of the FY 1984 available funds total were set aside for specific State-determined priority purposes.

TABLE 4-2

STATE PROGRAM AWARD SELECTION FACTORS,
FY 1984*

Selection Factor	States Using the Factor	
	Number	Percent
Project Impact	37	77%
Community Needs	27	56
Benefits to Low/Moderate Income Persons	24	50
Leveraging Other Funds	23	47
Urgent Needs	18	37
Local Commitment	16	33
Local Management Capacity	16	33
Employment Created/Retained	10	20
Equal Opportunity	5	10
Housing Commitment	3	6

* Because all States used more than one selection factor, the total number of factors exceeds the number of participating States.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Block Grant Assistance.

Small Cities Applications and Awards. States administering the Small Cities program in FY 1984, on average, received 170 applications and made 57 awards of approximately \$249,000 each.* The number of applicants ranged from 17 in Rhode Island to 534 in Texas, and the number of awards ranged from 10 in Connecticut to 294 in Ohio. (Ohio allocated a substantial portion of its funds through a formula.) Overall, approximately 2,500 awards totaling \$620 million had been made by 44 States using FY 1984 funds at the time this report was prepared. (See Table 4-11 for a listing of applicants, awards, and average grant sites for participating States.)

Approximately 34 percent of all FY 1984 applications received by the States were funded. The average size of the awards made by States in FY 1984 varied greatly, from \$55,000 in Utah to \$740,000 in Puerto Rico. The general tendency of many States was to provide larger grants where there are relatively fewer successful applicants. Puerto Rico, which received a

program totals shown in Tables 4-3 to 4-8 vary from the total allocated to States and shown in Tables 4-9 and 4-10. This is primarily because data was available for only 44 States at the time this report was prepared, and because some of these States had not awarded all their FY 1984 funds, or had not provided specific information on the types of activities and communities they had funded.

relatively larger grant because the CDBG formula allocates more funds to States with higher levels of poverty, made a large average size formula-based grant of \$740,000 to each of its 66 applicants.

CHARACTERISTICS OF GRANTS AND RECIPIENTS

In the aggregate, there was a clear pattern to the total number and amount of State awards in FY 1984. Very small cities and towns, i.e., those with a population of less than 2,500, were the most frequent recipients of FY 1984 State awards (37 percent of grants), and received the largest share of money (33 percent of funds). Overall, there appears to be some tendency for States to make larger awards to larger communities, with larger cities (those with populations greater than 10,000) and counties receiving a larger average award than very small cities. The smallest average awards were made to small communities with populations of less than 2,500.

TABLE 4-3

STATE BLOCK GRANT AWARDS BY SIZE OF RECIPIENT,
FY 1984

<u>Recipient Population</u>	<u>Grant Awards</u>		<u>Funds Awarded</u>		<u>Average Grant Site</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
			(\$Millions)		(\$Thousands)
Very small recipients (under 2,500)	921	37%	\$204	33%	\$221
Small recipients (2,500-10,000)	623	25	164	26	\$263
Larger recipients (over 10,000)	418	17	115	19	\$274
<u>Counties</u>	<u>526</u>	<u>21</u>	<u>138</u>	<u>22</u>	<u>\$262</u>
<u>Total</u>	<u>2,488</u>	<u>100%</u>	<u>\$620</u>	<u>100%</u>	<u>\$249</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Small Cities Data Base,

Program Activities. The most frequently funded activities in FY 1984 were public works-related activities, followed by economic development projects, housing-related activities and planning assistance. Multi-purpose allocations also constituted a substantial portion of activity in the program. The frequency and level of funding of these activity categories is presented in Table 4-4.

TABLE 4-4

PROGRAM ACTIVITIES FUNDED, FY 1984
(Dollars in Thousands)

Program Activity	Grants		Grant Funds		Average Amount
	Number	Pct	Amount	Pct.	
Public Works	1,238	49%	\$297,657	48%	\$240
Water	(430)	(17)	(109,412)	(18)	(254)
Sewer	(236)	(9)	(64,488)	(10)	(273)
Streets	(143)	(6)	(24,763)	(4)	(173)
Public Facilities	(96)	(4)	(17,681)	(3)	(184)
Flood/Drainage	(71)	(3)	(16,126)	(3)	(226)
Other Pub. Works	(262)	(10)	(65,287)	(10)	(249)
Economic Development	449	18	112,410	18	250
Housing Related	398	16	124,208	20	312
Planning Related	186	8	5,004	1	43
MULTI-PURPOSE GRANTS	217	9	7,512	13	357
Rita's	2,488	100%	\$619,891	100%	\$249

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Small Cities Data Base.

Table 4-4 indicates the predominance of public works project funding through State Block Grant programs.* Overall, nearly one-half of both the number of grants and the amount of grant funds were awarded to projects for the construction or reconstruction of basic community infrastructure. By a wide margin, projects for water and sewer improvements were the most frequently funded types of public works. Other public works projects such as improvements to streets, bridges, and facilities to control flooding or improve drainage also received significant levels of funding. Over \$17 million was allocated to fund the construction or rehabilitation of public facilities such as senior citizen or handicapped centers and recreational facilities, and to make public buildings more accessible to the handicapped. The "Other Public Works" category includes such activities as acquisition, clearance, fire and safety projects.

Economic development projects received 18 percent of all funds. While most States described projects to promote economic development in very general terms, some specified activities that included site improvements for business expansion, and the provision of loans to businesses for capital or to improve facilities. Economic development priorities prompted 13 States to accept those applications on an ongoing basis, while 12 accepted economic development applications on a quarterly basis. With economic development funding spread

* Current reporting requirements used in the State Block Grant program allow State officials to develop their own categories to describe the projects they fund. The categories used in this Chapter represent HUD's efforts to classify the activities described by the States.

over the year, this may not be adequately reflected in these data. A shift may therefore occur once States commit all their funds. Housing projects, which constituted 16 percent of all grants, received some 20 percent of all funds. Most of the housing-related projects involved providing loans and grants for the rehabilitation of single-family, owner-occupied housing, although several States used funds to begin and/or expand rental rehabilitation programs. Small planning grants, averaging \$43,000 each, constituted some eight percent of the number of grants but only one percent of funds allocated. Most small communities have few full time employees and consequently almost none have planning staff. Thus, they frequently require planning or feasibility funds to determine the scope, cost and desirability of housing, public works and economic development projects.

Activities Undertaken by Different Types of Recipients. In terms of the number and the amount of allocations, public works activities constituted the largest category, regardless of type of recipient involved. Nonetheless, there were substantial differences in the way program monies were used by different types of recipients. Tables 4-5 and 4-6 illustrate the distribution of grants and funds by the type of activity undertaken and the population of the recipient communities.

Public works projects were the most frequently funded activity in all types of communities. Over 60 percent of both the number and dollar amount of awards in very small cities and towns (under 2,500 population) were to be used in public works related projects. These communities invested relatively small shares of their funds in housing and economic development projects and received little funding for multi-purpose projects. In particular, their funding for economic development projects was about one-half the level of other nonentitlement communities. In contrast, projects in larger nonentitlement jurisdictions were more equally divided among public works, economic development, housing, and multi-purpose activities.

The funding pattern of nonentitlement counties was closer to that of very small recipients than to that of larger nonentitlement communities. The majority of State Block Grant funds awarded to counties (51 percent) were for public works projects, while substantially smaller proportions went to other types of activities. Counties receiving funds did, however, spend relatively larger percentage shares on economic development and multi-purpose projects than did very small cities.

TABLE 4-5

NUMBER OF GRANTS BY PROGRAM ACTIVITY AND
RECIPIENT POPULATION SIZE/TYPE, FY 1984

program Activity	Very Small Cities (under 2,500)		Small Cities (2,500-10,000)		Larger Cities (over 10,000)		Counties	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Public Works	572	62%	271	43%	132	32%	263	50%
Economic Development	101	11	126	20	102	24	120	23
Housing	131	14	112	18	92	22	63	12
Planning	90	10	41	7	21	5	34	6
Multi-Purpose	27	3	73	12	71	17	46	9
Totals	921	100%	623	100%	418	100%	526	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Block Grant Assistance.

TABLE 4-6

AMOUNT OF GRANTS BY PROGRAM ACTIVITY AND
RECIPIENT POPULATION SIZE/TYPE, FY 1984
(Dollars in Millions)

Program Activity	Very Small Cities (under 2,500)		Small Cities (2,500-10,000)		Larger Cities (over 10,000)		Counties	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Public Works	\$129	64%	\$57	40%	\$32	28%	\$70	51%
Economic Development	23	11	32	20	28	25	29	21
Housing	38	18	39	24	29	25	18	13
Planning	2	1	1	1	1	1	4	3
Multi-Purpose	12	6	25	15	25	21	17	12
Totals	\$204	100%	\$164	100%	\$115	100%	\$138	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Small Cities Data Base.

FUNDING PATTERNS. FY 1982 THROUGH FY 1984

In the aggregate, there has been relatively little change in either the activities or sizes of communities funded since FY 1982.* There has been an apparent slight decline over the three year period (indicated in Table 4-8) in the number and dollar amount of funds in support of public works-related activities and a comparable increase in multi-purpose project support. Although public works projects remain the leading activity funded in the State Block Grant program, data in Table 4-7 suggest that this activity may be

* In order to provide a consistent comparison over the three fiscal year period, data in this section include only the 31 of the 37 States that have participated since FY 1982, and for which three years of complete data are presently available.

declining somewhat in importance. However, because multi-purpose awards have increased substantially since FY 1952 and often include awards for public works project funding, there may have been no real decline in the actual funding levels for public works.

TABLE 4-7

PERCENTS OF GRANTS AND FUNDS BY PROGRAM ACTIVITY, FY 1982 TO FY 1984
(31 States)

Program Activity	Percent of Grants			Percent of Funds		
	FY 82	FY 83	FY 84	FY 82	FY 83	FY 84
Public Works	56%	52%	48%	55%	49%	47%
Economic Development	20	19	20	25	20	20
Housing	16	14	17	18	20	21
Planning	8	11	8	1	5	1
Multi-Purpose	-	4	7	1	6	11
Totals	100%	100%	100%	100%	100%	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Small Cities Data Base.

No significant change in either the number or average amount awarded to communities of different sizes has taken place over the three year period in the 31 States compared. There has, however, been a slight shift toward providing grants of more equal dollar amount, regardless of recipient size. As a result the percentage of funds awarded in FY 1984 to communities of a particular population more closely approximates the percentage of awards they received than it did in FY 1982.

TABLE 4-8

AWARDS AND FUNDS BY TYPE OF RECIPIENT, FY 1982 THROUGH FY 1984
(31 States)

Recipient	Percent of Awards			Percent of Funds		
	FY 82	FY 83	FY 84	FY 82	FY 83	FY 84
Very Small Cities (under 2,500)	40%	43%	40%	29%	34%	33%
Small Cities (2,500-10,000)	23	24	25	25	27	27
Larger Cities (over 10,000)	16	14	15	22	19	19
Counties	21	19	20	24	20	21
Total	100%	100%	100%	100%	100%	100%

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Small Cities Data Base.

THE HUD ADMINISTERED SMALL CITIES PROGRAM

By FY 1984 only Hawaii, Maryland, and New York remained in the HUD-administered Small Cities program. During the fiscal year, HUD received applications from 116 communities and funded 79 (70 percent). The total amount of grants awarded was \$53 million, or an average of about \$671,000 per award. These grants provided a one year HUD funding commitment, and the previous HUD multi-year commitments were phased-out. Table 4-9 presents characteristics of the HUD-administered program.

TABLE 4-9

HUD-ADMINISTERED SMALL CITIES PROGRAM
NUMBER, PERCENT, AND AMOUNT OF GRANTS BY STATE AND CITY POPULATION, FY 1984
(Dollars in Thousands)

Grants by City Population	Number and Percent of Grants								Total and Percent of Amount by City Size	
	Hawaii		Maryland		New York		Total		Amount	Percent
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.		
Very Small Cities (Under 2,500)	-	-	1	44	7	12	15	19	\$8,430	16
Small Cities (2,500 - 10,000)	-	-	2	11	26	45	28	35	18,566	35
Large Cities (over 10,000)	-	-	3	17	23	40	26	33	20,238	38
<u>Counties</u>	<u>3</u>	<u>100</u>	<u>5</u>	<u>28</u>	<u>2</u>	<u>3</u>	<u>10</u>	<u>13</u>	<u>5,806</u>	<u>11</u>
	<u>3</u>	<u>100</u>	<u>18</u>	<u>100</u>	<u>58</u>	<u>100</u>	<u>79</u>	<u>100</u>	<u>53,040</u>	<u>100</u>

Grant Totals By State

Amount	\$2,544	\$8,153	\$42,343	\$53,040
Percent	5%	15%	80%	100%

SOURCE: Department of Housing and Urban Development, for Community Planning and Development, Data Systems and Statistics Division, Office of Management, Office of Program Analysis and Evaluation.

TABLE 4-10

SMALL CITIES ALLOCATIONS BY STATE, FY 1981-1984
(Dollars in Thousands)

State	FY 1981	FY 1982		FY 1983		FY 1984	
	Allocation Amount	Allocation Amount	Percent Change	Allocation Amount	Percent Change	Allocation Amount	Percent Change
Alabama	\$28,007	\$31,727	13%	\$29,792	-6%	\$28,803	-3%
Alaska	1,283	1,315	2	1,504	14	1,651	10
Arizona	5,284	5,998	14	6,849	14	6,301	-8
Arkansas	20,443	22,902	12	21,215	-7	20,525	-3
California	23,327	24,708	6	27,142	10	30,101	11
Colorado	8,585	9,654	12	10,128	5	9,534	-6
Connecticut	8,417	9,978	19	10,120	1	10,386	3
Delaware	1,449	1,587	10	1,663	5	1,645	-1
Florida	21,051	23,076	10	25,982	13	26,909	4
Georgia	34,380	36,676	7	36,408	-1	36,454	-
Hawaii	1,525	1,633	7	1,896	16	2,544	34
Idaho	5,713	6,280	10	7,102	13	7,312	3
Illinois	32,409	33,713	4	33,485	-1	33,209	-1
Indiana	26,263	30,254	15	29,801	-1	28,935	-3
Iowa	22,498	24,908	11	24,775	-1	24,920	1
Kansas	16,084	17,885	11	17,484	-2	16,808	-4
Kentucky	27,238	30,639	12	29,316	-4	28,764	-2
Louisiana	27,586	30,837	12	27,787	-10	27,041	-3
Maine	9,493	10,090	6	10,524	4	11,259	7
Maryland	8,556	8,325	-3	8,315	-	8,154	-2
Massachusetts	22,512	26,542	18	27,380	3	27,626	1
Michigan	28,424	30,506	7	31,822	4	31,837	-
Minnesota	19,721	22,249	13	22,291	-	21,689	-3
Mississippi	30,303	33,925	12	30,349	-11	30,824	2
Missouri	23,560	26,218	11	25,803	-2	24,096	-7
Montana	5,595	6,109	9	6,327	4	6,213	-2
Nebraska	10,928	12,101	11	11,897	-2	12,049	1
Nevada	2,031	1,291	-36	1,520	18	1,682	11
New Hampshire	5,742	5,731	-	6,015	5	6,629	10
New Jersey	9,999	11,381	14	11,915	5	8,326	-30
New Mexico	8,414	9,329	11	9,324	-	9,724	4
New York	37,424	39,225	5	39,315	-	42,342	8
North Carolina	41,707	46,374	11	43,868	-5	42,685	-3
North Dakota	5,164	5,704	10	5,528	-3	5,341	-3
Ohio	39,317	44,040	12	44,927	2	44,719	-
Oklahoma	16,550	18,517	12	17,719	-4	15,836	-11
Oregon	9,204	9,894	7	11,081	12	10,189	-8
Pennsylvania	37,764	42,622	13	42,691	-	44,359	4
Puerto Rico	44,730	47,050	5	54,796	16	55,906	2
Rhode Island	4,121	4,443	8	4,441	-	4,059	-9
South Carolina	24,641	26,938	9	25,614	-5	26,008	2
South Dakota	6,111	7,057	15	6,754	-4	6,921	2
Tennessee	26,349	30,105	14	28,531	-5	27,448	-4
Texas	50,292	57,619	15	56,886	-1	61,569	8
Utah	39,557	4,235	19	4,728	12	5,028	6
Vermont	4,882	4,905	-	5,145	5	5,613	9
Virginia	23,290	25,520	10	24,005	-6	22,346	-7
Washington	11,080	11,342	2	12,179	7	11,707	-4
West Virginia	16,600	18,714	13	17,743	-5	17,113	-4
Wisconsin	23,015	25,058	9	24,998	-	25,816	3
Wyoming	2,964	2,921	-1	2,970	2	2,985	1
Total	\$925,582	\$1,019,850	10%	\$1,019,850	-	\$1,019,940	-

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Block Grant Assistance.

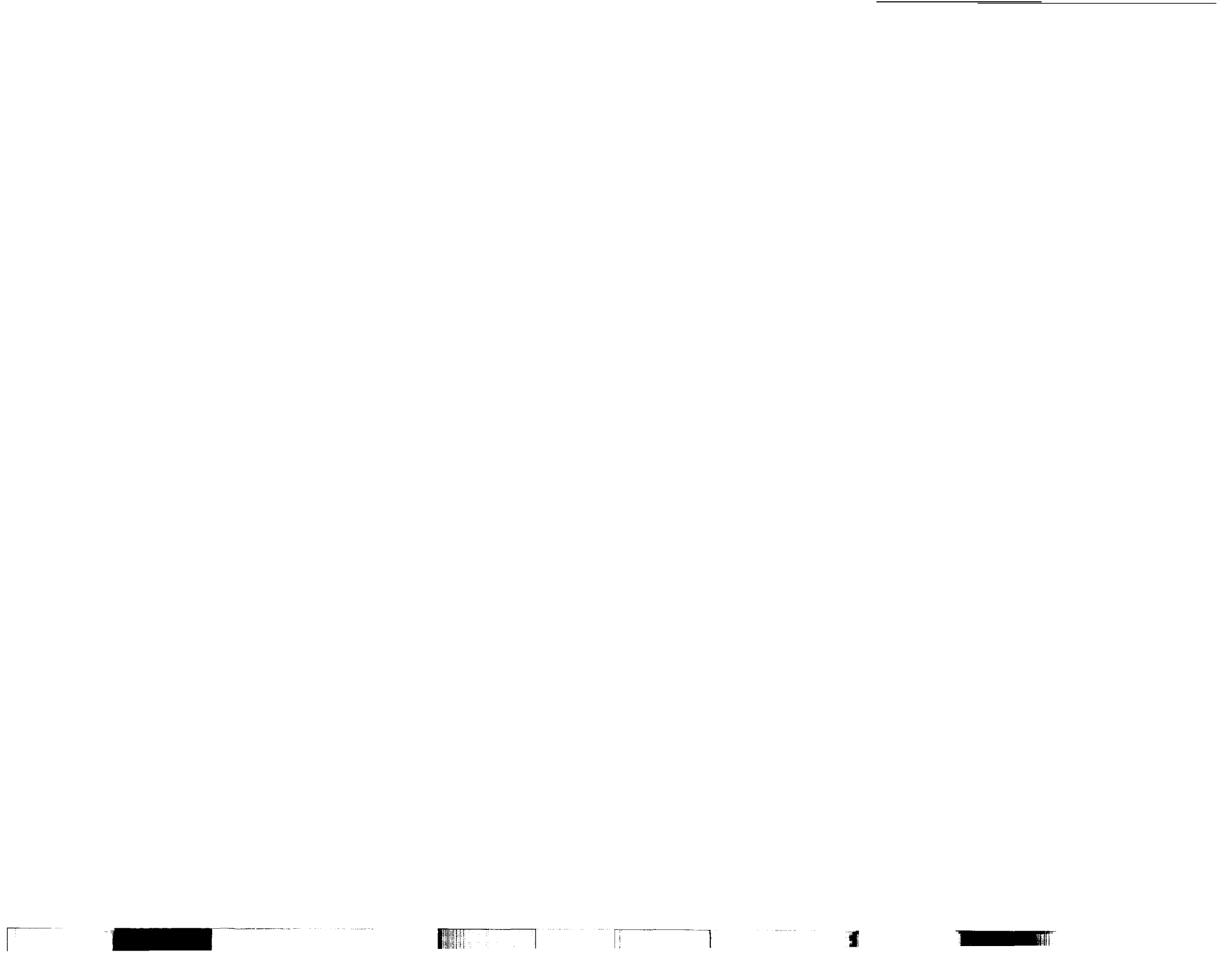
TABLE 4-11

SUMMARY OF STATE BLOCK GRANT PROGRAM APPLICATIONS AND AWARDS,
 FY 1983 AND FY 1984
 (48 States),
 (Dollars in Thousands)

State	Number of Applicants			Number of Awards			Award/Applicant Ratio			Average Size of Awards		
	FY83	FY84	Pct. Chg.	FY83	FY84	Pct. Chg.	FY83	FY84	Pct. Chg.	FY83	FY84	Pct. Chg.
Alabama	525	432	-18%		157	9%	27	36	33%	\$150	\$173	15%
Alaska	24	24	-	8	13	63	33	54	64	90	100	11
Arkansas	225	303	35	37	49	32	16	16	-	386	352	-9
Arizona	60	31	-48	28	25	-11	47	81	72	143	251	76
California	124	132	6	47	43	-9	38	33	-13	496	471	-5
Colorado	130	115	-12	33	38	15	25	33	32	243	243	-
Connecticut	48	53	10	17	30	76	35	57	63	391	286	-27
Delaware	28	29	4	15	10	-33	54	34	-37	109	163	50
Georgia	323	341	6	71	101	42	22	30	36	300	345	15
Idaho	62	51	-18	18	22	22	29	43	48	221	302	37
Illinois	215	300	40	81	114	41	38	38	-	272	233	-14
Indiana	164	168	2	24	31	29	15	18	20	318	312	-2
Iowa	396	376	-5	90	79	-12	23	21	-9	216	202	-6
Kentucky	239	144	-40	68	71	4	28	49	75	426	401	-6
Maine	88	99	13	26	31	19	30	31	3	336	337	-
Massachusetts	77	93	21	27	56	107	35	60	71	471	407	-14
Michigan	331	341	3	87	99	14	26	29	12	152	181	19
Minnesota	170	145	-15	38	49	29	22	34	55	482	435	-10
Mississippi	218	243	11	69	86	25	32	35	9	288	264	-8
Missouri	545	368	-32	78	59	-24	14	16	14	257	256	-
Montana	32	40	25	17	15	-12	53	38	-28	359	393	9
Nebraska	350	215	-39	91	34	-63	26	16	-38	115	218	90
Nevada	72	58	-19	21	16	-24	29	28	-3	71	83	17
New Hampshire	36	53	47	24	34	42	67	64	-4	174	182	5
New Jersey	75	39	-48	12	19	58	16	49	206	387	202	-48
New Mexico	197	119	-40	39	36	-8	20	30	50	196	216	10
North Carolina	257	228	-11	95	84	-12	37	37	-	346	445	29
North Dakota	107	117	9	42	58	38	39	50	28	118	88	-25
Ohio	423	425	-	232	294	27	55	69	25	118	144	22
Oregon	122	176	44	21	62	195	17	35	106	355	152	-57
Puerto Rico	68	66	-3	68	66	-3	100	100	-	750	740	-1
Rhode Island	15	17	13	3	11	267	20	65	225	664	347	-48
South Carolina	97	133	37	36	49	36	37	37	-	415	354	-15
South Dakota	96	80	-17	28	31	11	29	39	34	203	154	-24
Tennessee	320	158	-51	63	64	2	20	41	105	284	343	21
Texas	473	534	13	91	174	91	19	33	74	258	260	1
Utah	150	150	-	80	92	15	53	61	15	58	55	-5
Vermont	79	54	-32	15	34	127	19	63	232	139	115	-17
Virginia	118	130	10	28	50	79	24	38	58	572	394	-31
Washington	96	85	-11	20	25	25	21	29	38	378	449	19
West Virginia	228	257	13	30	29	-3	13	11	-15	463	392	-15
Wisconsin	138	126	-9	50	45	-10	36	36	-	439	432	-2
Wyoming	40	26	-35	9	13	44	23	50	117	309	235	-24
Sub-total	7669	7173	-6%	2147	2529	18%	28	35	25%	\$268	\$268	-
Kansas		412			62							
Total		7585			2591							

* Florida, Louisiana, Oklahoma and Pennsylvania will complete awards later in the year and are excluded from this Table. Kansas is listed separately because it is new to the program.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation.



CHAPTER 5

CPD-ADMINISTERED REHABILITATION PROGRAMS

INTRODUCTION

This chapter describes the housing rehabilitation programs for which the Office of Community Planning and Development is responsible: the Rental Rehabilitation Grants Program, the Section 312 Rehabilitation Loan Program, and the Urban Homesteading Program. It relates current developments in the three programs and documents the present status of each.

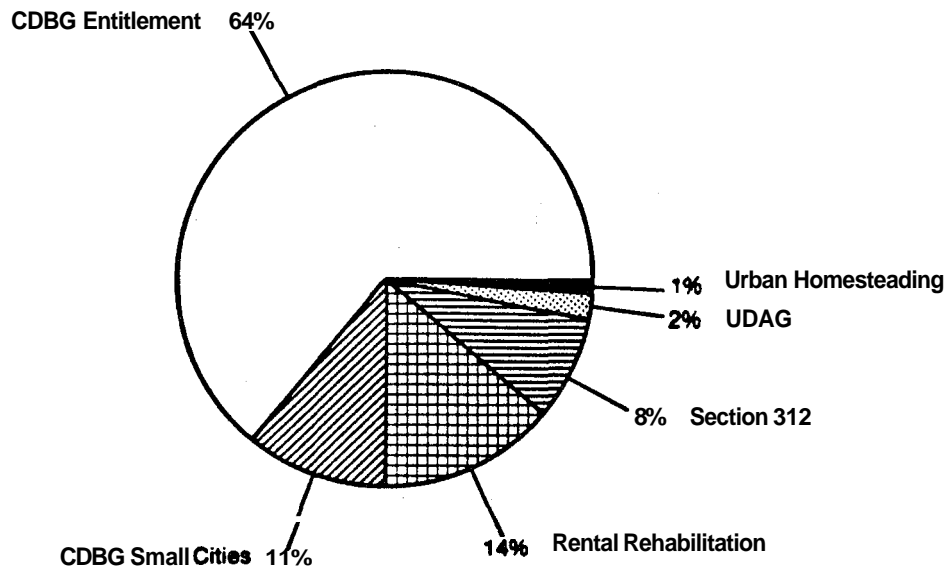
Housing rehabilitation has been a fairly recent public priority at all levels of government. For example, in the aggregate, CDBG entitlement communities planned to spend 38 percent of their FY 1984 CDBG funding for housing-related activities, by far the greatest part of which were single-family and multifamily housing rehabilitation. This is nearly three times the proportion of Block Grant spending in housing-related activities (13 percent) during FY 1976.

Figure 5-1 displays the relative magnitude of housing rehabilitation resources contributed by the community development programs administered by HUD. The specific housing rehabilitation programs described in this chapter, as important as they are, constitute relatively small proportions of the CPD-administered housing rehabilitation total.

Figure 5-1

Support for Housing Rehabilitation Activity from CPD Program Sources for FY 1984

Total: \$1,101 million



PART ONE: THE RENTAL REHABILITATION GRANTS PROGRAM

INTRODUCTION AND BACKGROUND

In December 1984, the Department submitted the First Report on the Rental Rehabilitation Grants Program. That report described the new program and documented its status by the end of FY 1984. Although this Consolidated Annual Report covers the same time period, it would be informative, given the newness of the program, to update its status. This brief section will serve that purpose. In addition, Chapter 1 summarizes some of the recent changes in the Rental Rehabilitation Grants Program produced by the Housing and Community Development Technical Amendments Act of 1984.

On November 30, 1983, President Reagan signed into law the Housing and Urban-Rural Recovery Act of 1983. That law contained authorizing legislation for the Rental Rehabilitation Grants Program: Section 17 of the U.S. Housing Act of 1937 (42 USC 1437o). The Rental Rehabilitation Grants Program provides grants to cities with populations of 50,000 or more, urban counties, approved consortia of general local governments, and States to finance the rehabilitation of privately-owned rental housing. The program is designed to increase the supply of standard housing that is affordable to lower-income tenants. It achieves that purpose by: (1) increasing the supply of private market rental housing available to lower-income tenants by providing government funds to rehabilitate existing units, and (2) through special allocations of resources under the Section 8 Voucher Program and the Existing Housing Certificate Programs, which offer rental assistance to very low-income and certain lower-income persons to help them afford the rent of the rehabilitated units. Within the framework of Federal regulations, State and local governments have considerable flexibility to design and implement rental rehabilitation programs that reflect their needs.

CURRENT PROGRAM STATUS

In each of Fiscal Years 1984 and 1985, \$150 million is available for the Rental Rehabilitation Grants Program. However, \$1 million each year has been statutorily set aside for technical assistance to program participants to help them plan, develop, and administer their programs and activities more effectively. Therefore, \$149 million per year is actually available for program allocation. For FY 1984, the Department allocated \$90.5 million, or 61 percent of the total made available, directly to formula cities; \$18.1, or 12 percent of the total, directly to urban counties; and \$40.4 million, or 27 percent, indirectly to smaller communities either through programs administered by States or by the Department, if a State elected not to administer its allocation. It is estimated that up to 30,000 Section 8 Existing Housing Certificates and housing vouchers will be made available annually for use in connection with the Rental Rehabilitation Grants Program for FYs 1984 and 1985.

For FY 1984, 327 cities and 96 urban counties qualified for direct assistance under the Rental Rehabilitation Grants Program.* The size of the direct allocations varied greatly from community to community. Thirteen large localities received FY 1984 allocations greater than \$1 million, and New York City alone received \$15.9 million. In contrast, 80 percent of the direct

program recipients had allocations of less than \$250 thousand, and 41 percent had allocations of less than \$100 thousand. (See Table 5-1). The Rental Rehabilitation allocations to States varied in size from \$33,900 (Delaware) to \$2,450,100 (Texas).

TABLE 5-1

RENTAL REHABILITATION GRANTS ALLOCATION AMOUNTS FOR
DIRECT FORMULA CITIES AND URBAN COUNTIES
(Dollars in Thousands)

Allocation Amount	Communities	
	Number	Percent
\$50 - \$100	175	41%
\$100 - \$250	164	39
\$250 - \$500	44	11
\$500 - \$1000	27	6
\$1000+	13	3
	<u>423</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation.

Of the 423 local communities eligible for direct allocations, 399 actually elected to apply for and receive grants during the first year of the program. The 24 localities that chose not to take part tended to be ones with small allocations. Twenty had allocations smaller than \$100,000, and the other four had allocations smaller than \$150,000. The allocations for the non-participants, totalling \$3.3 million, will be allocated during FY 1985 based on regulatory criteria generally designed to reward expeditious, sound use of program funds. A grantee may receive up to 130 percent of its direct formula amount during each program year under this authority.

* The regulations state that only a city or urban county designated as eligible under the CDBG program for the preceding Fiscal Year's funding is eligible to apply for and receive a funding commitment for the Rental Rehabilitation Program. HUD waived this requirement for six newly qualified urban counties in FY 1984 so that they could participate through their respective State programs in Fiscal Year 1984, although they did not qualify for direct allocations. Those six counties did receive direct allocations for FY 1985 as did two other cities and one consortium. Four cities and one county that received direct allocations in FY 1984 failed to obtain such allocations for FY 1985. With the entry of the new participants, these communities fell below the \$50,000 regulatory threshold necessary for receiving a direct allocation.

Of the 50 eligible State jurisdictions and Puerto Rico, 38 have chosen to administer their allocations directly during FY 1984. HUD Field Offices are managing the allocations for the 13 remaining States. The responsible Field Offices have established State-specific competitive selection systems to pick local government grantees. A HUD notice on the HUD competitive process was issued by the Office of Community Planning and Development on June 21, 1984.

As of September 30, 1984, the 399 cities and urban counties participating as direct grant recipients had received \$106.8 million; the 37 States and Puerto Rico that had chosen to administer their own programs had received grants totalling \$34.0 million; 39 communities in the 13 States electing that the Department administer their programs had been given grants amounting to \$6.3 million. Based on those grants, 19,664 certificates and 9,677 vouchers have been allocated to those communities to help lower-income tenants remain in units rehabilitated through the program.

Of the 37 State-administered rental rehabilitation programs (excluding Puerto Rico), 23 have thus far chosen localities to participate in the program for FY 1984 funding. Of those, the majority (14) have selected five to ten localities as participants; another five have selected 11 to 15 localities as participants.

As of January 11, 1985, 37 grantees, 36 communities and the State of Georgia, had notified the Department of a total of 86 impending Rental Rehabilitation projects. Of those projects, formal documentation had been submitted to HUD on 73 projects of 351 units, committing \$1.2 million of Rental Rehabilitation Grants Program funding. Based on these figures, the average Rental Rehabilitation Grants Program cost is \$3,388 per unit. The average cost of rehabilitation, both public and private, for these properties (including Rental Rehabilitation funding) is \$10,060. Overall, then, at this early point, \$1.97 of other public and private resources have been committed for rehabilitation for every dollar of Rental Rehabilitation Grants Program funding. As of January 1985, nine communities had actually disbursed program funds, and one, Allegheny County PA., had completed a project.

PART TWO: SECTION 312 REHABILITATION LOAN PROGRAM

INTRODUCTION

Section 312 of the Housing Act of 1964, as amended, authorizes the Secretary to make loans for the rehabilitation of single-family and multifamily residential, mixed-use, and non-residential properties. To be eligible, properties must be located in designated areas (i.e., principally urban homesteading areas at this time) or the rehabilitation must be necessary or appropriate to the execution of an approved Community Development Program under Title I of the Housing and Community Development Act of 1974, as amended. There are no national income limits for applicants, but communities are statutorily required to give priority to loans to low- and moderate-income owner-occupants. The program is proposed for termination in 1986 with future rehabilitation assistance to be available under the CDBG and Rental Rehabilitation Grants Programs.

This part of the chapter reports on Section 312 program activity on a cumulative and Fiscal Year 1984 basis. It is divided into two parts: recent program developments and current program status.

RECENT PROGRAM DEVELOPMENTS

Program Administration.

Congress has extended the authority for the program through FY 1985. The Department proposes to terminate the program during FY 1986 and to transfer the program's assets and liabilities to the Departmental Revolving Fund (Liquidating Programs). Similar rehabilitation assistance is available under the CDBG and Rental Rehabilitation Grants Programs.

As a means of improving the transition of loans from the origination phase and construction to amortization and servicing, the Department has involved the Department's contractor for servicing in certain technical aspects of the loan origination and construction management phases of the program. Under its expanded responsibilities, the contractor now monitors program fund use, assists in the implementation of the program's new cash management system, and trains localities about loan packaging and management of loan activity.

Changes in the Allocation System

The Department assigned Section 312 funds for FY 1984 to the HUD Regional Offices in two categories:

1. Urban Homesteading Program -- Section 312 funds were assigned for rehabilitating single-family properties of one-to-four dwelling units in support of local Section 810 Urban Homesteading programs. This included both Section 810 properties and other non-homesteading properties located in approved homesteading areas. Eleven percent of the funds assigned went to this category.
2. General Use -- In keeping with the Housing and Urban-Rural Recovery Act of 1983, the Department made the remainder of Section 312 program funds available for general use for all purposes allowed by statute (i.e., single-family, multifamily, mixed use, and non-residential rehabilitation) without requirements for allocation to specific allowable uses. In addition, it imposed no linkage between availability of program funds and participation in any other Federal housing or community development program, except for the Urban Homesteading-related funds described above (the sole linkage permitted by the statute). This was a departure from the FY 1983 allocation system which tied general use program funds to support of multifamily rehabilitation in support of the Department's Rental Rehabilitation Demonstration Program prior to the passage of the 1983 Act. Eighty-seven percent of the funds assigned went to this category.

Variable Interest Rate

No change in the Section 312 interest rate structure occurred in FY 1984. Loans were made at 3 percent to owner occupants whose incomes were at or below 80 percent of the median income for that metropolitan area; 5 percent loans

were available for multifamily or investor-owned single-family rental properties where private rehabilitation funding equalled or exceeded the Section 312 support; and a nine percent rate applied in all other situations.

CURRENT PROGRAM STATUS

Program Funding

Since its beginning through FY 1984, the Section 312 Program has awarded 93,650 loans totalling \$1.248 billion for the rehabilitation and occasional refinancing of housing.

Congress has appropriated no funding for the Section 312 Program since FY 1981. Since then, the program depended for funding support entirely on loan repayments and other income, recovery of prior year commitments, and the unobligated balance from FY 1983. A total of \$147.342 million was available from these sources for FY 1984 loans and related expenses. From that amount, \$86.119 million was obligated for loans in 390 communities during FY 1984. (Homeowners in 145 communities received loans in FY 1983; in contrast, homeowners in 549 localities were provided loans in FY 1981). After other expenses (i.e., loan servicing, acquired security and collateral - funds used by the Department to support property acquisition and to protect the government's interest in foreclosures by senior lien holders), an unobligated balance of \$51.712 million remained at the end of the Fiscal Year. Table 5-2 presents a summary of Section 312 lending activity for FY 1984.

The greatest differences from comparable loan figures for FY 1983 are the total Section 312 loan figures and the relative emphasis on single- and multifamily loans. The Department reserved loans amounting to \$86.119 million in FY 1984, nearly twice the amount reserved during the previous fiscal year (\$44.864 million).

With the concentration of Section 312 loans in single-family properties, the program returned to the predominantly single-family emphasis that it had prior to FY 1983. In FY 1984, 70 percent of Section 312 assistance went to owners of single-family housing, and 22 percent went to owners of multifamily properties. That contrasts with 74 percent to multifamily properties and 26 percent to single-family properties during FY 1983.

TABLE 5-2

CHARACTERISTICS OF SECTION 312 LOANS FOR FY 1984*

<u>Single Family Loans:**</u>	
Loan Amount:	\$59,670,000
Number of Loans:	3,222
Mean Amount per Loan:	\$18,520
Number of Dwelling Units:	4,028
Units Rehabilitated	
Per Loan :	1.25
Mean Amount per Unit:	\$14,813

<u>Multi family Loans:</u>	
Loan Amount:	\$18,700,000
Number of Loans:	208
Mean Amount per Loan:	\$89,903
Number of Dwelling Units:	1,728
Units Rehabilitated per Loan:	8.3
Mean Amount per Unit:	\$10,822

<u>Other Loans :***</u>	
Loan Amount:	\$6,630,000
Number of Loans:	50
Mean Amount per Loan:	\$132,600

* These figures are projected from a large subset of Section 312 applications for FY 1984. The totals have been rounded to \$85 million.

** Single-family refers to buildings of one-to-four units.

*** These loans include nonresidential and mixed use loans.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Urban Rehabilitation.

Section 312 Loan Collection Activity

Debt collection remained an area of high Departmental priority during FY 1984. Active Section 312 loans are serviced through a number of contracts and subcontracts. The Federal National Mortgage Association (FNMA) and its private servicers administer 80 percent of the outstanding loans and 71 percent of the outstanding loan amount. HUD Headquarters manages the remaining loans, including defaulted loans and new loans, through a private contractor.

As of the end of FY 1984, there were 60,692 active Section 312 loans with unpaid balances totalling \$675.9 million (See Table 5-3). Eighty percent of all outstanding Section 312 loans and 77 percent of the outstanding loan amounts are current. If only the seriously delinquent loans (usually defined as three or more months delinquent) are considered, then ten percent of the Section 312 loans and 12 percent of the Section 312 loan amounts were seriously delinquent or in legal action as of November 30, 1984.

TABLE 5-3

STATUS OF SECTION 312 LOAN PORTFOLIO
FOR FYs 1983 AND 1984
(Dollars in Thousands)

status	FY 1983*				FY 1984**			
	Number of Loans	%	Unpaid Balances Dollars Amount	%	Number of Loans	%	Unpaid Balances Dollars Amount	%
Current	52,604	84%	\$556,100	80%	48,774	80%	\$517,508	77%
Delinquent: 3 months or less	7,405	12	104,400	15	8,024	13	90,925	13
More than 3 months	(4,441)	(7)	(61,000)	(9)	(5,487)	(9)	(75,465)	(11)
In Legal Action	(2,964)	(5)	(43,400)	(6)	(2,537)	(4)	(15,460)	(2)
Total	2,903	5	35,900	5	3,894	6	67,440	10
	<u>62,912</u>	<u>100%</u>	<u>\$696,400</u>	<u>100%</u>	<u>60,692</u>	<u>100%</u>	<u>\$675,873</u>	<u>100%</u>

* As of November 30, 1983.

** As of November 30, 1984.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development. Office of Urban Rehabilitation.

Overall, there was a three percent decline in the proportion of current loans in the program from FY 1983 to FY 1984. There was also a large increase in the number of legal actions that the Department undertook over that period. The largest category of legal actions was foreclosures, which comprised 51 percent of the legal actions and 62 percent of the amount of the unpaid balance in legal actions. Judgments constituted the next largest category (21 percent of the loans in legal action and seven percent of the unpaid balance in legal actions). Bankruptcies, pending charge-offs, and undisposed of acquired properties made up the remainder of legal actions.

Characteristics of Single-Family Loan Recipients"

In the aggregate, most Section 312 single-family loans went to households that were of lower income, younger, more minority, and larger than the American population as a whole. The best available indicator of income status is the

*

This partial information is based on all 1984 Section 312 single-family loan applications received by HUD Central Office. The subset contains 1,114 applications or 35 percent of all FY 1984 single-family loan applications.

interest rate of the loan, since the three percent rate for single-family loans applies only if the owner has an income at or below 80 percent of the area median. Seventy-four percent of the single-family loans charged that rate. Income figures also indicate the low-income nature of loan recipients. Ninety-one percent of the applicants reported household incomes less than \$30,000 per year, 64 percent had annual incomes less than \$20,000, and 11 percent less than \$10,000.

Fifty-five percent of the loan recipients were less than 40 years of age, and 22 percent were less than 30; 14 percent were 60 years and older.

Half of the loan recipients were members of minority groups. Blacks constituted 41 percent of all recipients and Hispanics another five percent.

Thirty-six percent of all recipient households contained four or more members. Twenty-three percent were two-member households, and 20 percent were single-member households.

PART THREE : URBAN HOMESTEADING PROGRAM

INTRODUCTION

Section 810 of the Housing and Community Development Act of 1974, as amended, authorizes the transfer (without payment) of unoccupied one-to-four family residences owned by HUD, the Veterans Administration (VA), and the Farmers Home Administration (FmHA) to communities with homesteading programs approved by HUD. Local governments, in turn, offer the properties at nominal or no cost to homesteaders who agree to repair them within three years and to live in them for a minimum of five years. Approved urban homesteading programs must be part of a coordinated approach toward neighborhood improvement which includes the upgrading of community services and facilities. Section 810 funds are used to reimburse the respective Federal agencies for the value of the units transferred to communities for homesteading.

This part of the chapter reports on Urban Homesteading program activity both during FY 1984 and since the inception of the program. It is divided into four sections: recent program developments, program funding and expenditures, homesteading properties, and local participation and progress.

RECENT PROGRAM DEVELOPMENTS

Publication of Revised Urban Homesteading Program Regulations

The Department will publish shortly a final rule for the Urban Homesteading Program. The revised regulations will eliminate duplicative and reduce burdensome requirements, strengthen fraud, waste, and mismanagement controls, and implement the amendments to the program incorporated in the Housing and Urban-Rural Recovery Act of 1983.

Local Property Demonstration

The Housing and Urban-Rural Recovery Act of 1983 (Pub. L. 98-181, Section 122) authorized HUD to undertake a Local Property Urban Homesteading Demonstration Program under Section 810(i) of the Housing and Community Development Act of 1974. The purpose of the demonstration is to test the feasibility of local acquisition of properties early in the process of tax foreclosure for homesteading use. The underlying assumption is that vacant but sound structures can be valuable housing resources if communities can develop ways to obtain the properties before the foreclosure process is complete. As it is, properties that come into the possession of local governments frequently have lost most of their economic value because the slowness of the foreclosure process itself encourages owners to disinvest. The result is further housing abandonment and neighborhood deterioration.

Prior to this demonstration, some communities used locally-acquired properties in their urban homesteading programs. Typically, if these properties were acquired through tax foreclosure, they were acquired at or near the end of that process, which generally takes from two to five years. The Local Property Demonstration provides \$1.9 million in Federal funds to encourage States and units of general local government to purchase properties early in the tax foreclosure process.

Like the Urban Homesteading Program generally, the Local Property Demonstration grants considerable flexibility in local program design within certain parameters. Following are the basic Demonstration requirements:

1. An applying community need not have an existing homesteading program. Preference is to be given to innovative programs meeting the purpose of the Demonstration.
2. Any single-family residence (i.e., with one-to-four units) is eligible for assistance so long as it is unoccupied, in need of repair, designated for use in the program, and "in the process of tax foreclosure." Since it is impossible to define "in the process of tax foreclosure" in such a way that it would work in each community, each applicant proposes its own definition for HUD approval. The property should also be in such condition that a lower-income family can rehabilitate and maintain it.
3. The only costs eligible for Section 810 funding are: (a) the actual cost of acquisition of the unencumbered title to the property; and (b) other reasonable costs related to acquisition and closing that are customarily paid by a purchaser of real property in that jurisdiction. Rehabilitation and administrative costs cannot be paid out of Section 810 monies. However, participating communities must develop procedures to help the homesteader to undertake, or to arrange financing for, the required rehabilitation.
4. In general, an eligible homesteader must not already own residential property, must have an annual income not greater than 80 percent of the median for the area, adjusted for family size, yet should have the capacity to make or cause to be made whatever repairs and improvements are required.

The Department announced the national competition on September 20, 1984 in a notice in the Federal Register. Forty-five communities submitted applications to their respective Field Offices by the October 22nd deadline. HUD Field Offices reviewed the applications and sent comments to their respective Regional Offices, which in turn consolidated the comments and, in some cases, added their own, and then forwarded them to Headquarters. A panel of Headquarters staff members assessed the applications against the standards outlined in the notice. The Headquarters Review Panel accorded considerable weight also to Field and Regional Office evaluations of the applicant's ability to administer the program.

On December 22, Secretary Pierce announced the awarding of \$1.9 million to 11 communities under the Demonstration. The cities selected include Rockford, Illinois; Terre Haute, Indiana; Louisville, Kentucky; Duluth, Minnesota; Omaha, Nebraska; Columbus, Ohio; Portland, Oregon; Harrisburg, Pennsylvania; Knoxville, Tennessee; College Station, Texas; and Milwaukee, Wisconsin. In all, it is estimated that as many as 168 local properties will be transferred to homesteaders through the demonstration.

Multifamily Urban Homesteading Demonstration Program.

The Housing and Urban-Rural Recovery Act of 1983 also authorized the development of a Multifamily Urban Homesteading Demonstration Program. Under this demonstration, the Department will award up to \$3 million of Section 810 funds in FY 1985 to approximately ten localities for the purchase of HUD-owned multifamily projects.

The purpose of the Demonstration is to show that it is both practical and cost-effective for localities to help lower-income tenants acquire and rehabilitate multifamily projects for homeownership. It is intended that, despite the fact that the Demonstration supports only the purchase of HUD-owned properties, communities will be encouraged to use other multifamily properties, from whatever source, for urban homesteading. Moreover, there is the expectation that such a demonstration will enhance local expertise and test the feasibility of a variety of homeownership development and financing methods.

As in the Urban Homesteading Program itself, HUD will make available the funds appropriated for the Demonstration to reimburse the FHA mortgage insurance fund in an amount not to exceed estimated fair market value for the HUD-owned buildings used in the Demonstration. The participating community, in turn, will transfer the property to the homesteaders for such consideration, if any, as agreed upon by the parties. The locality must assure that it transfers the property to tenants under some form of tenant ownership such as condominium, cooperative, or mutual housing. If the property is conveyed on an interim basis to a developer, agency, or tenant group, it must be converted to lower-income homeownership within four years after the initial transfer.

As in the regular program, the community is responsible for establishing its own rehabilitation financing mechanisms, although HUD does encourage localities participating in the Rental Rehabilitation program to use those grants and the accompanying Housing Vouchers and Section 8 Certificates in the Demonstration, provided that the specific projects qualify under applicable

regulations. No additional Rental Rehabilitation funds, Housing Vouchers, or Certificates, however, will be provided specifically for the Demonstration. Communities cannot use Section 810 monies to fund local program administrative costs or property rehabilitation costs.

The Department will give preference to applicants who submit innovative program designs. As in the Local Property Demonstration, applicants need not be participating in an existing urban homesteading program, although such experience should be useful in execution of a demonstration program.

In order to ensure that the program meets its statutory lower-income benefit objective, i.e., that "not less than 75 percent of the residential occupants of the homestead properties following conversion or rehabilitation shall be lower-income families", the program announcement requires that: (1) the 75 percent rule apply for five years after conversion or rehabilitation, whichever is later; and (2) all Demonstration projects will be suitable and economically affordable by lower-income families by ensuring that interim management, rehabilitation, relocation, and conversion costs, will produce occupancy charges (plus any utility allowance for tenant-paid utilities) at or below the applicable fair market rent for the Section 8 Existing Housing program or at or below some higher maximum gross rent as approved by HUD.

The other statutory requirement is that the primary use of all such homesteading properties following conversion or rehabilitation be residential.

PROGRAM FUNDING AND EXPENDITURE

Section 810 Funding and Expenditures

Since 1975, Congress has appropriated \$79 million to support the acquisition of Federal properties for Urban Homesteading programs. This includes \$12 million Congress appropriated for the program in FY 1984.

By the end of Fiscal Year 1984, the Department had allocated all available appropriated Section 810 funds to approved communities. The size of a community's allocation is calculated on the basis of the expected number of available HUD, VA, and FmHA properties in the community which would be suitable for homesteading, the average "as-is" value of such properties in the jurisdiction, and the timeliness and cost-effectiveness of the community's past homesteading performance.

As of the end of FY 1984, \$71.966 million of Section 810 funds had been expended or 91 percent of cumulative appropriations to that point. Of that amount, \$16.288 million was spent during FY 1983.

Funding Allocations

In order to improve financial management of the program, the Department, beginning in 1984, decentralized authority to obligate Urban Homesteading program funds to its Field Offices. When a HUD Field Office approves an application, it executes an urban homesteading agreement with the locality. The agreement authorizes the locality to request HUD, VA, or FmHA to transfer

single-family properties, and it commits the locality to use the properties and to operate its urban homesteading program in accordance with applicable laws and regulations. Concurrently, the Field Office reserves Section 810 funds for the locality, based on the number of properties available or anticipated to be available in the designated neighborhood times the average value of the Federally-owned properties. Each time a locality selects a property for transfer, the Regional Accounting Director records an obligation of the reserved funds prior to the actual transfer of the property. When the property is transferred, the necessary closing documents are executed and Section 810 funds are then used to reimburse the appropriate HUD/FHA Mortgage Insurance Fund, VA, or FmHA. A locality can continue to select properties in each fiscal year until it uses all of its Section 810 fund reservation. However, any funds reserved but unobligated at the end of each fiscal year will be cancelled, returned to Headquarters, and made available in the succeeding fiscal year.

Rehabilitation Financia

While the Urban Homesteading Program transfers properties to homesteaders without substantial cost, the homesteader is obligated to pay for or do whatever rehabilitation is needed to meet required local standards. Throughout most of the program's history, Section 312 Rehabilitation Loan funds have constituted the principal source of rehabilitation assistance in the program. In recent years, however, communities have sought out other forms of assistance, both public and private, to replace Section 312, since the future of Section 312 as a funding source for urban homesteading is uncertain.

The Department concentrated all Section 312 single-family loan funding in FYs 1982 and 1983 in HUD-approved urban homesteading areas. For FY 1984, the Department, in response to Congressional direction, allocated Section 312 funds for general use single-family assistance as well as for urban homesteading areas. During FY 1984, Section 312 single family loans totalling \$14 million were allocated to urban homesteading areas. Eighty-six percent of this amount was allocated specifically for homesteaders; the remainder was directed to non-homesteaders in homesteading areas to further neighborhood revitalization efforts. Homesteading-related Section 312 activity occurred during the year in 59 urban homesteading communities, 64 percent of the communities with active programs.

Rehabilitation finance information for all urban homesteading participants indicates that almost two-thirds (\$11.050 million) of the rehabilitation financing provided for Section 810 properties in FY 1984 was in the form of Section 312 loans. Another 15 percent of renovation support (\$2.550 million) came out of CDBG monies. The remaining 19 percent (\$3.161 million) derived from a variety of sources, both private and public: personal funds, conventional loans, State housing finance agency monies, bond funds, and other local sources.

Table 5-4 provides figures concerning the mean cost for rehabilitation of Section 810 properties by source of rehabilitation financing. The average per unit rehabilitation cost for FY 1984 was \$17,155, with dramatically different mean costs depending on source of financing.

TABLE 5-4

MEAN REHABILITATION COST FOR SECTION 810 PROPERTIES
BY FINANCING SOURCE, FY 1984

Financing Source	Mean Rehabilitation Cost			
	Properties		Units	
	Amount	Number	Amount	Number
Section 312 Only	\$20,376	451	\$18,987	484
CDBG Only	13,597	129	12,897	136
Other Only*	11,533	210	11,370	213
Mixed**	26,736	127	23,580	144
Overall	\$18,278	917	\$17,155	977

* See narrative above for explanation.

** Mixed sources include various combinations of Section 312, CDBG and other funding.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development. Office of Urban Rehabilitation.

CDBG Assistance

Community Development Block Grant funds are used in a variety of ways in addition to rehabilitation financing to assist homesteading programs. CDBG monies comprise the principal source of administrative support for most local programs. Moreover, some localities used CDBG funds to purchase local properties which were used for homesteading purposes.

HOMESTEADING PROPERTIES

Program-wide Property Acquisition

By the end of FY 1984, Section 810 funds had been used to reimburse the HUD mortgage insurance and housing loan funds, VA, and FmHA for 8,503 properties in 116 of the participating localities. (See Table 5-5). In addition, 52 participating localities had incorporated 1,045 locally-acquired properties into their homesteading programs. Eighteen communities had utilized 477 Federal properties purchased from sources other than Section 810. Homesteading communities have, over the life of the program, accumulated 10,025 properties for homesteading purposes.

TABLE 5-5

NUMBER AND SOURCE OF HOMESTEADING PROPERTIES
FY 1976 - FY 1983

	<u>FYs 1976-1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>Total</u>
Section 810	6,457	989	1,057	8,503
(HUD)	(6,387)	(881)	(888)	(8,156)
(VA)	(60)	(104)	(169)	(333)
(FmHA)	(10)	(4)	(0)	(14)
Other Federal	256	31	190	477
Locally Acquired	690	165	190	1,045
Totals	<u>7,403</u>	<u>1,185</u>	<u>1,437</u>	<u>10,025</u>

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Urban Rehabilitation. Urban Homesteading Quarterly Reports.

During the 1984 fiscal year, 1,437 additional properties became available for homesteading from all sources. Section 810 properties and especially HUD-owned Section 810 properties remained the dominant source of suitable properties. Section 810 properties made up 85 percent of all newly-acquired properties, and HUD-owned Section 810 properties made up 81 percent of that whole.

The average value of the Section 810 homesteading properties transferred to communities during FY 1984 increased dramatically from the corresponding value for the previous fiscal year, from \$11,366 to \$14,078." This increase probably reflects an increase in requests for waivers of the maximum as-is value of urban homesteading properties, i.e., \$15,000 per property during FY 1984.

Local Homesteading Property Sources

Most urban homesteading communities currently depend on Federal, principally HUD, properties for their homesteading production. Fifty-nine percent of the approved programs have used no properties other than Federal ones for homesteading. Thirty-eight percent of homesteading communities have used Federal and local properties in various proportions to advance their homesteading goals. Eight percent have employed only local properties, and the remainder (three percent) have acquired no properties thus far.

Of all participating communities, 87 percent have included HUD properties in their urban homesteading programs, 39 percent have used locally-acquired

* The average value reflects the relationship between funds obligated and properties transferred. This figure is based on Section 810 property figures provided by the Office of Finance and Accounting. These data are based on closing documents received as of September 30, 1984.

properties, 30 percent have employed Veterans Administration-owned properties, and only one locality has processed Farmers Home Administration-owned properties.

Local Program Size and Property Acquisition

Local homesteading programs fall into three size categories (See Table 5-6). About one-third are very small with ten or fewer properties acquired for homesteading since their programs began. Many of these localities have only entered the program in the last several years. Others, either for lack of suitable properties for homesteading or for other reasons, have not moved beyond this point. Another third have obtained more than ten but fewer than 50 properties. The final third of homesteading communities have sizeable programs with more than 50 properties. Fourteen communities had processed at least 200 properties since the inception of their respective homesteading efforts.

Communities also have acquired properties during FY 1984 at varying magnitudes. Thirty-one percent obtained no homesteading properties throughout the year. Another 30 percent had acquired less than five properties. The rest had secured from 11 to 203 properties for homesteading purposes.

TABLE 5-6

LEVELS OF PROPERTY ACQUISITION FOR
LOCAL HOMESTEADING PROGRAMS,
FY 1984 AND CUMULATIVELY

Properties Acquired	Percentage of Approved Homesteading Programs	
	FY 1984	Cumulatively
0	31%	3%
1 - 5	30	16
6 - 10	11	16
11 - 25	1%	14
26 - 50	7	16
51 - 100	1	10
101 - 200	1	14
201+	1	10
Totals	100% (n=135)	101% (n=135)

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Urban Rehabilitation.

URBAN HOMESTEADING PARTICIPATION AND PROGRESS

Local Homesteading Participation

As of the end of FY 1984, HUD had approved 135 communities, 120 cities and 15 counties, for participation in the Urban Homesteading Program. Thirteen communities, 10 cities and three counties, entered the program during FY 1984.

Of the 135 approved communities, 117 remained formally in the program as of the end of FY 1984. Eighteen communities have formally closed out their programs. Fifteen other communities had inactive programs during FY 1984 and are scheduled for formal closeout during FY 1985. Ninety-two communities added new properties during FY 1984, a basic indicator of program activity. In addition, 88 communities conditionally transferred properties to homesteaders during the fiscal year, 78 initiated rehabilitation of one or more homesteading units, and 79 completed rehabilitation on one or more units.

Local Homesteading Progress

Once a community obtains a property for homesteading, the community must move the property through a series of steps before a homesteader actually owns it in fee. The steps need not always follow in this order, but each benchmark must be reached: (1) homesteader selection; (2) conditional transfer of the property from the community to the homesteader; (3) beginning of renovation; (4) occupancy by the homesteader; (5) completion of rehabilitation; and (5) fee simple conveyance, the permanent transfer of the property to the homesteader after five years of occupancy (formerly three years).

The differences in the number of properties at various stages of the process reflect the on-going nature of local homesteading programs and the duration of each property's course through the homesteading process. In communities with effective programs and continuing streams of appropriate properties, properties are continuously being acquired even as others are being renovated and finally conveyed. In addition, the at least three-year span between original occupancy and fee simple conveyance (which applied to these homesteaders) plus whatever time elapsed before original occupancy indicates that the process for any property is long relative to the age of the homesteading program itself.

Over the life of the Urban Homesteading program, based on all properties acquired for homesteading from whatever source (n=10,025 properties), 87 percent of all properties acquired had been transferred conditionally to homesteaders, 80 percent were occupied by homesteaders, renovation had begun on 83 percent, and renovation had been completed on 72 percent. Seventy-six communities had been in the program long enough to have transferred final title to at least some of their homesteaders; and 4,008 homesteaders had become homeowners by completing their conditional title periods. (The conditional period for these homeowners was three years. It is now five years.)

CHAPTER 6

MANAGEMENT AND POLICY INITIATIVES IN CPD-ADMINISTERED PROGRAMS

INTRODUCTION

The preceding five chapters described the operation of the major community and economic development programs administered by the Assistant Secretary for Community Planning and Development. This chapter reports on the Department's actions to ensure that grantees are carrying out these programs in conformance with program regulations and CPD's efforts to support major policy initiatives of the Secretary. The first section of this chapter describes the number of grantees monitored and audited, the strategies guiding the Department's action in this area, and CPD's efforts to close out completed projects and grants, especially those remaining from categorical and repealed programs. The second section of the chapter provides information about actions taken to further public/private partnerships, encourage minority business enterprises, initiate energy related activities, and provide technical assistance to grantees through the Secretary's Discretionary Fund. The final section of this chapter focuses on the actions of Fair Housing and Equal Opportunity (FHEO) staff regarding monitoring the compliance reviews of CPD program grantees regarding the statutes, Executive Orders, and program regulations pertaining to nondiscrimination in housing, employment, and participation in HUD programs.

FY 1984 MANAGEMENT ACTIONS

CPD MONITORING ACTIONS

The Housing and Community Development Act of 1974 requires the Secretary to undertake, at least annually, reviews and audits of CDBG grantees. For Metropolitan Cities, Urban Counties, and Small Cities receiving funds from HUD, the review should determine whether the grantee: (1) carried out its activities and, for entitlement grantees, its Housing Assistance Plan in a timely manner; (2) carried out those activities and its certifications in accordance with the primary objectives and requirements of Title I, and other applicable laws; and (3) has a continuing capacity to carry out those activities in a timely manner. For States administering their Small Cities program, the Secretary's review should determine whether a State has: (1) distributed funds to localities in a timely manner and in conformance with the method of distribution described in its Statement; (2) carried out its Certifications in compliance with the requirements of Title I and other applicable laws; and (3) coordinated reviews of localities receiving assistance from the State to determine whether those localities had satisfied performance criteria comparable to that required of entitlement grantees. Under the UDAG program, the Secretary must annually review and audit recipients of grants to determine progress made in carrying out activities substantially in accordance with approved plans and timetables.

Monitoring by CPD field staff is one of the two major mechanisms* HUD uses to carry out this statutorily-mandated responsibility in programs administered by the Assistant Secretary for Community Planning and Development. The overriding goal of monitoring is to review the quality of grantee management in order to improve, reinforce, or augment their performance. As part of this process, HUD staff are directed to be particularly alert for fraud, waste, and mismanagement or for situations that present the opportunity for such abuses. Where monitoring visits identify performance that is deficient, HUD uses these findings as the point of departure for negotiating ways to improve grantee programs. Monitoring also is used by HUD as a mechanism for targetting technical assistance to grantees whose problems indicate that expert managerial consultation would be helpful.

To provide direction for program monitoring, a new CPD Monitoring Handbook was issued in October 1983 incorporating legislative and policy changes enacted since January 1980, particularly those regarding accountability monitoring, UDAG monitoring, and State CDBG monitoring.

Monitoring Priorities in FY 1984. The CPD management plan for FY 1984 emphasized five priority areas, including monitoring CDBG and UDAG grantees, managing and monitoring the Rental Rehabilitation Demonstration and Program, promoting the formation of public/private partnerships, providing technical assistance to grantees, and ensuring program participation by minority business enterprises. Monitoring not only was a leading CPD priority, but is also the principal means of ensuring that other program priorities are carried out.

In each CPD program, monitoring priorities were established that reflected the differences in the purposes of the program, HUD's role, and the Department's past experiences with the program. In the CDBG entitlement program, priority was given to ensuring that lump sum drawdowns had been used properly, that economic development activities were in compliance with the primary objectives of the Housing and Community Development Act, that efficient administrative mechanisms were used in CDBG rehabilitation programs and that those programs were successfully leveraging private funds, and that grantees were accurately completing the new Grantee Performance Report. In the State CDBG program, principal priority was for Field Office staff to understand thoroughly each State's program and to consider their goals during reviews for compliance with Federal regulations and laws. In monitoring the HUD-administered Small Cities program, HUD emphasized identifying obstacles to the timely closeout of remaining projects and devising ways to overcome these obstacles.

Priority monitoring areas in the UDAG program emphasized careful review of large and complex projects and those with known problems. This underlined the importance of field staff acquiring a thorough understanding of the grant agreement and focussing on projects with approved legally binding commitments.

In the Rental Rehabilitation Demonstration the focus was on facilitating rapid progress in implementing the Demonstration, and monitoring was intended to

* The other means of meeting this requirement is through audits of grantee programs. Those actions are ascribed in the following section.

identify obstacles to progress so technical assistance could be targetted to the appropriate communities. Ensuring the rapid collection of outstanding debts was the principal focus of monitoring in the Section 312 Rehabilitation program, and intensive monitoring of Insular Area grantees was the priority in the Secretary's Discretionary Fund programs.

Monitoring Goals in FY 1984. Monitoring goals are established in the annual CPD Mission Statement and Management Plan developed by the Office of the Assistant Secretary. This statement identifies program areas to be emphasized and provides guidelines for selecting grantees to be monitored. Regional Offices then develop specific quantitative goals for monitoring grantees in each program, and these goals are aggregated into a national monitoring goal.

The selection of individual grantees to be monitored is done by the Field Office, which also determines what type of monitoring, in-depth or limited, will be conducted. In-depth monitoring is a comprehensive review of most aspects of a particular program, and CPD monitoring guidelines recommend that each grantee's program should receive an in-depth review at least once every three years. Limited monitoring consists of a review of a few of a grantee's activities. This approach is used to review programs where the grantee has had an in-depth review during the last two years and has been found to be substantially in compliance with program requirements. Table 6-1 indicates the number of grantees in selected CPD programs and the monitoring goals for each of these programs for FY 1984.*

The monitoring goals established for FY 1984 were met or exceeded for four of the five major programs. The only program in which the overall goals were not met was the State CDBG program in which 47 out of 48 State recipients (98 percent) were monitored. (See Table 6-1.)

TABLE 6-1

NUMBER OF GRANTEEES BY MONITORING PERFORMANCE AND GOALS
FY 1984

Program	Number of Grantees:			Percent of Goal Accomplished
	Total	To be Monitored	Actually Monitored	
CDBG Entitlement	795	611	666	109%
HUD Small Cities	2,227	770	871	113
State CDBG	48	48	47	98
UDAG	1,969	660	747	113
Rental Rehabilitation Demonstration	458	196	211	108

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Field Operations and Monitoring.

* Throughout this section, data on the HUD Small Cities and UDAG program reflect the number of grants; for other programs the number of grantees are shown.

Monitoring Findings. Table 6-2 presents a summary of monitoring findings and visits during FY 1984 by the CPD program monitored, including the CDBG Entitlement, HUD-Administered Small Cities, State CDBG, and UDAG programs.*

The greater incidence of findings per grant or grantee monitored for CDBG entitlement communities and for States administering CDBG programs reflects the greater diversity and administrative complexity of these programs as compared to the HUD-Administered Small Cities program and the UDAG program. CDBG Entitlement grantees frequently must administer grant funds from several different program years, dating back to the late 1970s, and may have used these funds for a wide variety of activities such as housing rehabilitation, public works, public services, and economic development, as well as for administrative tasks such as ensuring citizen participation, promoting fair housing and equal opportunity, and maintaining financial records. States operating CDBG programs must allocate funds among possibly hundreds of communities and must establish procedures to ensure compliance among all of their subrecipients. In contrast, grants in the UDAG program and the HUD-Administered Small Cities program usually are for more specific purposes, and there is a much more detailed front-end review of these activities by HUD staff.

TABLE 6-2

MONITORING VISITS AND FINDINGS FOR SELECTED CPD PROGRAMS
FY 1984

Program	Number of Grants Monitored	Number of Findings	Findings per Grant
CDBG Entitlement	686	2654	3.9
HUD Small Cities	839	544	.6
State CDBG	46	132	2.9
UDAG	703	670	.9
Totals	2274	4000	1.8

SOURCE: U.S. Department of Housing and Urban Development,
Community Planning and Development, Office of Management.

Table 6-3 indicates for each of these four CPD programs the particular areas in which grants or grantees were monitored and the areas in which monitoring findings resulted. Thus, in the CDBG Entitlement program, 55 percent of grantees monitored received in-depth monitoring in the area of rehabilitation. This resulted in 17 percent of all monitoring findings in the CDBG Entitlement program.

* The source of the data for this table, as well as for Table 6-3 is different from that for Table 6-1. The slight discrepancies in the numbers of grants monitored are due to differences in data collection procedures used.

In the CDBG Entitlement program, monitoring centered on the areas of program progress (81 percent of all grantees monitored), rehabilitation (78 percent), and program benefit (68 percent). This emphasis was consistent with expressed monitoring priorities, as the rehabilitation includes reviews of lump sum drawdowns and private leveraging rates issues. Reviews for program benefit were intended to determine the extent to which grantees were in compliance with the primary and national objectives of the Act, and program progress and efficiency have long been priorities in the program. Monitoring findings also tended to be concentrated in the area of rehabilitation (21 percent of all findings), with environmental reviews accounting for an additional 17 percent of monitoring findings.

That 81 percent of monitoring visits for the HUD-Administered Small Cities Program included a review of program progress, demonstrates the importance attached to closing out these grants. Program benefit and rehabilitation were the other leading areas that monitoring addressed. While only 40 percent of these small cities grantees were monitored for financial management, findings in the area of financial management accounted for about 17 percent of all monitoring findings in the program. Rehabilitation (20 percent of all findings) and program progress (14 percent) were other areas in which the performance of those grants frequently was found to be deficient.

In the State CDBG program, monitoring stressed the priority of ensuring compliance with Federal regulations. Areas of emphasis included environmental reviews (94 percent of grantees monitored), citizen participation (63 percent), and labor standards (61 percent). Findings generally were distributed across all program areas, although about 12 percent of all findings were in the area of financial management.

In monitoring UDAG projects, field staff emphasized the areas of program progress (100 percent of all grants monitored) and environmental issues (32 percent). Monitoring findings were most frequent in the area of financial management (25 percent of all findings), as well as in program progress and environment (18 percent).

Outcomes of Program Monitoring. Monitoring is intended to bring about improvements to programs or management of grantees of CPD programs. This section briefly describes some examples of program monitoring during FY 1984 and the impact that the monitoring had on grant recipients.

Monitoring sometimes helps improve program management by the consultation and negotiation that results when monitoring is done. In one State CDBG program, an initial HUD monitoring visit found that the State had developed no procedures for monitoring the grantees of its program. A second visit during the next quarter found that some monitoring of poor quality was being done. By the third quarter, the State was monitoring many of its grantees, and the coverage, quality, and documentation of program compliance had improved substantially. In the exchange between HUD and the State over a nine-month period, the State's audit and grant closeout procedures also were greatly improved.

TABLE 6-3

FY 1984 COMMUNITY PLANNING AND DEVELOPMENT MONITORING VISITS AND FINDINGS

Program Area	CDBG ENTITLEMENT		HUD SMALL CITIES		STATE SMALL CITIES		UDAG		TOTAL	
	Pct. of Grantees Monitored	Pct. of Findings Recorded	Pct. of Grantees Monitored	Pct. of Findings Recorded	Pct. of Grantees Monitored	Pct. of Findings Recorded	Pct. of Grantees Monitored	Pct. of Findings Recorded	Pct. of Grantees Monitored	Pct. of Findings Recorded
Rehabilitation							*	*		
In-depth	55	17	25	13	7	2			27	12
Limited	23	4	25	7	2	1	3	1	18	3
Program Progress	81	6	81	14	54	0	100	18	99	11
Program Benefit	68	5	56	2	6	8	19	2	56	5
Environment										
In-depth	49	16	9	1	74	5	29	17	27	15
Limited	8	1	6	1	20	2	3	1	14	1
Accountability	52	2	43	1	57	0	62	3	54	1
Fin. Management										
In-depth	24	8	16	10	37	11	9	13	19	10
Limited	12	2	16	7	17	1	18	12	22	6
Procurement	24	4	15	6	11	3	7	3	19	4
Admin. Costs	21	4	3	5	0	0	1	*	18	
Man. Systems	24	2	13	2	48	2	22	9	23	3
Third Party										
Contractors	11	2	8	2	4	0	4	1	9	2
Personal Prop.	20	2	11	6	11	2	5	1	15	3
Relocation										
In-depth	18	5	9	8	26	8	4	5	10	4
Limited	8	2	4	1	24	0	2	0	4	1
Acquisition	24	3	11	2	37	2	5	3	12	2
HAP	24	1	7		0	0		0	9	
Labor Standards	31	8	16	6	61	2	11	8	27	6
HFO	15	1	7	1	46	4	5	*	11	2
Citizen Part.	22	1	7	1	63	1	8		17	
Elig. Activities	21	2	7	1	52	2	3	*	12	1
Other	13	1	10	2	628	38	5	1	24	1

* Less than one percent.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Data Systems and Statistics Division. Compiled by the Office of Program Analysis and Evaluation.

Monitoring is also used to target the provision of technical assistance to grantees whose performance is poor. One midwestern CDBG entitlement city historically had had many CDBG audit and monitoring problems that had resulted in grant reductions and reimbursements over the last three years. When a new mayor was elected, he sought to change this pattern by putting in place a completely new community development staff. In order to help the city improve its management record, HUD designed a technical assistance plan to help prepare this new staff for effective program implementation. The technical assistance that was provided covered the range of program responsibilities from basic management (record keeping and accountability requirements), to technical requirements (such as environmental and labor standards), and program design (such as developing economic development and rehabilitation programs). It is expected that this assistance will improve the city's program, will eliminate the need for future grant reductions, and will facilitate a much better relationship between the city and HUD.

PROGRAM AUDITS

In addition to monitoring by CPD field staff, HUD also uses audits to ensure grantee compliance with program requirements. Every community receiving CDBG funds must have a financial and compliance audit, at least biennially and preferably every year, of its use of all Federal funds. The audit must be conducted by an Independent Public Accountant (IPA) and the resulting report is sent to the HUD Regional Inspector General for transmittal to CPD program offices. In FY 1984, CPD Program Offices received 2,385 IPA reports and an additional \$8 reports from audits conducted by the Office of Inspector General.

Audits Conducted and Findings Registered. As Table 6-4 indicates, over one-half of these audits (1,316) was conducted on Small Cities grantees and approximately one-quarter (659) was conducted on entitlement grantees.

TABLE 6-4

CPD PROGRAM AUDIT REPORTS,
FY 1984

Audit Reports	Entitlement Reports		Small Cities Reports		UDAG Report		Other CPD Reports		Net Total of All CPD Programs ¹	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
With Findings	272	41	286	22	171	26	109	20	725	29
Without Findings	387	59	1,030	78	104	74	436	80	1,748	71
Em--	659	100%	1,316	100%	275	100%	545	100%	2,473	100%

Note: Audit reports may cover more than one program. Therefore, each audit report is counted here under each program but only once for the net total all CPD Programs.

SOURCE: U.S. Department of Housing and Urban Development, Office of Inspector General, Planning and Research Group.

Twenty-nine percent of the audits conducted in FY 1984 had either monetary or non-monetary findings registered against the grantee.* Three hundred sixty four audit reports (among the 725 with Findings) had monetary findings that totalled \$87,324,694. However, \$50,271,324, or 58 percent of the costs, were not sustained, indicating that supporting documentation was located after the auditors left the audit site or subsequent reviews of the findings by HUD program staff ruled that the funds were properly used. Twenty-eight percent of the costs, or \$24,581,903, was sustained and grantees may have to repay these funds. Fiscal Year 1984 audit findings involving \$12,471,467 were unresolved as of September 30, indicating that HUD management had not yet made a determination regarding corrective actions to be taken.

TABLE 6-5

TYPE AND AMOUNT OF AUDIT FINDINGS IN CPD PROGRAMS,
FY 1984
(Dollars in Thousands)

	Entitlement Reports		Small Cities Reports		UDAG Reports		Other CPD Reports		Total	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Monetary Findings	387	38	185	32	58	34	100	34	730	35
Non-Monetary Findings	646	62	388	68	113	66	191	66	1,338	65
Total Findings	1,033	100%	573	100	171	100%	291	100%	2,068	100%
Monetary Findings	\$64,501		\$3,559		\$9,822		\$9,442		\$87,324	
Non-sustained	(35,462)		(1,995)		(7,460)		(5,354)		(50,271)	
Sustained	(18,823)		(662)		(1,601)		(3,496)		(24,582)	
Unresolved	(10,216)		(902)		(761)		(1,592)		(12,471)	

SOURCE: U.S. Department of Housing and Urban Development, Office of Inspector General, Planning and Research Group.

Audit Policy. In March 1984, HUD fully implemented the single audit approach by issuing regulations requiring State and local grantees to comply with the requirements of Attachment P of OMB Circular A-102. Attachment P requires that audits be made on an organization-wide basis rather than grant-by-grant. In the future, single audits must include an examination of systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of Federal funds, financial transactions and accounts, and financial statements and reports.

Although HUD had conducted some audits using this approach since 1979, most grant recipients continued to be audited under the former grant compliance

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	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
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Non-Monetary Findings	646	62	388	68	113	66	191	66	1,338	65
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SOURCE: U.S. Department of Housing and Urban Development, Office of Inspector General, Planning and Research Group.

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audit approach. In FY 1984, 23 percent of audits were conducted using the single audit approach described in Attachment P, OMB Circular A-102. Table 6-6 indicates that the number and proportion of single audits have been increasing since 1982.

TABLE 6-6

INDEPENDENT PUBLIC ACCOUNTANT AUDITS OF CPD GRANTEES,
FY's 1982-1984

Fiscal Year	Total Audits	Circular A-102 Attachment P Reports	
		Number	Percent
1982	3,136	156	5%
1983	2,787	370	13
1984	2,385	560	23

SOURCE: U.S. Department of Housing and Urban Development,
Office of Inspector General, Planning and Research Group.

In October 1984, Congress passed the Single Audit Act of 1984 in order to give priority and consistency to the single audit approach. The Act establishes uniform audit requirements for State and local governments receiving Federal assistance. It became applicable to audits of CPD recipients beginning after December 31, 1984. The Office of Management and Budget is responsible for prescribing the policies, procedures, and guidelines needed to implement the Single Audit Act.

CLOSEOUT OF COMMUNITY DEVELOPMENT PROJECTS

At the beginning of FY 1984, 210 projects and grants from repealed programs remained active. These projects constituted a substantial drain on program management resources because CPD field staff are responsible for ensuring that funds still obligated to these projects are used in compliance with Federal statutes and regulations. Consequently, closing out these projects was one of seven priority areas identified by the Assistant Secretary for Community Planning and Development in his instructions to the field regarding CPD management goals in FY 1984.

During FY 1984, approximately two-thirds (138) of these 210 projects and grants were closed out. The majority of the projects closed (71) were Hold Harmless grants made during 1975-1979 on an entitlement basis to small communities that had participated in one or more of the categorical programs consolidated into the CDBG programs but did not subsequently qualify as an entitlement community in that program. Almost all of the other 67 projects closed out were either Section 701 Planning Assistance (35) or Neighborhood Self Help grants (25). The remaining closeouts took place among active Urban Renewal Code Enforcement projects and New Communities developments. Table 6-7 shows the projects closed out during FY 1984 and the number still active at the end of the fiscal year. One of the projects (Soul City, NC) was liquidated in October 1984 and the second (Sycamore Woods, OH) is presently being liquidated.

TABLE 6-7

CPD PROJECTS AND GRANTS CLOSED OUT, FY 1984

Programs/ Projects	Active at Start of FY84	Closed Out During FY84	Still Active
Hold Harmless Planning	105	71	34
Assistance (701) Neighborhood Self Help	42	35	7
Urban Renewal	42	25	17
Code Enforcement Neighborhood Facilities	11	5	6
Open Space	1	1	0
New Communities	5	0	5
Total	1	0	1
	3	1	2
	210	138	72

SOURCE: U.S. Department of Housing and Urban Development,
Community Planning and Development, Office of Program Analysis
and Evaluation.

During FY 1984, CPD management also placed strong emphasis on closing out a substantial number of Small Cities and UDAG grants. The CPD Mission and Management Plan established a goal of closing out 1,482 Small Cities grants and 248 UDAG projects for FY 1984. By September 30, 1984, Field Offices had exceeded these goals and closed out 1,576 Small Cities programs and 254 UDAG grants.

POLICY INITIATIVES IN CPD PROGRAMS

The previous section of this Chapter described management actions undertaken by CPD in Fiscal Year 1984. This section describes CPD's efforts to further selected program and policy priorities established by the Secretary. In particular, initiatives to increase the participation of minority-owned firms in CPD programs, encourage public/private economic development partnerships, and promote energy conservation activities are described. In addition, the use of the Technical Assistance component of the Secretary's Discretionary Fund to facilitate these and other actions is reported.

PUBLIC/PRIVATE ECONOMIC DEVELOPMENT PARTNERSHIPS

Encouraging public/private economic development partnerships has been a major policy initiative of the Reagan Administration. At HUD this initiative is aimed at breaking down traditional barriers between the public and private sectors and bringing about more involvement of the private sector in community and economic development activities. The steps undertaken by CPD to implement this policy do not constitute a separate program. Instead, the emphasis on public/private partnerships cuts across all HUD and CPD programs and involves a wide variety of strategies and actions. In Fiscal Year 1984, these

activities involved: supporting State and local economic development activities; sponsoring the second National Recognition program; and providing technical assistance and leveraging private funds.

Supporting State and Local Economic Development Efforts. There have been several initiatives in public/private partnerships related to support of State and local economic development activities. Two of these initiatives are the Small Business Revitalization Program and the Department's effort to encourage downtown retail revival.

The goals of the Small Business Revitalization Program (SBR) is to create private sector jobs and to stimulate new private sector capital investment in healthy, expanding small- and medium-sized businesses. Announced by President Reagan in 1982, the SBR program is run through the Governors' offices in 25 States in cooperation with HUD and the Small Business Administration. The National Development Council, which manages the program, works with each State to train local officials to attract private sector financing, to coordinate State and Federal economic development tools, and to market the program to qualified businesses.

An important feature of the SBR program is the lender commitment program in which Governors work with private lending institutions throughout their States in order to make available long-term fixed asset financing for expanding small businesses. On October 15, 1984, Governor James R. Thompson of Illinois announced a \$1 billion commitment by private lending institutions in Illinois for small business expansion financing. Last April, banks in the State of Washington were the first to pledge \$200 million in long-term loans under the SBR program. Overall, the SBR Program and cooperating State agencies have helped package some \$1.87 billion in public and private loans for the retention and expansion of small- and medium-sized businesses. This has resulted in an estimated savings of 24,000 jobs which would have been lost to communities in these States and the creation of 57,000 new jobs.

CPD has also encouraged public/private partnerships in stimulating downtown retail development. For the past two years, HUD and the International Council of Shopping Centers have jointly sponsored National Conferences on Downtown Retail Development. In 1984, the conference was held in Washington, D.C. and was attended by nearly 600 mayors and city officials, real estate developers, retailers, and lenders. The focus of the conference was on the complex downtown retail development process and the ways in which active public/private partnerships can be used to create successful downtown revitalization. Prominent mayors, developers, and lenders presented specific case studies of downtown retail projects and explored the roles and responsibilities of each partner in the downtown retail development process. The conference highlighted the inability of older downtown shopping areas to attract capable developers and identified efforts underway to encourage centralized management for businesses in these areas. This permits improved services, marketing, development of a retail strategy, security, and other features needed for successful shopping areas. A special feature of the 1984 conference was the Development Opportunities Fair at which cities identified potential downtown retail development projects and had discussions with interested developers.

The National Recognition Program. In 1984, CPD completed the second national awards program for public/private partnerships. The National Recognition Program, initiated in 1982, pays tribute to communities that have used the Community Development Block Grant Program to create outstanding public/private partnerships. The program was designed to encourage greater local self-reliance by identifying successful projects that could inspire other communities to create public/private partnerships. Projects or programs submitted for consideration were judged on the basis of the following criteria: usefulness as a model for other communities, private funds leveraged, job creation and retention, financial self-sufficiency, benefit to the community, degree of innovation, and amount of spin-off development.

Recognition was given to 165 outstanding local projects in 1984, bringing the total to more than 300 over the two years of the program. In the 165 projects recognized in 1984, local governments committed \$355 million of their Community Development Block Grant funds. These funds leveraged \$1.7 billion in other public (e.g. one-fifth of the projects also had UDAG financing) and private funds, creating about 30,000 new jobs, building 6,600 new housing units, and rehabilitating another 11,200 housing units. In addition, these projects generated over \$24 million in annual tax benefits for local governments.

Leveraging Additional Private Funds. Several measures have been taken by CPD to help make private sources of financing available for community development activities. Through a Technical Assistance contract, CPD supports the Financial Advisory Service (FAS) of the Council for Northeast Economic Action. FAS serves as a clearinghouse of banks located throughout the country that assists community development projects requiring financing. It identifies such projects, helps structure their financing, and refers them to financial institutions within the national network. Thus far, FAS has reviewed 44 projects, is working actively on 14 others, and has closed deals on two projects totaling \$3.6 million.

MINORITY BUSINESS ENTERPRISE (MBE)

Encouraging participation of minority-owned businesses in all of HUD programs, including those of CPD, is an area of particular importance to the President, and the Secretary. This commitment is reflected by President Reagan's Executive Order 12432 of July 14, 1983 which provides guidance and oversight for the development of minority business enterprises and for the Federal Government's role encouraging greater economic opportunity for minority entrepreneurs. This directive was supplemented by a policy memorandum from Secretary Pierce. The Secretary also establishes annual regional goals for minority business participation in all HUD programs and activities.

FY 1984 Activity. During FY 1984, the Department continued its efforts to ensure that minority business enterprises were included in all CPD programs. Black, Hispanic, Mexican-American, and Indian communities were provided technical assistance to increase their ability to administer economic development, commercial revitalization, and other CDBG-related activities in a way that promoted minority participation in these programs. States participating in the Small Cities Block Grant program were encouraged to make greater use of minority businesses and to report their funding of these enterprises to HUD.

As part of CPD's MBE initiatives, CPD Field Office staff are directed to encourage local communities to seek out minority business firms as contractors and subcontractors in activities funded by CPD program grants. During FY 1984, grantees reported that minority firms received \$528 million in contract and subcontract awards. This accounted for 23 percent of the total value of \$2.3 billion of all reported contracts and subcontracts. The \$528 million also represented 125 percent of the FY 1984 Field Office objective of \$421.5 million for MBE contracts.

Table 6-8 shows by major CPD programs, the FY 1984 value of total contracts and subcontracts awarded by grantees, the value of such contracts and subcontracts received by MBEs, and the MBE percentage of participation.

In FY 1984, the Department continued the Interagency Agreement with the Department of Commerce's Minority Business Development Agency (MBDA) that was begun in June 1983. Under this agreement, which was designed to enhance local officials' ability to promote minority business participation in local CDBG and UDAG programs, CPD provides MBDA with information regarding program funding levels, eligible activities, and procurement opportunities for minority businesses.

TABLE 6-8

**MINORITY BUSINESS ENTERPRISE
PARTICIPATION IN CONTRACTS AND SUBCONTRACTS AWARDED BY
CPD PROGRAM GRANTEEES
FY 1984
(Dollars in millions)**

Program	Contract Amounts		
	Total Awarded	Awarded to Minorities Dollars	Percent
CDBG Entitlement	\$1,271	\$316	25%
HUD Small City	44	9	21
State Small City	131	41	31
UDAG	643	104	16
CDBG Indian, Alaskan	17	12	71
Other	199	46	23
Total	\$2,305	\$528	23%

SOURCE : Department of Housing and Urban Development, Assistant Secretary for Community Planning and Development, Office of Program Policy Development.

In addition, during the year, CPD directly placed contracts totalling \$8.3 million with firms owned by minorities. This was more than one-third of CPD'S total contract budget and over 114 percent of its 1984 goal for such contracts.

MBE Seminars. Sixteen Minority Business Enterprise Seminars were conducted by HUD's Office of Fair Housing and Equal Opportunity in Fiscal Year 1984. CPD contributed staff support from Headquarters and Field Offices for all of these seminars, including four which were conducted jointly through an Interagency Agreement with MBDA and the U.S. Hispanic Chamber of Commerce.

ENERGY INITIATIVES

In 1980, Congress recognized that increasing energy costs "...have seriously undermined the quality and overall effectiveness of local community and housing development activities..." and called for "concerted action by Federal, State, and local governments to address the economic and social hardships..." these increased costs caused communities. The 1980 Amendments to the Housing and Community Development Act incorporated this emphasis on energy and included a new objective for Community Development Programs - "the conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply."

In support of this objective, 1984 CPD energy activities have emphasized providing technical assistance to States, assisting localities in developing district heating and cooling systems, promoting public awareness of the benefits to local communities through energy conservation, and establishing interagency agreements to further energy conservation goals. Additionally, CPD has provided guidance to communities on appropriate use of the CDBG and UDAG programs directly to improve energy efficiency in community and economic development activities. In each of these areas, a strong emphasis was placed on encouraging public/private partnerships in local energy efforts.

Technical Assistance to States. CPD has worked with States to develop State programs in district heating and community energy management, and to promote increased energy efficiency. Encouraged by the experiences of several other States and their participation in a conference sponsored by the National Governor's Association (NGA) in FY 1984, several States have sought technical assistance in the development of energy conservation programs. Model programs providing technical assistance to cities that wish to use CDBG funds to address their energy concerns are underway in Nebraska, Indiana and Minnesota.

Assisting District Heating/Cooling. CPD's provision of energy-related technical assistance-to projects involving district heating and cooling systems (DHC)* is designed to maximize the opportunities for substantial public/private cooperation. In 1984, construction was completed on both publicly- and privately-owned systems in four cities (Trenton, NJ; St. Paul, MN; Lawrence, MA; and Devil's Lake, ND) using new district heating technology. Engineering designs and financial packaging were completed for DHC systems in nine other communities that will be issuing requests for construction bids during the coming year. If all of these DHC systems go

* District heating/cooling systems provide heat and hot water to businesses, homes and public buildings from a central heat plant at greater efficiency than individual furnaces.

forward as expected, well over \$100 of local private investment will be realized for each dollar of HUD funds invested in providing technical assistance to determine the initial feasibility of the projects.

In four of the cities developing DHC systems, the anchor customers on the system will be HUD-assisted public housing projects, and when these systems are completed over 7,000 units of public housing will be served by modern DHC systems. The Office of Public and Indian Housing published a Notice to alert public housing authorities (PHA's) to the possibilities for connecting to nearby planned or existing DHC systems. The Notice encourages PHAs to cooperate with public and private developers of these systems to reduce project maintenance costs and lower energy costs through increased energy efficiency.

HUD is also providing technical assistance to cities that are developing district heating systems that obtain their energy from burning municipal waste. Ten cities with waste-to-energy systems were aided this year by technical assistance teams with experts in technology, finance, organization, and ownership problems related to such systems.

Promotion of Energy Awareness. In FY 1984, CPD joined with two private sector coalitions of business associations, government agencies, labor unions, utility companies, and consumer leaders in a nationwide campaign called "Partners for an Energy Efficient Tomorrow." The purpose of the campaign was to heighten the public's awareness of the benefits of investing in energy efficiency. HUD disseminated information to an estimated 25,000 local and State governments, real estate industry associations, housing authorities, and other groups. The effect of this effort was multiplied when the cooperating organizations included in their publications material on how HUD programs are used to support local energy objectives.

CPD also promoted awareness of the links between energy and economic development in the CDBG program by aiding ten localities to document their energy and economic development strategies and to share their experiences at local workshops. The activities described by these communities included a wide range of energy conservation measures in buildings, district heating systems, and waste-to-energy projects. Boise, Idaho described the development of geothermal resources to promote economic development opportunities for prospective industries. Jamestown, New York provided information about their comprehensive energy program, including their new pilot district heating system that they estimated saved more than 35 percent of previous annual energy costs. The second phase of this system, which is to be located in the downtown commercial area, will be supplemented by a CDBG Small Cities funded revolving loan program operated by the Jamestown Local Development Corporation. In addition, the Chadacoin Industrial Revitalization Program, which is also assisted by CDBG Small Cities funds, provides energy assistance to firms in the greater Jamestown area.

To promote better energy efficiency in property rehabilitation funded by the CDBG and Rental Rehabilitation Programs, roundtable discussions were convened in Chicago, New York City, and Boston. The roundtables are the first steps in an initiative to develop cooperation among property owners, utilities, State energy offices, lenders and local property rehabilitation staff.

Finally, CPD furnished energy training to the Department's Environmental, Rehabilitation, UDAG, and Housing staff in Headquarters and the Field Offices to familiarize them with ways HUD programs can *be* used to stem the flow of energy dollars out of the local economy, cut household heating and cooling expenses, stimulate economic development, and cut back waste of energy in buildings.

CDBG and UDAG Funding to Improve Energy Efficiency. In the State Block Grant Program, several states have developed strategies as part of an overall economic development strategy. The amount of CDBG funds the State awards recipients for these energy activities takes into consideration the community's energy management strategy. In Minnesota, \$872,000 of State CDBG funds has been awarded over a three-year period to Duluth for its residential energy program, and it is estimated that approximately \$810,000 in cumulative savings have been realized to date. In Chilton, Wisconsin, 40 percent of the State CDBG funds awarded for housing rehabilitation were spent on weatherization improvements and resulted in a 40-50 percent reduction in energy expenditures for most households.

In the CDBG Entitlement program in FY 1982, the most recent year for which expenditure information is available, communities reported spending over \$12 million for programs that are specifically intended to promote energy efficiency in housing apart from any other improvements that also contribute to energy conservation.

During FY 1984, nine UDAG projects that promote the use of hydropower or alcohol fuel, or included other energy-related components were announced. These projects received \$18.7 million in UDAG funding and leveraged an additional \$109.5 million in private funding.

Interagency Agreements. Cooperative efforts have resulted in commitment of significant Department of Energy (DOE) funding to aid HUD grantees to become more energy efficient. Following joint meetings between HUD and DOE, DOE has agreed to commit \$250,000 in research funds in FY 1985 for the study of energy efficiency in public and assisted housing. Also as a result of discussions with HUD, the Department of Defense has published a Notice stating that it is DOD policy to consider the needs of nearby communities when it engages third-party contractors to provide energy to its installations. This Notice states that, where possible, energy systems will be built to satisfy the combined needs of the base and the surrounding community.

SECRETARY'S DISCRETIONARY FUND

The Secretary's Discretionary Fund is authorized by Section 107 of the Housing and Community Development Act of 1974 to provide a source of non-entitlement funding for special groups and projects. In FY 1984 the \$66.2 million appropriation supported four programs. Sixty percent of these funds was used to fund the Community Development Block Grant Program (CDBG) for Indian Tribes and Alaska Natives; 31 percent for the Technical Assistance Program; nine percent for the Insular Area CDBG program; and less than one percent for the Special Projects Program.

The CDBG Program for Indian Tribes and Alaskan Natives provides funding for Indian tribes, bands, groups or nations including Alaskan Indians, Aleuts Eskimos or Alaskan Native villages, eligible under Title I of the Indian Self-Determination and Education Assistance Act. In FY 1984, \$39.7 million was available for use in this program and HUD awarded grants averaging \$255,000 to 151 Tribes and villages. Of the total amount awarded grantees reported planning to use 40 percent for infrastructure, 28 percent for community facilities, 15 percent for economic development, 13 percent for rehabilitation, and four percent for other purposes.

Of the \$39.7 million in grants awarded in FY 1984, nine million dollars were specifically earmarked by the Congress for water and sewer activities in support of Indian housing. These funds were awarded non-competitively on the basis of current and immediate needs.

Technical Assistance (TA) Program. HUD uses the Technical Assistance component of the Secretary's Discretionary Fund to assist participants in CPD-administered programs to acquire or improve their skills related to community and economic development activities. In FY 1984, the program obligated a total of \$19.6 million for 152 contracts and grants. The areas selected for greatest emphasis by the Secretary included providing grantee assistance in planning and undertaking economic development activities and addressing the specific program needs of grantees in the State and HUD-Administered Small Cities Programs. A significant portion of the TA funds also were earmarked for projects in Historically Black Colleges and Community Development Work Study Projects. Table 6-9 notes the distribution of Section 107 Technical Assistance contracts and grants in FY 1984 by funding categories.

TABLE 6-9
DISTRIBUTION OF SECTION 107 TECHNICAL ASSISTANCE PROGRAM
CONTRACTS AND GRANTS BY FUNDING CATEGORIES, FY 1984
(Dollars in Millions)

Category	Contracts and Grants	
	Amount	Percent
CDBG (General)	\$5.02	26%
CDBG Small Cities	5.00	25
Work Study Programs	4.49	23
Economic Development	2.32	12
Black Colleges	1.50	8
Energy	.81	4
Housing	.42	2
Total	\$19.56	100%

SOURCE: Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development.

The Secretary also gave priority to the provision of technical assistance under Section 107 to minority groups and communities and emphasized the need to make as much assistance as possible available through qualified minority organizations. Approximately \$4.4 million (23 percent) of all FY 1984 technical assistance funds were awarded for provision of services through Black, Hispanic and Native American firms, organizations, universities, and colleges. Table 6-10 illustrates the distribution of contracts and/or grants to minority organizations in FY 1984.

TABLE 6-10

SECTION 107 TECHNICAL ASSISTANCE PROGRAM CONTRACTS
AND/OR GRANTS TO MINORITY ORGANIZATIONS, FY 1984
(Dollars in Millions)

Group	Grants and Contracts		Amount as a Percentage of All:	
	Number	Amount	Minority Contracts	Section 107 TA Contracts
Black (non-college)	10	\$ 2.1	48%	11%
Black College				
Projects	15	1.5	34	8
Hispanic	1	.4	9	2
Native American	1	.4	9	2
<u>Total</u>	<u>27</u>	<u>\$ 4.4</u>	<u>100%</u>	<u>23%</u>

SOURCE: Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development.

The CDBG Program for Insular Areas serves the Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, American Samoa and the Trust Territories of the Pacific for funding CDBG eligible activities. In FY 1984 HUD awarded grants totalling \$5.95 million, distributed as follows: \$2 million to the Trust Territories; \$1.9 million to the Virgin Islands; \$1.55 million to Guam; \$400,000 to the Northern Marianas and \$100,000 to American Samoa. Approximately three-quarters of these funds were used for either public facilities, including water and sewer facilities, (\$2.3 million) or housing activities (\$1.8 million). Eleven percent of the funds (\$628,000) are planned for economic development projects and the balance of the program funds (\$762,000) will be used to cover administration expenses.

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This section identifies the Federal statutes and executive orders which prohibit discrimination on the grounds of race, color, national origin, religion, sex, age, and handicap applicable to CPD programs. It describes the sanctions for noncompliance and certification, recordkeeping, and reporting requirements placed on CPD program grantees. It records the number of in-

house monitoring reviews and on-site monitoring activities conducted by HUD FHEO Field Office staff in FY 1984 and the findings of those activities by program area. Finally, it describes relevant legislative changes and management initiatives.

STATUTORY MANDATES

Federal statutes prohibit discrimination in programs and activities receiving Federal assistance through grants, loans, or contracts on the ground of race, color, national origin, sex, age, or handicap. These prohibitions against discrimination in program operations are contained in Section 109 of Title I, Housing and Community Development Act of 1974, as amended; Title VI, Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973, as amended; and the Age Discrimination Act of 1975, as amended.

Fair housing protections are enumerated in Title VIII, Civil Rights Act of 1968, as amended. Nondiscrimination in Federally-owned, operated, or assisted housing and in the practices of lending institutions involving loans insured or guaranteed by the Federal Government is covered by Executive Orders 11063 and 11246 as amended. The two previous citations also prohibit discrimination based on religion or creed.

Section 3 of the Housing and Urban Development Act of 1968, as amended, provides that, to the greatest extent feasible, training and employment opportunities shall be made available to lower-income persons residing within the unit of local government or the metropolitan area (or nonmetropolitan county), in which the project is located. The section also requires that contracts be awarded to businesses within these areas or owned in substantial part by area residents.

SANCTIONS FOR NONCOMPLIANCE

The statutes and Executive Orders referenced above apply to all CPD programs, grantees, and contractors, and each contains sanctions for failure to comply. These sanctions range from referring the matter to the governor of a State or the chief executive officer of the involved local jurisdiction in an effort to secure compliance; to terminating, reducing, or limiting the availability of grant payments; to referral of the matter to the Attorney General for civil action; or to any other means authorized by law. CPD program grantees and contractors are made aware of their responsibilities to comply with all applicable nondiscrimination requirements through provisions incorporated in grant agreements and contracts.

CERTIFICATION, RECORDKEEPING, AND REPORTING REQUIREMENTS

CPD program grantees, by law, are required to certify to HUD that they will comply with Title VI and Title VIII and other applicable laws and that they will affirmatively further fair housing. In the UDAG program, such acknowledgements are incorporated in applications and in grant agreements. However, before a community which has been found to be eligible to participate in the UDAG program can submit its initial application, it must be able to

demonstrate that it has achieved results in providing housing to low- and moderate-income persons and in providing equal opportunity in housing and employment to low- and moderate-income persons and members of minority groups.

All grantees are required to maintain records to permit a determination of compliance activities. This requirement also applies to communities which receive assistance through the State-Administered Small Cities CDBG Program.

In addition to the above certification and recordkeeping requirements, CDBG entitlement communities must prepare and submit to HUD a Housing Assistance Plan (HAP). This Plan, in addition to other provisions, must include estimates of housing assistance needs of lower-income persons currently residing in the community, by tenure type and by household type, for all households to be displaced by public action, and, where information is available, by private action during the three-year program. Such estimates also must be provided for lower-income minority households. The HAP must identify the special housing needs of handicapped persons and any other special housing needs of particular groups of lower-income households in the community, such as Black, Hispanic, or other minority households.

Entitlement grantees also are required to submit to HUD an annual performance report. This report must include, at a minimum, the following components relating to fair housing and equal opportunity: (1) the percentage of the total number of households/persons directly assisted by racial/ethnic group and the percentage of households directly assisted that were headed by a female; (2) a description of its actions during the year to affirmatively further fair housing, in conformance with its certification; (3) an account of displacement/relocation of households affected as a result of program activities by racial/ethnic group. Also, this report must include data on where displacees relocate.

Provisions in Title I of the Act prohibit discrimination in any program or activity funded in whole or in part with CDBG funds. A recipient's hiring and employment practices in operating units which carry out activities funded in whole or in part with CDBG funds must be nondiscriminatory. Entitlement communities are required to collect and report employment information on their departments and agencies.

UDAG grantees are required to report semi-annually to HUD on the progress they are making in meeting a project's planned benefits. These include employment of minority persons and the number and value of contracts and subcontracts awarded to minority-owned firms.

MONITORING COMPLAINTS AND COMPLIANCE REVIEWS - FY 1984

It is the responsibility of HUD's Fair Housing and Equal Opportunity (FHEO) Field Office staff to monitor CPD grantees for compliance with civil rights and equal opportunity requirements. This monitoring is conducted at two levels--in-house and on-site. A fundamental component of FHEO's monitoring strategy since FY 1982 has been one of off-site monitoring which requires greater emphasis by FHEO field staff on the in-house review of grantee information. To the extent possible, on-site reviews are made only where necessary rather than as a regularly scheduled event, and focus on clearly identified problems. However, on-site visits must be used when in-house

reviews alone cannot assure that grantees are complying with all civil rights statutory and regulatory requirements. The more intensive site visits are also necessary in recent programs such as the State CDBG and Rental Rehabilitation Programs.

The administrative record of performance reviews and any deficiencies it contains becomes the basis for the review of the civil rights certifications submitted by CDBG program grantees with the Final Statement prior to grant award. The review of the certification is critical for assuring civil rights protections, especially in the absence of an application which is subject to HUD review and approval. In FY 1984, FHEO challenged 16 CPD grantees' certifications based upon their review of the grantee's records for the past year. It was a primary objective of FHEO in FY 1984 to ensure that the Department's grant decisions were based upon informed and documented judgments regarding a grantee's conformance with applicable civil rights laws.

The following table shows the number of FHEO in-house reviews and on-site monitoring visits conducted during FY 1984 for CPD programs.

TABLE 6-11

FHEO MONITORING ACTIVITY BY CPD PROGRAM,
FY 1984

<u>CPD Program</u>	<u>In-House Reviews</u>	<u>On-Site Visits</u>	<u>Deficiencies Identified as a Result of Monitoring</u>
CDBG Entitlement	580	474	135
CDBG Jobs Bill	28	124	15
CDBG State-administered Small Cities	34	33	0
CDBG HUD-administered Small Cities:			
- Single Purpose	106	67	5
- Comprehensive	246	202	21
UDAG	194	378	71
Secretary's Discretionary	0	2	2
Total	<u>1,188</u>	<u>1,280</u>	<u>249</u>

SOURCE: U. S. Department of Housing and Urban Development,
Assistant Secretary for Fair Housing and Equal Opportunity, Office
of Management and Field Coordination.

For the CDBG Entitlement program, of the 135 findings of deficiency resulting from FY 1984 monitoring, 21 percent were related to fair housing actions, 19 percent involved benefits to minorities, seven percent dealt with grantee employment practices, with the balance related to employment, minority business, relocation, and program administration. The 15 findings noted for the Jobs Bill covered minority employment by grantees and contractors, minority business and recordkeeping. For the HUD-Administered Small Cities

program (Single Purpose and Comprehensive combined), of the 26 findings, 35 percent involved benefits to minorities, 23 percent in grantee and contractor employment, and the remainder, Section 3 employment and program administration. Monitoring of UDAG grantees identified 71 deficiencies of which 58 percent were related to minority employment, 23 percent to minority entrepreneurship, seven percent to fair housing, and the rest in citizen participation, relocation, and administration.

FHEO Regional Office staff also conduct in-depth compliance reviews. Such reviews are carried out for several reasons: field office monitoring results, contract conditions, number of grantee activities, types of grantee activities, grantee size, size of minority population, and general knowledge of grantee civil rights problems. There were 56 compliance reviews opened related to the CDBG Entitlement program, and 47 were closed. For the State-Administered CDBG Small Cities program 26 compliance reviews were initiated and 27 closed during FY 1984. During FY 1984, FHEO's Office of HUD Program Compliance received 85 CDBG complaints and 93 were closed from that year or from previous years.

As an example of the results of a compliance agreement, two civil rights complaints were filed against a city in the Midwest alleging racial discrimination in the administration of Federally funded programs. Specifically, the complaint alleged that the city was not utilizing minority contractors. As a result of HUD's review and successful negotiations with the city, the percentage of minority contractor participation with the city increased from two percent to twenty percent.

During FY 1984, there were 21 cities applying for the first time for UDAG eligibility which were found ineligible because they had not had demonstrated results in providing housing and employment to persons of low- and moderate-income and to minority persons based on FHEO review and recommendations. Eleven were found ineligible on the ground of failing to provide equal employment opportunity, eight were related to housing, and two involved both categories.

LEGISLATIVE CHANGES

The Housing and Urban-Rural Recovery Act of 1983 incorporated a number of changes related to FHEO requirements in CPD programs. These include a requirement that, in addition to CDBG grantees administering their program in compliance with Title VIII, they must also certify to affirmatively further fair housing.

In respect to the State-Administered Small Cities CDBG program, the 1983 Amendments provide that any activity conducted by units of general local government with State allocated grants shall be subject to the applicable provisions of Title I and other Federal laws in the same manner and to the same extent as activities conducted with Entitlement grants.

The 1983 Amendments also require the Department to establish uniform recordkeeping, reporting, and auditing requirements for the State Block Grant Program after consulting with national associations of States and Small Cities. A group consisting of representatives from CPD, FHEO and OGC in

addition to representatives from eight national associations was formed by the Department to meet this requirement. The final format for reporting by the States of FHEO compliance information has not yet been established.

FY 1984 MANAGEMENT INITIATIVES

During FY 1984, FHEO initiated a number of assessments designed to improve the manner in which it carries out its responsibilities in respect to CPD programs.

Section 109 Compliance Review Procedures. In FY 1984, FHEO's Office of HUD Program Compliance initiated a project that will assist in developing procedures for conducting compliance reviews and complaint investigations in the CDBG program. The Office focused on HUD-Administered Small Cities by targeting small cities in Maryland that have histories of civil rights problems and racially identifiable public housing. Information will be gained on the ability of targeting criteria to identify cities with civil rights problems, on remedies that are successful in correcting violations of civil rights laws in small cities, and on the possible use of CDBG money to aid in desegregation efforts. The Maryland Project will continue into FY 1986 with the application of approaches developed in the HUD-Administered Program to the CDBG Entitlement and State-Administered Small Cities Programs.

Data Collection and Reporting on CDBG Grantee Employment Information. To lessen grantee burden, the Office of Management and Budget recommended that FHEO enter into an Interagency Agreement with the Equal Employment Opportunity Commission to use a modification of their State and Local Government Information Form to collect employment information on Grantee departments and agencies to be used in monitoring CDBG recipients. FHEO initiated a process of direct mailing of the modified form to departments and agencies participating in the previous year to ensure a rapid response. A survey was conducted to obtain responses on this new procedure.

FHEO developed reports from data collected from grantee departments and agencies on full- and part-time employees and new hires by job categories, average salaries, race/ethnicity and by gender. These reports were distributed to Field Offices and technical assistance was provided on analyses for their use in monitoring of CDBG grantees.

FHEO Guide to Statistical Information on Data Sources and System. FHEO undertook to have HUD and non-HUD data systems and resources identified for use by FHEO staff in their monitoring, compliance review, and assessment activities. The activity resulted in two FHEO technical assistance documents; a Fair Housing and Equal Opportunity Guide to Statistical Information in Data Sources and Systems; and its Appendix.

The Guide is a descriptive compendium of sources of statistics and other factual data relevant to issues associated with fair housing and equal opportunity. The Appendix to the Guide contains additional information and materials relating to the 22 sources described in the Guide providing detailed descriptive information on the sources, their data products and services, their forms and formats, and samples of reports.

These technical assistance documents were sent to HUD field staff in September 1984 for their information and use in assisting CDBG recipients to conform with civil rights requirements.

Headquarters Technical assistance for Field Staff. In June 1984 Headquarters FHEO conducted training for FHEO Field staff on civil rights requirements in the State CDBG Program. Participants included FHEO staff from each HUD Office with responsibility for managing the State program. The major purpose of the training was:

- o to provide FHEO staff with an understanding of the philosophy and Federal requirements, and
- o to improve skills of FHEO staff in carrying out their responsibilities, focusing on rendering technical assistance and reviewing civil rights performance.

Staff from HUD's Office of CPD and the National Governors' Association also participated as guest lecturers.

Grants awarded to States and cities for rehabilitation of rental properties, authorized by the 1983 Act, provided another opportunity for HUD to affirmatively further fair housing. State and local governments develop procedures for affirmatively marketing vacant units in rehabilitated projects to persons not likely to apply without special outreach. To implement this program quickly and effectively, steps were taken to assure that FHEO staff could adequately carry out their civil rights review responsibilities without unnecessarily delaying grant awards. Headquarters FHEO staff provided written guidance on review of affirmative marketing procedures and made technical assistance visits to five regional cities.

UDAG Program-Generated Employment and Minority Business Assessment. FHEO field staff have responsibility for reviewing applications for affirmative action goals in number and types of minority-jobs and the dollar goals for minority entrepreneurship. After the project is underway, staff monitor the grantee and the project on the extent to which the program generates minority employment and minority contracts and contract dollars.

In FY 1984 FHEO carried out an assessment to determine the extent to which: (1) UDAG projects achieved program-generated employment and minority business contracts and contract dollars, and (2) FHEO application reviews and monitoring affect the level of project performance.

Rental Rehabilitation Assessment. A major program requirement in the Rental Rehabilitation program is that vacant units be affirmatively marketed to persons that are least likely to apply because of race, ethnicity, sex of household head, age or source of income. Grantees must submit to HUD information describing actions planned for meeting the affirmative marketing requirements. These submissions are due after HUD publishes the notification of Rental Rehabilitation grant amounts. The submission must be reviewed and approved by HUD Field staff before the grantee can receive program funds.

FHEO's Program Evaluation Division undertook a study of the Rental Rehabilitation Program's first round's affirmative marketing review process to identify whether city and urban county grantees were experiencing problems with the affirmative marketing requirements. The study results aided FHEO managers and policy makers in determining whether changes are needed in the affirmative marketing requirements and in developing technical assistance programs for the second round of program funding.

The study also addressed difficulties which FHEO staff had in carrying out their review functions. It further identified methods proposed by grantees for implementing and assessing the Program's affirmative marketing requirements. These served as a basis for the Rental Rehabilitation Program Affirmative Marketing Guide development by the Program Standards Division for program participant's use in designing affirmative marketing submissions and for Field Staff to assist them in reviewing these submissions.



NOTES

- 1 Other references governing Minority Business Enterprise in HUD are: (1) Executive Order 11625, dated October 13, 1971, (prescribing a National Program for Minority Business Enterprise); (2) the Secretarial Designation of Responsibility with Respect to Minority Business Enterprise, 40 FR 26053, dated June 20, 1975; (3) Public Law 95-507, 92 STAT. 760, Approved October 24, 1978 (Authorizing the Creation of the Office of Small and Disadvantaged Business Utilization in HUD); and (4) a Directive from the President, dated September 17, 1981, committing the Administration to expand development and encouragement of minority business.

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APPEND X A

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS



FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
ALABAMA							
Addison	Financial assistance to manufacturing company to help in development of mobile home construction plant.	\$256,000	\$1,679,275	\$0	350	0	\$61,019
Anniston	Second mortgage loan to developer to assist in adaptive reuse of theater as commercial office space.	185,000	907,450	0	35	0	4,000
Auburn	Second mortgage loans for construction of housing units for low- to moderate-income household ~ .	1,402,772	3,550,639	0	0	113	16,798
Bessemer	Financial assistance to industrial firm to help acquire and renovate four dilapidated buildings for use as pipe-coating plant, storage facility, and corporate offices.	110,000	468,776	13,700	30	0	7,035
Birmingham	Financial assistance to developer to be used towards complete restoration of historic Pythian Building and make leasable space available.	240,000	949,500	0	35	0	12,543

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs.</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
ALABAMA	need)						
Birmingham	Financial assistance to developer to help acquire and renovate building for lease as office space.	\$450,000	\$1,860,905	\$0	57	0	\$22,558
Birmingham	Financial assistance to developer to help construct retail space, pedestrian walkways and parking deck plus renovate first floor of Medical Arts Building to integrate it with new complex.	312,100	2,432,629	0	82	0	49,214
Birmingham	Financial assistance to help developer reopen and revitalize steel fabrication plant plus construction of addition to existing facility and purchase of new capital equipment.	518,000	3,149,451	0	316	0	34,200
Birmingham	Financial assistance to developer to help acquire and renovate historic buildings as office space.	400,000	2,035,300	0	66	0	21,005

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
ALABAMA (Continued)							
Birmingham	Financial assistance to steel fabrication company to help construct new "melting" facility and purchase new capital equipment.	\$710,000	\$12,877,643	\$0	48	0	\$102,317
Fort Payne	Low-Interest loan to developer to help finance site improvement for shopping center expansion.	315,000	2,929,008	0	128	0	20,400
Huntsville	Financial assistance to company to help construct printed circuit board manufacturing plant and purchase capital equipment.	850,000	16,768,889	0	500	0	66,350
Tallassee	Financial assistance to company to help construct plant to manufacture airframe parts.	1,000,000	19,955,000	0	400	0	52,200
West Blocton	Financial assistance to developer to help build an aluminum dump-trailer manufacturing facility on a 15-acre site.	105,000	490,628	16,000	35	0	400

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
ARTIZONA							
El Mirage	loan to developers to help construct 250-room hotel and convention center complex in primarily Hispanic-American community.	\$4,584,500	\$15,990,998	\$290,000	286	0	\$134,773
Nogales	loan to water-meter manufacturing company to assist in expansion of its existing plant and install new equipment.	310,000	995,900	0	35	0	11,243
Nogales	Financial assistance to agricultural produce importing company to help construct and equip office and warehouse facility for expansion of produce, palleting and shipping operations.	157,000	611,315	0	20	0	7,614
Nogales	Loan to company to help finance part of expansion of its wiring-harness assembly operation by paying building construction and machinery costs.	175,000	795,537	0	57	0	9,146
South Tucson	Financial assistance to developer to help construct a factory-outlet mall with parking slots.	1,315,000	7,358,443	0	260	0	2,755

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ARIZONA (Continued)</u>							
South Tucson	Financial assistance to shipping-crate manufacturing company to help finance consolidation/expansion to a new facility.	\$185,000	\$966,825	\$292,000	18	0	\$388
South Tucson	Financial assistance to company to help expand its electrical-equipment manufacturing facility and purchase equipment.	1,410,000	6,324,212	0	260	0	846
Tucson	Financial assistance to help developer rehabilitate and convert hotel in Packet-of-Poverty area for office and commercial use.	425,000	1,805,500	112,500	145	0	64,800
Wellton	Loan to manufacturing company to assist in construction of alfalfa processing facility and acquisition of equipment.	700,000	3,207,000	0	45	0	37,800
<u>ARKANSAS</u>							
Trumann	Loan to manufacturing company for purchase of industrial wood-working equipment for start-up of sewing machine cabinet-making factory.	280,000	693,568	0	127	0	4,468

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>CALIFORNIA</u>							
Corning	Second mortgage loan to developer to help construct a truck stop with 24-hour service, repair, eating and entertainment facilities.	\$700,000	\$3,189,000	\$0	150	0	\$134,000
Etna	Second mortgage loan to developer/contractor to assist in construction of 20-room motel and commercial center.	167,000	494,000	0	20	0	8,283
Eureka	Loan to developer to help construct hotel and related meeting, recreation, office and retail facilities.	3,493,000	12,177,000	1,022,000	311	0	416,000
Fort Bragg	Second mortgage loan to limited partnership to assist in construction of retail center.	922,000	3,990,145	0	150	0	42,384
Lawndale	Loan to developer to help re-develop an aging, largely vacant shopping center and two adjacent department stores into a new shopping mall with parking facilities.	8,060,000	37,348,000	0	1,143	0	240,000

FISCAL YEAR 984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
CALIFORNIA (Continued)							
Monrovia	Financial assistance to developer to help construct a 205-room hotel with restaurant, lounge, and meeting room space.	\$998,585	\$11,471,650	\$629,765	148	0	\$312,875
Oakland	Financial assistance to minority developers to restore relocated historic Victorian buildings and construct new buildings for office and restaurant space.	1,950,000	6,835,531	2,110,000	209	0	120,820
San Francisco	Second mortgage loan to developer to assist in construction of industrial condominium.	1,000,000	5,655,000	750,000	195	0	127,000
San Francisco	Financial assistance to developer to help renovate vacant brewery into office and sales display area, and construct three additional floors and a 155-space parking garage.	2,945,500	15,469,677	192,000	395	0	351,846
San Francisco	Financial assistance to coffee processing company to help acquire, renovate, and relocate to underutilized industrial facility.	558,000	3,099,315	0	44	0	50,560

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UORG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>COLORADO</u>							
Canon City	Financial assistance to local manufacturer to help construct an expansion to existing facility in industrial park and purchase capital equipment.	\$187,710	\$620,737	\$0	65	0	\$5,390
Manitou Springs	Second mortgage loan to developer to help renovate historic downtown hotel and convert structure into apartment units for the elderly plus a small amount of commercial space.	274,000	983,000	0	11	0	12,321
Rocky Ford	Financial assistance to frozen food manufacturing company to help expand existing facility, purchase and install new capital equipment.	145,680	564,042	300,000	40	0	8,453
<u>CONNECTICUT</u>							
Bridgeport	Loan to developer to partially fund construction of 240-room hotel and conference center with 400-car parking structure.	4,750,000	14,433,000	0	300	0	350,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>CONNECTICUT (Continued)</u>							
Bridgport	Financial assistance to moving and storage company to purchase and install equipment to help in expansion.	\$250,000	\$938,800	\$0	42	0	\$36,974
Hartford	Below-market rate second mortgage loans to purchase newly renovated condominium units.	810,000	2,271,200	0	0	54	100,350
Jewett City	Financial assistance to developer to help assemble and renovate two properties. Project to include a pharmacy, cinema, two medical offices and two general offices.	145,000	629,523	0	25	0	3,646
New Haven	Financial assistance to developer to help construct a Class A office building and parking facility in the Long Wharf urban renewal area.	6,000,000	48,484,050	0	828	0	877,996
Putnam	Financial assistance to developer to help renovate vacant, historic school building into market-rate housing units.	235,000	770,400	760,000	1	26	9,735

FISCAL YEAR 1384 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>CONNECTICUT (Continued)</u>							
Thomaston Town	Loan to corporation to help provide partial financing for the addition of new space in existing facility to house a new process for the manufacturing of lead circuit boards.	\$283,500	\$5,311,000	\$0	60	0	\$32,600
<u>DELAWARE</u>							
Milford	Loans to help provide a portion of rehabilitation financing for substandard homes occupied by low-income families.	97,335	270,000	80,000	0	33	713
Wilmington	Financial assistance to developer to help construct 14-story downtown office building with parking facility for 500 cars.	9,300,000	32,696,273	0	734	0	453,628
Wilmington	Financial assistance to developer to help construct a neighborhood shopping complex.	1,524,000	5,290,215	0	160	0	77,263

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>DELAWARE (Continued)</u>							
Wilmington	Financial assistance to bank to help develop a new data processing and operations facility with 150 parking spaces on a vacant site in the central business district.	\$2,500,000	\$10,327,000	\$0	200	0	\$129,790
Wilmington	Financial assistance to non-profit job training and sheltered workshop organization to help develop new facility for physically and mentally handicapped persons.	600,000	1,842,740	150,000	80	0	10,700
<u>DISTRICT OF COLUMBIA</u>							
Washington	Financial assistance to developer to help construct a shopping center in northeast section of City.	2,650,000	16,591,653	0	359	0	2,346,398

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
FLORIDA							
De Funiak Springs	Low-interest loan to company to help build a new manufacturing facility in City's industrial park.	\$170,000	\$689,933	0	104	0	\$8,227
Miami	Financial assistance to developer to partially finance construction of 9-story office building.	1,407,306	6,378,078	0	360	0	220,382
Seminole Tribe of Florida	Financial assistance to Indian Tribe to help construct a 150-room motel and a separate restaurant facility seating 300, on tribally-owned land.	1,930,000	8,724,002	0	275	0	0
GEORGIA							
Atlanta	Financial assistance to help grocery chain demolish a sub-standard store and construct a modern food store.	275,000	4,304,004	0	97	0	118,755
Atlanta	Financial assistance to developer to help construct a shopping center in Bedford Pine area of the city.	600,000	2,293,766	100,000	80	0	33,824

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
GEORGIA (Continued)							
Atlanta	Financial assistance to developer to help renovate and expand Old "underground Atlanta" with rehabilitation and new construction of retail and office space plus public improvements including two parking garages.	\$10,000,000	\$59,591,937	\$20,508	2,980	0	\$976.513
Atlanta	Financial assistance to developer to help construct an office complex to house several research and development concerns.	520,000	10,832,783	0	315	0	177.596
Augusta	Loan to developer to partially finance high-rise apartment dwelling consisting of two-bedroom, two-bathroom units.	500,000	2,745,160	0	8	104	11,428
Brunswick	Financial assistance to investors to help acquire a vacant insulation manufacturing plant with its existing equipment and to expand operations in the near future.	820,000	3,018,286	0	115	0	66,477

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State</u> and City	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>GEORGIA (Continued)</u>							
Crawfordville	Low-interest loan to corporation to help finance construction and equipment for new Industrial facility to produce plastic pipe fittings.	\$360,500	\$1,455,124	\$0	50	0	\$9,600
Macon	Financial assistance to developer to help renovate two buildings in central business district. Project will include covering alley between the buildings creating a retail/office mall.	968,750	4,093,350	1,500,000	121	0	79,017
Villa Rica	Financial assistance to a regional speciality building materials retailer to help construct a distribution center.	625,000	9,500,000	0	100	0	99,230
<u>ILLINOIS</u>							
Anna	Loan to welding company to purchase capital equipment to assist in construction and expansion of existing operation.	75,600	208,920	28,000	25	0	3,061
Chicago	Loan to developer to finance a portion of costs to renovate historic building for reuse as office and retail complex.	5,500,000	17,679,243	0	857	0	1,052,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Chicago	Construction/permanent loan to developer to assist in rehabilitation of three-story vacant warehouse building into full-service medical and professional office facility.	\$241,800	\$1,009,486	\$0	44	0	\$74,445
Chicago	Construction/permanent loan to developer to assist in construction of retail store and addition of retail space to existing department store on site.	1,096,000	4,970,328	0	145	0	1,070,000
Chicago	Second mortgage loans to low- and moderate-income purchasers of new single-family houses, built by minority development firm on former urban renewal land.	432,250	2,028,153	0	0	34	58,927
Chicago	Financial assistance to developer to help construct redevelopment project including rehabilitation of hotel providing residential units and commercial space.	544,000	2,787,250	0	17	54	182,093

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollar's</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
ILLINOIS (Continued)							
Chicago	Financial assistance to developer to help renovate vacant A&P warehouse building to accommodate a drug store and provide residual space for local tenants.	\$290,000	\$1,284,268	\$0	46	0	\$21,000
Chicago	Loan to professional photography company to finance a portion of acquisition and renovation costs of a five-story loft/industrial building providing space to consolidate operation.	1,000,000	4,886,072	0	110	0	345,813
Chicago	Financial assistance to developer to help rehabilitate vacant two-story structure for office use, demolish adjoining building, construct two-level parking structure and add two stories to the existing building.	675,000	2,708,650	0	94	0	109,075
Chicago	Construction/permanent loan to developer to help construct a neighborhood shopping center.	500,000	3,869,198	0	150	0	258,078

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Chicago	Financial assistance to electric hand-tool manufacturer to help construct five-story office building and consolidate its research and development, engineering, and administrative offices.	\$654,000	\$7,605,861	\$0	75	0	\$505,646
Danville*	Loan to automobile agency to assist in construction of full-service building.	210,000	1,181,385	707,000	30	0	141,224
Danville	Construction/permanent loan to developer to help expand an existing shopping mall.	3,800,000	13,457,000	0	230	0	123,000
Flora	Construction/permanent mortgage to U. S./Japanese joint venture to assist in construction of addition to automotive lighting components manufacturing facility being built in industrial park.	500,000	2,097,826	115,000	103	0	3,447

* Terminated during FY 1984.

FISCAL YEAR 1964 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Galena	Loan to developer to help renovate historic hotel to restore it as a 55-room hotel with meeting rooms, a restaurant, lounges, and retail shops. A 126-space parking structure will be built behind three historic facades next to hotel.	\$1,200,000	\$6,532,085	\$0	129	0	\$23,377
Jacksonville	Construction/permanent mortgage loan to developer to help finance construction of commercial building opposite Morgan County fair Grounds.	183,250	460,366	0	17	0	10,358
Lockport	Loan to developer to assist in restoring historic warehouse for reuse as a restaurant and specialty shops.	406,000	1,304,639	30,000	54	0	24,657
Rockford	Financial assistance to eligible homeowners to help rehabilitate 1-4 family, owner-occupied structures.	260,000	725,009	205,500	0	100	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Ullin	Loan to developer to assist in construction of a 40-room motel and expansion of an existing restaurant.	\$158,500	\$656,774	\$0	20	0	\$1,000
<u>INDIANA</u>							
Crawfordsville	Financial assistance to developer to help construct and equip a 114-bed comprehensive care facility.	274,600	2,537,357	0	53	0	35,445
Gary	Construction/permanent loan to developer to assist in expansion and remodeling of grocery store and parking facilities.	71,600	332,037	0	10	0	1,627
Indianapolis	Loan to development group to help renovate historic Union Station as a hotel, retail, and office facility. City to renovate portion of building for use as transportation facility.	4,898,000	37,256,891	1,000,000	1,059	0	1,307,079

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Kokomo	Loan to steel company for purchase of capital equipment to assist in installation of new continuous casting facility.	\$4,000,000	\$19,564,274	\$0	350	0	\$270,092
Michigan City	Construction/permanent loan to clothing manufacturer to acquire capital equipment for newly built warehouse and distribution center.	415,000	7,578,706	175,000	59	0	120,000
Osgood	loan to hospital equipment and casket company to help expand their manufacturing, distribution and office facilities and remain in area.	3,205,000	13,930,647	1,400,000	100	0	162.1 76
Peru	loan to restaurant company to purchase capital equipment for use in new facility.	54,000	211,800	0	21	0	3,905
South Bend	Loan to partnership to assist in construction of office building and 190 parking spaces.	1,500,000	8,735,760	225,000	261	0	166,096

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
IOWA							
Centerville	Financial assistance to non-profit corporation to reestablish industrial-rail service within the community. Because of project, local industries have committed to additional jobs and capital expenditures.	\$889,100	\$3,603,333	\$965,000	82	0	\$0
Des Mines	loan to developer to help construct two office buildings connected by a second-story enclosed pedestrian walkway and 336 parking spaces in urban renewal area.	1,855,900	9,357,862	4,032,167	124	0	189,656
Fairfield	Financial assistance to aluminum casting company to help purchase equipment and build a new sand foundry.	597,000	3,359,767	0	40	0	71,960
Fort Dodge	loan to developer to finance a portion of construction cost of new downtown office building.	1,030,000	4,003,805	0	104	0	97,092
Mason city	Loan to company to finance capital equipment for fresh fruit and vegetable warehouse distribution facility being constructed in industrial park.	385,000	1,759,000	0	28	0	29,853

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>IOWA (Continued)</u>							
Newton	Grant to City to improve existing public infrastructure in downtown area and provide site for construction of supermarket.	\$336,643	\$1,444,810	\$1,075,000	74	0	\$43,517
Oelwein	Loan to development partnership to help rehabilitate an historic railroad hotel into retail space and one- and two-bedroom apartments.	269,000	1,262,257	0	22	34	33,073
Oskaloosa	Financial assistance to developer to help construct a downtown shopping center.	3,265,000	8,610,000	0	225	0	194,000
Panora	Loan to food company to partially finance construction of new office and production facility. Project includes purchase of machinery to cook, shuck, freeze and ship eggs.	521,000	1,675,723	0	92	0	27,591

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>KANSAS</u>							
Baxter Springs	Loan to salad company for purchase of capital equipment to assist in development of new food processing facility.	\$404,000	\$1,816,542	\$43,365	57	0	\$22,000
Grainfield	Second mortgage loan to farm equipment repair business to renovate and expand recently purchased structure. Project will enhance their ability to repair heavy machinery.	26,000	86,000	0	3	0	892
Manhattan	Grant to City to acquire land to lease to development partnership for construction of a downtown enclosed shopping center. Project will redevelop 30-acre area and attract prime shopping facilities that would have located outside City.	10,000,000	27,359,000	14,186,000	789	0	1,225,000
<u>KENTUCKY</u>							
Hopkinsville	Financial assistance to hydraulics company to help expand existing plant and purchase capital equipment.	330,000	1,007,678	218,250	45	0	8,817

FISCAL YEAR 1904 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>KENTUCKY (Continued)</u>							
Louisville	Loan to developer to help finance rehabilitation and expansion of existing hotel into convention and banquet facility.	\$150,000	\$2,259,278	50	40	0	\$68,450
Middlesborough	Grant to City to help develop waste-water treatment plant. Investment will result in expansion of mat packaging, soft drink, and tanning companies.	1,000,000	2,500,000	7,955,512	97	0	37,036
<u>LOUISIANA</u>							
Baton Rouge	Financial assistance to department store to help finance renovation and expansion of its existing retail and corporate office facilities.	394,144	7,858,960	0	223	0	278,323
Homer	Grant to City to establish sanitary landfill required to dispose of waste paper to facilitate expansion of coated-paper products manufacturing plant.	944,340	5,194,239	0	15	0	15,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
LOUISIANA (Continued)							
Monroe	Principal reduction subsidies to buyers earning less than median income to make new homes affordable.	\$1,183,000	\$3,586,304	\$0	0	88	\$9,097
Natchitoches	Loan to corporation to help finance development of new facility to manufacture prefabricated wooden joists. Project will include land acquisition, rehabilitation of on-site vacant industrial building, purchase and installation of new capital equipment.	9% ,251	12,696,632	0	105	0	38,825
New Orleans	Financial assistance to developer to help construct a riverfront retail festival market place with leasable space for restaurants, shops and specialty food places.	8,254,000	37,467,000	0	2,500	0	9,895,949

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MAINE</u> Bangor	Financial assistance to developer to help renovate historic school into market-rate housing units with adjacent municipal parking lot.	\$166,000	\$1,925,000	\$63,000	2	60	\$23,880
Bath	Financial assistance to development partnership to help in expansion of a shopping center with parking spaces.	480,000	1,742,511	0	50	0	42,475
Biddeford	Financial assistance to developer to help acquire and renovate an historic school building for conversion into one and two-bedroom market-rate rental units.	305,000	1,150,318	568,000	2	48	31,899
Easton	Financial assistance to help food company expand an existing potato processing plant and reopen a pea processing plant.	940,000	3,664,797	0	228	0	49,209
Farmington Town	Financial assistance to printing company to help purchase and install a new six-color photo offset lithograph printing press and binding machine.	156,000	755,360	0	4	0	13,632

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>M A N (Continued)</u>							
Fort Fairfield Town	Financial assistance to food processing corporation to help construct a high-capacity storage facility.	\$1,170,000	\$3,342,000	\$2,600,000	0	0	\$75,600
Presque Isle	Loan to potato processing company to help finance renovation of presently idle plant to permit reopening.	2,830,000	11,870,520	0	530	0	220,006
sac o	Grant to City to provide new sewer lines, street improvements and landscaping and loan to developer to help acquire manufacturing company buildings and renovate into one and two-bedroom apartments and commercial space.	940,000	2,933,858	1,774,000	30	60	16,400
Stmng	Financial assistance to wood products manufacturing company to help with major building improvements and machinery purchases, allowing company to remain in business.	308,000	937,213	0	0	0	8,352

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MARYLAND</u>							
Baltimore	Second mortgage loans to law- and moderate-income families to help purchase newly constructed three-bedroom townhouses in urban renewal area.	\$476,000	\$1,266,500	\$402,008	0	34	\$36,074
Baltimore	Second mortgage loans to developer to assist in rehabilitation and construction of rental units for law- and moderate-income families in urban renewal historic district.	853,434	3,041,847	1,400,000	1	185	37,300
Baltimore	Financial assistance to housing association to help construct one, two- and three-bedroom townhouses. Payment of a one-time membership fee will entitle tenants to life-time occupancy in these units. With monthly payments, this project incorporates the characteristics of both owning and renting a home.	325,000	920,000	0	0	25	11,250
Baltimore	loan to department store to assist with tenant improvements to allow store to remain in downtown area.	2,000,000	10,563,339	0	27	0	129,760

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MARYLAND (Cont'd)</u>							
Baltimore	Financial assistance to minority grocery chain and minority neighborhood group to help construct a supermarket.	\$340,000	\$969,784	\$390,000	38	0	\$26,202
Baltimore	Financial assistance to partnership to help construct a 183-room motel and restaurant.	1,010,000	5,183,987	0	140	0	158,797
Baltimore	financial assistance to partnership to construct a medical clinic with parking spaces.	277,000	1,186,983	0	21	0	25,668
Baltimore	Financial assistance to minority oil company to purchase terminal for increased storage capacity.	1,250,000	5,045,241	0	101	0	135,315
Baltimore	Financial assistance to partnership to renovate historic townhouses into affordable rental units for law- and moderate-income households and me commercial unit.	418,000	1,499,810	150,000	0	27	12,630

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDA's Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MARYLAND (Continued)							
Baltimore	Loan to partnership to purchase equipment in conjunction with the development of building to house a small tool distribution center.	\$225,000	\$920,000	\$0	15	0	\$18,000
Baltimore	Loan to partnership to help finance development of an office and speciality retail complex with a restaurant and parking. Project will include newly constructed and rehabilitated space.	1,796,250	6,184,032	0	246	0	300,000
Baltimore	Financial assistance to developer to write down the sales price of townhouses in an urban renewal area. Project includes new and rehabilitated units for moderate- and middle-income buyers.	373,194	932,985	0	0	27	22,650
Baltimore	Financial assistance to a minority-owned corporation to help construct catering and banquet facility.	693,000	2,729,426	0	43	0	42,454

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MARYLAND (Continued)							
Seat Pleasant	Financial assistance to partnership to help with site acquisition and construction of neighborhood shopping center.	\$906,050	\$4,903,629	\$21 10,000	157	0	\$22,464
Westernport	Financial assistance to developer to help construct a comprehensive care nursing home with an adult care center. The facility will accommodate medicaid and medicare patients.	1,005,000	4,904,996	0	110	0	25,959
MASSACHUSETTS							
Ayer Tam	Financial assistance to developer to help construct and purchase equipment for a warehouse on vacant industrial land. Project will also include construction of a railroad siding.	193,000	754,232	100,000	14	0	24,000
Ayer Town	Low-interest loan to furnace company to help construct a manufacturing facility to support expansion program.	210,000	777,550	0	53	0	18,906

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MASSACHUSETTS (Continued)							
Boston	Second mortgage loans to purchasers of newly renovated condominium units in former school building.	\$180,000	\$1,423,305	\$0	0	24	\$39,466
Boston	Financial assistance to developer to assist with renovation of two historic mills into housing units.	1,200,000	4,421,080	2,018,100	0	80	39,573
Cambridge	Financial assistance to developers to help construct two office buildings and rehabilitate an historic building with parking facilities. Project will create office and retail space.	4,905,000	34,043,400	1,300,000	960	0	1,410,000
Chelsea	Financial assistance to developers to help rehabilitate an existing industrial building and construct a new office building.	515,000	1,692,006	0	68	0	46,247
Clinton	Financial assistance to corporation to help purchase new plastic injection molding machines and robots for installation in renovated facility.	1,027,300	4,223,437	0	100	0	14,569

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MASSACHUSETTS (C	nfnued!						
Clinton	Financial assistance to developer to help purchase, rehabilitate and construct a market-rate apartment complex with commercial space in vacant downtown factory.	\$283,500	\$987,268	0	5	18	\$4,500
Everett	Financial assistance to steel fabricating corporation to help acquire and install new capital equipment in existing plant facilities.	220,000	1,096,221	0	50	0	0
Everett	Grant to City to reconstruct two main roads located in an industrial section. Project will enable wholesale food distribution company to expand and remain in city.	420,000	6,500,000	0	180	0	96,056
Fall River	Financial assistance to developer to help rehabilitate a mill complex into a regional factory-outlet center. Project will include renovation of adjacent land to provide necessary parking.	601,800	2,510,349	0	60	0	11,110

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MASSACHUSETTS (Continued)</u>							
fall River	Financial assistance to company to help purchase new electronic machinery and ancillary equipment for knitting mill and warehouse facility.	\$800,000	\$2,443,046	\$0	120	0	\$0
Gardner	Financial assistance to developer to help rehabilitate two downtown properties into rental housing units.	237,000	737,300	0	0	32	8,025
Lawrence	Loan to company to help purchase equipment for new manufacturing and administrative facilities.	3,000,000	17,937,000	0	440	0	23,335
Laurence	Financial assistance to manufacturing company to help purchase new capital equipment and assist in overall expansion program. Project will permit introduction of new product line for manufacture of non-asbestos friction materials.	2,168,000	8,047,459	0	150	0	185,000
Lowell	No-interest second mortgage loans to purchasers of housing units. Project will consist of both rental and sale housing affordable to area residents.	435,000	1,474,000	235,000	0	38	25,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MASSACHUSETTS (Continued)							
Lowell	Financial assistance to developer to provide off-site road work and traffic signals to permit construction of office building for lease to high-tech corporations.	\$2,400,000	\$6,635,000	\$6,200,000	240	0	\$38,800
Lowell	Financial assistance to partnership to defray portion of costs of constructing parking facilities for renovated lab/office building. Project is third phase in redevelopment of downtown historic mill.	750,000	3,669,200	0	134	0	81,500
Peabody	Financial assistance to developer to offset extraordinary site development costs to permit construction of speculative research and development space in an industrial park.	2,040,000	10,360,000	0	316	0	248,375
Somerville	Grant to City to acquire vacant railroad site and relocate a water line to help warehouse service company with construction of a warehouse and operation center.	300,000	880,500	0	23	0	2,544

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MASSACHUSETTS (Continued)							
Somerville	Second mortgages to first-time home buyers to purchase and occupy two-three and four-bedroom townhouses built on previous junior high school site.	\$480,000	\$1,800,000	\$0	0	43	\$54,500
Springfield	Financial assistance to neighborhood housing agency to help write down cost of acquiring and renovating vacant housing units for sale to low- and moderate-income residents.	400,000	1,042,039	0	20	47	17,280
Springfield	Financial assistance to Import-export business to help finance renovation and adaptive reuse of vacant freight house building as a distribution center.	317,250	960,545	0	50	0	22,485
Springfield	Financial assistance to a corporation and the City to construct a 146-space parking garage to facilitate the historic rehabilitation and adaptive reuse of a YMCA into apartment units and a foot health facility.	1,514,000	6,308,605	0	7	89	17,973

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MASSACHUSETTS (Continued)							
Springfield	Financial assistance to development partnership to acquire and rehabilitate a deteriorated shopping center.	\$160,062	\$409,166	\$23,331	20	0	\$10,192
Waltham	Financial assistance to computer-controlled, analytical medical instrument manufacturing company to help purchase and renovate vacant facility for expansion close to present location.	575,000	3,236,365	0	50	0	139,103
West Springfield	Financial assistance to developers to construct an interior roadway, interchange improvements, and offset poor subsoil conditions to help with development of a travel center and a shopping center.	2,040,000	15,376,500	0	460	0	375,074
MICHIGAN							
Battle Creek	Construction/permanent loan to manufacturing company to acquire new capital equipment for a pollution control solvent recovery system to allow expansion of operations.	420,000	7,996,672	0	40	0	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and Cfty</u>	<u>Project Descriptfon</u>	<u>UDAG Doilars</u>	<u>Private Investment</u>	<u>Other Public Doilars</u>	<u>Estfmed Total New Jobs</u>	<u>Estlmed Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MICHIGAN (Continued)</u>							
Benton Harbor	Loan to castings company to partially finance, purchase and renovate vacant foundry; purchase and install state-of-the-art equipment.	\$1,500,000	\$7,462,595	\$3,000,000	421	0	\$10,000
Coldwater	Second mortgage loan to developer to assist in construction of motel with meeting-room space.	650,000	2,629,000	410,000	100	0	38,600
Detroit	Financial assistance to ceramic manufacturing corporation to help purchase capital equipment to make recording heads at new location.	1,000,000	4,883,237	1,000,000	200	0	194,147
Detroit	Loan to developer to help financt construction of a hotel and off-price shopping center.	4,271,000	22,260,917	0	375	0	1,136,559
Detroit	Loan to developer to partially finance extraordinary infrastructure necessary for river-side development. Project will include construction of rental housing, condominium units, and commercial space.	6,500,000	21,814,000	0	136	198	764,274

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MICHIGAN (Continued)							
Edmore	Loan to corporation for equipment purchase to assist in expansion of ceramic magnetic plant,	\$650,000	\$8,857,507	\$0	70	0	\$78,320
Flint	Loan to developer to help finance construction of downtown festival marketplace . Commercial/retail complex will include a bandshell, glassed-roof public area and an ice rink.	3,550,000	16,000,000	5,250,000	427	0	310.1 93
Flint	Financial assistance to developer to renovate historic factory as an industrial incubator facility.	656,900	2,624,961	365,000	300	0	39,809
Flint	Financial assistance to developer to help construct car parking ramp and skywalk for a renovated historic office building in the central business district.	1,800,000	8,650,578	0	200	0	234,311
Grand Haven	Loan to developer to partially finance purchase and adaptive reuse of downtown building as retail and office space.	367,782	1,638,617	1,011,057	100	0	24,649

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MICHIGAN (Continued)							
Houghton	Financial assistance to developer to construct a mixed-use residential and commercial building adjacent to existing food market in downtown historic district.	\$103,000	\$345,502	\$0	9	11	\$15,228
McMillan Township	Financial assistance to corporation to help construct a medium-density fiberboard plant.	1,425,000	17,845,300	1,062,400	125	0	105,076
Monroe	Construction/permanent loan to developer to help construct a three-story office building with a restaurant-lounge and commercial outlets on the riverfront.	131,500	475,265	0	43	0	8,804
Muskegon	Financial assistance to manufacturing corporation to help in construction of office building and parking lot and purchase of specially-designed computerized equipment.	582,921	9,685,998	0	70	0	46,416
Niles	Financial assistance to developer to help finance renovation of two adjoining buildings into a three-level commercial mall.	143,000	511,033	240,000	32	0	11,707

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MICHIGAN (Continued)</u>							
Owosso	Construction/permanent mortgage financing to partnership to help develop a new department store and cinema.	\$446,000	\$2,091,650	\$1,400,000	38	0	\$44,705
Pontiac	Loan to developer to help renovate and expand vacant downtown office building into office and restaurant space.	100,000	523,000	150,000	26	0	6,000
Pontiac	Financial assistance to metal products company to help purchase capital equipment and construct a portion of an addltion to its manufacturing plant.	190,000	755,169	150,000	27	0	35,200
South Haven	Loan to developer to partially finance construction of a harbor marina. Project will also include a boat yard, restaurant, condominiums, and 200 "dockminiums."	3,298,000	13,751,412	8,500,000	160	16	274,603
Traverse City	Financial assistance to developer to help construct a parking garage and department store in downtown area.	945,000	3,500,000	500,000	75	0	244,824

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MICHIGAN (Continued)							
Wheatland	Financial assistance to manufacturer of wooden cabinetry to help renovate building and acquire capital equipment.	\$84,000	\$371,968	\$0	42	0	\$1,561
MINNESOTA							
Austin	Loan to developer to assist in construction of motel facility with restaurant lounge, meeting rooms, and facilities for a sauna and indoor pool.	515,000	2,904,732	0	53	0	65,794
Cloquet	Construction/permanent loan to manufacturing corporation to assist with its capital equipment and plant-modernization program.	310,000	6,009,305	0	30	0	34,422
Le Sueur	Loan to foundry to help develop plastic molding operation. Project includes site preparation, new construction, and capital equipment purchase.	735,000	3,130,179	32,200	105	0	29,794

ISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MINNESOTA (Continued)</u>							
Minneapolis	Financial assistance to limited partnership to help construct Phase IV of a retail complex. Project will restore three historic buildings and includes new construction plus walkway connections.	\$900,000	\$8,786,680	\$0	182	0	\$218,770
Monticello	Loan to sales promotion corporation for materials for construction of two buildings and purchase of capital equipment.	243,500	802,164	102,500	65	0	24,928
Princeton	Loan to cabinet manufacturer to purchase capital equipment to help with plant expansion.	221,000	908,560	0	57	0	20,307
St. Paul	Construction/permanent loan to developer to help with rehabilitation of an old department store into an office facility.	700,000	10,383,416	0	100	0	350,266
Two Harbors	Construction/permanent mortgage loan to corporation to help construct waterboard siding production facility in industrial park.	1,455,000	16,916,000	1,095,000	125	0	72,786

ISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated local Tax Revenue</u>
MINNESOTA (Continued)							
Virginia	Financial assistance to limited partnership to help construct a medical office building adjacent to an existing medical clinic.	\$386,250	\$2,246,924	\$600,000	46	0	\$80,689
MISSISSIPPI							
Aberdeen	Loan to developer to help build 52-room motel with restaurant, swimming pool and two private dining rooms.	310,000	1,340,036	300,000	52	0	28,196
Durant	Loan to manufacturing corporation to partially finance establishment of a garment factory. Project will include purchase and renovation of vacant factory, plus installation of modern equipment.	184,000	604,182	300,000	175	0	5,350
Greenville	Loan to marine services company to help construct floating dry-dock facility.	400,000	1,789,000	0	50	0	40,000
Grenada	Financial assistance to corporation to help construct a manufacturing plant for waferwood, a plywood substitute made from pulpwood.	690,000	12,536,000	0	108	0	22,110

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UCAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MISSISSIPPI (Continued)</u>							
Holly Springs	Loan to developer to assist in financing a 50-room motel, to include a restaurant and conference room facilities.	\$191,200	\$981,872	\$0	27	0	\$14,019
Laure	Financial assistance to company to help construct manufacturing facility, provide office space, and purchase new capital equipment.	275,000	1,439,934	272,773	40	0	4,002
Louisville	Loan to wood treatment corporation to help purchase machinery needed to complete conversion and expansion of existing operations.	286,000	715,073	0	71	0	36,144
McComb	Loan to developer to help construct a shopping center.	717,500	2,465,290	0	95	0	180,305
Picayune	Financial assistance to developer to help construct a 52-room motel with parking facilities.	257,000	919,503	0	18	0	4,002

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AYAROS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MISSOURI (Continued)							
Kansas City	Loan to developer to help rehabilitate vacant 10ft-type warehouse building in wholesale historic district into office space and construction of adjoining two-level parking structure.	\$2,000,000	\$8,079,000	\$0	211	0	\$46,000
Kansas City	Financial assistance to local non-profit corporation to help develop a community shopping center with retail and office space.	925,000	4,675,160	500,000	196	0	74,884
Kansas City	Financial assistance to developer to help rehabilitate vacant historic ten-story Warehouse building into Class A office space.	1,012,000	7,875,105	0	189	0	35,150
Kansas City	loan to developer to help construct a community shopping center, retail and office space and two drive-up restaurants.	275,000	1,543,313	0	53	0	36,796

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
MISSOURI							
Lebanon	Loan to newly formed corporation to assist in construction of metal manufacturing facility.	\$213,000	\$815,000	\$323,000	48	0	\$17,100
Macon	Construction/ permanent mortgage loan to corporation to help finance expansion of food production facility to include addition of a two-story, fully equipped building and construction of a wastewater treatment facility.	1,030,000	4,275,505	682,200	130	0	76,635
Mountain view	Financial assistance to company to help rebuild lumber cutting and pallet manufacturing facility to include construction building and purchase of capital equipment .	496,000	1,772,000	4,000	45	0	11,000
St. Louis	Loan to partnership to assist in development of the S. S. Wmral as a first-class family entertainment facility on the Mississippi River.	5,000,000	19,817,000	0	298	0	925,000
St. Louis	Low-interest second mortgage loan to buyers of newly constructed two- and three-bedroom townhouses .	1,633,255	4,832,717	1,212,985	4	150	106,863

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MISSOURI (Continued)</u>							
St. Louis	Financial assistance to local minority developer to help construct affordable rental housing units for low- and moderate-income families.	\$750,000	\$2,300,886	\$947,000	4	50	\$55,000
St. Louis	Financial assistance to developer to help renovate an historic brewery building and eight three-story apartment buildings into apartment units. Project will also include construction of similar buildings nearby.	2,500,000	10,366,580	0	314	0	302,650
St. Louis	Loan to limited partnrshp to fund part of construction costs to rehabilitate an historic furniture canpany building into leasable office and retail space with an atrium and retail arcade.	1,490,000	5,168,140	0	7	110	36,,600
Sullivan	financial assistance to two Industrial corporations to purchase land within an industrial park to help with canstruction of new plant with parking.	440,000	1,276,000	77,228	85	0	8,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MONTANA</u>							
Kalispell	Financial assistance to limited partnership to help construct shopping center and motel.	\$3,175,000	\$14,100,975	\$400,000	475	0	\$263,790
<u>NEBRASKA</u>							
Kearney	Grant to City to help downtown revitalization project to include rehabilitation of store fronts and exteriors of 34 small businesses and infrastructure improvements.	142,000	500,000	1,780,000	21	0	5,448
Omaha	Loan to non-profit development and management entity to assist in purchase and restoration of a vacant grocery store into light industrial and office space.	264,000	1,128,024	0	56	0	9,835

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW HAMPSHIRE</u>							
Manchester	Financial assistance to developer to help construct downtown apartment tower with restaurant and parking garage. Thirty apartment units will be for low-and-moderate-income individuals and the balance will rent at market prices.	\$6,777,000	\$17,148,500	\$1,580,000	28	151	\$245,788
Portsmouth	Financial assistance to developer to help renovate historic theatre building into office and retail space.	2,100,000	8,507,268	0	360	0	218,385
Portsmouth	Financial assistance to developer to help construct an outlet mall with parking facilities adjacent to the turnpike.	900,000	4,004,255	0	84	0	64,375
<u>NEW JERSEY</u>							
Asbury Park	Loan to developer to renovate an old, vacant, eight-story hotel across the street from Ocean front boardwalk into a 250-room hotel with banquet facility, retail shops, a swimming pool, and racquetball courts.	3,100,000	10,192,650	300,000	95	0	224,015

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAC Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW JERSEY (Continued)</u>							
East Orange	Loan to developer to help construct a shopping center to include a supermarket retail space, and a home improvement store with parking facilities for 1,000 cars. Investment will also provide infrastructure improvements.	\$3,236,000	\$12,829,859	\$464,000	375	0	\$232,500
Elizabeth	Financial assistance to corporation to help construct a downtown office/retail complex.	652,000	3,426,376	150,000	96	0	37,500
Elizabeth	Financial assistance to real-estate partnership to help acquire and renovate vacant building.	808,500	15,361,500	0	250	0	131,538
Gloucester	Loan to warehousing and hauling company to assist with capital improvements along city waterfront and purchase of equipment.	3,680,533	12,690,578	0	335	0	195,727

ISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAC Collats</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New obs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW JERSEY (Continued)							
Gloucester	Loan to warehousing corporation to help with completion of pier for containerized cargo, expanding and rehabilitating transient cargo warehousing space and purchase of equipment.	\$2,046,000	\$8,105,503	\$0	178	0	\$214,170
Hoboken	Second mortgage loans to qualified moderate-income families for purchase of new three-bedroom homes.	315,000	1,000,000	0	0	40	40,000
Jersey City	Financial assistance to developer to help construct two- and three-bedroom single-family homes for sale at below-market prices.	450,000	1,291,068	0	0	30	60,000
New Brunswick	Financial assistance to limited partnership to help rehabilitate vacant building for reuse as manufacturing distribution and storage facility.	1,000,000	3,955,464	0	400	0	24,353

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW JERSEY (Continued)</u>							
Newark	Loan to neighborhood-based non-profit corporation to help construct a 180-bed nursing home in redevelopment area.	\$1,600,000	\$9,082,000	\$0	131	0	\$187,460
North Bergen Township	Second mortgage financing to limited partnership to help construct a light industrial warehouse building.	350,000	6,371,596	0	100	0	149,500
Orange Township	Financial assistance to corporation to help construct two buildings in an industrial park, one for light industrial and the other for commercial/retail space.	500,000	2,506,328	0	94	0	47,540
Paterson	Financial assistance to developer to help renovate historic residences and textile mill for conversion to commercial office space as first phase of redevelopment of blighted downtown neighborhood.	300,000	1,090,388	0	36	0	23,790
Pennsauken Township	Loan to limited partnership to assist in construction of Class A office building adjacent to country club.	\$530,000	\$3,809,345	\$0	60	0	\$50,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW JERSEY (Continued)							
Pennsauken Township	loan to computer corporation for purchase of capital equipment to produce a new line of home and business computers.	\$896,000	\$4,253,457	\$0	706	0	\$0
Red Bank	Financial assistance to development partnership to help construct a 5-story, executive-class hotel, with conference facilities, restaurant and other amenities plus on- and off-site improvements.	1,030,000	4,502,413	500,000	90	0	81,493
Trenton	Financial assistance to developer to help construct three-story office building including parking facilities on vacant land downtown.	550,000	2,551,750	0	92	0	33,200
Trenton	Financial assistance to developers to acquire and rehabilitate vacant industrial building for conversion into a geriatric health care facility.	1,200,000	5,229,182	0	96	0	121,014

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW JERSEY (Continued)</u>							
Woodbury	Loans to two stores to help with conversion of second floor of one store into office space and expansion of first floor selling area; the other store will move its rented space into a new larger facility to be built on vacant lot.	\$46,064	\$143,890	\$0	7	0	\$1,262
<u>NEW YORK</u>							
Albany	Loan to developer to help acquire and rehabilitate hotel and two adjacent parcels into leaseable office and retail space.	2,390,000	6,817,806	0	260	0	153,286
Albany	Loan to developer to help acquire and rehabilitate an historic hotel and adjacent newspaper building into office and ground floor retail space with structured parking.	2,950,000	9,203,892	0	300	0	82,720

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
Albany	Financial assistance to corporation to help construct building for lease to minority-owned welding and metal fabricating firm. Project will include assemblage of county and city-owned land and purchase of capital equipment and rolling stock.	\$97,000	\$347,218	\$0	16	0	\$8,547
Attica	Financial assistance to knitted goods manufacturer to help acquire building for expansion of its manufacturing and warehousing operations in another city.	59,718	181,697	100,000	18	0	1,500
Binghamton	Financial assistance to corporation to help renovate a building and a former department store into a new department store.	2,190,000	6,136,628	0	428	0	24,400
Buffalo	Loan to joint venture to help renovate vacant downtown historic YMCA building for use as an office and retail facility. Plans also include rental housing.	1,958,000	9,558,031	0	203	0	162,640

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Buffalo	Financial assistance to developer to help build a specialty shopping mall on the waterfront.	\$5,200,000	\$13,329,000	\$1,000,000	609	0	\$149,000
Buffalo	Loan to City to help construct industrial space in the Buffalo Technology Campus. Investment will continue development of industrial corridor.	1,605,000	4,945,700	109,100	170	0	72,101
Buffalo	Financial assistance to minority developer to help acquire and renovate a 6-building apartment dwelling to be connected to a mixed-use project consisting of one- two- and three-bedroom apartments, commercial and office space.	1,700,000	5,697,262	0	100	320	246,748

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Buffalo	Low-interest loan to corporation to help expand and modernize existing facilities. Investment will allow old respected company to remain in the City.	\$954,300	\$2,976,556	\$0	190	0	\$23,155
Cambridge Town	Financial assistance to company to help construct 12 mushroom houses and purchase capital equipment.	346,727	1,069,166	378,273	35	0	8,413
Carthage	Low-interest loan to limited partnership for a portion of equipment to be purchased for newly constructed hydro-electric generating plant.	1,780,000	9,607,629	0	3	0	159,827
Clifton Springs	Financial assistance to developer to help construct an 18-bed adult home in the Town of Manchester.	71,468	361,484	0	8	0	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAC Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
Corning	Loan and financial assistance to developer to help with downtown improvement plan to include construction of parking garage, hotel expansion, new building construction, glass works plant conversion and purchase of capital equipment.	\$2,900,000	514,921,303	\$1,608,000	410	0	\$420,000
Erie County	Loan to water processing company to purchase capital equipment to help with expansion and modification of plant.	187,500	713,905	0	24	0	3,750
Erfe County	Loan to corporation to assist in renovation and expansion of hotel near airport and construction of another hotel on adjoining parcel of land.	2,675,000	10,718,192	0	242	0	380,584
Genesco	Financial assistance to developers to help construct a 3-story mixed-use building on vacant lot in historic downtown district.	175,500	599,672	0	25	8	14,501
Glens Falls	Financial assistance to company to help with construction of office and manufacturing facility.	750,000	4,836,654	350,000	100	0	37,500

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
Greenfield Town	Loan to commercial printing and binding corporation to assist in construction of industrial facility and purchase of capital equipment.	\$1,531,743	\$15,169,612	\$0	271	0	550,000
Greenport	Financial assistance to company to help construct sewer system extension for newly built facility to manufacture sails and canvas products.	253,635	856,672	0	32	0	21,319
Herkimer	Loan to corporation to assist re-habilitation of a flve-story nursing home facility. Investment will create space for patients, nurses stations, drug rooms, lounges, storage and handicapped access.	450,000	3,109,020	0	47	0	0
Hornell	Financial assistance to developer to help acquire, renovate and equip a vacant industrial building for manufacture of wood bathroom vanities with me-piece marble taps.	650,000	3,004,209	56,000	300	0	18,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG 0011ars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Hudson	Financial assistance to partnership to help build a petroleum blending and processing facility.	\$3,526,000	\$12,446,000	\$3,600,000	140	0	\$368,000
Ithaca	Financial assistance to department store to help open a new anchor store. Investment will provide needed boost to adjacent shopping mall and help revitalize downtown shopping area.	475,000	1,280,974	0	61	0	68,205
Jamestown	Financial assistance to glass mirror manufacturing company to help with building expansion. Project will also include construction of a truck loading dock and acquisition of a mirror manufacturing machine.	840,000	2,904,500	0	108	0	5,675
Jamestown	Term loan to electronic wooden furniture company to purchase machinery and equipment and remove and relocate electric transmission towers to assist construction of manufacturing, warehouse and corporate office facility.	1,406,500	11,322,250	3,600,000	300	0	116,126

ISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
Kingston	Loan to company to acquire capital equipment to assist with construction of building, site improvements, and acquisition and installation of specialized computer equipment.	\$350,000	\$2,388,800	\$0	100	0	\$10,096
Lockport	Financial assistance to company to assist in modernizing and equipping a specialty steel manufacturing facility.	740,000	4,675,000	0	129	0	61,766
Medina	Financial assistance to electrostatic measurement instruments manufacturer to help acquire and renovate three buildings, plus install machinery and equipment to expand current operation.	\$108,000	\$439,733	\$0	30	0	\$2,203
New York	Loan to partnership to help with site acquisition and permanent financing for below-income purchasers of newly constructed single-family homes.	15,095,000	46,335,616	5,560,000	0	1,112	1,214,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
New York	Financial assistance to printing company to help purchase two full-web presses for existing production facility.	\$522,861	\$9,696,479	\$0	77	0	\$314,185
New York	Financial assistance to realty company to help convert two vacant industrial buildings into showroom and office space for the Interior design Industry.	23,000,000	104,918,000	0	1,755	0	3,855,000
New York	Financial assistance to corporation to help renovate two buildings for national headquarters.	441,927	8,034,558	0	224	0	794,000
New York	Financial assistance to City to help construct a wholesale distribution facility in industrial park for lease to paper company.	463,000	1,733,720	864,000	40	0	41,510
New York	Financial assistance to knitwear corporation to help construct a manufacturing facility at a former brewery site.	3,000,000	9,000,993	4,600,000	480	0	321,334

FISCAL YEAR 1986 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Newburgh	Financial assistance to developer to help construct medical office space and parking.	\$131,650	\$477,737	\$0	5	0	\$10,463
Newburgh	Financial assistance to developer to help construct one, two- and three-bedroom condominiums.	675,000	2,969,250	43,750	0	45	82,350
Newburgh	Financial assistance to wholesale/retail plumbing supply company to help construct a building. New facility will provide improved warehousing, loading facilities, customer parking and showroom displays.	95,000	339,115	0	9	0	1,617
Newburgh	Loan to plastic bottle manufacturer to help with start-up operation. Project to involve purchase of capital equipment.	55,000	164,945	0	8	0	1,600
Niagara Falls	loan to business forms manufacturing company to help acquire site and construct an addition to existing facility.	155,000	562,680	295,300	18	0	15,574

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Niagara Falls	Low Interest loan to developer to help construct a 20-acre theme park. Investment will attract more visitors to the American side of the Falls.	\$5,000,000	\$32,194,213	\$4,648,000	1,143	0	\$977,949
North Tonawanda	Loan to company to assist in construction of 2-story building for research and manufacture of plastic shack absorbers.	171,906	577,067	246,280	25	0	1,912
North Tonawanda	Loan to limited partnership to help construct one and two-bedroom apartment buildings with some containing special features for the disabled.	301,000	1,411,240	0	0	60	15,000
Norwich	Financial assistance to supermarket to purchase capital equipment for newly constructed refrigerated warehouse facility and related offices.	1,042,000	6,276,383	0	121	0	57,665
Norwich	Financial assistance to aero-products company to help renovate existing manufacturing facility and purchase capital equipment.	167,400	488,418	0	34	0	58,063

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State</u> and City	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Ogdensburg	Loan to manufacturers to assist in the acquisition and renovation of a closed pulp and paper factory.	\$412,000	\$2,320,943	\$0	43	0	\$0
Olean	Financial assistance to County Rehabilitation Center to help renovate existing facility, construct an addition and provide infrastructure improvements.	88,000	220,000	0	82	0	4,400
Plattsburgh	Loan to plastic container manufacturing company to help acquire machinery and capital equipment.	300,000	800,000	0	59	0	15,000
Port Jervis	Loan to amorphous silicon voltaic panels production company to help construct facility in industrial park to house equipment.	1,850,000	5,770,000	0	102	0	29,310
Potsdam	Second mortgage loan to developer to help construct a motel with meeting rooms and dining facilities on vacant urban renewal land.	412,000	1,884,417	50,000	36	0	46,223

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDWG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Poughkeepsie	Financial assistance to printing corporation to help renovate manufacturing space and purchase capital equipment.	\$225,900	\$739,000	\$0	43	0	\$1,232
Rensselaer	Financial assistance to company to help construct factory in North Greenbush to produce miniature high-precision ball bearings.	687,471	4,303,318	500,000	115	0	50,424
Rochester	Financial assistance to high-tech equipment manufacturing corporation to help build addition to present facility and purchase equipment for a fully automated assembly operation and computerized management system.	833,000	2,892,700	600,000	120	0	17,349
Rochester	Financial assistance to developer to help construct a 27-story Class A hotel to be connected to Convention Center.	6,500,000	33,610,791	2,300,000	486	0	1,419,480

FISCAL YEAR 1964 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Rochester	Financial assistance to developer to help renovate a vacant downtown department store into office space.	\$316,500	\$5,498,128	\$0	320	0	\$117,710
Rochester	Financial assistance to partnership to help construct tool manufacturing facility and purchase capital equipment.	432,000	1,575,688	68,000	55	0	28,500
Rochester	Second mortgage financing to developer to help rehabilitate two- and three-bedroom rental housing units for law- to moderate-income families.	200,000	542,157	200,000	0	15	6,517
Rochester	Loan to tool and die company to help construct addition to existing plant, and purchase new machinery and equipment in industrial park.	480,000	1,861,325	0	63	0	12,717
Rouses Point	Financial assistance to plastics shipping containers and liners manufacturing company to help construct off-site utilities for new facility in industrial park.	152,969	435,500	0	20	0	7,896

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
NEW YORK (Continued)							
Syracuse	Financial assistance to developer to help rehabilitate two vacant buildings to create a 214-room hotel.	\$3,070,000	\$13,322,726	\$0	225	0	557,000
Utica	Loan to developer to assist in acquisition and renovation of two properties; one, a vacant department store, to a new retail area, and the other, to an adjacent parking structure.	600,000	2,075,039	950,000	95	0	141,650
Walden	Loan to limited partnership to help finance construction of additional commercial and retail space in an existing shopping plaza. Project will also provide modernization and renovation of existing rental space and increased parking facilities.	1,184,590	4,137,367	0	151	0	88,302
Yonkers	Financial assistance to elderly and handicapped transportation company to help with acquisition and renovation of office building, garage and repair facilities.	127,000	1,147,000	0	135	0	10,049

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Yonkers	Financial assistance to developer to help rehabilitate turn-of-the-century manufacturing facility and purchase capital equipment.	\$876,095	\$15,938,160	\$0	40	0	\$100,000
Yonkers	Financial assistance to supermarket corporation to help construct a supermarket, retail space and parking garage on urban renewal site.	1,375,000	6,716,852	557,000	166	0	269,250
<u>NORTH CAROLINA</u>							
Asheville	Financial assistance to developers to help restore building facades. Project will also include conversion of Interior black into shopping mall, office space and parking garage.	3,400,000	12,753,346	2,000,000	392	0	167,000
Burnsville	Financial assistance to textile mills company to help equip newly purchased and renovated plant and obtain tax-exempt industrial revenue bond.	988,000	11,451,450	0	145	0	87,082
Carthage	Financial assistance to developers to help construct a shopping center.	322,450	1,203,300	0	54	0	15,251

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NORTH CAROLINA (Continued)</u>							
Dortches	loan to developer to help construct a 150-room motel and related facilities and grant to City to partially finance sewer extension from Rocky Mount to motel site.	\$299,000	\$3,371,999	0	69	0	\$107
Fairmont	Financial assistance to local partnership to help construct a shopping center to contain a supermarket, drug store* variety store, and local shops with parking facilities.	361,200	1,729,558	0	80	0	10,695
Fayetteville	Loan to developer to partially finance renovation of hotel and construction of new hotel wing and an adjacent office building. City will construct a public plaza to integrate all the project components.	2,606,000	12,302,666	0	227	0	75,160
Greensboro	Loan to minority developer to help construct a shopping center in a low-income minority neighborhood.	135,280	771,764	0	41	0	13,162

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NORTH CAROLINA (Continued)</u>							
Jonesville	Financial assistance to developer to aid in development of a 124-room hotel, restaurant, and banquet facility.	\$1,183,100	\$5,294,667	\$0	98	0	\$66,000
Murphy	Financial assistance to developer to help construct 60-unit resthome facility for the elderly.	222,960	880,605	0	30	0	5,400
Siler City	Financial assistance to furniture company to purchase new capital equipment to help with acquisition and rehabilitation of manufacturing facility.	156,600	517,939	0	80	0	1,640
Statesville	Financial assistance to rubber products manufacturer to help construct a manufacturing addition for pressure-sensitive products, and acquire new capital equipment.	471,500	9,100,000	120,000	90	0	20,000
Wilkesboro	Financial assistance to developers to help construct a 100-room hotel with lounge, restaurants, convention, banquet, and parking facilities adjacent to the mall.	1,030,000	5,069,660	0	100	0	56,007

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NORTH CAROLINA (Continued)</u>							
Wilmington	Financial assistance to developers to help rehabilitate former historic retail store and historic warehouse structure into Class A downtown office space.	\$275,000	\$1,408,000	\$596,500	113	0	\$11,682
Wilmington	Financial assistance to developer to help construct a 43-room "bed and breakfast inn," consisting of three levels of rooms overlooking the river with guest parking on street level, adjacent to the Cotton Exchange Arcade.	290,000	1,756,830	478,000	43	0	14,220
<u>NORTH DAKOTA</u>							
Devils lake	Financial assistance to developer to partially finance construction of an-egg breaking/processing plant to convert eggs into a liquid and dried egg product for sale to the bakery market.	\$1,750,000	\$7,140,621	\$0	179	0	\$11,445

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Mousing Units</u>	<u>Estimated Local Tax Revenue</u>
OHIO							
Akron	Financial assistance to developer to help renovate downtown YMCA into residential apartments, space for "Y" athletic club, and retail and restaurant space.	\$1,858,500	\$7,662,788	\$1,000,000	115	56	\$92,748
Akron	Loan to specialty chemical products manufacturing company to help renovate its facility and acquire capital equipment to expand product lines.	278,000	2,623,637	0	100	0	36,327
Cincinnati	Construction/permanent loan to developer to assist in renovation of an historic hotel to a 160-room "European Style" hotel with a lounge, restaurant, dell, and retail space.	3,450,000	18,198,366	0	274	0	182,943

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AUAROS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Cleveland	Financial assistance to metal company to help construct a facility in industrial park. Project to include new capital equipment for plating operations and waste treatment.	\$500,000	\$1,952,095	5875,000	47	0	\$39,796
Cleveland	Financial assistance to non-profit minority-owned institution to help construct a 100-bed skilled and intermediate care facility with a multi-purpose senior citizen center.	865,000	3,376,602	500,000	41	0	10,472
Cleveland	Loan to developer to help restore and convert two vacant historic multi-story structures into apartment buildings and ground floor retail space inside one of City's old Industrial areas.	800,000	2,965,400	0	10	55	60,914
Cleveland	Financial assistance to food wholesaler and distributor to help purchase capital equipment for expansion of egg and cheese business to include packaging of cooking oil.	180,000	690,327	0	12	0	5,709

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Cleveland	Financial assistance to developers to help rehabilitate an historic warehouse building into a ground-floor restaurant and three floors of office space. Investment will also provide capital equipment for the restaurant.	\$330,920	\$969,013	\$0	48	0	\$46,334
Cleveland	Financial assistance to developer to help provide partial construction and permanent financing for an addition to existing facility, and purchase of computerized laser scanner.	300,000	1,149,049	0	25	0	21,463
Cleveland	Financial assistance to developer to help rehabilitate and equip three-story historic commercial building in City's warehouse district.	313,000	1,002,743	0	30	0	29,133
East Cleveland	Below-market interest-rate second mortgage loans for moderate- and middle-income occupants of newly constructed single-family housing units.	400,000	2,269,000	0	0	40	37,000

FISCAL YEAR 1984 UROAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UQAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estmated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
Greenfield	Permanent loan to developer to help acquire a vacant processing plant. Project will also make capital improvements to the facility.	\$1,415,000	\$5,569,130	\$4,400,000	282	0	\$91,946
Hillsboro	Loan to developer to help construct 12-bed group homes for mentally-retarded adults, and grant to City to cover related administrative expenses.	320,000	1,262,168	0	40	36	18,117
Logan	Loan to company to help finance acquisition, repair, and start-up of vacant plant to manufacture carbon-abrasive products.	400,000	1,712,000	755,000	100	0	50,000
Massillon	Loan to developer to help renovate and convert six floors of vacant, downtown commercial building into rental apartments.	550,000	1,828,643	0	3	78	18,860
Norwood	Financial assistance to limited partnership to help acquire and renovate an industrial building.	270,000	899,994	0	33	0	22,942

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
OHIO (Continued)							
South Lebanon	Financial assistance to corporation to help build and equip new facility to manufacture individual fluoridation treatment "kits" for schools.	\$71,000	\$183,640	\$50,000	30	0	\$3,172
Springfield	Partial permanent mortgage financing to developer/construction manager to help construct single-family detached houses on vacant school site.	270,000	707,400	0	0	18	2,600
Toledo	Financial assistance to City to partially pay for road improvements necessary for construction of new general store. Project will include retail, nursery, and paved parking areas.	1,000,000	9,200,000	250,000	67	0	33,155
Toledo	Financial assistance to developer and joint venture to help construct a 400-room hotel, a convention center and a convocation center.	7,650,000	38,581,458	18,000,000	815	0	794,143
Warren	Loan to company to purchase capital equipment for reactivation of a vacant manufacturing facility.	750,000	3,615,527	1,000,000	100	0	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Youngstown	Financial assistance to furniture company to purchase part of capital equipment to help modernize and increase production of 80-year old plant.	\$425,000	\$2,500,000	\$0	50	0	\$18,000
<u>OKLAHOMA</u>							
Oklahoma City	Loan to partnership to help construct a 330-room hotel downtown adjacent to botanical garden being constructed.	5,200,000	20,702,280	0	418	0	208,000
Walters	Financial assistance to automotive parts distributor to help finance portion of construction cost for new building on industrial site at edge of City.	115,000	300,119	0	11	0	23,716
<u>OREGON</u>							
Independence	Financial assistance to developer to help renovate and construct a shopping center with 416 parking spaces.	784,416	2,295,496	0	75	0	45,409

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAC Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA</u>							
Allentown*	Loan to realty company to help rehabilitate vacant textile building as textile-industry rental space with same retail space.	\$110,000	\$592,052	\$0	56	0	\$555
Bradford	Loan to health care firm to assist in construction of 120-bed nursing home.	681,000	3,081,138	217,500	84	0	59,342
Bradford	Second mortgage loan to pressure-sensitive labels company to help purchase capital equipment and construct a facility for expansion of firm.	357,000	1,248,713	198,000	36	0	10,126
Bristol Township	Construction/permanent loan to developers to assist in the construction of 156-room hotel, an office building, and parking facility.	1,500,000	12,650,686	0	244	0	345,000
Coraopolis	Financial assistance to developer to help construct an office building and parking spaces.	1,145,000	5,176,143	305,194	110	0	30,000

* Terminated during FY 1984.

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Erie	loan to developer to help restore and convert historic building into a mixed-use complex, including shops, restaurant, officer, residences and a movie theatre.	\$1,650,000	\$6,341,640	\$0	153	51	\$123,856
Farrell	Financial assistance to steel company to help with capital development program. Project to include purchase and installation of equipment for desulfurization processes in two production lines, purchase and installation of an electric ARC furnace for producing bottom-poured, cylindrical ingots retrofitting a blast furnace, and construction/rehabilitation of office space.	5,035,000	21,567,908	1,500,000	400	0	208,125
Harrisburg	Financial assistance to limited partnership to help construct an addition to rehabilitated historic building in major downtown retail center. Twenty percent of construction job contracts will go to minorities and five percent for female business participants.	1,005,000	3,881,728	0	113	0	184,800

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
PENNSYLVANIA (Continued)							
Harrisburg	Loan to developer to help construct apartments and rehabilitate an existing building for additional apartments. The two-bedroom apartments will have affordable rents for low- and moderate-income persons.	\$910,463	\$2,241,913	\$150,000	4	0	\$9,400
Johnstown	Loan to developer to assist in construction of a manufacturing facility, lumber storage shed, and office space.	671,000	1,862,376	1,000,000	70	0	5,431
McKees Rocks	Financial assistance to pharmaceutical manufacturing company to help construct an office building to serve as its headquarters.	689,309	12,766,750	0	159	0	66,540
McKeesport	Construction financing to developer to help build townhouse condominium units and second mortgage loans to home buyers to help decrease monthly payments.	1,080,360	4,044,700	0	0	80	26,843

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Houring Units</u>	<u>Estimated Local Tax Revenue</u>
PENNSYLVANIA (Continued)							
Milton	Second mortgage loan to company to help construct steel manufacturing facility and purchase capital equipment for expansion.	\$500,000	\$3,506,501	\$100,000	12	0	\$32,909
Mount Carmel	Second mortgage loan to five businesses to help finance renovation and repair of their properties, plus acquire capital equipment.	35,590	158,862	0	16	0	1,400
Nanticoke	Second mortgage financing to moderate-income purchasers of three-bedroom homes.	515,000	1,412,720	0	0	33	8,627
Norristown	Financial assistance to automobile dealership to help acquire a vacant building and renovate it for adaptive reuse as an office/showroom. Project will allow company to expand and remain in area.	518,490	2,612,806	0	45	0	7,651
Old Forge	Construction/permanent loan to non-profit, long-term care center to help build 60-bed addition to existing nursing care facility and serve the needs of the elderly in five community health service areas.	505,000	1,698,446	0	39	0	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Benefits</u>
PENNSYLVANIA (Continued)							
Philadelphia	Financial assistance to developer to help acquire project site and construct an enclosed shopping center with specialty stores, parking facilities and an access road.	\$4,195,000	518,459,000	\$0	266	0	\$1,165,700
Philadelphia	loan to developer to help rehabilitate historic structure into apartments with ground-floor commercial space. Ten percent of the residential units will be leased to families whose incomes fall below median-income levels.	224,000	962,261	646,000	3	20	20,000
Philadelphia	Financial assistance to United Cerebral Palsy Association to help acquire and renovate a college facility for reuse as their operations center.	328,000	1,850,000	0	55	0	39,283
Pittsburgh	Loan to developer to remodel and restore a vacant UPS warehouse.	460,000	1,839,102	722,200	58	0	8,086

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Pittsburgh	Financial assistance to joint-venture partnership to help construct an office building. Project will also include renovation and expansion of a theatre into a first-class facility for the performing arts.	\$17,000,000	3108,279,000	\$7,500,000	1,185	0	\$1,973,780
Pottsville	Financial assistance to developer to help construct new 100-room hotel in downtown area.	1,200,000	4,286,694	0	72	0	36,858
Sayre	Construction/permanent financing to developer to help build 99-room motel with restaurant, lounge, gift shop, indoor pool, exercise facilities, banquet and meeting room. Investment will also provide funds for Borough to make public improvements including sanitary sewer-extension construction and separation from storm-water collection.	1,696,000	5,026,199	0	40	0	97,872

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Uyalusing	Financial assistance to beef packing company to help construct new and expanded kill-floors, holding pens, and office space, add new cooling and freezing facilities, renovate and expand current fleet maintenance building, purchase capital equipment and add to truck fleet.	\$1,950,000	\$6,949,844	\$1,000,000	145	0	\$2,000
York	Financial assistance to joint venture to purchase capital equipment for newly constructed building in industrial park for a company to manufacture in-ground and portable hydrotherapy spas.	284,000	1,006,531	561,000	81	0	12,128
<u>RHODE ISLAND</u>							
Central Fa115	Financial assistance to help yarn company acquire and construct a new facility. Company will purchase highly technical equipment to produce quality yarns previously only available in Europe.	624,300	4,302,213	25,000	45	0	28,958

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>RHODE ISLAND (Continued)</u>							
Cranston	Financial assistance to jewelry company to help purchase highly specialized equipment and build a two-story addition to existing facility in neighboring Johnston.	\$1,000,000	\$4,684,300	\$0	350	0	\$47,700
Woonsocket	Financial assistance to help manufacturing company expand their facilities and purchase additional equipment for manufacture of velvet-like material used for packaging jewelry and cosmetics.	600,000	2,618,383	0	65	0	25,649
<u>SOUTH CAROLINA</u>							
Chester	Loan to company to help build a plant on 50 acres, with railroad access, to manufacture fiberglass cloth backing for roof shingles. Investment will permit issuance of industrial revenue bonds.	1,000,000	19,391,742	0	159	0	227,215
Edgefield	Loan to company to help purchase and start-up closed plant to manufacture high-quality, combed-cotton yarn for sale to knitting trade.	820,000	2,800,000	800,000	175	0	37,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>SOUTH CAROLINA (Continued)</u>							
Elloree	Financial assistance to grocery store chain to help construct distribution center. Project will represent first industry to locate in City in 20 years.	\$1,025,003	\$15,131,900	\$0	95	0	\$151,600
Kingstree	Financial assistance to developer to help construct corn starch plant to assist predominantly minority area farmers by providing a more stable market for their corn.	1,515,000	3,900,000	500,000	70	0	96,680
Mullins	Financial assistance to developer to help acquire vacant textile facility and purchase capital equipment.	1,120,000	5,504,467	0	110	0	34,028
West Columbia	Financial assistance to developer to help construct a 200-room Class A hotel, a civic center, and a health facility. Project will generate development of office building and apartments on the adjoining property and create an attractive development along the waterfront.	3,050,000	18,498,000	0	360	90	13,417

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>SOUTH DAKOTA</u>							
Faith	Loan to limited partnership to assist in construction of a 27-room motel across from a shopping center.	\$168,000	\$542,803	\$0	6	0	\$11.61 9
<u>TENNESSEE</u>							
Crossville	Financial assistance to ceramics company to help construct a new plant to manufacture highly durable tiles for use in commercial construction.	640,000	12,454,000	58,000	125	0	126,026
<u>TEXAS</u>							
Brownsville	Loan to minority-owned corporation to help construct and equip a supermarket.	244,000	816,332	0	43	0	13,223
Dallas	Financial assistance to two wholesale produce firms to purchase capital equipment to help with development of vacant warehouse and adjacent building in City's Pocket of Poverty.	473,172	6,059,420	94,634	114	0	124,920

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWAUOS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
TEXAS (Continued)							
El Paso	Loan to developer to help construct new branch bank building to include a drive-in teller operation and parking spaces. New facility will serve predominantly Hispanic residential neighborhood.	\$114,759	\$2,223,972	\$0	12	0	\$19,625
Galveston	Financial assistance to developer to provide street improvements adjacent to newly constructed multi-purpose development with marine theme next to the airport. Project will include botanical garden, nature trails, a camp ground, and rest area.	500,000	4,107,000	0	35	0	3,100
La Grange	Loan to developer to help reimburse costs of land acquisition and on- and off-site improvements in development of new shopping center to include a supermarket, junior department store and other slot retailers.	594,600	2,283,234	0	105	0	65,238

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
TEXAS (Continued)							
Lampasas	Financial assistance to City to provide water, sewer drainage, and street improvements in downtown area to support planned private development. Project will include rehabilitation of existing building space for office use; expansion and rehabilitation of a downtown restaurant; construction of duplexes for senior citizens and handicapped persons; and construction of new bank facility.	\$1,147,843	\$4,737,243	\$1,428,000	51	81	\$31,995
San Antonio	Loan to developer to help renovate vacant, historic hotel located across the street from the Alamo, into 181-room deluxe hotel.	1,360,000	10,536,595	340,000	146	0	408,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>TEXAS (Continued)</u>							
Three Rivers	Financial assistance to company to help construct new channel dam in the river and new two-million gallon-a-day water treatment facility. As a result of increased water supply, company will develop and expand its oil refining facility and enter into a 20-year contract to purchase treated water from the City.	\$4,381,000	\$19,600,000	\$0	30	0	\$30,600
Weslaco	Financial assistance to City to provide water and sewer improvements to help insurance company construct regional claim service center on site near Industrial park. Project is Phase I of a proposed commercial development.	80,290	449,563	0	40	0	10,089

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>UTAH</u>							
Garland	Financial assistance to developer to purchase capital equipment to help with construction of three gasohol plants on vacated sugar factory site where several buildings will also be rehabilitated for use in this project.	\$3,000,000	\$12,550,000	0	61	0	\$142,000
Loa	Financial assistance to cheese manufacturing company to help construct new, expanded facility.	153,000	548,914	0	12	0	0
Salt Lake city	loan to joint venture to help construct Class A office building and parking garage. Project is major part of City's revitalization plan for Southern part of central business district.	3,975,000	19,259,585	0	507	0	228,791

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State-and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>UTAH (Continued)</u>							
Springville	Financial assistance to City to help improve water, sewer and power systems in support of new facility to be constructed by frozen food products company. Investment will finance portion of development costs of two hydropower facilities necessary for company to manufacture their products.	\$2,326,000	\$76,896,000	\$16,595,000	400	0	\$656.1 05
<u>VERMONT</u>							
Brattleboro Town	Low-Interest loan to surgical-equipment production company to help purchase equipment to apply the aerospace Industry's precise forging techniques.	462,142	1,450,208	100,000	55	0	0
Burlington	Financial assistance to developer to help acquire and rehabilitate two vacant buildings in central business district to be leased as commercial and Industrial incubator space at affordable costs to start-up and expand businesses.	675,000	1,995,625	0	60	0	28,498

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>VERMONT (Continued)</u>							
Burlington	Financial assistance to developer to help renovate vacant, historic commercial structure in central business district. Project to include restoration of 19th century Italenate facade and store-front plus rehabilitation of interior as moderately-priced retail and office rental space.	\$310,000	\$1,551,227	\$0	33	0	\$21,075
Burlington	Financial assistance to developer to help construct 474-space parking structure to wet demand generated by expansion of existing hotel and newly constructed mall in downtown revitalization area.	4,000,000	12,547,044	0	153	0	137,917
Chester	Financial assistance to new company to help with land acquisition, site improvements, parking, purchase and installation of equipment. Company will introduce new microfiche process and offer more efficient services to subscribers.	106,000	406,050	0	47	0	11,000

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

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<u>VERMONT (Cont'd)</u>							
St. Johnsbury Town	Loan to developer to purchase equipment to aid in conversion of an existing movie theater into three mini-theaters. The project is a continuation of the City and the business community's downtown revitalization efforts.	\$54,000	\$232,900	\$0	5	0	\$2,660
Waterbury	Financial assistance to ice cream company to help construct a new manufacturing plant.	650,000	3,105,640	0	77	0	44,470
Windsor	Financial assistance to marble company to help construct a new manufacturing facility in an industrial park.	259,500	1,051,596	0	32	0	30,888
Winooski	Financial assistance to developer to help renovate a building and construct another in an industrial park to provide incubator space for eight/commercial businesses.	450,000	1,454,344	0	100	0	36,880

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AYARDS

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated local Tax Revenue</u>
<u>VIRGINIA</u>							
Appalachia	Financial assistance to developer to help provide off-site improvements and parking for construction of pharmacy, doctor's office, and private community medical facility for treatment of black-lung disease. Investment will provide the only pharmacy and clinic in the community.	\$137,315	\$485,025	\$5,510	5	0	\$946
Bristol	Financial assistance to developer to help acquire site to build an FHA-insured congregate elderly housing facility. Project will include beds and support services such as meals, transportation, and laundry facilities.	520,000	3,196,679	0	25	100	39,077
Marion	Financial assistance to furniture company to help with expansion to include construction of additions to existing facility and purchase of capital equipment.	1,280,000	5,775,011	0	125	0	34,763

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

<u>State and City</u>	<u>Project Description</u>	<u>UOAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs.</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>VIRGINIA (Continued)</u>							
Occoquan	Financial assistance to partnership to help construct a new 300-seat restaurant.	\$350,000	\$1,199,615	\$350,000	56	0	\$24,516
Petersburg	Financial assistance to minority businessman to help construct a new food store in redevelopment area.	46,950	269,961	0	7	0	8,730
Pulaski	Financial assistance to furniture company to help with expansion to include construction of new building, rehabilitation of old space, and purchase of capital equipment.	2,030,000	7,601,431	500,000	350	0	22,665
Richmond	Financial assistance to furniture company to help develop major new downtown festive retail center. Project will include enclosure of Sixth Street market place, climate control of public street, three blocks long, with plazas and walkways linking 90 shops, restaurants, kiosks, stalls, and pushcarts. A glass-enclosed, two-level court will also connect two department stores.	4,200,000	19,037,150	8,550,000	975	0	755,390

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<u>VIRGINIA (Cont'd)</u>							
Stony Creek	Loan to developer to assist energy company in construction of ethanol plant to produce ethanol, liquid carbon dioxide, and distillers' dried grain.	\$9,770,000	\$27,605,308	\$200,000	47	0	\$349,638
<u>VIRGIN ISLANDS</u>							
	Financial assistance to developer to help with renovation and expansion of 435-room resort hotel complex to include a tennis club, conference facilities, restaurants, pools, beach and waterfront activities.	5,405,233	30,071,327	0	826	0	2,789,831
<u>WASHINGTON</u>							
Goldendale	Financial assistance to developer to help construct a motel, with 53 parking spaces and leasable office space.	131,610	541,572	0	24	0	1,260

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

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WASHINGTON (Continued)							
Spokane	Financial assistance to developer to help restore an historic Mason building into a retail/office facility.	\$1,000,000	\$4,533,828	\$0	195	0	\$126,245
Tacoma	Financial assistance to developer to help construct a 158-room hotel with 221 parking spaces.	1,419,300	7,446,320	0	129	0	231,000
Toppenish	Financial assistance to City and the Yakima Indian Nation to help construct a building and purchase capital equipment for manufacture of wooden doors and frames.	622,183	11,310,199	0	55	0	4,303
WEST VIRGINIA							
Elkins	Financial assistance to developer to help build parking space for 62 cars in conjunction with commitment of seven businesses adjacent to new parking area to rehabilitate existing unused commercial space and build new retail space.	270,600	742,580	0	54	15	4,992

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

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<u>WEST VIRGINIA</u>							
Foliansbee	Financial assistance to joint venture to help renovate and retool vacant steel plant, and develop a state-of-the-art steel coating for galvanized and aluminized steel products.	\$8,775,000	\$47,350,034	\$0	400	0	\$81,707
Parkersburg	Loan to developer to help provide fixed equipment for new restaurant in retail development.	125,000	601,000	0	28	0	5,035
<u>WISCONSIN</u>							
Fond Du Lac	loan to developer to help renovate vacant hotel and add meeting rooms, two restaurants, and a lounge. Project will also include construction of an adjacent parking ramp.	1,400,000	4,605,680	1,900,000	126	0	90,686
Nauston	Mortgage loan to metal plating company to purchase equipment to help with expansion of its manufacturing operations. Project includes leasing of space adjacent to existing facility.	71,280	382,705	0	40	0	4,153

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

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WISCONSIN							
Milwaukee	Financial assistance to chemical company to purchase capital equipment to help consolidate and expand its distribution center. Project includes conversion of building into finished goods warehouse and distribution facility.	\$210,000	\$2,407,000	\$0	46	0	\$23,774
Peshtigo	Loan to 50-year old paper manufacturing company, the City's major employer, to repair and modernize existing equipment, and provide partial financing for purchase of new equipment.	2,010,000	12,222,296	0	100	0	22,877
Rhinelander	Financial assistance to developer to help construct a building in an industrial park and purchase capital equipment to process paper mill waste products into dry powder chemicals which will be sold internationally.	410,000	2,875,400	0	44	0	32,068

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PUERTO RICO							
Aguadilla	Financial assistance to developer to help construct shopping center with 291- parking facilities between former Air Force Base and downtown.	\$533,722	\$2,220,988	\$0	139	0	\$37,469
Arecibo	Financial assistance to developer to help construct a 2-story ambulatory surgical and emergency medical center, doctors' offices and purchase capital equipment. Medical center will provide quality medical services at lower costs where overnight hospitalization not required.	818,250	3,269,245	0	88	0	4,897
Bayamon	Second mortgage financing to developers to construct single-family detached houses.	2,810,000	9,930,591	0	0	281	30,000

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PUERTO RICO (Continued)							
Bayamon	Grant to homebuyers to reduce mortgage principal amount needed for newly-constructed 3-bedroom housing units.	\$2,113,750	\$5,836,250	\$0	0	190	\$69,469
Bayamn	Grant to home buyers to reduce monthly payments of new "patio" homes.	143,000	421,364	0	0	13	5,577
Bayamon	Grant to moderate-income families to purchase 3-bedroom row houses to reduce the interest rate.	964,800	2,591,838	0	0	72	35,851
Bayamon	Loan to developer to assist in acquisition and rehabilitation of vacant building to be used for expansion of training center for post-secondary barber, cosmetology and hair-styling students.	205,000	791,218	0	23	0	11,223
Caguas	Grants to home buyers of newly constructed condominium units in four buildings to reduce monthly payments.	726,400	2,338,912	0	0	64	0

FISCAL YEAR 1984 URBAN DEVELOPMENT ACTION GRANT AWARDS

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PUERTO RICO (Continued)							
Canovanas	Second mortgage loans to low- and moderate-income purchasers of single-family homes to write down cost.	\$161,600	\$442,000	\$0	0	16	\$3,556
Cayey	Loan to developer to assist in construction of expansion to area's only hospital. Addition will contain facilities for both in-patient and ambulatory clinical uses, parking, and new medical equipment.	370,000	1,445,929	0	52	0	17,124
Cayey	Financial assistance to purchasers of three-bedroom single-family homes to write down cost and make them marketable in the community.	342,600	8%,038	0	0	36	9,054
Dorado	Financial assistance to joint venture to help construct two office buildings, provide a road and other infrastructure development as first phase of office park.	3,000,000	8,999,775	0	432	0	163,000

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PUERTO RICO (Continued)							
Fajardo	Financial assistance to purchasers of newly constructed 3-bedroom single-family homes to write down cost.	\$260,000	\$712,079	\$0	0	35	\$3,062
Guayama	Financial assistance to company to help acquire, construct and equip a manufacturing facility for production of plastic bottles for detergents, milk and medicines.	1,297,500	4,880,804	0	102	0	108,808
Gurabo	Second mortgage loans to provide permanent financing for home buyers allowing developer to sell two-bedroom homes at market prices.	686,000	2,371,855	0	0	127	9,208
Hatillo	Financial assistance to developer to help construct a two-story concrete building with space for sales and storage of construction materials, loading and parking areas.	141,750	399,502	0	15	0	13,327

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PUERTO RICO (Continued)							
Juncos	Second mortgage loans to buyers of newly constructed 3-bedroom single-family housing units. Investment will also provide site improvements.	\$3,358,786	\$8,912,665	\$289,296	0	369	\$0
Lares	Second mortgage financing to developer to assist in construction of single-family homes to be sold to low- and moderate-income families.	364,000	940,000	0	0	40	9,660
Las Piedras	Second mortgage loans to buyers of newly constructed three-bedroom housing units.	352,000	902,225	0	0	43	12,729
Loíza	Second mortgage financing to purchasers of three-bedroom homes to write down the cost.	255,000	701,665	0	0	25	7,138
Loíza	Second mortgage financing to low- and moderate-income purchasers of three-bedroom single-family homes to write down cost.	1,232,000	3,296,640	0	0	120	35,442

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<u>PUERTO RICO (Continued)</u>							
Manati	Financial assistance to middle-income families to purchase newly constructed, three-bedroom houses at a principal reduction.	\$1,551,530	\$4,068,470	\$0	0	126	\$0
Mayaguez	Financial assistance to developer to help construct single-family homes for low- and moderate-income families.	305,250	1,022,532	0	0	37	19,255
Mayaguer	Financial assistance to non-profit federation to help with expansion of animal-feed mill and associated port facilities.	276,000	1,779,000	0	38	0	0
Mayaguez	Financial assistance to developer to help construct a bowling center with parking spaces.	403,000	1,244,551	75,000	27	0	18,668
Ponce	Financial assistance to developer to help acquire and expand a partially completed hospital to include beds, acute care, outpatient clinics, and an emergency room among other facilities.	5,291,000	21,769,473	4,000,000	640	0	400,000

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PUERTO RICO (Continued)							
San Juan	Second mortgages to low- and moderate-income purchasers of newly constructed dwelling units to reduce purchase prices.	\$1,334,400	\$4,466,976	\$0	0	90	\$0
San Juan	Loan to developer to help construct an out-patient health facility. Investment will provide the first medical facility of its kind in the City.	2,600,000	11,025,000	0	420	0	201,187
Toa Alta	Financial assistance to low-income families to help purchase single-family homes making them affordable to market population.	2,225,435	5,751,915	0	0	200	47,945
Toa Alta	Second mortgage loans to moderate-income families to write down purchase price of new homes.	643,520	1,931,143	332,000	0	50	43,556
Toa Alta	Financial assistance to company to help purchase and install concrete-producing plant.	130,260	409,535	0	15	0	6,967

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PUERTO RICO (Continued)							
Toa Baja	Second mortgage financing to low- and moderate-income families to purchase new homes to write down cost.	\$2,601,500	\$6,982,807	\$0	0	220	\$284,876
Vega Alta	Financial assistance to developer to help construct the first mall-type shopping center with parking spaces in the area.	2,525,000	7,965,169	0	325	0	203,974
Vega Baja	Financial assistance to eligible purchasers of newly constructed single-family homes.	1,028,580	3,762,502	0	31	89	115,472
Vieques	Permanent mortgage financing to developer to help construct a resort to include two-bedroom Cabanas, a hotel reception/retail shopping center, a recreational facility with swimming pool, covered tennis and handball courts, and dock facilities.	525,000	1,370,737	0	47	0	31,208

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<u>PUERTO RICO (Continued)</u>							
Yabucoa	Financial assistance to developer to help construct a 76-room resort hotel with a natural pool for swimming.	\$1,150,000	\$4,052,084	\$0	118	0	\$70,015
Yabucoa	Second mortgage to purchasers of newly constructed two-bedroom homes, repayment of which will be due only on resale.	892,400	2,231,000	0	0	92	41,594

