

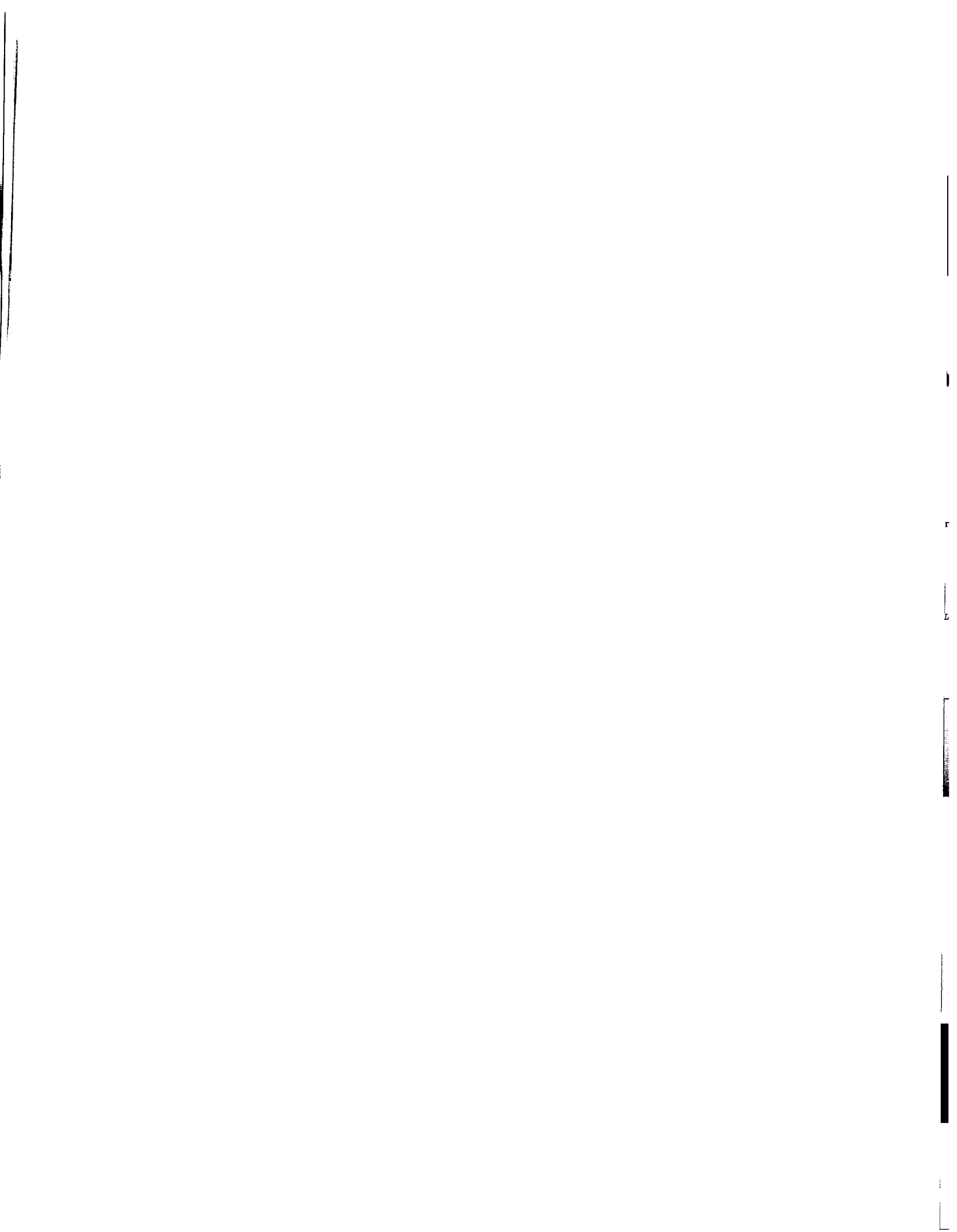


U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

**1988**

**Consolidated Annual  
Report to Congress  
on Community  
Development Programs**

(CDBG, UDAG, Rental Rehabilitation, Emergency Shelter  
Grants, Section 312, Urban Homesteading)





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY  
WASHINGTON, D.C. 20410-0001

March 28, 1988

TO THE CONGRESS OF THE UNITED STATES:

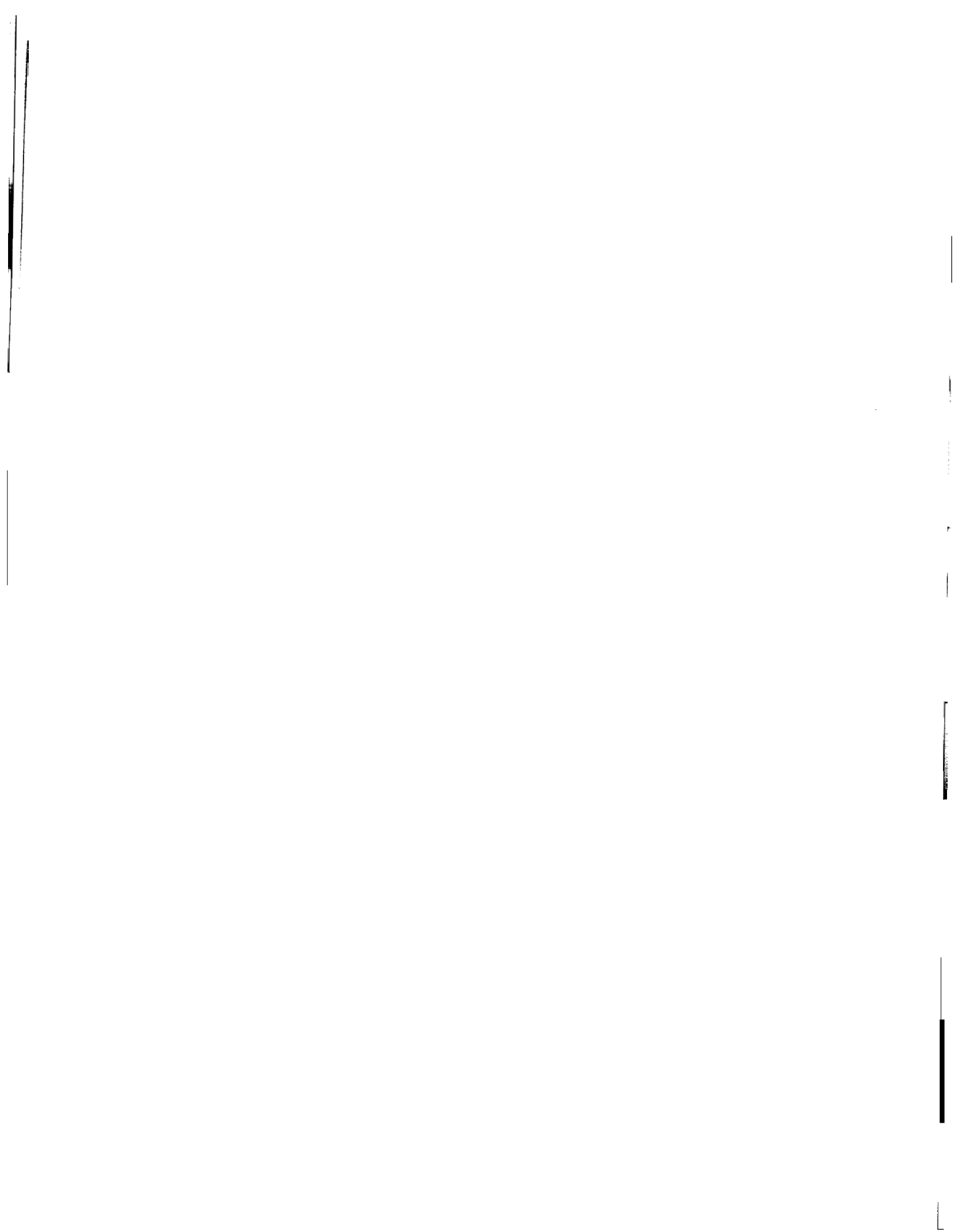
In accordance with the provisions of Sections 113(a) and 810(e) of the Housing and Community Development Act of 1974, as amended, and Section 312(k) of the Housing Act of 1964, as amended, it is my pleasure to submit, the Department's 1988 Consolidated Annual Report on the community development programs that we administer. In it, information is presented on the Community Development Block Grant (CDBG), Urban Development Action Grant (UDAG), Emergency Shelter Grant, Rental Rehabilitation, Section 312 Rehabilitation Loan, and Urban Homesteading programs.

The programs covered in this Report help States and communities to address locally-identified community development, economic development, and housing rehabilitation needs. They support the revitalization of communities and lower-income neighborhoods, the rehabilitation of housing and property, the repair of infrastructure, and the creation of business opportunities and jobs.

Very sincerely yours,

A handwritten signature in cursive script, reading "Samuel R. Pierce, Jr.", is written over the typed name. The signature is fluid and includes a large initial "S".

Samuel R. Pierce, Jr.



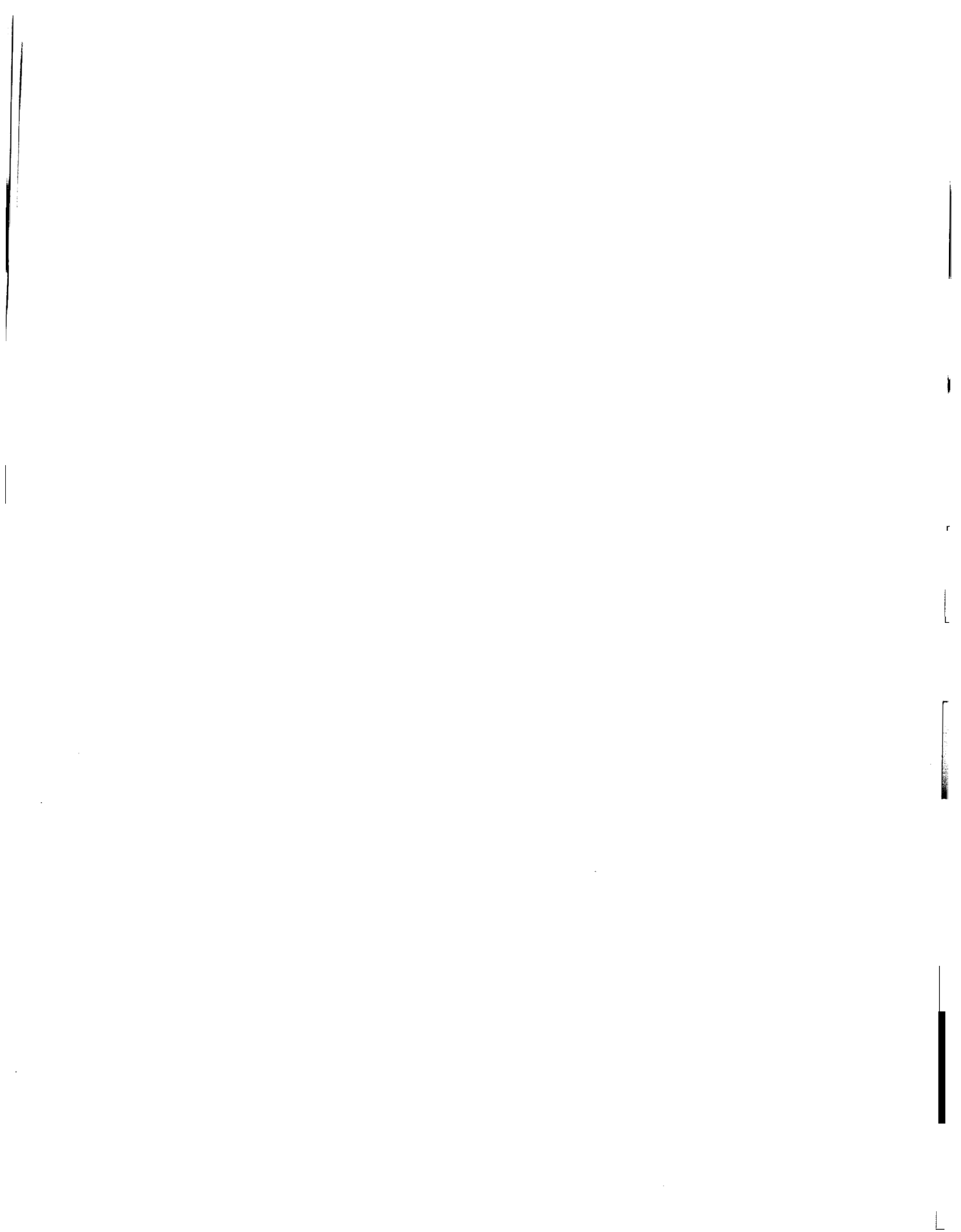
H/UD

**1988 CONSOLIDATED ANNUAL REPORT TO CONGRESS  
ON COMMUNITY DEVELOPMENT PROGRAMS**

**This Report Incorporates Statutorily-mandated  
Reports to Congress for FY 1987 on the:**

**Community Development Block Grant Program  
Urban Development Action Grant Program  
Rental Rehabilitation Program  
Emergency Shelter Grant Program  
Section 312 Rehabilitation Loan Program  
Urban Homesteading Program**

**U.S. Department of Housing and Urban Development  
Office of the Assistant Secretary for Community Planning and Development  
Office of Program Analysis and Evaluation**



1988 CONSOLIDATED ANNUAL REPORT 'TO CONGRESS'  
ON COMMUNITY DEVELOPMENT PROGRAMS

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## CHAPTER 1

### INTRODUCTION

The U.S. Department of Housing and Urban Development administers the major Federal community development, economic development, and housing rehabilitation programs, providing a comprehensive array of community assistance to grantee State and local governments. HUD gives considerable latitude to States, counties, and cities of all sizes in order to ensure that local spending decisions meet program objectives and reflect local needs. State and local governments can use HUD programs, which often complement one-another, in tandem to reinforce local actions.

This Report describes the FY 1987 operations of HUD's Community Development Block Grant (CDBG) Entitlement, State Block Grant and Small Cities CDBG, Secretary's CDBG Discretionary Fund, Section 108 Loan Guarantee, Emergency Shelter Grant, Urban Development Action Grant (UDAG), Rental Rehabilitation, Section 312, and Urban Homesteading programs. This chapter provides a brief statement of the purposes, funding levels, participation and activities supported by these programs. HUD's Office of Community Planning and Development is responsible for program operations.

### PROGRAMS

#### COMMUNITY DEVELOPMENT

The Community Development Block Grant Entitlement Program (CDBG) is the largest program providing formula grants to all central cities of metropolitan areas, all other cities with populations of 50,000 or more, and Urban Counties. Grant amounts are determined by a formula based on the community's population, population growth lag, the number of persons in poverty, the extent of overcrowded housing, and the amount of housing built prior to 1940.

In FY 1987, \$2.059 billion was appropriated for the CDBG Entitlement program. Grantees may use these funds to accomplish a broad range of eligible activities, provided that the activity meets one or more of the program's three national objectives -- benefiting low- and moderate-income persons, preventing or eliminating slums and blight, or meeting urgent community development needs. Entitlement communities, on average, use almost ninety-percent of CDBG funds to benefit low- and moderate-income persons, with almost all of the remainder targeted to preventing or eliminating slums and blight, or meeting urgent community development needs. Approximately 50% of individuals benefiting directly are minority persons.

Eligible activities generally include housing rehabilitation, public improvements, economic development, and public services. Recipients planned to spend CDBG Entitlement funding in FY 1987 for various activities in the following proportions: housing-related activities (36%); public facilities and improvements (22%); economic development (10%); public services (10%); acquisition and clearance (6%); administration and planning (13%); and other activities (3%). These proportions have remained relatively constant over the past six years.

The State Block Grant and HUD-Administered Small Cities Programs are HUD's principal vehicles for assisting communities under 50,000 population that are not otherwise eligible for Entitlement funding. The amount of funds allocated to a State is determined by applying a formula, similar to the CDBG Entitlement formula, to non-entitled areas of the State. In 49 States, including Puerto Rico, State officials select the communities to receive funds. In the other two States, Hawaii and New York, the HUD field office responsible for the Department's operations in that area administers the program.

Total FY 1987 program appropriations amounted to \$882.6 million, with \$844.2 million allocated by HUD to 49 State administering agencies for awards by them to small community recipients and \$38.4 million for awards made directly by HUD in the other two States. As in the Entitlement program, State officials have broad latitude to select from among eligible activities based on CDBG's national objectives. States report that benefits to low- and moderate-income persons, as in the Entitlement program, account for almost 90 percent of recipient expenditures. Planned expenditures of FY 1987 funds awarded by States to small communities indicate that the relative share of recipient funding allocations for various activities continued as they have since the State program began. Public facilities were first, housing activities second, and economic development third.

The Secretary's Discretionary Fund (SDF) is authorized by Section 107 of the Housing and Community Development Act of 1974. Four program areas were supported through total expenditures of \$56 million in FY 1987: CDBG grants to Indian Tribes and Alaskan Natives, \$27 million; aid to Insular Areas, \$7 million; a technical assistance program providing training and other assistance to eligible CDBG grantees, \$11.7 million; and a Special Projects fund, \$10.3 million.

The Section 108 Loan Guarantee Program makes it possible for CDBG Entitlement grantee communities to undertake large development projects, particularly those requiring substantial front-end expenses, by borrowing up to three times the amount of their formula grant. HUD guarantees the debt incurred by grantees to acquire or rehabilitate publicly-owned property, including attendant relocation, clearance and site preparation costs, and Section 108 interest charges. In FY 1987, the program was limited to \$150 million in loan guarantees and \$30 million was committed.

The Neighborhood Development Demonstration Program was authorized by Section 123 of the Housing and Urban-Rural Recovery Act of 1983 to determine the feasibility of supporting neighborhood development activities by providing Federal matching funds to neighborhood organizations on the basis of the monetary support these organizations raised in their neighborhoods.

Eligible activities include: creating permanent jobs in the neighborhood; establishing or expanding businesses in the neighborhood; developing, rehabilitating, or managing the neighborhood housing stock; developing delivery mechanisms for essential services; and planning, promoting, or financing voluntary neighborhood improvement efforts.

The Congress appropriated \$2 million for the Demonstration for funding rounds in each of FY 1985 and FY 1987. The first round funded 38 organizations,

while 41 organizations received funding in the second round. The Housing and Community Development Act of 1987 authorized a third round of funding.

### **HOMELESS ASSISTANCE**

The Emergency Shelter Grant Program (ESGP) seeks to provide access to safe, sanitary shelter and other supportive services for the homeless through grants to States, cities and urban counties. Like CDBG, grants are made directly to entitlement cities and urban counties. Other localities may receive a grant from funds allocated to their State. Renovation, rehabilitation and conversion of buildings for emergency shelters, the provision of essential services, and the payment of certain operational costs (e.g., maintenance, insurance, utilities, and furnishings) are funded under the program. Appropriations for FY 1987 totalled \$60 million; \$10 million in the regular Appropriations Act and \$50 million in the FY 1987 Supplemental Appropriation enacted in July 1987. All funds were allocated during the fiscal year.

### **ECONOMIC DEVELOPMENT**

The Urban Development Action Grant (UDAG) Program is the Department's only program designed primarily to foster economic development in areas experiencing economic distress. The Secretary awards grants to fund projects selected from among applications submitted by eligible large and small cities and urban counties. Communities applying for awards must: obtain firm financial commitments from private sector participants; generate private investment that totals at least two-and one-half times the amount of the Action Grant; and demonstrate that, "but for" the UDAG award, the project could not be undertaken and that the UDAG award requested is the "least amount" required. Funds awarded to local governments are used, most frequently, to make loans to private developers or corporations.

The majority of UDAG funds across all fiscal years and in FY 1987 have been awarded to communities in support of commercial projects, with industrial and neighborhood projects receiving smaller but proportionately similar shares. In FY 1987, UDAG projects resulted in the creation of almost 10,500 permanent jobs for minority persons. In FY 1987 HUD made 187 Action Grant awards to eligible communities, totalling \$325 million.

### **HOUSING REHABILITATION**

The Rental Rehabilitation Program (RRP) is the largest of three programs designed to conserve America's existing rental housing stock. Like the CDBG program, RRP has an entitlement component for larger cities and counties, and a State- or HUD-administered program for smaller communities. HUD, through the Rental Rehabilitation Program, awards grants to States and eligible communities based on a formula that takes into account the amount of each jurisdiction's rental housing stock that is old, deficient, or occupied by persons in poverty.

The program has succeeded in maintaining the same level of low-income occupancy for the properties once rehabilitated that existed before rehabilitation. In FY 1987, \$200 million was appropriated for the program. Communities use RRP funds to offer reduced rate financing for rehabilitating substandard housing for lower-income renters. Rental assistance is also

available through HUD's Section 8 Certificates and Housing Vouchers to lower-income tenants who are then able to afford higher rents.

The Section 312 Rehabilitation Loan Program provides reduced rate financing for rehabilitating private property as a means of upgrading and preserving existing neighborhoods. In FY 1987, the program made some \$63.7 million worth of new loans to rehabilitate 1,700 properties. Since Congress has provided no additional appropriations for the program since FY 1981, all of the funds awarded in FY 1987 came from repayments of prior loans, fees, or other recovery of funds appropriated earlier.

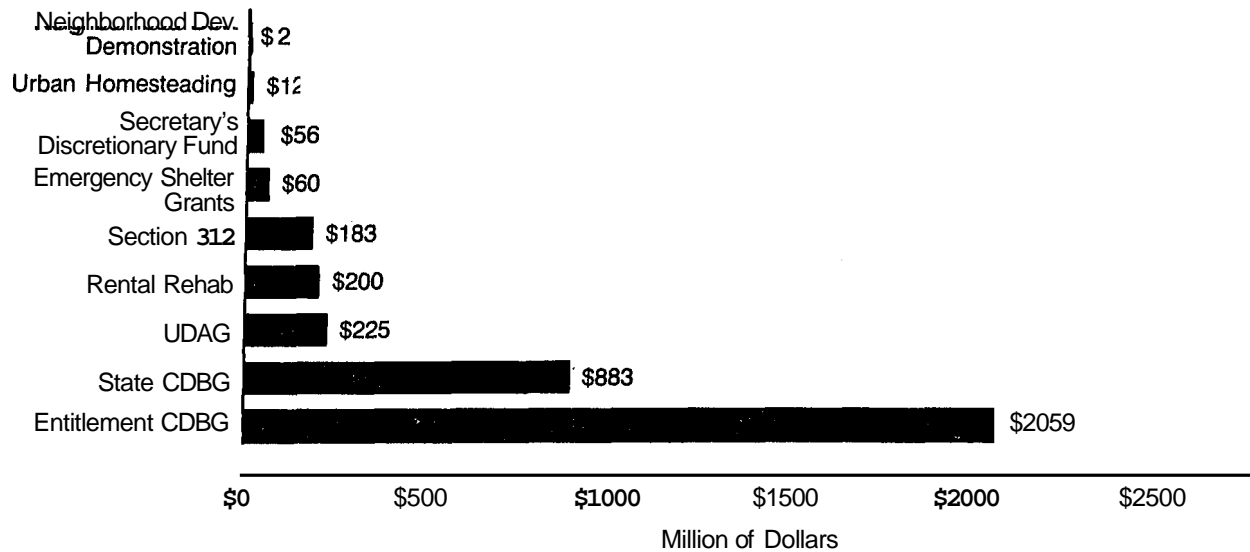
While all types of properties are eligible for Section 312 loans, most loans are made to owner-occupants of single-family homes. The program also is the largest source of rehabilitation financing for the Urban Homesteading program.

The Urban Homesteading Program provides financing to cities for acquiring properties whose owners have defaulted on Federally-insured loans. Once acquired, the properties are offered at nominal cost to low-income "homesteaders" who contract to repair, refurbish, and then reside in them for a period of at least five years. Both the CDBG and Section 312 programs are used by participating communities for financing "homesteader" rehabilitation. In FY 1987, \$12 million was appropriated for the Urban Homesteading program.

#### PROGRAM APPROPRIATIONS AND PARTICIPATION

Congress appropriated \$3.495 billion in FY 1987 for HUD's community development programs, up from \$3.390 billion in FY 1986. (Figure 1-1 shows appropriations for each program.) Grant awards were made to all States, many Indian Tribes and Alaskan Native Villages, American Samoa, the Trust Territories and to cities and counties of all sizes. The number of participants in each program, based on awards made by HUD and/or State-administering agencies during FY 1987, is indicated in Figure 1-2. Many eligible communities participate in more than one program, thus the actual number of beneficiaries in FY 1987 is somewhat less than the total number indicated by the sum of all program recipients in Figure 1-2. About half of the CDBG Entitlement recipients, for example, also received Rental Rehabilitation grants, and many received one or more UDAG awards and/or Emergency Shelter Grants.

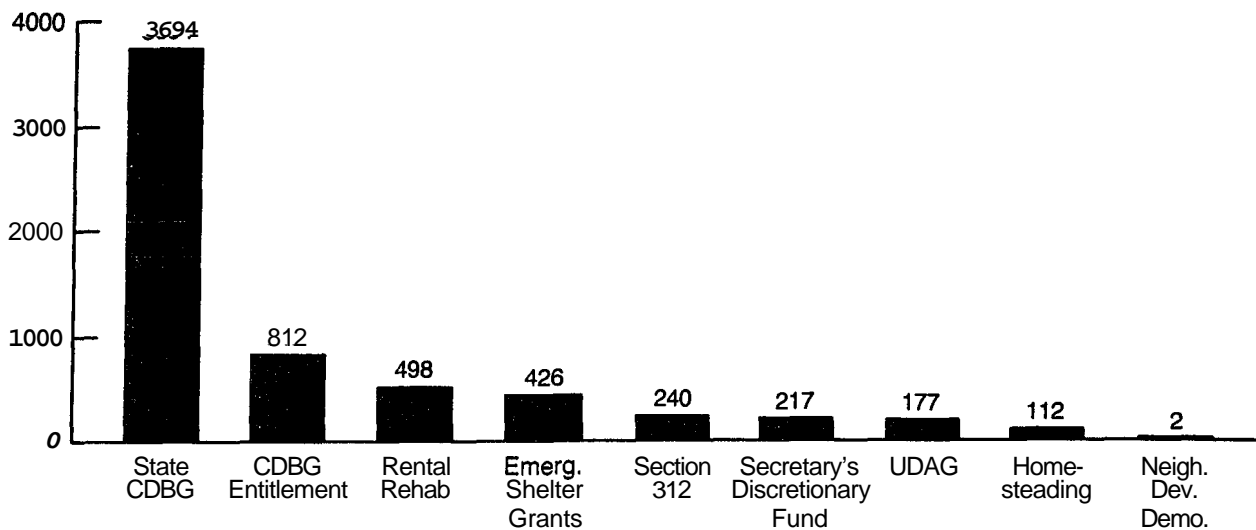
**Figure 1-1**  
**Community Development Programs Funding,**  
**FY 1987**



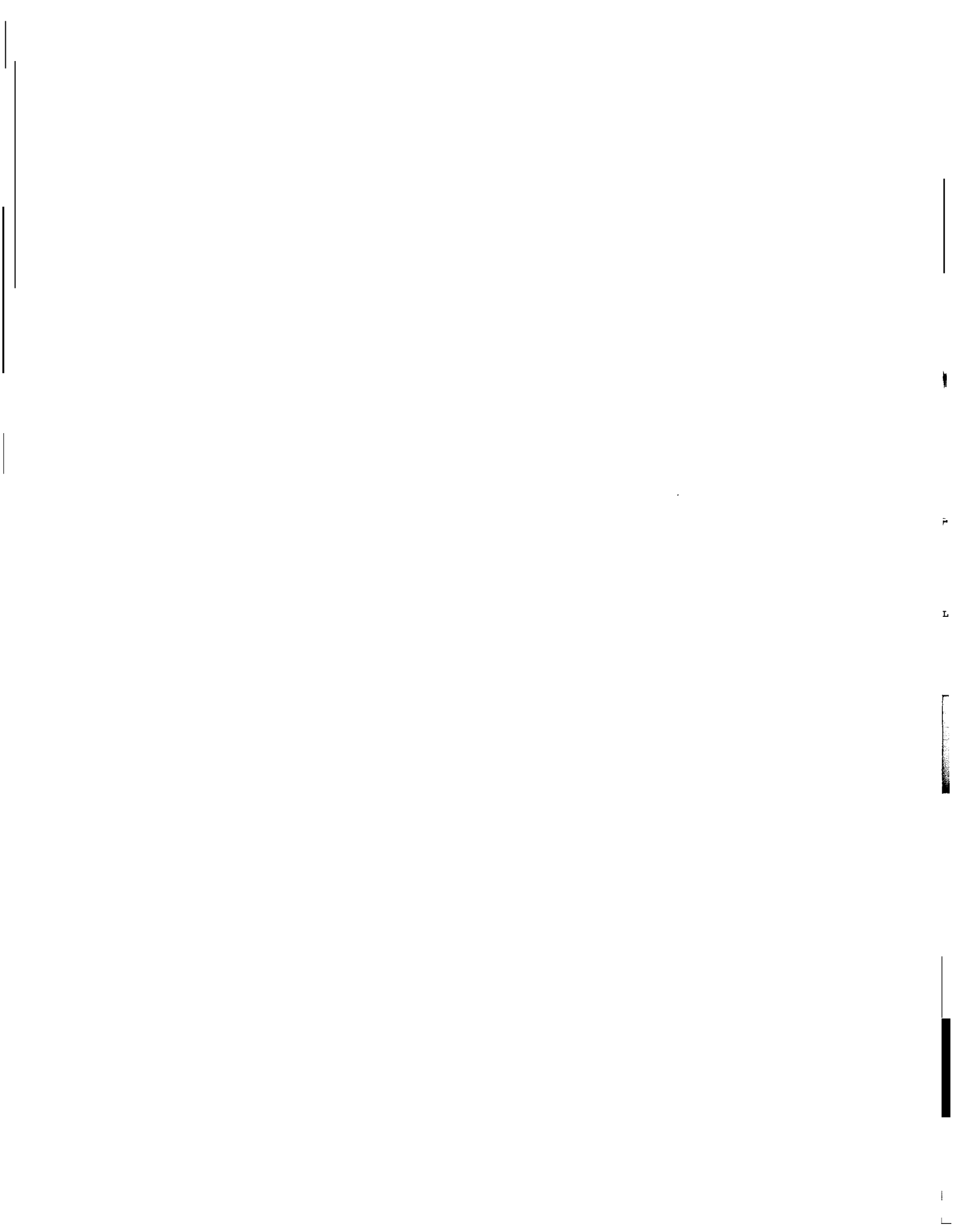
Note: FY 1987 Section 312 funds are comprised of repayments, unused prior balances, recaptures and fees.

Source: U.S. Department of Housing and Urban Development, Community Planning and Development. Compiled by the Office of Program Analysis and Evaluation based on information supplied by the Office of Management.

**Figure 1-2**  
**Community Development Program Participants,**  
**FY 1987**



Source: U.S. Department of Housing and Urban Development, Community Planning and Development. Compiled by the Office of Program Analysis and Evaluation based on information supplied by the Office of Management.



## CHAPTER 2

### COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT PROGRAM

#### BACKGROUND AND INTRODUCTION

The Community Development Block Grant (CDBG) Entitlement program is the U.S. Department of Housing and Urban Development's principal program to assist local governments in addressing their locally defined community development needs. This program provides funding to Metropolitan Cities and Urban Counties. Metropolitan Cities are defined as central cities of Metropolitan Statistical Areas (MSAs) or cities in MSAs with populations of 50,000 or more. Generally, a county in a MSA can qualify as an Urban County if it has a population of 200,000 or more, excluding any cities that qualify for an Entitlement grant and any other communities that choose not to participate in the program with the Urban County.

A community's CDBG Entitlement amount is determined by one of two allocation formulas, which have as factors the current population, the population growth lag, the number of persons in poverty, the extent of over-crowded housing and the amount of housing built before 1940. Entitlement recipients must meet minimum front-end requirements, and they exercise broad discretion both to define local needs and to develop programs to address them.

This chapter describes the operation of the CDBG Entitlement program during FY 1987 and actual expenditures for FY 1985, the most recent years for which such information is available. The chapter is organized into three sections. The first section reports on FY 1987 program funding and participation. The second section focuses on the activities for which communities planned to spend their FY 1987 grant funds. The third section reports on how communities used CDBG funds to meet program objectives in FY 1985. Information on monitoring, sanctions, audits, and other aspects of CDBG grant management is contained in Chapter 8.

#### PROGRAM FUNDING AND PARTICIPATION

The amount of FY 1987 funds appropriated under the CDBG program was \$3.0 billion. This represents a nine million dollars increase in the amount of funds appropriated for the CDBG program compared to FY 1986. After subtracting funds for the Secretary's Discretionary Funds (\$56 million) and the Neighborhood Development Demonstration Program (\$2 million), the CDBG Entitlement program received its statutory allocation of 70 percent of \$2.942 billion or \$2.059 billion.

There were 827 communities - 712 Metropolitan Cities and 115 Urban Counties - eligible to receive CDBG Entitlement grants in 1987.

- o This represented a net increase of 13 jurisdictions (2%) over those eligible in 1985 and an increase of 233 jurisdictions (39%) over those eligible in 1975.

- o The number of Metropolitan Cities increased by 191 (37%) between 1975 and 1987, and the number of Urban Counties increased by 42 (58%).

TABLE 2-1

ELIGIBLE CDBG ENTITLEMENT COMMUNITIES FOR SELECTED YEARS  
1975-1987

Grantee Type	1975	1979	1981	1983	1984	1985	1986	1987
Metro Cities	521	562	583	637	691	707	711	712
Urban Counties	73	84	86	98	104	107	116	115
Total	594	646	669	735	795	814	827	827

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

CDBG grantees received funds in FY 1987 from three sources - a formula grant from new appropriations, a reallocation of prior years' recaptured or unapplied-for funds, and program income generated from previously funded activities.

In FY 1987, 812 jurisdictions were awarded \$2.055 billion in Entitlement grants; 697 Metropolitan Cities received \$1.666 billion and 114 Urban Counties were awarded \$389 million.

- o Of the 827 jurisdictions eligible to receive an award, seven Metropolitan Cities chose to have their Entitlement grants combined with an Urban County. Two Metropolitan Cities had their FY 1987 grants partially reduced, and seven eligible Metropolitan Cities did not apply for grants. Two grantees' approvals were pending as of March 1, 1988 because of questions regarding their past performance in the CDBG program.
- o Of the \$2.055 billion awarded, \$2.050 billion were from the statutory allocation of \$2.059 billion and five million dollars resulted from a reallocation of prior years' recaptured or unapplied-for funds.



TABLE 2-2

FUNDING STATUS OF CDBG ENTITLEMENT COMMUNITIES, FY 1987  
(Dollars in Thousands)

Status	Total		Metro Cities		Urban Counties	
	Number	Amount	Number	Amount	Number	Amount
<u>Eligible</u>	<u>827</u>	<u>\$2,064,496</u>	<u>712</u>	<u>\$1,678,876</u>	<u>115</u>	<u>\$385,620</u>
Appropriation	NA	2,059,400	NA	1,674,341	NA	385,059
Reallocation	NA	5,096	NA	4,535	NA	561
Combined with Urban County	7	NA	7	NA	NA	NA
<u>Awarded :</u>	<u>811</u>	<u>2,055,236</u>	<u>697</u>	<u>1,666,405</u>	<u>114</u>	<u>388,831</u>
Full Awards	809	2,026,864	695	1,642,889	114	383,975
Partial Award+	2	23,516	2	23,516	-	-
Combined with Urban County	NA	4,856	NA	NA	NA	4,856
<u>Pending Approval</u>	<u>2</u>	<u>4,880</u>	<u>1</u>	<u>3,237</u>	<u>1</u>	<u>1,643</u>
<u>Did Not Apply</u>	<u>7</u>	<u>4,239</u>	<u>7</u>	<u>4,239</u>	<u>-</u>	<u>-</u>

+FY 1987 Grant reductions totaled \$141,382. These funds, along with \$4,239,000 that was not awarded in FY 87 and \$2,807,992 in N 1986 reductions, will be reallocated during FY 1988.

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.

During 1985, the most recent year for which information is available, Metropolitan Cities and Urban Counties reported generating an estimated \$367 million in program income.

- o The \$367 million of program income was equal to 15 percent of the funds appropriated for the Entitlement program in FY 1985.
- o The largest source of program income was reported to be from repayments involving revolving loan funds (32%), non-revolving loans (31%), and CD floats (8%).

TABLE 2-3

**CDBG ENTITLEMENT PROGRAM INCOME, FY 1985**  
(Dollars in Millions)

Source of Income	Metro Cities		Urban Counties		Al 1 Grantees	
	Amount	Pct.	Amount	Pct.	Amount	Pct.
Revolving Loan Funds	\$91	29%	\$27	53%	\$118	32%
Housing Rehabilitation	(55)	(17)	(13)	(27)	(69)	(19)
Economic Development	(34)	(11)	(12)	(25)	(46)	(13)
CD Float	26	a	3	6	29	8
Loan Repayments	103	33	8	18	113	31
Sale of Land	47	16	6	11	53	14
Rental Income	15	5	1	4	16	4
Fees for Services	6	2	*		6	2
Refunds	4	1	1	1	6	1
<u>Other Sources</u>	<u>24</u>	<u>a</u>	<u>4</u>	<u>a</u>	<u>28</u>	<u>8</u>
Total	316	100%	\$50	100%	367	100%

\* Less than \$500,000 or .5 percent

Note: Detail does not add due to rounding.

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 Base.

**USES OF FUNDS**

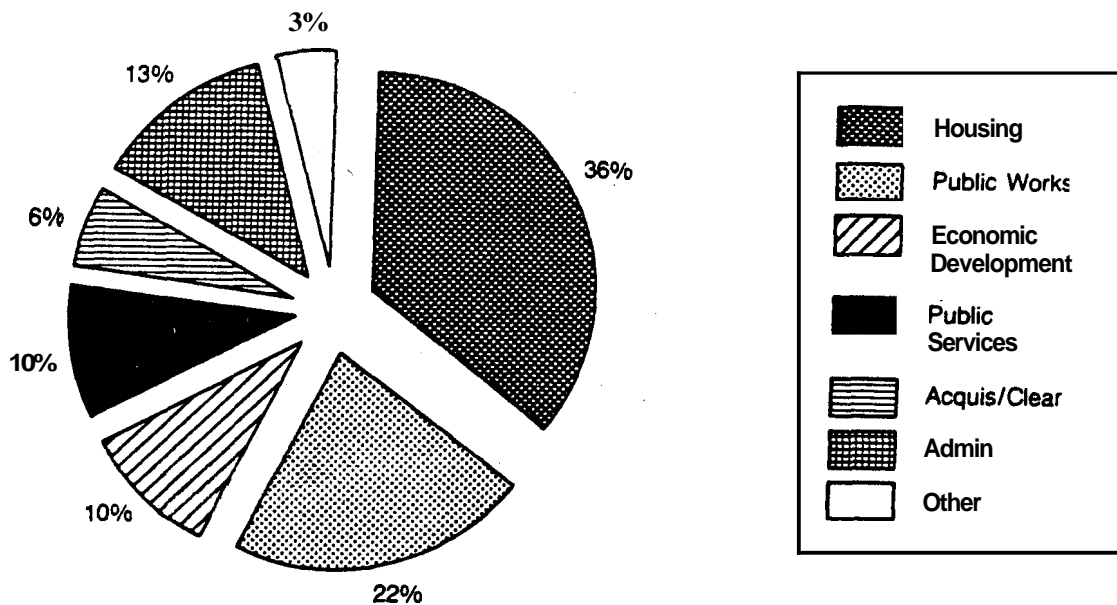
In FY 1987, local officials reported on how they planned to spend an estimated \$2.450 billion new grants, program income and funds reprogrammed from prior years on CDBG-funded projects. Grantees can use these funds to undertake a broad range of eligible activities including neighborhood revitalization, public works, social services, and economic development.

The relative proportion of Entitlement funding going to major activity groupings remained nearly constant.

- o Housing-related activities, primarily housing rehabilitation, was the largest single category of planned FY 1987 program spending, totaling an estimated \$876 million (36%) of all CDBG entitlement spending.
- o Expenditures for public facilities and improvements were the second largest category of planned FY 1987 program spending, totaling an estimated \$536 million (22%) of all CDBG Entitlement spending.
- o Economic development activities accounted for an estimated \$254 million (10%) of all planned CDBG Entitlement spending in FY 1987.
- o Public services accounted for an estimated \$242 million (10%) of all planned CDBG Entitlement spending in FY 1987.

- o Expenditures for acquisition and clearance-related activities accounted for an estimated \$141 million (6%) of planned spending.
- o Administration and planning activities accounted for \$307 million (13%) of all planned CDBG Entitlement spending in FY 1987. The remaining \$94 million (3%) of CDBG funds were programmed for the repayment of Section 108 guaranteed loans and contingencies.

**Figure 2-1**  
**Activities Funded by CDBG Entitlement Program,**  
**FY 1987**



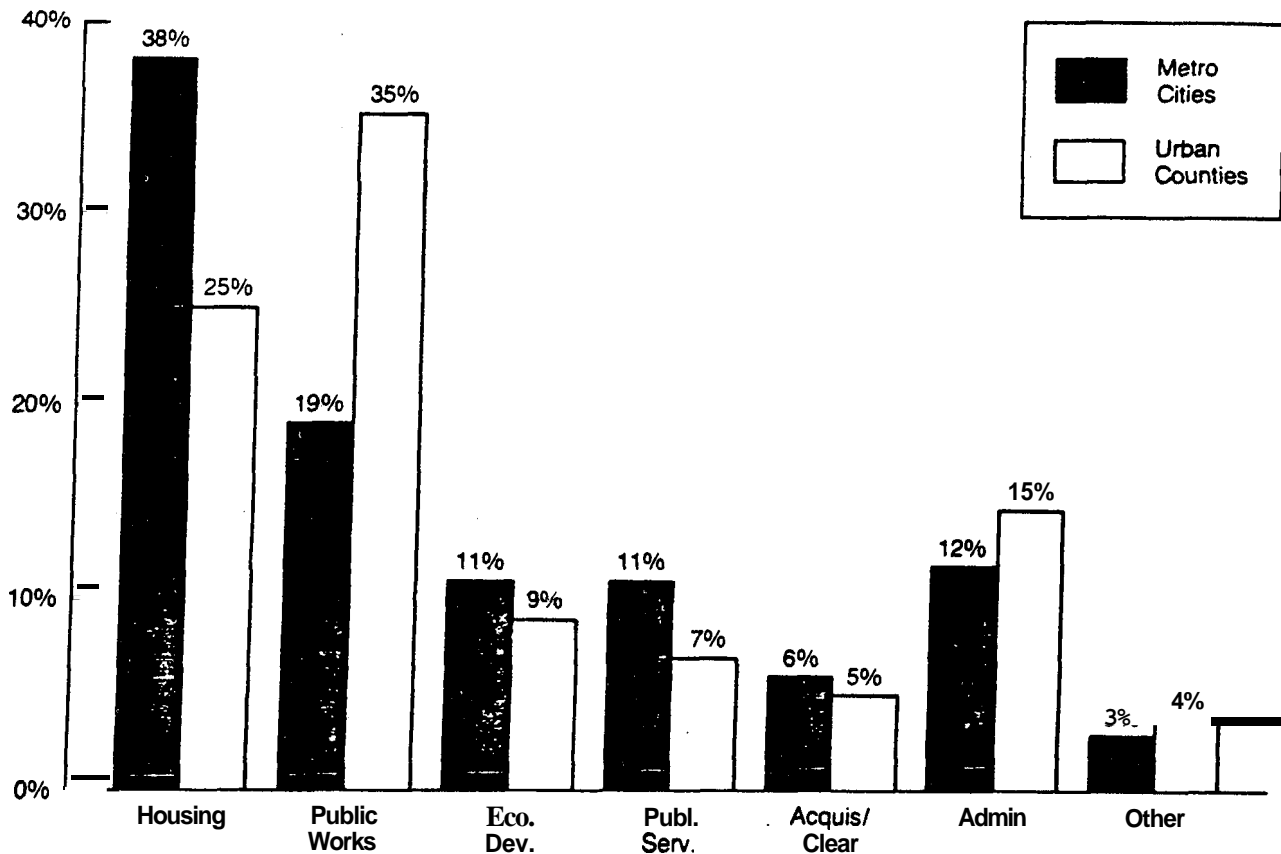
Total = \$2.450 Billion

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 Base.

Metropolitan Cities and Urban Counties differed in the share of funds budgeted for various types of activities. Metropolitan Cities continued to place greater emphasis on housing-related activities. Urban Counties placed more emphasis on public facilities and improvements.

- o Metropolitan Cities budgeted twice as much for housing-related activities (\$767 million, 38%) as they allocated to public facilities and improvements (\$382 million, 19%).
- o Urban Counties budgeted substantially more of their CDBG funds for public works (\$153 million, 35%) than for housing-related activities (\$109 million, 25%).
- o Metropolitan Cities spent a substantially higher portion of their funds for public services than did Urban Counties (11% vs. 7%).

**Figure 2-2**  
**Distribution of CDBG Entitlement Program Expenditures**  
**by Grantee Type, FY 1987**



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 Base.

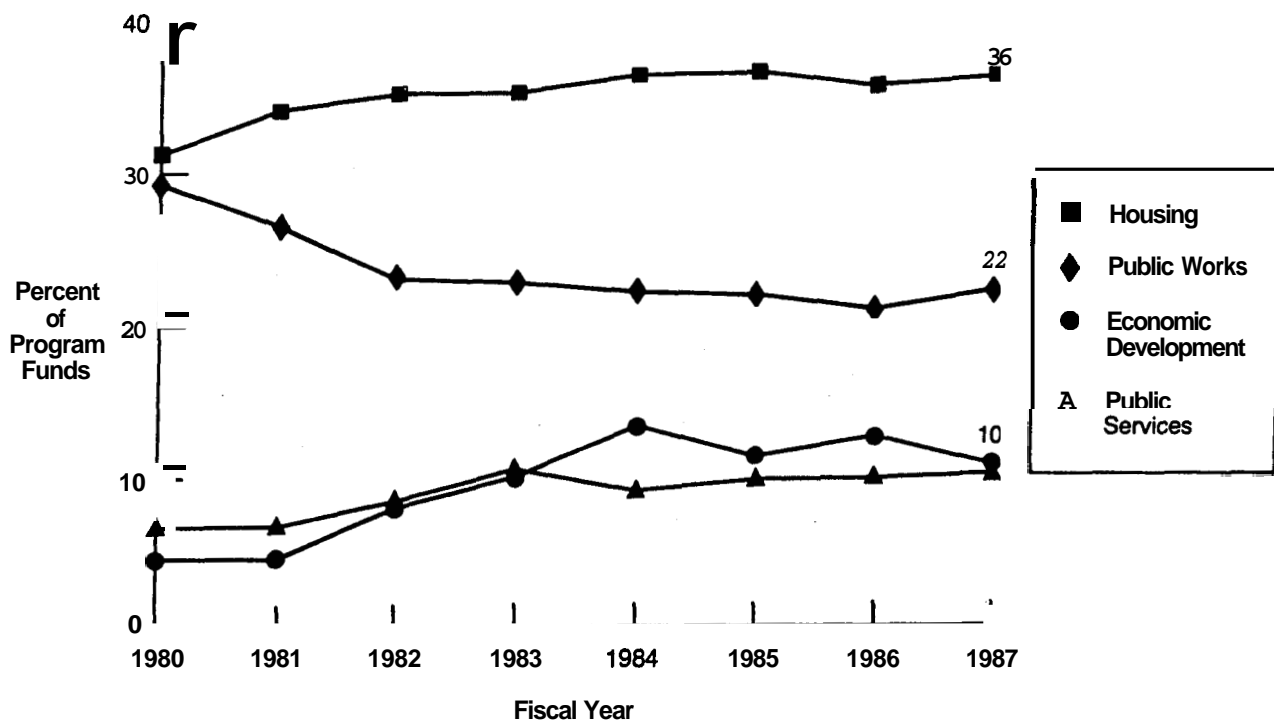
**ENTITLEMENT SPENDING, FY 1983 THROUGH FY 1987**

All categories of activities received relatively stable shares of Entitlement funding during the last five years.

- o From 1983 to 1987, the relative share of spending for the two largest categories of activities, housing-related activities and public facilities and improvements, remained virtually unchanged as each experienced changes of one percent of their share of total spending from year to year.
- o Expenditures for public services also remained largely unchanged at about ten percent of planned spending following the decline from 12 percent in 1983.

- o Economic development spending, now at ten percent, returned to the level of expenditures set in 1983. The increase and decline in economic development spending from year to year are too small to be seen as significant changes in the way CDBG funds are used.

**Figure 2-3**  
**Planned Spending in the CDBG Entitlement Program,**  
**FYs 1980-1987**



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 Base.

**CDBG ASSISTANCE TO THE HOMELESS**

Communities have broad discretion under the CDBG program to define and prioritize local needs and then develop and fund programs to meet those needs. Since 1983, the Department of Housing and Urban Development has highlighted the CDBG program's flexibility and availability for funding a variety of assistance for the homeless. Grantees may spend their CDBG funds directly or through non-profit organizations to meet the needs of the homeless,

In FY 1987, Entitlement communities planned to spend \$46 million in CDBG funds on homeless activities. This represented more than two percent of all FY 1987 planned expenditures.

- o Acquisition and rehabilitation of shelters account for the highest level of planned expenditures for the homeless, followed by food services and operational expenses.
- o Two hundred and three (33%) of the Metropolitan Cities and 44 (40%) of the Urban Counties budgeted CDBG funds for homeless projects.
- o This information is based on a review 748 (92%) of the FY 1987 Statements submitted by Entitlement communities.

The following are some examples of how Entitlement communities have budgeted FY 1987 grants to assist the homeless.

- o The City of White Plains, New York allocated \$23,000 to Samaritan House to provide various food, shelter, day care, and job counselling services to the homeless and \$15,000 to the Ecumenical Food Pantry for food for the homeless, including needy families sheltered in hotels/motels without cooking facilities.
- o St. Louis, Missouri used one million dollars in CDBG funds to help build a 200 bed, 38,000 square foot facility for the homeless that is expected to be completed in the Spring of 1988. This facility is expected to assist between 400 and 1,200 people annually.
- o Louisville, Kentucky, budgeted \$21,000 to assist the St. John's Center in paying utility and operational costs at a mission serving the homeless. This is the second year that CDBG funds were provided to the center.
- o Portland, Oregon allocated \$125,800 to the American Red Cross to cover emergency short-term housing through housing vouchers. Over 9,000 persons were provided short-term shelter through the program in 1986.
- o Midland, Texas provided \$75,000 to Permian Basin Center for Battered Women and Children. These funds will be used to help in the construction of and provision of services in a new facility.
- o Council Bluffs, Iowa budgeted \$14,500 to assist MICA House Inc., a nonprofit shelter for homeless families, to repair its roof.

#### PROGRESS TOWARD PROGRAM OBJECTIVES

This section of the chapter describes how communities used CDBG funds to either benefit low- and moderate-income persons, eliminate or prevent slums or blight, or meet other urgent community needs.

In FY 1985, the most recent year for which expenditure data are available, local officials reported spending approximately \$2.485 billion in CDBG funds for activities that met one of the above national objectives.

## PROGRAM BENEFIT

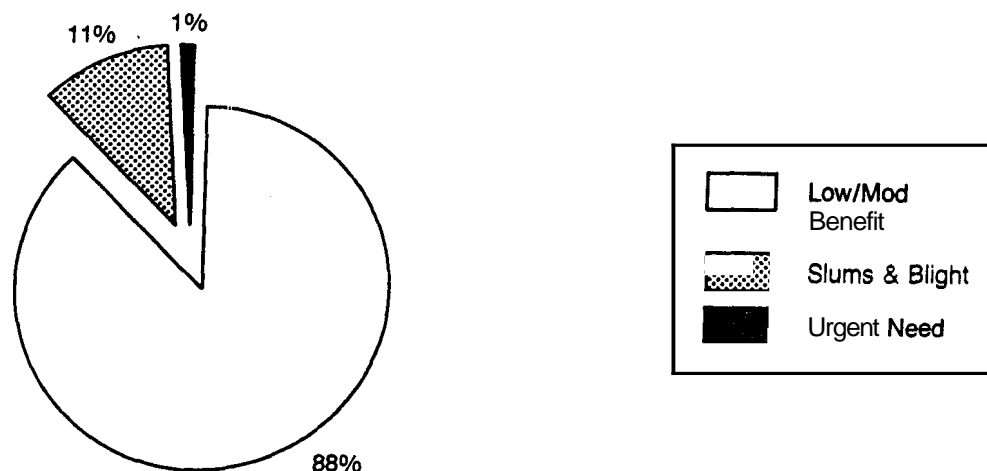
In 1983, changes in several statutory and regulatory requirements affected the qualifications of activities identified as benefiting low- and moderate-income persons. The new standard required that activities involving the acquisition or rehabilitation of property for housing would qualify as benefiting low- and moderate-income persons only to the extent such housing **was** occupied by such persons. To qualify economic development projects, they must either be carried out in a neighborhood consisting predominantly of low- and moderate-income persons or involve the employment of persons, a majority of whom are low- and moderate-income. The impact of those changes are reflected in expenditures for housing-related and economic development activities in FY 1985.

Grantees reported that spending for activities categorized as benefiting low- and moderate-income persons accounted for approximately 88 percent, spending for slum or blight activities accounted for 11 percent, and spending for urgent need activities accounted for one percent of all FY 1985 expenditures.

- o Of an estimated \$2.485 billion in CDBG funds expended for program activities in FY 1985, \$2.194 billion (88%) were categorized as benefiting low- and moderate-income persons.
- o Two hundred seventy-two million dollars (11%) of CDBG funds were expended for activities categorized as preventing or eliminating slums or blight.
- o Nineteen million dollars (1%) of CDBG funds were expended for activities categorized as meeting urgent community needs.

Figure 2-4

Distribution of CDBG Entitlement Program Expenditures  
by National Objective, FY 1985



Total = \$2.485 Billion

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 Base.

**LOU-AND MODERATE-INCOME BENEFIT**

In addition to meeting the objectives above, each community's program must have spent, over a period not exceeding three years, at least 51 percent of its CDBG funds for activities that benefit low- and moderate-income persons. The recently enacted Housing and Community Development Act of 1987 increased this amount to 60 percent.

Two-thirds of the Entitlement grantees spent 90 percent or more of their funds in FY 1985 on activities categorized as benefiting low- and moderate-income persons.

- o Sixteen grantees (2%) reported spending less than 50 percent of their Block Grant resources available in FY 1985 on projects that were categorized as benefiting low- and moderate-income persons.
- o Eighty-eight grantees (11%) spent between 51 and 74 percent of their funds and 157 grantees (20%) spent between 75 and 90 percent of their funds on activities categorized as benefiting low- and moderate-income persons.

**TABLE 2-4**

**CDBG ENTITLEMENT PROGRAM EXPENDITURES BENEFITING PERSONS WITH LOU AND MODERATE INCOMES, FY 1985**

Percent of Expenditures Reported as Low- and Moderate-Income Benefit	Metro Cities		Urban Counties		All Grantees	
	Number	Pct.	Number	Pct.	Number	Pct.
100%	219	33%	28	27%	247	32%
90-99	215	32%	51	50%	266	34%
75-89	138	21%	19	18%	157	20%
60-74	65	10%	4	4%	69	9%
51-59	19	3%	0	0%	19	2%
50 - Less	<u>14</u>	<u>2%</u>	<u>2</u>	<u>2%</u>	<u>16</u>	<u>2%</u>
	670	100%	104	100%	774*	100%

\*Information based on review of 96% of FY 1985 Grantee Performance Reports.

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 Base.

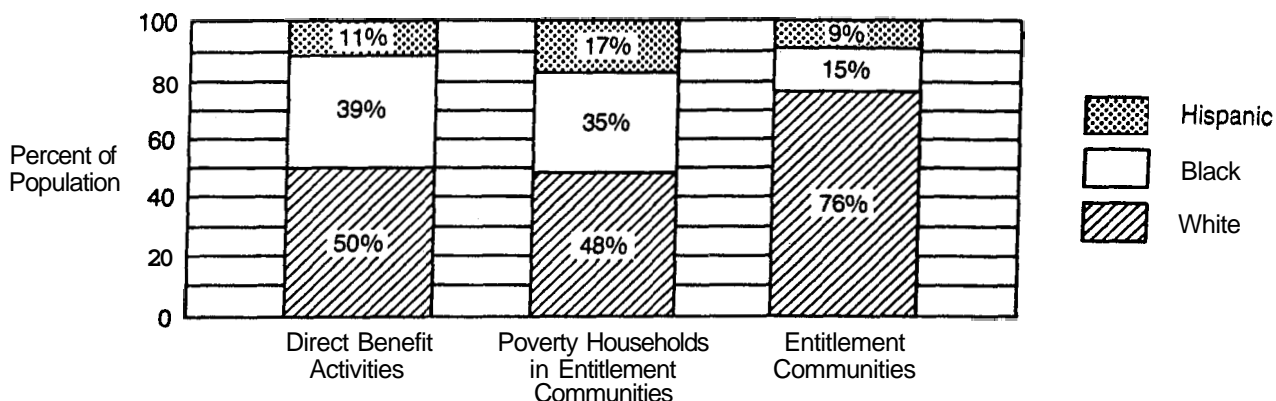
**SLUMS/BLIGHT**

The prevention or elimination of slums or blight has been one of the objectives of the CDBG program since its inception. As might be expected from the nature of the activity, expenditures for acquisition and clearance have accounted for a large percentage of expenditures claimed under the slums or blight national objective since 1980.



Figure 2-6

Ethnicity of Beneficiaries of Direct Benefit Activities in the CDBG Entitlement Program, FY 1985



† Figure 2-6 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.

**IMPROVING ENERGY EFFICIENCY**

In 1980, Congress recognized that higher energy costs had "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..." of increased costs. 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." (See Section 101(c)).

In FY 1985, the most recent year for which information is available, an estimated \$12 million in CDBG funds were spent for weatherization-only activities. This represented an increase of one million dollars more than the previous year.

- o Single-family owner-occupied housing weatherization-only activities represented the bulk of FY 1985 expenditures. Approximately ten million dollars were spent on single-family dwellings and two million dollars on multi-family units.
- o Expenditures for weatherization are only recorded if that is the only activity in the project. These activities are not recorded separately if they are part of other non-weatherization rehabilitation activities.

TABLE 2-5

**CDBG ENTITLEMENT PROGRAM DIRECT BENEFIT EXPENDITURES  
BY ACTIVITY AND NATIONAL OBJECTIVE,  
FY 1985  
(Dollars in Millions)**

Activity Group	Rational Objective						Totals	
	Low-Mod		Slums-Blight		Urgent Need			
	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.
Housing-Related	\$469	92%	44	8	1	*	510	69
Public Services	157	100%			-	*	157	21
Acquisition & Clearance-Related	28	85%	5	15	-	*	33	4
Public Facilities & Improvements	22	96%	1	4	-	*	23	3
Economic Development	<u>15</u>	<u>79%</u>	<u>4</u>	<u>24</u>	<u>-</u>	<u>*</u>	<u>19</u>	<u>3</u>
Total	\$690	93%	50	7%	1	*	742	100%

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

Note: Detail does not add due to rounding.

**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 Base.

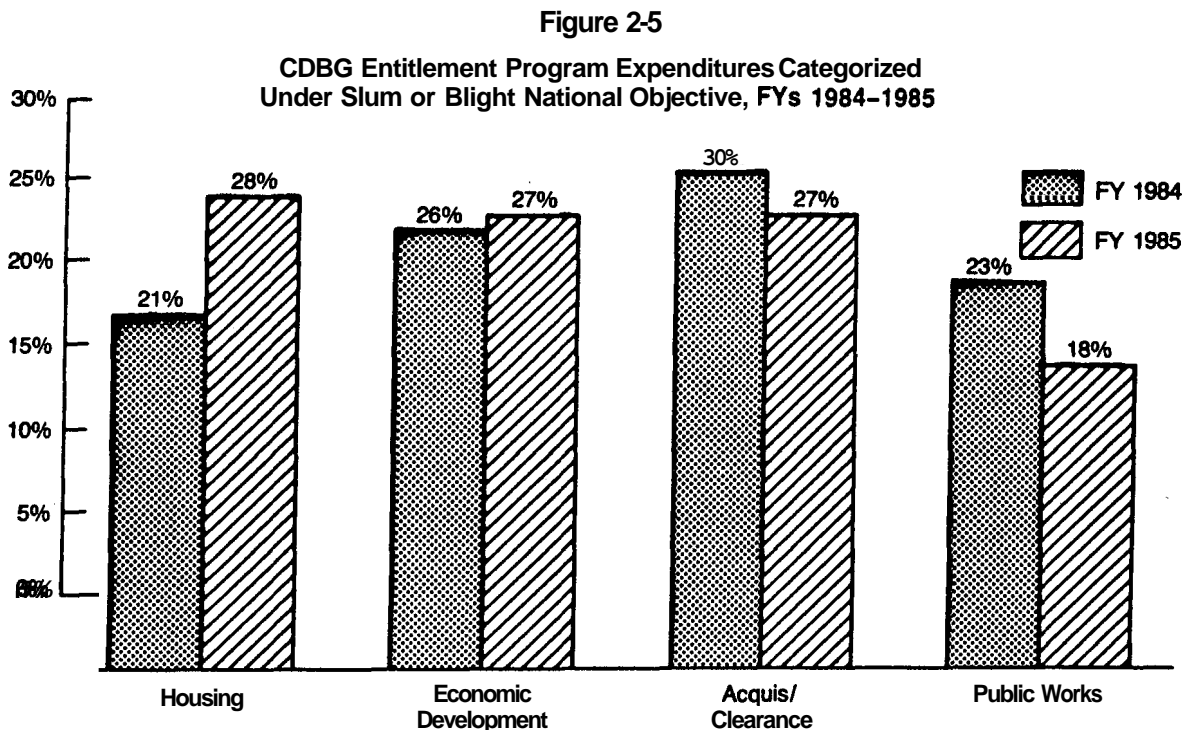
Low-income persons and minorities, particularly Blacks, make up the majority of beneficiaries of CDBG-funded direct benefit activities.

- o In FY 1985, localities identified 71 percent of their direct beneficiaries as low-income, 24 percent as moderate income, and 5 percent as above moderate income levels.
- o Minorities, particularly Blacks, represent a much larger **proportion** of beneficiaries of CDBG-funded direct benefit activities than their share in the population of the Entitlement communities as a whole. Thirty-nine percent of the beneficiaries of direct benefit activities were identified as Black and 11 percent as Hispanic, compared to the 15 percent Black and 9 percent Hispanic composition of all Entitlement communities. Figure 2-6 indicates, though, that minorities benefit from CDBG direct benefit spending in rough proportion to their incidence in the population of households below the poverty line.

As statutory and regulatory requirements affecting the qualification of activities as benefiting low- and moderate-income persons have changed, a larger portion of expenditures for other major activity groupings have been qualified under the **slums** or blight national Objective.

In 1985, expenditures for housing-related and economic development activities ranked first and second in terms of the proportion of expenditures that were categorized under the slums or blight national objective.

- o Twenty-eight percent of the expenditures that were categorized under the slums or blight objective were for housing-related activities in FY 1985. This was seven percent greater than the proportion of housing-related expenditures categorized under the slums or blight objective in FY 1984.
- o Twenty-seven percent of the expenditures that were categorized under the slums or blight objective were for economic development activities in FY 1985. This was one percent greater than the proportion of economic development expenditures categorized under the slums or blight objective in FY 1984.
- o Twenty-seven percent of the expenditures that were categorized under the **slums** or blight objective were for acquisition or clearance-related activities in FY 1985. This was three percent less than the proportion of acquisition or clearance-related expenditures categorized under the slums or blight objective in FY 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 Base.

## DIRECT BENEFIT ACTIVITIES

Direct benefit activities are those that require the beneficiary to submit an application **or** to complete a personal record as an integral part of receiving the benefit of the activity. The types of activities that provide direct benefits include grants **or** loans to rehabilitate buildings owned and occupied by lower-income persons **or** rented to lower-income persons, public service activities such as day care and assistance to the elderly **or** handicapped, funds used to pay for assessments of lower-income homeowners for public improvements, and relocation assistance to persons **or** businesses displaced by CDBG-supported projects.

In FY 1985, local officials reported an estimated \$742 million (30%) of CDBG funds expended were spent for activities that provided direct, benefits to individuals and households.

- o Of the \$742 million spent on direct benefit activities in FY 1985, \$690 million (93%) were expended on activities designed to provide benefits directly to low- and moderate-income persons **or** households.
- o Of the estimated \$690 million expended on direct benefit activities designed to benefit low- and moderate-income persons, \$469 million (68%) involved housing and \$157 million (23%) involved public services.
- o Of the \$510 million expended **for** housing-related activities \$391 million (77%) were used for single-family rehabilitation and \$90 million (18%) were used for multi-family rehabilitation.
- o Of the \$90 million spent on direct benefit activities involving multi-family housing, \$66 million (73%) were designed for activities that benefit low- and moderate-income persons, and \$24 million (27%) were designed **for** activities that provide direct benefits on a slum **or** blight basis.

Local governments use the CDBG program to leverage substantial investment in energy efficient building rehabilitation and economic development.

- o Westmoreland County, PA's five million dollar waste-to-energy co-generation facility, financed with one million dollars of CDBG money provides steam to tenants on a county-owned "campus."
- o Chicago, IL leveraged ten million dollars from People's Gas Light and Coke Company with five million dollars in CDBG funds to form the Energy Source Fund for making multi-family buildings energy efficient.
- o Wisconsin Partnership for Housing Development, the City of Milwaukee, the Wisconsin Power Company and 11 financial institutions created a seven million dollar revolving loan fund, including one million dollars in CDBG funds, to rehabilitate and weatherize low-income housing.

#### HISTORIC PRESERVATION

The Housing and Community Development Act of 1974 established an objective of historic preservation and authorized the use of Title I funds for the "restoration and preservation of properties of special value for historic, architectural **or** aesthetic reasons." HUD has taken the initiative to encourage and monitor historic preservation activities which are part of local economic development and community revitalization programs.

Since FY 1978, the Department has provided assistance for historic preservation through both the CDBG and UDAG programs. In FY 1987, Entitlement communities allocated \$8.0 million for historic preservation. From FY 1979 to 1987, CDBG Entitlement communities reported budgeting \$87.5 million solely for historic preservation activities.

#### SECTION 108 LOAN GUARANTEE PROGRAM

The Section 108 Loan Guarantee Program, created by the Housing and Community Development Act of 1974, as amended, authorizes the Department to guarantee loans to Entitlement communities to finance eligible activities. By pledging Community Development Block Grants (CDBG) as security for the loans, Metropolitan Cities and Urban Counties may borrow up to three times their annual grants and repay the loans within six years. Communities thus are able to undertake large development projects that could not easily be undertaken using their annual grants alone. For FY 1987 Congress established a limit of \$150 million for Section 108 loan guarantees. Since 1974, \$918 million in loan guarantees have been issued to CDBG Entitlement communities. These guarantees secured funding for 285 projects involving land acquisition, clearance, **or** rehabilitation.

Until June 30, 1986, the Federal Financing Bank (FFB) was the only purchaser of notes guaranteed under the Section 108 program. The Consolidated Omnibus Budget Reconciliation Act of 1985 (PL 99-272) prohibited note purchases by the FFB after June 30, 1986. Directed to arrange for private sector purchase of the notes, HUD solicited proposals from firms interested in participating as members of an underwriting group. An underwriting group consisting of Salomon Brothers Inc., Smith Barney, Upham and Co., and Citicorp Investment Bank was selected.

In FY 1987, HUD approved 13 Section 108 loan guarantees for a total of \$30 million. In addition, the Section 108 underwriting group made a public offering of \$56 million in guaranteed Section 108 securities.

- o About \$13 million of the \$30 million in loan approvals will be used to acquire land for three shopping centers, about nine million dollars will acquire land for airport development and parks, and eight million dollars will acquire land for various economic development projects.
- o The \$56.1 million made available by the underwriting group went to the following Entitlement communities: Detroit, MI (\$35 million), Bayamon, PR
- o Projects for Bayamon, Aguadilla, Buffalo, Utica and Costa Mesa involved land acquisition and redevelopment. Detroit's project involves land acquisition, demolition and clearance, and relocation of businesses and residences. Niagara Falls' projects involve enhancement of commercial facilities within two Neighborhood Business Revitalization areas.

TABLE 2-6

SECTION 108 LOAN GUARANTEE ACTIVITY  
 FYs 1984-1987  
 (Dollars in Millions)

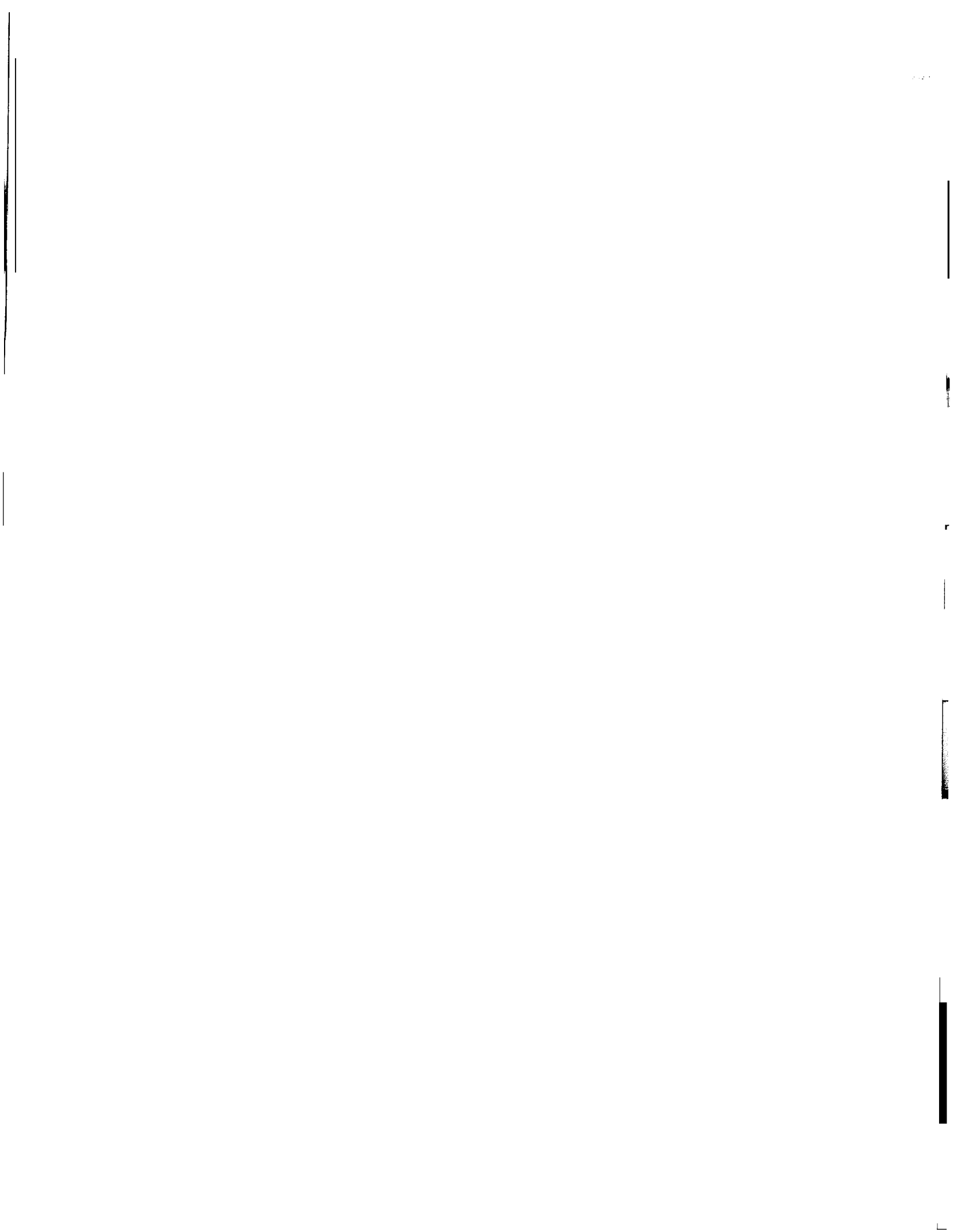
	1984		1985		1986		1987	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Applications Approved	29	\$ 87.0	63	\$133.5	25	\$112.6	13	\$30.0
Guarantees Issued	29	95.1	27	89.7	47	119.9	8	56.1*
Funds Advanced	NA	70.8	NA	102.6	NA	88.8	NA	117.2
Funds Repaid	NA	39.8	NA	21.5	NA	77.8	NA	39.9

\*Public Offering

SOURCE: Compiled by the Office of Program Analysis and Evaluation based on information supplied by the Financial Management Division, Office of Block Grant Assistance.

## FOOTNOTES

1. The data described in this section came from the Statements of Community Development Objectives and Proposed Use of the Funds documents submitted by the sample of grantees included in the CDBG Performance Monitoring and Evaluation Data Base. These documents, submitted as prerequisites to receiving CDBG funds, describe how grantees budgeted their FY 1987 funds; they do not report how these funds were spent. However, comparisons of previous years' information from Statements and Grantee Performance Reports (GPRs) have shown that, in the aggregate, there are no statistically significant differences between the way the grantees budgeted their funds and how they actually used them. Consequently, planned spending provides reliable early information about trends and changes in how local officials use CDBG funds.
2. The data used in the analysis of expenditures were taken from Grantee Performance Reports (GPRs) submitted by the sample of communities included in the Performance Monitoring and Evaluation Data Base. These documents report all CDBG expenditures during the communities' program years, regardless of when the funds were budgeted. Because of the timing of grants (most CDBG Entitlement communities receive their funds late in the third or fourth quarter of each Federal fiscal year), the schedule for submitting the GPRs (90 days following the end of the grantee's program year), the time required for the HUD field offices to review and approve the GPR, and the time required for the Office of Program Analysis and Evaluation to content analyze, code, edit and merge GPR data into the data base, the FY 1985 GPRs are the most recent Performance Reports available for analysis of the program on a national level.





## CHAPTER 3

### THE STATE CDBG AND HUD-ADMINISTERED SMALL CITIES PROGRAM

#### BACKGROUND AND INTRODUCTION

The State Community Development Block Grant and HUD-administered Small Cities programs are HUD's principal vehicles for assisting communities under 50,000 population that are not central cities with their community development needs. From its inception in FY 1975 until FY 1982, the CDBG Small Cities program was administered exclusively by HUD. During this period, more than \$4.3 billion was awarded through competitions managed by HUD Field Offices. At the Administration's request, Congress changed the administrative structure of the CDBG Small Cities Program in the Omnibus Budget Reconciliation Act of 1981.

Beginning in FY 1982, States were offered the option of administering the program for their communities that did not receive CDBG Entitlement grants, and most States and Puerto Rico have since assumed this responsibility and now determine the broad policies, priorities, and methods of distribution for CDBG Small Cities funds within their **jurisdictions**.<sup>a</sup> Only two States, New York and Hawaii, currently remain in the HUD-administered Small Cities program.

The grant allocation for each State is determined by a dual formula (applied to a State's non-entitled areas) that is similar to that used in the Entitlement program.

#### PROGRAM FUNDING AND PARTICIPATION

##### APPROPRIATIONS AND PROGRAM INCOME

Section 106 of the Housing and Community Development Act of 1974, as amended in 1981, sets the funding for the State and Small Cities programs at 30 percent of the entire CDBG annual appropriation left after subtracting the amount allocated to the Secretary's Discretionary Fund.

In FY 1987, \$882.6 million in appropriations was available for award in the State and Small Cities programs.

- o For FY 1987, \$844.2 million was distributed to the State CDBG program and \$38.4 million to the HUD-administered program.
- o Since FY 1982, Congress has appropriated \$5.9 billion for the CDBG State and Small Cities programs of which 91 percent has gone to the State CDBG program and the rest to the HUD-administered Small Cities program.

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<sup>a</sup> Throughout this Chapter, the term "State" includes Puerto Rico.

- o About one-third of the States (18 of 48) reported the collection and distribution of program income from the State CDBG program for State purposes. The amount distributed, however, has been quite small, \$6.4 million, only a fraction of one percent of the annual State CDBG appropriation.
- o The great majority of the dollars reported distributed by States from program income was allocated in either FY 1985 or 1986. There are several possible explanations for this phenomenon. First, for many activities, program income is generated and, thus, available for distribution only some time after the activity has been completed. Second, economic development, the activity most likely to produce program income, has been more prevalent in the State CDBG program during recent years than previously. Third, some States have recently given greater attention to recapturing program income than they did during the first years of the program.

**TABLE 3-1**

**STATE DISTRIBUTION OF PROGRAM INCOME  
IN THE STATE CDBG PROGRAM, FYs 1982-1987  
(Dollars in Thousands)**

Fiscal Year	Program Income		Number of States Distributing Program Income
	Amount	Percent	
1982	\$ 203	3%	3
1983	553	9	5
1984	75	1	5
1985	2,326	37	10
1986	2,906	46	12
1987	304	5	2
Total	\$6,367	100%	18*

Note: Detail does not add due to rounding.

Exceeds the total because some States distributed program income in more than one year.

Source: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

**USES OF STATE CDBG FUNDS**

Section 105(a) of the 1974 Act sets out the activities that are eligible for CDBG funding. The actual choice of activities on which Block Grant funds are expended reflects the efforts of State and local participants, within each State's program design and procedures, to develop approaches that further the principal objectives of the Act.

A State had two sources of State CDBG funding support for new activities in FY 1987: First, its FY 1987 Block Grant plus any program income available, and, second, prior years' funds that had been previously unawarded or reprogrammed.

For the purposes of the Annual Report, State CDBG activity will be examined both in terms of activity funded out of a given year's allocation and activity occurring within a given time frame regardless of year of allocation. States set their program priorities independently for each year's allocation, and the Department applies its regulations (for example, minimum low- and moderate-benefit percentage) to each year's allocation regardless of the year in which an expenditure actually occurred.

The following subsection describes program priorities by considering: (1) new activity funded out of FY 1987 State allocations; (2) all State CDBG activity funded from FY 1982 to FY 1987; and (3) all activity occurring from each fiscal year's allocation between June 30, 1986 (the effective date of the Performance and Evaluation Reports submitted in 1986) and June 30, 1987 (the effective date of the Performance and Evaluation Reports submitted in 1987).

#### **USE OF FY 1987 FUNDS**

States are asked to attribute a general purpose to each activity funded and reported in their Performance and Evaluation Reports (PER). The purpose is a shorthand way to describe what the State and its subrecipients were attempting to accomplish with the grant.

As of June 30, 1987, States reported awards to communities of \$234 million, or about 26 percent of their FY 1987 appropriations. Public facilities constituted the largest single purpose category in the State CDBG program (considering only awards from FY 1987 appropriations) in FY 1987, accounting for about one-half of all activity, as it had in each previous year of the program. Housing was next most prominent, and economic development was third.

- o Infrastructure construction and improvements comprised more than 75 percent of the resources going into public facilities activity. Other public facilities (e.g., rehabilitation of neighborhood or elderly centers) and activities tied to public improvements (e.g., acquisition and clearance of land for street and sewer construction) accounted for considerable, but smaller, amounts.
- o Housing was the second largest category of funding in the State CDBG program during FY 1987, accounting for almost 30 percent of FY 1987 funds States awarded to communities. Rehabilitation comprised about 80 percent of this activity. Other forms of housing-related activity (e.g., land acquisition, disposition and clearance, and relocation) constituted much smaller shares of housing-related activity.
- o States rewarded grants from FY 1987 allocations to 937 communities for an average grant of \$250,000.

TABLE 3-2

**FY 1987 STATE CDBG FUNDING BY PURPOSE OF AWARD<sup>+</sup>**  
**(Dollars in Thousands)**

Purpose and Major Activities	Activities		Funds	
	Number	Percent	Amount	Percent
Public Facilities	<u>1,043</u>	<u>48%</u>	<u>\$120,502</u>	<u>51%</u>
(Streets, water, sewer)	(495)	(23)	(92,000)	(39)
(Other)	(204)	(9)	(23,542)	(10)
(Administration)	(344)	(16)	(4,960)	(2)
Housing	616	28	69,111	29
(Rehabilitation)	(252)	(11)	(54,053)	(23)
(Other)	(169)	(8)	(9,524)	(4)
(Administration)	(195)	(9)	(5,534)	(2)
Economic Development	265	12	26,372	11
(Assistance to for-profits)	(110)	(5)	(19,148)	(8)
(Other)	(59)	(3)	(5,902)	(3)
(Administration)	(96)	(4)	(1,322)	(*)
Planning	54	3	1,714	1
Public Services	8	*	854	*
No Information	<u>207</u>	<u>9</u>	<u>16,097</u>	<u>7</u>
Total	<u>2,193</u>	<u>100%</u>	<u>\$234,650</u>	<u>100%</u>

<sup>+</sup> As of June 30, 1987.

\* Less than .5 percent.

Note: Detail may not add due to rounding.

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

**USE OF FY 1982-E'Y 1987 FUNDS**

Public facilities has been the principal focus of State CDBG funding since FY 1982. Housing has been the next most prominent focus over that period, and economic development third.

- o Public facilities-related activity steadily increased as a proportion of all State CDBG funding from FY 1982 through FY 1986.
- o During that same period, housing-related funding declined steadily as a percentage of overall funding.
- o Economic development-related funding increased from FY 1982 to FY 1984 and declined somewhat over the next two years.
- o Planning and public service funding have comprised very small proportions of State CDBG funding over the life of the program.

TABLE 3-3

**PURPOSE OF STATE CDBG FUNDING  
FY 1982 THROUGH FY 1987  
(Dollars in thousands)**

Purpose	Fiscal Year						Total
	1982	1983	1984	1985	1986	1987	
Public Facilities	44%	45%	48%	50%	55%	51%	48%
Housing	36	32	24	24	22	30	28
Economic Development	18	20	26	24	21	11	21
Planning	1	2	1	2	1	1	1
Public Services	1	1	1	*	1	*	1
No Information	*	*	*	*	*	7	1
Total	100%	100%	100%	100%	100%	100%	100%
Amount	\$678,242	\$919,191	\$910,757	\$884,837	\$575,451	\$234,650	\$4,205,094

\* Less than .5 percent

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State Performance and Evaluation Report Data Base.

**ACTIVITY BEGUN BETWEEN JUNE 30, 1986 AND JUNE 30, 1987**

The figures for FY 1987 vary considerably from the patterns described above. However, examination of all activity initiated since June 30, 1986 (i.e., the submission date for the FY 1986 Performance Evaluation Report), regardless of grant year from which the activity was funded, yields a pattern more in line with the FY 1982 to FY 1986 trends. Because of the June 30 submission date for the Performance Evaluation Report, "new" activity reported in any given report includes activity taking place during two fiscal years, in this case, FY 1986 and FY 1987.

Public facilities-related activity was by far the most common use of State CDBG funding from June 30, 1986 to June 30, 1987. Economic development and housing accounted for similar and much smaller shares of State CDBG funding over that period.

- o While only 11 percent of FY 1987 funds had been awarded for economic development purposes (as of June 30, 1987), 20 percent of all activity funding from any grant year reported to have taken place during FY 1987 involved an economic development purpose.
- o Since economic development applications frequently are accepted on a case-by-case basis throughout the year, FY 1987 funding figures alone understate the amount of economic development activity occurring during that or any fiscal year.

TABLE 3-4

**PURPOSE OF STATE CDBG FUNDING  
OCCURRING SINCE JUNE 30, 1986  
BY GRANT YEAR FROM WHICH FUNDED  
(Dollars in Thousands)**

Purpose	Grant Year From Which Funded						Total
	1982	1983	1984	1985	1986	1987	
Public Facilities	69%	42%	45%	61%	51%	57%	48%
Housing	1	16	11	10	14	30	19
Economic Development	28	41	44	28	25	11	20
Planning		1		1	1	1	1
Public services	2	-	-	*			1
No Information	-	*	*	*	*	7	3
<u>Total</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Amount	\$3,592	\$10,056	\$8,520	\$37,196	\$327,793	\$234,650	\$621,794
States Reporting Awards	(14)	(28)	(28)	(31)	(38)	(31)	

\* Less than .5 percent

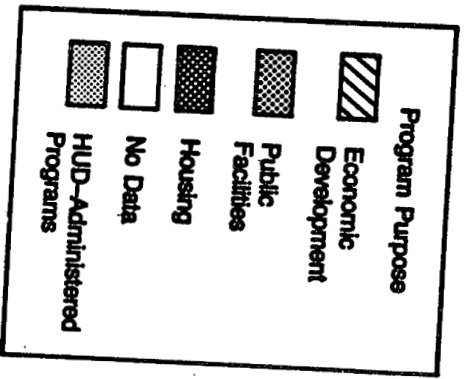
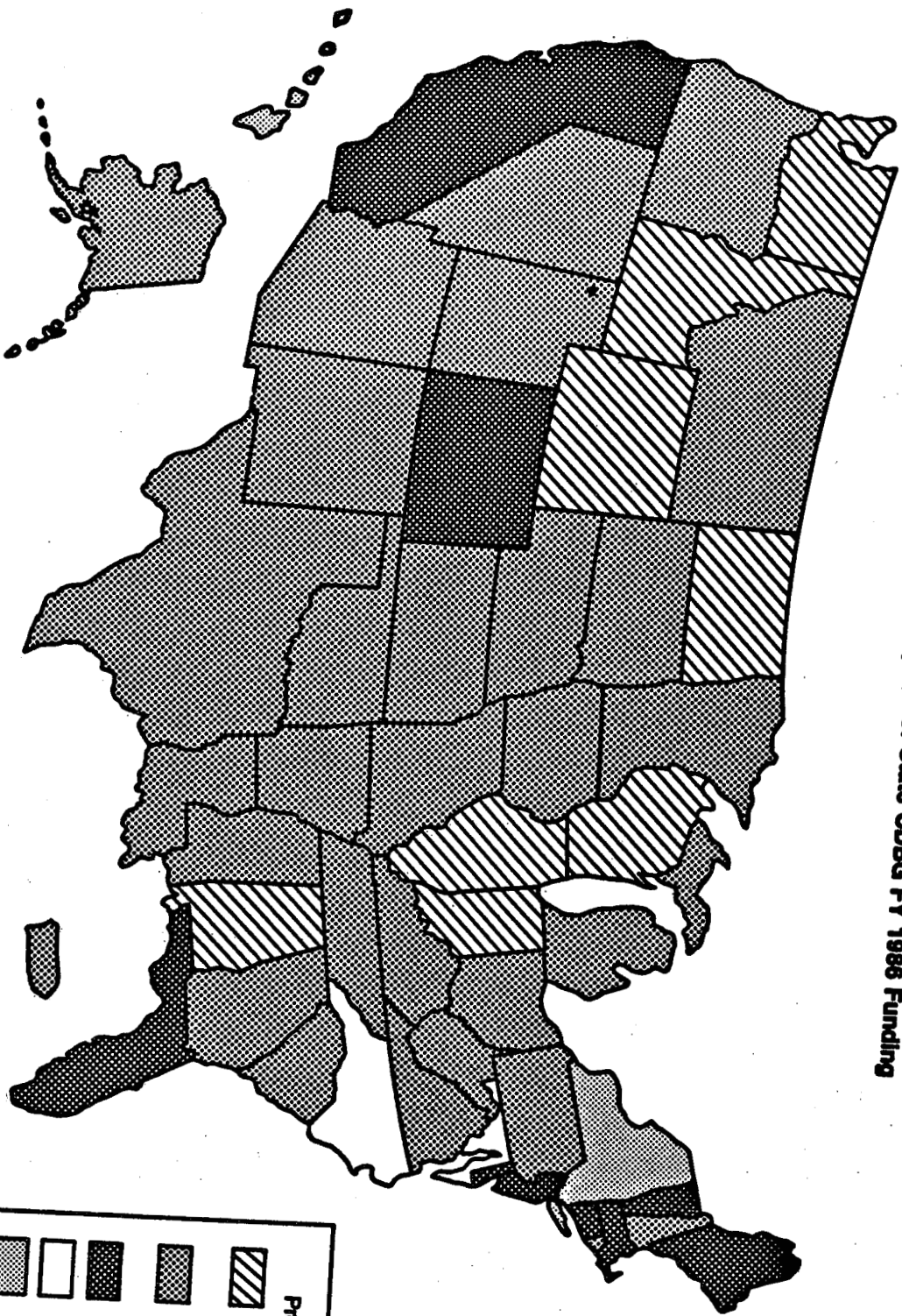
SOURCE: US Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State Performance and Evaluation Report Data Base.

#### STATE-BY-STATE PRIORITIES

The status of public facilities and improvements as the single largest funding purpose is reflected also in the funding priorities of particular States.

- o Examination of FY 1986 funding patterns, the most recent year for which a substantial portion (69 percent) of the State CDBG funds are accounted for, offers a fairly comprehensive picture of State-by-State funding from that year's allocation. Thirty States reported public facilities as their principal funding purpose, nine States reported housing as predominant, and eight had funded principally economic development.

Figure 3-1  
Principal Purpose of State CDBG FY 1986 Funding



Source: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, CDBG State Performance and Evaluation Report Data Base.

**SIZE OF RECIPIENT<sup>a</sup>**

Communities under 10,000 in population had been allocated 63 percent of FY 1987 funding allocated as of June 30, 1987. The purpose of State CDBG funding varies quite dramatically by type of recipient.

- o The smallest jurisdictions and counties are most likely to be funded for public facilities and improvements efforts. Larger small communities are more likely to use State CDBG funding for housing rehabilitation and economic development.

**TABLE 3-5**

**FY 1987 STATE CDBG FUNDING BY PURPOSE OF AWARD<sup>+</sup>  
AND TYPE OF RECIPIENT  
(Dollars in Thousands)**

Purpose	Type of Recipient				Total
	Towns	Very Small Cities	Small Cities	Counties	
Public Facilities	68%	44%	33%	43%	51%
Housing	25	35	40	25	30
Economic Development	7	18	18	7	12
Planning	1	1	1	*	1
Public Services	-	-	-	-	*
Not Reported <sup>++</sup>	1	2	9	26	7
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Amounts awarded	\$83,204	\$55,235	\$36,715	\$44,744	\$219,928

<sup>+</sup> As of June 30, 1987.  
<sup>++</sup> The State of Ohio had awarded a portion of its FY 1987 grant to communities but not to particular projects.  
 \* Less than .5 percent.

Note: Percentages may not add due to rounding.

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

<sup>a</sup> For purposes of this Chapter, all communities other than counties with populations less than 2,500 are called "towns." Similarly, all non-counties with populations between 2,500 and 10,000 are called "very small cities." All non-county recipients with populations greater than 10,000 are referred to as "small cities." Although not technically correct, this terminology is used to avoid confusion about which type of community is being described.



## PROGRESS TOWARD PROGRAM OBJECTIVES

### NATIONAL OBJECTIVES

The Housing and Community Development Act of 1974, as amended, requires that all activities undertaken with CDBG funds must meet one of the program's three national objectives of benefiting persons with low and moderate incomes, preventing or eliminating slums and blight, or addressing urgent community development needs where other financial resources are not available to meet those needs. States must certify to HUD that in implementing their programs they will only fund activities that meet these objectives. As part of this certification, a State ensures that not less than 51 percent of its CDBG grant funds are used for activities that will benefit people with low and moderate incomes over the one-, two-, or three-year period that the State designates.

The majority of States have set a one-year period in which to meet the low- and moderate-income benefit requirement of the CDBG program.

- o For FY 1987, for example, 21 States chose the one-year period, five States opted for the two-year interval, and nine States elected the three-year option. For FY 1986, 27 States chose one year, five States chose two years, and 13 chose three years.

In the aggregate, States reported that 97 percent of the FY 1987 funds awarded would go toward the low- and moderate-income benefit objective.

- o The prominence of low- and moderate-income benefit as a national objective in the State CDBG program varies only slightly among various types of recipients.
- o The prevalence of the low- and moderate-income benefit objective continues across funding purpose, with more than 90 percent of the funds for each purpose funded in FY 1987 reported as benefiting persons of low- and moderate-income.
- o States in the aggregate have reported that at least 95 percent of State CDBG funding for each year of the program has gone toward the low- and moderate-income objective.

TABLE 3-6

NATIONAL OBJECTIVE OF STATE CDBG AWARDS  
FOR FY 1987<sup>+</sup> BY TYPE OF RECIPIENT  
(Dollars in Thousands)

National Objective <sup>+++</sup>	Type of Recipient <sup>++</sup>				Total
	Towns	Very Small Cities	Small Cities	Counties	
Low/Mod Benefit Elimination of Slums and Blight	96%	98%	94%	99%	97%
Meet Urgent Needs	3	2	5	1	3
	1	-	1	-	*
Total	100%	100%	100%	100%	100%
Amount	\$84,265	\$59,659	\$33,628	\$41,452	\$219,637

- <sup>+</sup> As of June 30, 1987.  
<sup>++</sup> The type of recipient has not yet been determined for all awards.  
<sup>+++</sup> The State of Ohio had awarded a portion of its FY 1987 grant to communities but not to particular projects. Thus, approximately \$15 million in FY 1987 awards did not have a national objective attributed to them as of June 30, 1987.  
\* Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

TABLE 3-7

PERCENT OF FY 1987<sup>+</sup> STATE CDBG AWARDS BY PURPOSE OF FUNDS  
AND NATIONAL OBJECTIVE  
(Dollars in Thousands)

Purpose <sup>++</sup>	National Objective		
	Low- and Moderate- Income Benefit	Slums and Blight	Urgent Needs
Public Facilities	96%	3%	1%
Housing	99	1	0
Economic Development	95	5	0
Planning	92	8	0
Public Services	100	0	0
Total	97%	3%	*
Amount	\$212,807	\$5,710	\$1,120

- <sup>+</sup> As of June 30, 1987.  
<sup>++</sup> The State of Ohio had awarded a portion of its FY 1987 grant to communities but not to particular projects.  
\* Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

The great majority of States reported that more than nine-tenths of their cumulative State CDBG spending has gone toward achievement of the low- and moderate-income benefit national objective.

- o Thirty-two of the 48 States for which information is available reported that they had awarded at least 95 percent of their State CDBG funding to recipients for activities that meet the low- and moderate-income national objective over the life of their State CDBG programs.
- o Three States reported cumulative low- and moderate-income benefit of less than 80 percent, and the lowest rate for any State was 63 percent. The State of Nevada funded a high concentration of urgent need projects in its first year in the State CDBG program. In more recent years, however, it has placed well over 70 percent of its awards into activities that benefit low- and moderate-income persons.

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**TABU 3-8**

**CUMULATIVE PERCENT OF FUNDS AWARDED FOR LOW- AND MODERATE-  
INCOME NATIONAL OBJECTIVE BY STATE, FY 1982-FY 1987<sup>+</sup>**

Low- and Moderate- Income Benefit	States	
	Number	Percent
100%	11	23%
95-99	21	44
90-94	6	13
80-89	7	15
<u>Less than 80</u>	<u>3</u>	<u>6</u>
Total	48	100%

<sup>+</sup>As of June 30, 1987.

Note: Detail may not add due to rounding.

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SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

**TIMELINESS OF STATE FUNDING DISTRIBUTION**

Section 104(d)(2) of the Housing and Community Development Act of 1974, as amended, requires States to distribute funds to local government recipients in a timely manner. For the purposes of Section 104, HUD considers funds distributed when they are under contract to local governments and, thus available for their use.

Since early 1986, the Department has implemented a management policy intended to ensure timely distribution of funds by States. That policy instructed field staff to: (1) notify States which had distributed less than 70 percent of a year's grant award to communities after a 12-month span that their

performance was deficient and must be improved; and (2) commend formally States that have placed 95 percent of a year's grant under contract within 12 months of its award.

Some States, however, met the 70 percent threshold after 12 months yet proved unable to commit the rest of the grant award within a reasonable period. To address this situation, the Department has recently supplemented existing policy with an additional guideline: The funds left to be committed after 12 months should be committed as soon as possible but no later than 15 months following grant award. The Department may elect on a case-by-case basis to find deficient performance where that standard is not met.

While most States are meeting the timeliness benchmarks set by the Department, there are some that remain under the minimum thresholds for funding distribution.

- o For FY 1986 funds, only half (five as opposed to ten) the number of States failed to meet the minimum threshold of 70 percent of State funds distributed to local recipients after 12 months as had failed over a 12 month interval for FY 1985 funds.
- o On the other hand, no more States met the 95 percent goal of grants under contract after 12 months for FY 1986 funds than had done so for FY 1985 funds.
- o Fifty percent of the States reporting 15 months after HUD FY 1986 award had met the 100 percent threshold of distribution set out in the new instructions to the field.

TABLE 3-9

TIMELINESS OF STATE DISTRIBUTION OF CDBG FUNDS TO RECIPIENTS,  
FYs 1985 and 1986

Recipients Under Contract	FY 1985 <sup>+</sup>		FY 1986 <sup>++</sup>			
	12 months after HUD Award		12 months after HUD Award		15 months after HUD Award	
	States	Pct.	States	Pct.	States	Pct.
95-100%	15	32%	15	31%	21	50%
90-94	10	21%	7	15%	7	17%
70-89	12	26	21	44	12	29
40-69	7	15	3	6	1	2
0-39	3	6	2	4	1	2
Total	47	100%	48	100%	42	100%

<sup>+</sup> As of April 24, 1987

<sup>++</sup> As of January 28, 1988

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

**THE HUD-ADMINISTERED SMALL CITIES PROGRAM**

In FY 1987, the State of Maryland elected to administer its own State CDBG program, leaving only Hawaii and New York as States for which HUD administered the program. The HUD field office in Honolulu allocated Hawaii's award to three counties in the State on the basis of a formula set forth in the regulations. The HUD field offices in Buffalo and New York City distributed New York's award using a competitive application process. Applications that met basic threshold requirements were rated using four selection criteria and then were ranked against other applications received in the two field offices.

The Department awarded 102 Small Cities grants in FY 1987 amounting to \$36 million. Comprehensive (i.e., grants incorporating more than one activity) and housing grants accounted for most of the funding.

- o The two field offices in New York received 242 applications. They awarded 99 grants to New York communities totalling about \$34 million. Housing and comprehensive projects dominated the New York awards.
- o The Honolulu field office awarded formula grants to three counties amounting to \$2.3 million. Public facilities activities accounted for a majority of the Hawaii funding.

**TABLE 3-10**

**HUD-ADMINISTERED SMALL CITIES PROGRAM  
APPLICATIONS RECEIVED AND NUMBER, PERCENT, AND AMOUNT OF GRANTS  
AWARDED BY PROGRAM ACTIVITY FUNDED, FY 1987  
(Dollars in Thousands)**

<u>Program Activity</u>	<u>Applications</u>		<u>Total Grants**</u>			
	<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>	<u>Amount</u>	<u>Pct.</u>
Housing	100	41%	36	35%	\$12	33%
Economic Development	62	26	30	29	7	19
Public Works	50	21	13	13	4	11
<u>Comprehensive</u>	<u>30</u>	<u>12</u>	<u>23</u>	<u>23</u>	<u>13</u>	<u>36</u>
Total	242	100%	102	100%	\$36	100%

\*

\*\* Includes New York only. Hawaii does not use an application process. Includes Hawaii and New York.

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

- o Forty-eight percent of HUD-administered Small Cities funding (\$18.4 million) in FY 1987 went to communities under 10,000 in population.
- o In general, the smallest communities tended to receive funding for housing proposals. Larger communities were more likely to receive comprehensive grants. Economic development projects tended to dominate the awards received by counties.

The average grant size in the HUD-administered Small Cities program for FY 1987 was \$363,000. Grant size varied little depending on the size of the recipient but varied considerably depending upon the type of activity funded.

- o The smallest average grant amount (\$316,000) was given to counties, and the largest (\$364,000) was given to communities with populations over 10,000. Smaller communities received average grants falling between these two amounts.
- o Comprehensive grants averaged \$575,000. In contrast, the mean grant size for economic development awards was \$247,000; for public facilities, awards \$279,000; and for housing awards, \$340,000.

TABLE 3-11

HUD-ADMINISTERED SMALL CITIES PROGRAM  
PROGRAM ACTIVITY FUNDED BY TYPE OF RECIPIENT, FY 1987  
(Dollars in Thousands)

Program Activity	Towns		Very Small cities		Small cities		Counties	
	Amount	Pct. ##	54					
Housing	4,472	61	3,850	35	2,764	26	1,124	12
Comprehensive	1,595	22	4,893	44	6,159	58	2,299	25
Total	\$7,334	100%	11,059	100%	10,634	100%	\$9,167	100%

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

## CHAPTER 4

### EMERGENCY SHELTER GRANTS PROGRAM

#### BACKGROUND AND INTRODUCTION

The 1986 Homeless Housing Act, signed by the President on October 18, 1986 established the Emergency Shelter Grants (ESG) program. The program authorizes the Secretary of Housing and Urban Development to provide States, metropolitan cities, and urban counties with formula grants to help: improve the quality of emergency shelters for the homeless; make available additional emergency shelters; meet the costs of operating shelters and providing essential social services to the homeless. The initial \$10 million appropriation was awarded to grantees in the Spring of 1987.

On July 22, 1987, President Reagan signed into law the Stewart B. McKinney Homeless Assistance Act. The Act reauthorized the Emergency Shelter Grants program for up to \$100 million in FY 1987 and \$120 million for 1988. However, the Supplemental Appropriations Act for FY 1987 provided \$50 million for the program. The McKinney Act also made a number of changes in the program, a principal one of which was the requirement for a Comprehensive Homeless Assistance Plan (CHAP).

In this chapter the initial \$10 million Emergency Shelter Grants (ESG) program allocation is discussed first and is called the 1986 ESG program. To the extent data are available, the \$50 million appropriated by the Supplemental Appropriations Act for the McKinney Act program is discussed in each section and is called the 1987 ESG program.

#### PROGRAM FUNDING AND PARTICIPATION

##### 1986 ESG PROGRAM

The 1986 Homeless Housing Act provided for grants to States, and certain formula metropolitan cities and urban counties. The size of an Emergency Shelter Grant is determined by the Community Development Block Grant (CDBG) formula amount. Amounts available for the ESG program are allocated to grantees in proportion to their previous years allocation under the CDBG program. The original CDBG grant amount is determined by one of two allocation formulas which incorporate objective measures of community need such as poverty, population, housing overcrowding, age of housing, and population growth lag. The States' grant amount is based upon the same dual formula process except that indicators of need are based only on the non-entitlement areas of each State. The 1986 Act set a \$30,000 minimum grant amount for allocations to metropolitan cities and urban counties. If, after applying the formula, an entitlement city or urban county received less than \$30,000, the amount was added to the allocation of the State in which the city or county was located. A State was required to allocate all of its funds to units of general local government within its jurisdiction. A State could, if it chose, include cities and counties in its allocation process even if they were eligible for a direct grant.

Thirty-six communities (31 cities and five urban counties) received \$2.956 million in 1986 Emergency Shelter Grant funds.

- o Of the 827 communities potentially eligible to receive an Emergency Shelter Grant, the \$30,000 minimum grant size and \$10 million appropriation resulted in only the 36 largest CDBG entitlement communities qualifying to receive a direct grant. These communities received \$2.956 million or 29 percent of the \$10 million. The grant awards ranged from \$30,000 (Kansas City) to \$606,000 (New York City) with the median grant amount being \$47,000 (New Orleans).

Forty-eight States and Puerto Rico chose to participate in the program.

- o Forty-eight States and Puerto Rico chose to distribute State ESG funds. These States received \$6.897 million or 69 percent of all 1986 Emergency Shelter Grant funds.
- o Two States, South Dakota and Tennessee, chose not to participate in the program. HUD ran competitions in each of these States, awarding grants totalling \$24,000 to four local governments in South Dakota and grants totalling \$123,000 to four local governments in Tennessee. The HUD competition accounted for \$147,000, or two percent of all funds allocated in 1986.

#### CHANGES RESULTING FROM THE MCKINNEY ACT

The McKinney Act established a Comprehensive Homeless Assistance Plan. The 1986 Homeless Housing Act requirement that program grantees submit a Homeless Assistance Plan as a part of their application was replaced by a certification that proposed activities contained in the ESG application are consistent with the new Comprehensive Homeless Assistance Plan (CHAP). In order for states, cities, urban counties, and territories to receive an Emergency Shelter Grant, a CHAP covering the jurisdiction in which activities are undertaken must be approved by HUD. The CHAP also affects the eligibility for assistance under other Title IV housing programs for the homeless. The CHAP has four elements:

1. A description of the need for assistance under the Title IV programs.
2. A brief inventory of facilities and services for the homeless.
3. A strategy for matching the needs of the homeless with available services and dealing with the special needs of various homeless groups, particularly families with children, the elderly, the mentally ill, and veterans.
4. An explanation of how assistance under each Title IV program complements or improves the available services for the various homeless groups.

In addition, State CHAPs must include elements dealing with Adult Basic Education and Job Training for the Homeless.

The McKinney Act changed the minimum formula grant amount for metropolitan cities and urban counties from a flat \$30,000 to .05 percent of the total



funds appropriated. The appropriation of \$50 million meant that the minimum grant amount was \$25,000.

In addition, the McKinney Act also expanded the eligibility to include the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (Palau).

#### **1987 ESG PROGRAM**

The larger \$50 million appropriation and the slightly smaller grant minimum resulted in 322 jurisdictions being eligible to receive a direct formula grant in the 1987 ESG program allocation compared to only 36 in the 1986 program allocation.

- o The larger appropriation and new grant minimum resulted in 220 cities and 102 urban counties being eligible to receive a 1987 ESG program allocation.
- o Fifty states and Puerto Rico were eligible to receive an allocation, as were five territories.

Fifty states, Puerto Rico, three territories and 319 cities and counties submitted approvable CHAPS to HUD.

- o Only three metropolitan cities of the 322 jurisdictions eligible to receive a 1987 ESG program allocation chose not to submit a CHAP. Two of five territories did not submit a CHAP.

All fifty States and Puerto Rico submitted 1987 ESG program applications totalling \$22 million which were reviewed and approved by HUD. Applications were received and approved totalling about \$29 million for 314 cities and counties and three territories.

- o The States and Puerto Rico received 42 percent of the 1987 ESG allocation compared to 71 percent of the 1986 ESG allocation.
- o Entitlement cities and urban counties received 58 percent of the 1987 ESG allocation compared to 29 percent of the 1986 ESG allocation.
- o Three cities and two territories were ineligible to apply for their ESG formula grant because they did not submit a CHAP.
- o Four other cities chose not to apply for an ESG grant.
- o One city applicant is still pending.

#### **USE OF FUNDS**

The following section provides information on the use of the \$10 million ESG appropriation of October 1986. No data are yet available on the use of the \$50 million provided by the Supplemental Appropriations Act. While these funds were allocated to States and Entitlement jurisdictions in FY 1987, they

will not be obligated by those jurisdictions until FY 1988. Therefore, information on the use of those funds will be reported in the next Consolidated Annual Report.

#### **1986 ESG PROGRAM**

The 1986 Act authorizes the expenditure of Emergency Shelter Grant **for** three types of activities: rehabilitation of buildings **for** shelters; essential social services; and certain shelter operating costs. Renovation, major rehabilitation, **or** conversions of buildings are the principal activities that may be funded to add shelter capacity **or** to improve existing shelters. In keeping with the statute, regulations prohibit using funds for acquisition or construction of a shelter.

Entitlement communities and recipients of State funds may allocate up to 15 percent of their grant for essential social services, including employment, health, drug abuse, and educational services. However, the service must be a new service **or** a quantifiable increase in the level of service above that provided by the unit of general local government 12 months before grant receipt. The 15 percent limitation on the use of assistance for essential services was modified by the McKinney Act to permit a waiver of this limit, if the local government can demonstrate that the other eligible activities are already being carried out in the locality with other resources.

Grantees may also fund maintenance, operational costs, insurance, utilities, and shelter furnishings. However, payments for staff involved in operating emergency shelters **or** administering the grant are ineligible expenses.

Fifty-four percent of the 1986 Emergency Shelter Grant funds were allocated to rehabilitation activities, 40 percent were directed toward meeting the operating costs of shelters and six percent went for social services for the homeless. States allocated more funds to rehabilitation than Entitlement Cities and Counties.

- o Over four million dollars (58%) of the States' Emergency Shelter Grants were directed toward renovation, rehabilitation and conversion of buildings to shelters. This contrasts with the \$1.3 million (44%) of entitlement cities grants directed toward rehabilitation activities.
- o Entitlement communities spent higher proportions of their grants than States **for** operations, (48% versus 37%) and services, (8% versus 5%).

TABLE 4-1

1986 EMERGENCY SHELTER GRANTS PROGRAM  
 PLANNED EXPENDITURES  
 (Dollars in Thousands)

Activity	State Program				Entitlement		Total	
	State		HUD		Amount	Percent	Amount	Percent
	Administered Amount	Administered Percent	Administered Amount	Administered Percent				
Rehabilitation Essential Services	\$3,980	58%	\$85	58%	\$1,315	44%	\$ 5,380	54%
Operations	<del>2,587</del> 330	<del>37</del> 5	<del>54</del> 8	<del>37</del> 5	<del>1,414</del> 227	<del>48</del> 8	<del>4,055</del> 565	<del>48</del> 6
Total	\$6,897	100%	\$147	100%	\$2,956	100%	\$10,000.	100%

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

The following are some examples of how states and communities have budgeted 1986 program grants to assist the homeless.

- o The State of Alabama, which received an ESG award of \$159,000, obligated its funds to four cities: Birmingham (\$43,000), Dothan (\$30,000), Huntsville (\$43,000) and Mobile (\$43,000). Birmingham provided \$20,000 to the Family Violence Center to help renovate and operate emergency housing for victims of spousal abuse. Dothan will use its \$30,000 grant to renovate and furnish a house and small apartment to provide shelter and dining facilities for homeless women and dependent children. Huntsville and Mobile also plan to use their grants to renovate structures to meet emergency shelter needs of families.
- o The State of Nebraska allocated its \$55,000 ESG award to five communities: Gordon (\$6,400), Hastings (\$2,500), Beatrice (\$8,250), Lincoln (\$17,850), and Omaha (\$20,000). Hastings is using its grant to renovate a two-bedroom apartment to be used by the local domestic violence program for shelter. Omaha will use its award to help a shelter program for the mentally ill meet its operating costs and a domestic violence center to acquire new furnishings.
- o The City of Chicago used its \$287,000 grant to fund operations and services in more than 20 nonprofit organizations serving various homeless populations in the City.

- o Metropolitan Dade County used its \$51,000 grant to renovate two buildings to provide crisis intervention and short term services for runaway and dependent youth ages 12 through 17. It also used part of its grant to employ a part-time home visitation worker to assist high risk clients who receive emergency housing assistance.

### PROGRESS TOWARD PROGRAM OBJECTIVES

The urgent shelter needs of the homeless caused Congress to enact several provisions to hasten Federal, State, and local government implementation of the ESG Program. HUD in turn emphasized speed in its fund allocation and application review procedures and in setting obligation deadlines for ESG grantees.

#### 1986 ESG PROGRAM IMPLEMENTATION BY HUD

Notification, Rulemaking, and Fund Allocation. The 1986 Act specified several deadlines for programmatic implementation. First, the Act directed the Secretary to publish a Federal Register notice of the requirements to implement ESG programs within sixty days (December 18, 1986) of the Act's enactment. Second, HUD was required to issue requirements based on the initial notice within one year (October 18, 1987) of the Act's enactment. Congress intended that the Secretary carry out the ESG program through the establishment of program requirements by notice, while at the same time developing a final rule through the normal procedures of seeking public comment. Third, the Act required HUD to notify each State, metropolitan city, and urban county of its grant allocation by December 17, 1986, and provided that the grants must be allocated, and could be used, notwithstanding any failure to issue program requirements.

HUD met each of the Emergency Shelter Grants program implementation requirements specified in the 1986 Homeless Housing Act.

- o On December 17, 1986, HUD published a proposed rule and program requirements to operate the program until a final rule could be made effective. In addition, the proposed rule sought public comments to assist HUD in developing the final rule. The Department issued a final rule for implementing the program on October 19, 1987.
- o On December 15, 1986, the Secretary wrote the Governor of each State and the **Mayors** or Chief Executives of the 36 entitlement communities indicating the amount of their Emergency Shelter Grant allocation under the Act.

Application Review. The 1986 Act also set a 60-day maximum application review period for HUD consideration of the Homeless Assistance Plan that each grantee was required to submit in order to obtain a grant. Regulations provided that an application would be deemed approved 30 days after submission unless HUD notified the grantee that the application was disapproved or required correction. HUD application processing guidelines to its field staff indicated that all applications should be reviewed and notification provided to grantees within seven days of application receipt.

HUD approved every Entitlement community application within 30 days of submission and approved 31 applications (86 percent) within the seven day processing guidelines. HUD reviewed and approved 29 (80 percent) Entitlement City and County applications within 14 days of the January 29, 1987 application deadline. The remaining seven grantees were approved by April 4, 1987.

- o The median review time between receipt and approval **was** six days.
- o Thirty-one applications were approved within the seven-day processing guidelines and three more were approved in eight days.
- o Application reviews lasted 19 and 22 days in two Entitlement jurisdictions. In one case, the proposed use of funds was found ineligible and required reprogramming. In the second case, inadequate local government approvals delayed application review.

HUD approved every State application within 15 days of submission and approved 44 (88 percent) applications within the seven-day processing guidelines. HUD had reviewed and approved 45 (92 percent) State applications within 14 days of the February 28, 1987 application deadline. The four remaining applications were approved by June 1987.

- o The median review time from receipt to approval **was** five days.
- o Four State applications were approved between seven and 10 days after receipt. Two applications were approved 14 and 15 days after receipt.

#### **1986 ESG PROGRAM IMPLEMENTATION BY ENTITLEMENT CITIES AND COUNTIES**

The regulations governing the 1986 Emergency Shelter Grants program required a metropolitan city **or** urban county choosing to participate in the program to submit an application for its shelter grant allocation within 45 days of being notified of its allocation amount. All grantees were notified on December 15, 1986 and applications were due on January 29, 1987. Extensions of the application date were permitted due to hardship **or for** other good cause.

Twenty-six applications (72 percent) were received before **or** on the January 29, 1987 deadline. Three applications were received within days of the deadline. Extensions were granted to seven communities.

- o The earliest application was received 36 days after notification and the latest was received 87 days after notification.
- o The median application time was 45 days.

The program regulations also provided that each Entitlement community have all grant amounts obligated 180 days after HUD application approval. The term "**obligated**" was defined as the grantee's placing orders, awarding contracts, receiving services and entering into similar transactions that require payment from the grant amount. Grant amounts awarded by a local government to a private nonprofit organization were considered to be obligated.

**TABLE 4-4**

**STATE  
TIME TO DISTRIBUTE FUNDS  
TO LOCAL GOVERNMENTS  
(1986 ESG PROGRAM)**

<u>Time to Distribute</u>	<u>State</u>	
	<u>Number</u>	<u>Percent</u>
1-30 Days	2	4%
31-65	37	76
66-95	6	12
96-125	2	4
126+	2	4
Total	<u>49</u>	<u>100%</u>

**SOURCE:** U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, Emergency Shelter Grant Program Database.

**1987 CHAP IMPLEMENTATION BY HUD**

The McKinney Act directed HUD to issue a notice implementing the CHAP requirements no later than 30 days after the date of enactment of the legislation, which was July 22, 1987. It also provided that HUD had up to 30 days following receipt to review and approve the CHAP. If the CHAP failed to **satisfy** the statutory requirements, HUD had 15 days following such a non-compliance determination to inform the applicant of the reasons for disapproval and of the corrective actions necessary to make the CHAP approvable. If HUD failed to inform the applicant of the reasons for disapproval within 15 days, the CHAP **was** deemed approved. Regulations implementing the legislation provided that all CHAPs must be approved by November 27, 1987 **or** the grantees' funds would be reallocated.

HUD met the statutory requirements on CHAPS and reviewed and approved the CHAPs of 51 states and 319 formula cities and counties, and three territories by November 27, 1987.

- o The Department met the 30 day CHAP notification requirement through the publication of a notice in the Federal Register on August 14, 1987 on CHAP requirements ■
- o The Notice provided for a 45 day application period, ending on September 28, 1987. As of November 27, 1987 HUD had reviewed and approved CHAPS for all 50 States and Puerto Rico. Only three of 322 Entitlement communities and two of the five territories did not submit a CHAP.

## CHAPTER 5

### THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

#### BACKGROUND AND INTRODUCTION

The basic purpose of the UDAG program is to stimulate employment and to generate tax and other revenues in distressed communities by providing grants to be used to leverage private investment in economic development projects. UDAG grants are made to local governments that use the funds to make loans to private commercial or residential developers and to industrial companies.

This UDAG chapter has three parts: (1) Program Funding and Participation, describing program activity and distribution of projects; (2) the Uses of Funds, describing the types of projects supported, the ways grantees' disburse funds, and how funds are used; and (3) Progress Toward Objectives, delineating planned and actual jobs created, minority contracts and employment, fiscal impact, and housing construction.

In addition, certain data are presented in the appendices. The Data Appendix contains a summary of program activity for each year since FY 1978. Distributed under separate cover is a description of each of the projects for which preliminary approval was announced in FY 1987.

#### PROGRAM FUNDING AND PARTICIPATION

##### PROGRAM FUNDING AND ACTIVITY

UDAG funds are awarded on a competitive basis. Communities are eligible to apply to HUD for funding if they meet distress criteria established by HUD. As prerequisites for assistance, they also must have demonstrated results in providing housing for persons of low-and moderate-income and in providing equal opportunity in housing and employment for low-and moderate-income persons and minorities.

Major factors in the selection of projects to receive UDAG awards are: (1) the degree of economic impact and economic distress among the applicants; (2) the amount of private investment compared to the UDAG grant; (3) the UDAG dollars for each permanent job created; (4) the number of new, permanent jobs; and (5) the amount of local tax revenues to be created. In addition, a "pockets of poverty" provision was passed by Congress in 1979 to allow applications from non-distressed communities with areas, or pockets, of poverty.

The UDAG appropriation was \$225 million in FY 1987, down from \$315.8 million in FY 1986 and \$440 million in FY 1985.

- o The FY 1987 appropriation of \$225 million was combined with funds made available when projects approved in previous years were deobligated. The combined amount formed a total available for funding of \$325 million.
- o The Office of Urban Development Action Grants reviewed 654 applications for UDAG awards in FY 1987. Preliminary approval was given to 190

applications. Three of the projects given preliminary approval were cancelled during the year, leaving the total number of active projects given preliminary approval during FY 1987 at 187.

- o The 187 UDAG awards went to 138 cities where the UDAG funding is expected to generate a total investment from all sources, both public and private, of \$2.7 billion.

Over the life of the program, 2,860 UDAG projects (excluding those terminated) were approved for more than \$4.4 billion in UDAG funds and total project costs of \$35 billion.

- o From FY 1978 to FY 1987, a total of 3,329 projects reached the stage of having signed grant agreements, obligating \$4.9 billion in UDAG funds. Funds are obligated when HUD signs a grant agreement with the local government.
- o Since the program began, there have been over 500 projects with signed grant agreements which have been terminated and their funds deobligated prior to the expenditure of any UDAG funds.
- o The total number of approved projects as of September 1987 was 2,860, located in 1,180 communities throughout the nation, representing a planned total public and private investment of \$35 billion. Approved projects are all those which received preliminary approval, including those which do not yet have signed grant agreements but excluding those terminated. In September, 1987, only 62 projects did not have grant agreements.
- o Included in the total number of awards are fifty-three "pockets of poverty" projects with \$99.2 million in UDAG grant assistance.

### **FINANCIAL CHARACTERISTICS**

To obtain a UDAG award for a proposed project, an eligible community must obtain firm financial commitments from private sector participants. The private investment must be at least two and one-half times the amount of the UDAG award. Furthermore, all participants to the agreement must certify that the UDAG funds committed to the project represent the "least amount necessary" to ensure the project's success. In addition to UDAG funds and private investment, other sources of project funding include other Federal, State, and local financial assistance. The amount of funding from each source varies according to type of project.

The method used to classify project types in the signed grant agreements sorts UDAG projects into four development types: (1) commercial projects -- the construction and/or rehabilitation of retail space, office buildings, hotels and parking garages, and a mix of these activities; (2) industrial projects -- investment in plant and equipment primarily by manufacturing companies; (3) housing projects -- the construction and/or rehabilitation of both for-sale and rental units; and (4) mixed-use projects -- any combination of two or more of the above categories but typically a combination of commercial and housing.



The plans for approved projects projected that, upon completion of the projects, UDAG dollars would have stimulated nearly \$29 billion in private investment and \$1.7 billion in public grants over the years. However, in FY 1987, the predicted ratio of UDAG funds to private and local public funds declined from the levels predicted in the previous two years' project plans.

- o Total planned investment in UDAG-supported projects amounted to \$4.4 billion in UDAG funds and \$28.9 billion in private investment.
- o Since FY 1978, project plans projected that one UDAG dollar would stimulate 6.5 dollars in private investment which far exceeded the minimum ratio of 2.5 dollars in private investment for one UDAG dollar required by Federal statute.
- o In FY 1987, project plans called for each UDAG dollar, on average, to stimulate \$6.8 in private investment (\$325 million in UDAG funds v. \$2.2 billion in private investment). This was higher than the cumulative ratio, but lower than the \$1:\$8 ratios of the previous two fiscal years, FY 1985 and FY 1986.
- o From FY 1978 to FY 1987, 13 percent of total costs for approved UDAG projects were expected to come from UDAG assistance, 82 percent from private sources, and five percent from other public grants,
- o The average grant per project (\$1.73 million) was slightly higher for FY 1987 than for the life of the program (\$1.55 million).
- o These figures take into account the latest available data from the grant agreements, where they are available. The data differ from the UDAG data book and prior annual reports, which used data from applications only.

TABU 5-1

**UDAG PROJECT EXPENDITURES BY SOURCE OF FUNDS, FYs 1978-1987**  
(Dollars in Millions)

Source of Funds	FY 1987		FY 1978 - FY 1987	
	Dollars	Percent	Dollars	Percent
UDAG Funds	\$325	12%	\$4,427	13%
Private Commitment	2,193	82	28,913	82
Other Federal Grants	11	*	254	1
<u>State and Local Grants</u>	<u>148</u>	<u>6</u>	<u>1,492</u>	<u>4</u>
Total Project Expenditures	\$2,677	100%	\$35,087	100%

SOURCE: U. S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System and Office of Program Analysis and Evaluation Grant Agreement Data base.

From FY 1978 to FY 1987, UDAG funds made up a larger share (17%) of total costs in housing projects than did UDAG funds in other types of projects. Industrial projects had the smallest share (10%) of total project costs funded by UDAG.

- o Seventeen percent of total costs for housing projects and 14 percent of mixed-use projects were covered from UDAG funds. Only 10 percent of total costs for industrial projects came from this source.
- o Five percent of the total costs for commercial and mixed-use projects were covered by State and local grants, compared to only two percent for housing projects.
- o Private investment constituted the highest portion of total costs for industrial projects (87%) and the lowest for mixed projects (80%).

**TABLE 5-2**

**SOURCE OF FUNDS BY UDAG PROJECT TYPE, FYs 1978-1987**

Source of Funds	Project Type				Total
	Industrial	Commercial	Housing	Mixed	
Private Investment	87%	81%	81%	80%	82%
UDAG Grants	10	13	17	14	13
Other Federal Grants	1	1		1	1
<u>State/local grants</u>	<u>3</u>	<u>5</u>	2	<u>5</u>	<u>4</u>
Total Project Costs	100%	100%	100%	100%	100%

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

**DISTRIBUTION OF PROJECTS BY CITY SIZE**

Small cities compete separately from large cities and urban counties for program funds. By statute, not less than 25 percent of the funds appropriated for the UDAG program must be made available for small cities of less than 50,000 population which are not central cities of a metropolitan statistical area. The actual funds available each year for distribution to small cities equal at least 25 percent of the appropriation plus any funds recaptured from small cities' projects that were terminated. Thus, the amount awarded to small cities in any one year may not equal 25 percent of the total UDAG funds available that year.

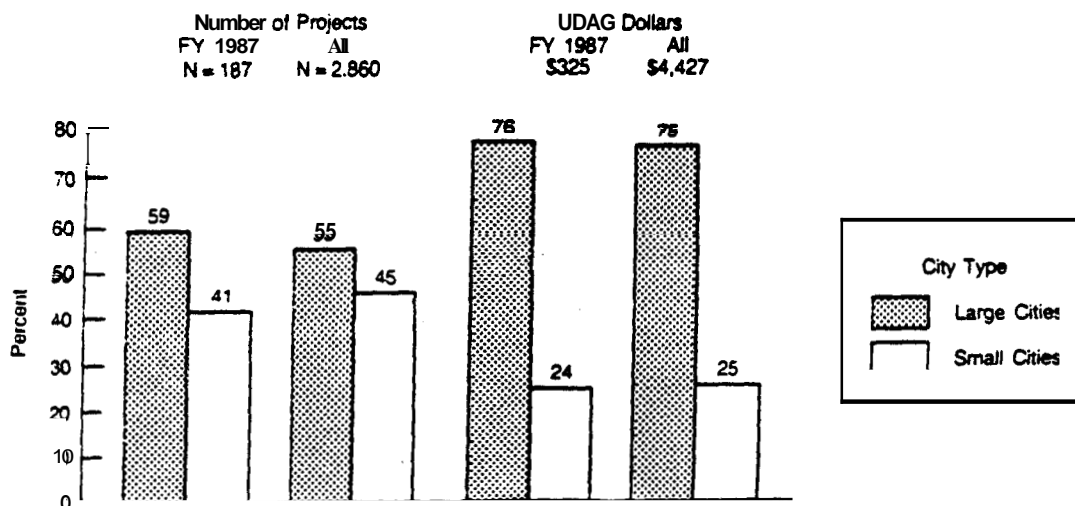
In recent years, a substantial majority of approved UDAG projects were awarded to large cities and urban counties.

- o In FY 1987, 59 percent of the approved UDAG grants were awarded to large cities and urban counties.

- o Seventy-six percent of the UDAG dollars was awarded to large cities and urban counties in **FY 1987**; small cities received 24 percent. From 1978 to 1987, the amount awarded to **small cities** averaged **25** percent.
- o Since **FY 1978**, 1,587 **UDAG** awards totaling \$3.3 billion were awarded to large cities and urban counties and 1,273 grants totalling \$1.1 billion, to small cities.

Figure 5-1

Distribution of **Funded Projects** and **UDAG Dollars** by City Type, **FY 1987** and **FY 1978-FY 1987** (Dollars in Millions)



Source: U.S. Department of Housing and Urban Development. Community Planning and Development. Office of Management. Action Grant Information System.

### PROJECT COMPLETION STATUS

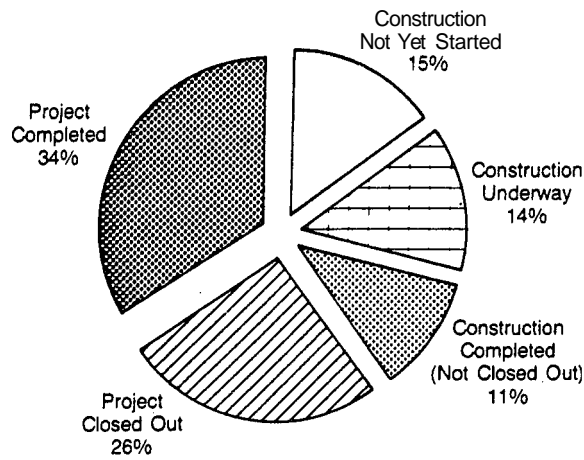
During development, projects may move through several phases defined by degree of completion: (1) construction not yet started; (2) construction underway; (3) construction completed, but not closed out by HUD; (4) closed-out, when all activities defined in the grant agreement are finished and all costs have been incurred; (5) completed, as defined by HUD, when all performance requirements such as employment objectives, tax objectives, and audit requirements have been met.

From FY 1986 to FY 1987, the percent of completed and closed out projects increased substantially, reflecting the maturing of the program and the lower number of grants in recent years.

- o From FY 1986 to FY 1987, the percent of completed and closed out projects increased from 48 percent to 60 percent. At the same time, the percent of projects with construction underway dropped from 20 to only 15 percent.

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**Figure 5-2**  
**Construction and Completion Status of Approved UDAG Projects,**  
**FY 1978-FY 1987**



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Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant information System.

#### **EXPENDITURE RATE FOR UDAG PROJECTS**

The rate of expenditure for UDAG projects may be described by two factors: (1) the drawdown rate of UDAG funds by grantees; and (2) the percent of planned private investment actually made. Grantees may have access to UDAG funds, that is, they may draw down the funds, once conditions defined in the grant agreement have been met. Normally, the grant agreement will stipulate that a portion of the private equity in the project must be expended before any UDAG funds are released. Subsequently, drawdowns occur when agreed-upon levels of private expenditures have been made.

From FY 1986 to FY 1987, the rate of drawdowns of UDAG funds increased by five percent.

- o The increase in the drawdown rate is primarily the result of fewer project approvals and more completed projects.
- o From FY 1986 to FY 1987, grantee drawdowns of obligated UDAG funds increased from 69 percent to 74 percent of total obligations.
- o In the same period, the percent of planned private investment actually made increased from 83 percent to 85 percent.
- o For completed or closed out projects, actual private expenditures were more than planned (\$15.3 billion compared to \$12.8 billion).

TABLE 5-3

PLANNED AND ACTUAL PRIVATE INVESTMENT IN APPROVED UDAG PROJECTS  
BY CITY SIZE, AND COMPLETION STATUS,  
FYs 1978-1987 (Dollars in Millions)

	<u>Planned</u>	<u>Actual</u>	Percent Actual of <u>Planned</u>
<u>All projects</u>	\$28,913	\$24,676	85%
Large Cities	21,060	17,992	85
Small Cities	7,829	6,684	85
<u>Completion Status</u>			
Closed Out and Completed Projects	12,858	15,275	119

**NOTE:** Numbers do not add because not all investment is classified by city size.

SOURCE: US. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System.

USES OF FUNDS

UDAG project funding is contingent on the assurance that "but for" the UDAG award the private sector would not invest the funds needed to undertake the project, i.e. the investment by the private sector is not economically feasible without UDAG assistance. The amount of the UDAG award 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: either (1) 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 (2) generate a reasonable return on investment in order to attract private capital.

INITIAL DISTRIBUTION OF UDAG FUNDS BY GRANTEES

Loans to developers or industrial companies are the most common means grantees use to disburse UDAG funds. These loans are paid back to the grantee and this income must be used by the grantee for other community development activities. Another form of income to the grantee may come as an "equity kicker," where the grantee receives a portion of a project's profits above an agreed upon rate-of-return to the developer. Grantees may also use UDAG funds for direct public infrastructure expenditures, interest subsidies, grants and other activities, including administrative costs for small cities.

Over the past six years, the percent of UDAG dollars used by grantees for loans to developers remained relatively constant at 80 percent or greater, which was a considerable increase from the early years of the program. From

FY 1978 to FY 1987, thirty-three percent of all UDAG projects and 58 percent of commercial projects had "equity kickers" from developers.

- o From FY 1978 to FY 1987, 69 percent of UDAG projects required some form of loan repayment by the developer to the grantee. Fifty-four percent of the projects involving loans were commercial, 26 percent were industrial, 12 percent mixed-use projects, and 8 percent housing projects.
- o From FY 1978 to FY 1987, over seventy percent of the UDAG funds for industrial and commercial projects were disbursed by local governments as loans to developers. In comparison, only 49 percent of the UDAG funds for housing projects were spent by grantees as loans to developers.
- o The use of "equity kickers" increased from seven percent in FY 1978 to 43 percent of all projects in FY 1987.
- o From FY 1978 to FY 1987, \$325 million was paid to local governments as paybacks on loans and "equity kickers." Forty-one percent of these funds came from commercial projects and 39 percent from industrial projects.

**USE OF GRANT FUNDS**

Once UDAG funds have been disbursed to the developer or retained by the grantee, they may be used for a variety of purposes, including on-site construction, infrastructure, capital equipment, and small cities administration. Whether the developer or local government undertakes the activity will depend upon conditions spelled out in the grant agreement.

**TABLE 5-4**

**USE OF UDAG FUNDS BY TYPE OF USE AND PROJECT TYPE,  
FYs 1978-1987\***

Use	Project Type				Total
	Indus- trial	Commer- cial	Housing	Mixed	
On-site construction	26%	76%	71%	61%	60%
Capital equipment	48	2	2	1	14
Public Infrastructure	7	12	7	25	12
Acquisition, Clearance, Relocation	14	5	2	7	7
Professional Fees	2	2	1	2	2
Administration	1	1	1	1	1
Other	2	2	16	3	4
<u>Total</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

\*

Totals may not add due to rounding.

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

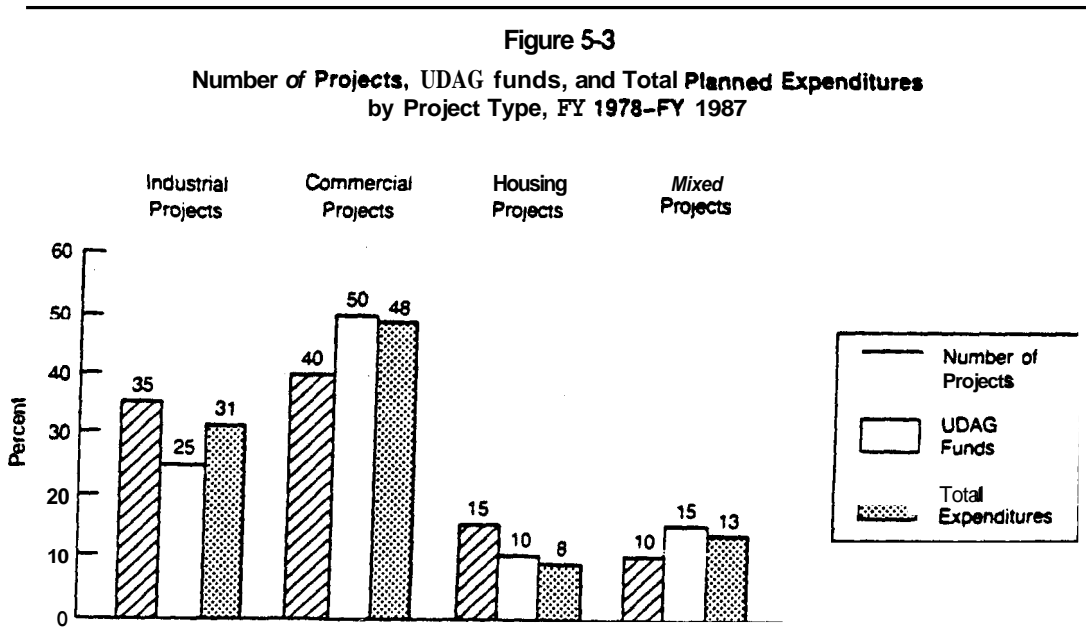
Plans for projects approved from FY 1978 to FY 1987, call for 86 percent of UDAG funds to be used by for on-site construction, capital equipment, and infrastructure.

- o Sixty percent of the UDAG funds were to be spent on on-site improvements and building construction; 14 percent of these funds were designated for capital equipment and 12 percent for infrastructure.
- o Of the project development types, industrial projects had the highest planned percent of expenditures on capital equipment (48%).

**DISTRIBUTION OF UDAG FUNDS AND PROJECTS BY PROJECT TYPE**

From FY 1978 to FY 1987, commercial projects received 50 percent of all UDAG funds, industrial projects received 25 percent, mixed-use projects 15 percent, and housing 11 percent. In the same period, 40 percent of all projects were commercial, 35 percent were industrial, 15 percent were housing, and 10 percent mixed.

- o Of the commercial projects, most were for varied commercial uses (46%), followed by retail only (27%), office (11%), and hotel only (7%).
- o Industrial projects constituted 35 percent of all UDAG projects and involved 25 percent of UDAG dollars.
- o Housing projects constitute 15 percent of all UDAG projects and 10 percent of UDAG costs.



Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, UDAG Grant Agreement Data Base.

## DISTRIBUTION OF UDAG FUNDS BY CITY SIZE AND LOCATION

In the following analysis, communities are divided into two categories: those in metropolitan areas and those outside of these areas. Metropolitan communities have the following categories: Central Cities, other large cities (50,000 or more in population), other small cities (under 50,000 population), and Urban Counties. The requirement that 25 percent of UDAG funds go to small communities includes those in metropolitan and non-metropolitan areas.

From FY 1978 to FY 1987, a substantial portion (85%) of total UDAG funds went to communities within metropolitan areas. Metropolitan areas received at least 88 percent of the funds for commercial, housing, and mixed-use projects. Industrial projects were distributed 68 percent to metropolitan communities and 32 percent to non-metropolitan areas.

- o Metropolitan areas received 90 percent of the UDAG funds awarded for commercial and mixed-use projects, 88 percent for housing projects; non-metropolitan areas were awarded the balance (9-11 %) of these project funds.
- o Metropolitan communities received 68 percent of the funds for industrial projects. Almost one-third of the funds for industrial projects were awarded to non-metropolitan communities.
- o Central cities received the largest percent of funds for each project type, ranging from 39 percent for industrial projects to 80 percent for commercial and mixed use projects.

**TABLE 5-5**

### DISTRIBUTION OF UDAG FUNDS BY GRANTEE LOCATION AND PROJECT TYPE, FYs 1978-1987\*

<u>Grantee Location</u>	<u>Project Type</u>				<u>Total</u>
	<u>Indus- trial</u>	<u>Commer- cial</u>	<u>Housing</u>	<u>Mixed</u>	
<u>Metropolitan Statistical Areas:</u>					
Central cities	39%	80%	69%	80%	69%
Other large cities	4	4	9	3	5
Small cities	22	6	9	7	10
<u>Urban counties</u>	<u>3</u>	<u>—</u>	<u>1</u>	<u>—</u>	<u>1</u>
<u>MA Sub-Total</u>	<u>68%</u>	<u>90%</u>	<u>88%</u>	<u>90%</u>	<u>85%</u>
<u>Non-Metropolitan Total</u>	<u>32%</u>	<u>9%</u>	<u>11%</u>	<u>9%</u>	<u>15%</u>
Total	100%	100%	100%	100%	100%

\*

Totals may not add due to rounding.

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



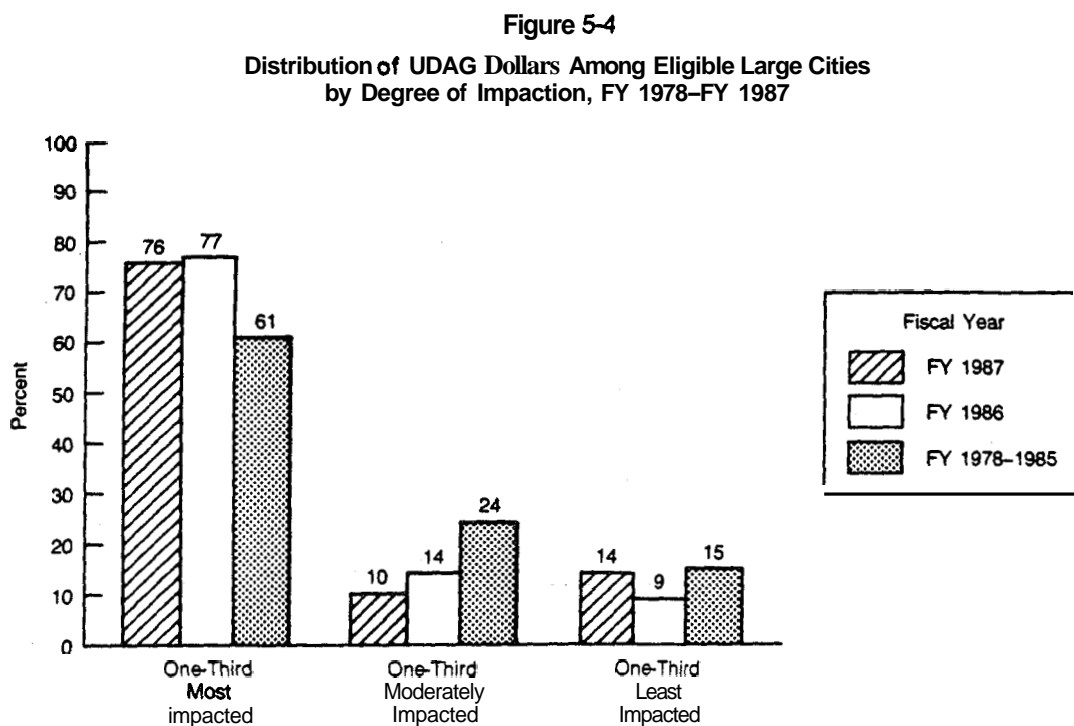
## PROGRESS TOWARD PROGRAM OBJECTIVES

The overall goal of the UDAG program is to revitalize economically distressed communities. The objectives by which progress toward this goal is measured include: creation of jobs; generation of new, local tax revenues; benefits to minorities; and the provision of new and rehabilitated housing. Other benefits are historic preservation and energy conservation.

Section 119 of the Housing and Community Development Act of 1974 (as amended) stipulates that UDAG assistance may not discriminate among programs on the basis of the type of activity involved, whether it be industrial, commercial, or neighborhood. For this reason, in this section the projects used for analysis are divided into three categories: commercial, industrial, and neighborhood. Neighborhood projects may include housing and commercial projects.

### DISTRIBUTION OF UDAG FUNDS BY CITY ECONOMIC DISTRESS

The authorizing legislation requires HUD to use impactation -- the comparative degree of economic distress among applicants -- as its primary criterion in the selection of applications to be funded. The measurement for impactation takes into account the degree of population growth lag/decline, the extent of poverty, and the percentage of pre-1940 housing. One exception is that eligible applicants which qualify as having "pockets of poverty" are judged solely on project merit, without regard to overall level of economic distress.



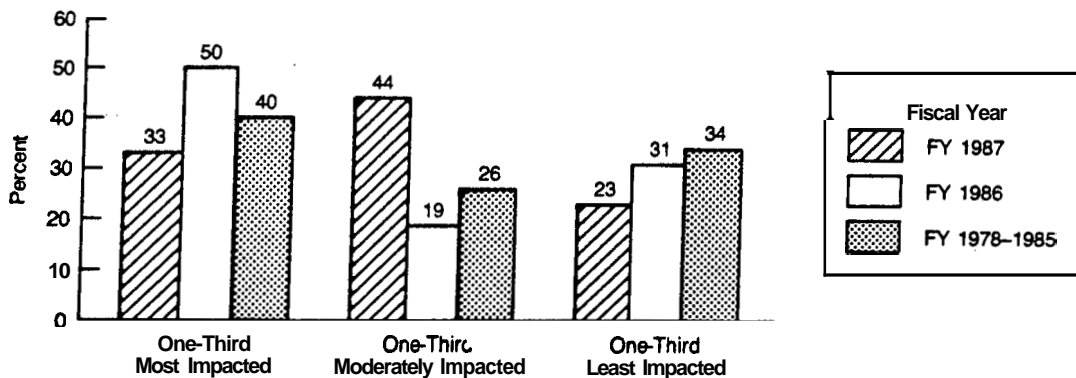
Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System.

Since 1978, a substantially higher percent of large city UDAG funds went to the one-third most distressed, or impacted, large cities compared to the percent of small cities funds that went to the most distressed small cities.

- o In FY 1987, seventy-six percent of the UDAG funds going to large cities went to the most impacted communities; 33 percent of the funds going to **small** cities went to the most impacted communities.
- o From FY 1978 to FY 1985, 61 percent of the UDAG large city funds went to the top one-third of the cities, ranked in order of economic impactation, compared to 40 percent of the small city funds that were awarded to the top one-third of the small cities, in order of impactation.

Figure 5 5

Distribution of UDAG Dollars Among Eligible Small Cities  
by Degree of Impactation, FY 1978-FY 1987



Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System.

**EMPLOYMENT**

Approved UDAG projects had a planned production of more than 500,000 new permanent jobs, more than half of which were designated for low- and moderate-income persons. Of this total, 57 percent actually have been created so far. Most of the planned jobs were in commercial projects.

- o Of the 547,513 new permanent jobs planned for approved projects, 311,713 (57%) were created. For completed and closed-out projects, 83 percent of all planned jobs and 86 percent of the planned low- and moderate-income jobs were created.
- o Industrial jobs had the highest ratio of planned jobs to actual jobs; the lowest was found in commercial projects.

TABLE 5-6

PLANNED EMPLOYMENT IN APPROVED PROJECTS, FY 1987 AND FYs 1978-1987

<u>Planned Benefits</u>	<u>FY 1987</u>	<u>FY 1978 - FY 1987</u>
New Permanent Jobs	33,155	547,513
Low/Moderate Income Jobs	18,751	316,162
Percent Low/Moderate	57%	58%
Minority Jobs	10,416	121,733
Percent Minority	31%	22%
New Permanent Jobs Per Project	177	191
UDAG Dollars Per New Job	\$ 9,786	\$ 8,086
Retained Jobs	1,455	86,211
Construction Jobs	24,674	403,453

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System and Office of Program Analysis and Evaluation, UDAG Grant Agreement Data Base.

- o Sixty percent of the planned new permanent jobs were to be provided by commercial projects, funded by 55 percent of UDAG funds; 31 percent of the jobs were expected from industrial projects, which constituted 24 percent of total UDAG dollars. Neighborhood projects used 21 percent of UDAG funds, but provided only eight percent of the planned jobs.
- o From FY 1978 to FY 1987, the amount of UDAG funds needed to create one planned permanent job averaged \$8,086. The average for industrial projects was only \$6,340, for commercial projects \$7,497, and neighborhood projects \$20,421.
- o Fifty-eight percent of the planned new permanent jobs and 62 percent of the jobs actually provided were for low- and moderate-income persons.
- o Over 33,000 permanent jobs were planned to be created by the 187 projects approved in FY 1987. This was at a cost per job of \$9,786.
- o Data on planned benefits for employment and other factors covered in this section were obtained by taking the most recent data from the grant agreements, where they were available. These data on total planned jobs and cost per job differ from the UDAG data book that uses as its source the data in approved applications.

**TABLE 5-7**

**PLANNED AND CREATED PERMANENT JOBS IN APPROVED PROJECTS BY TYPE OF PROJECT,  
FYs 1978-1987**

<u>Type of Project</u>	<u>Planned</u>	<u>Created</u>	<u>Percent of Planned Jobs Created</u>
<u>All projects</u>			
Commercial Projects	326,370	166,967	51%
Industrial Projects	169,742	113,133	67
Neighborhood Projects	44,291	31,613	71
Totals	547,513	311,713	57%
<u>Completed/closed out</u>			
New permanent jobs	384,191	236,309	83
Low/mod Income Jobs	170,381	145,896	86

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System; Office of Program Analysis and Evaluation, Grant Agreement Data base.

**LOCAL TAX REVENUES**

Although the actual tax revenues received by local governments annually from UDAG projects were only 43 percent of planned revenues, receipts improved by 10 percent in FY 1987 compared to FY 1986.

- o Only \$276 million (43 percent) of the annual planned revenues were actually received by local governments in FY 1987. This was an increase of 10 percent over the previous fiscal year. The increase was even more dramatic for completed projects: from 46 percent to 66 percent of planned revenues.
- o The planned annual tax benefits for local governments from the approved projects were \$645 million, 64 percent of which were generated by property taxes.
- o In FY 1987, for the first time, total tax revenues (\$276 million) generated by UDAG projects exceeded the annual Federal appropriation for the UDAG program (\$225 million).
- o Of the actual revenues received from FY 1978 to FY 1987, 56 percent came from commercial projects, 32 percent from industrial projects (which constitute only 24 percent of UDAG dollars), and 12 percent from neighborhood projects (which constitute 21 percent of UDAG dollars).
- o Twenty percent of the UDAG projects received some local tax abatements; that was down to only 12 percent in FY 1987.

TABLE 5-8

**ANNUAL TAX REVENUES PLANNED AND RECEIVED IN APPROVED, COMPLETED,  
AND CLOSED OUT PROJECTS, FYs 1978-1987  
(Dollars in Millions)**

<u>Revenue Source</u>	<u>Planned</u>	<u>Received</u>	<u>Percent of Planned Revenues Received</u>
<u>All Approved Projects</u>			
Property Tax	\$415	\$155	37%
Other Taxes	205	98	48
Payments in Lieu of Taxes	25	23	92
Total	\$645	\$276	43%
<u>Completed/Closed Out Projects</u>			
Property Tax	\$199	\$100	50%
Other Taxes	91	80	88
Payments in Lieu of Taxes	14	20	143
Total	\$304	\$200	66%

SOURCE: U.S. Department of Housing and Urban Development Community Planning and Development, Office of Management, Action Grant Information System and Office of Program Analysis and Evaluation Grant Agreement Data Base.

**BENEFITS TO MINORITIES**

From FY 1978 to FY 1987, minorities received over 83,000 new permanent jobs in approved UDAG projects. Minority-owned firms received more than 14,000 contracts totaling \$1.4 billion. Most of the jobs and minority contract dollars came from commercial projects, but neighborhood projects had a higher number of individual minority contracts.

- o Over 121,000 in new permanent minority jobs were planned for approved UDAG projects of which 63 percent were in commercial projects and only 10 percent in neighborhood projects. Minority jobs constituted 22 percent of total permanent jobs. This does not include minority jobs in construction.
- o Sixty-eight percent (83,000) of the planned minority jobs were delivered, compared to the overall delivery of only 57 percent of the total jobs planned.
- o For the completed projects, 126 percent of the planned minority jobs were actually created.
- o Minorities received 14,986 contracts totaling \$1.4 billion from approved UDAG projects. This constituted 18 percent of all contracts and eight percent of contract dollars.

TABLE 5-9

PLANNED AND CREATED MINORITY JOBS FOR APPROVED PROJECTS  
BY CITY SIZE, PROJECT TYPE, AND COMPLETION STATUS, FYs 1978-1987

	<u>Planned</u>	<u>Created</u>	<u>Percent of Planned Created</u>
<u>Total, all projects</u>	121,733	83,001	68%
<u>City Size</u>			
Large City	92,672	62,444	67
Small City	29,061	20,503	71
<u>Project Type</u>			
Industrial	31,097	25,397	82
Commercial	78,968	47,356	60
Neighborhood	11,668	10,248	88
<u>Completion Status</u>			
Completed/Closed Out Projects	46,660	58,692	126%

NOTE: Numbers may not add because not all jobs are classified by city size or project type.

SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management, Action Grant Information System and Office of Program Analysis and Evaluation Grant Agreement Data base.

- o Neighborhood projects had 50 percent of the minority contracts and 37 percent of the minority contract dollars, although only 21 percent of UDAG dollars were allocated to these projects. Commercial projects provided 54 percent of the minority contract dollars and industrial projects, only 15 percent.
- o There were 396 approved projects with minority ownership involvement, or 14 percent of all approved projects.

HOUSING

From FY 1978 to FY 1987, the plans for approved projects called for 111,592 housing units. By the end of FY 1987, 79,553 units had been completed, an increase of 33 percent in FY 1987 alone. Of the units completed, 35 percent were for low- and moderate-income persons.

- o Seventy-one percent (79,553) of planned units have actually been built, which represents a big jump from the previous fiscal year when 60,000 had been completed. Ninety percent (54,237) of the units were built for completed or closed out projects.

- o Cumulatively, 111,592 housing units were planned for approved projects of which 47 percent were designed for low- and moderate-income persons.
- o Overall, 49 percent of the planned units were to involve new construction; however, this percent increased over the years from 48 percent in FY 1984 to 85 percent in FY 1986 and 92 percent in FY 1987.
- o Of the units actually built, 35 percent (27,486) were for low- and moderate-income persons
- o Fifty-seven percent (45,036) of the units were rehabilitated and the balance (43%), newly constructed.
- o Over the years, the numbers of planned units declined from an average of more than 14,000 units annually in FY 1983 to less than 4,000 in FY 1987.
- o The average rent for a UDAG-assisted apartment was \$426 a month, the average price for a new housing unit, \$50,940, and for a rehabilitated unit, \$25,652.

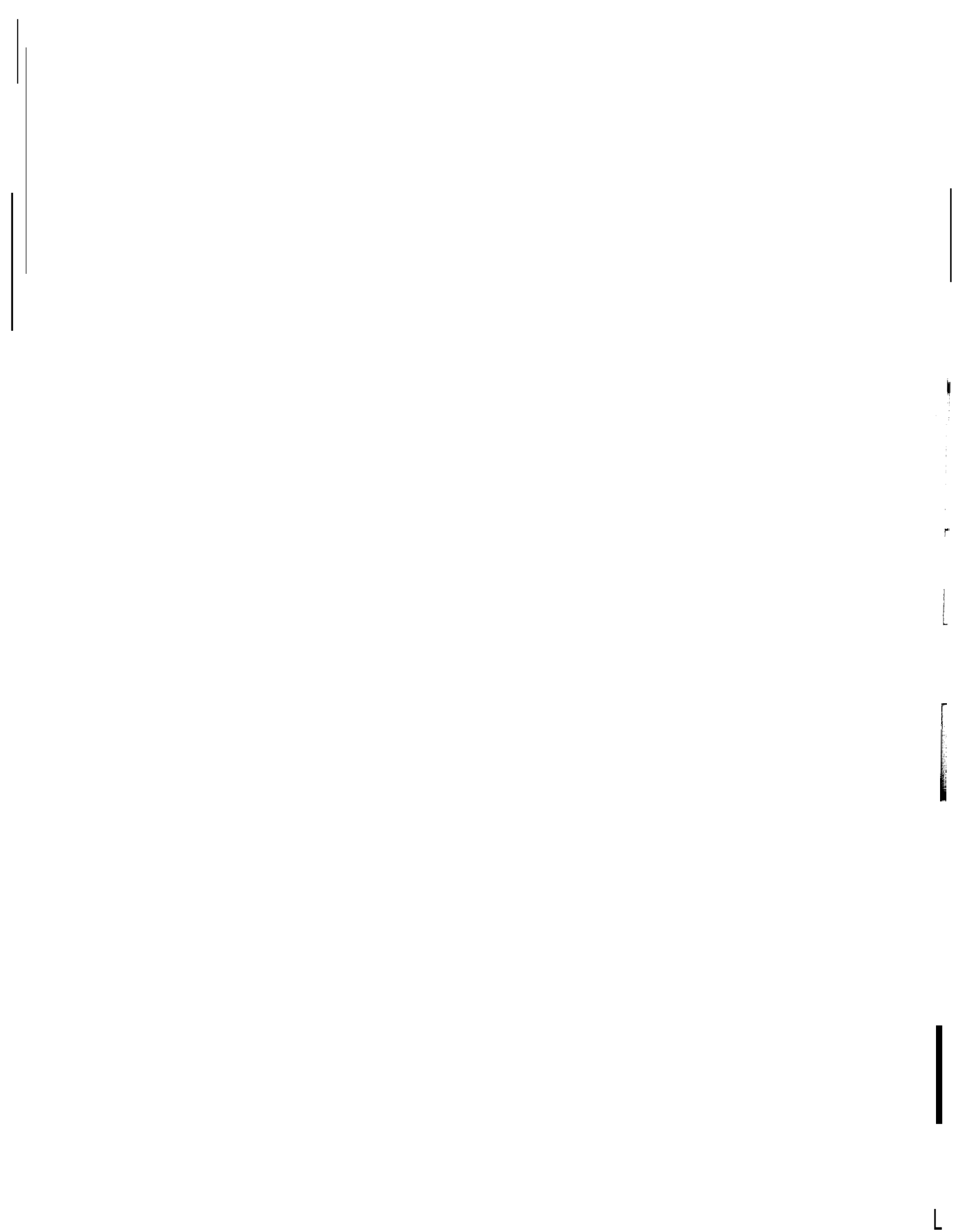
#### **HISTORIC PRESERVATION AND ENERGY CONSERVATION**

UDAG projects with an historic preservation component involved 14 percent of all UDAG funding since FY 1978.

- o From FY 1978 to FY 1987, UDAG projects involving historic preservation had \$312 million in UDAG funds, \$194 million in other public grants, and \$1.5 billion in private investment.

More than \$296 million dollars in UDAG funds were spent in projects with energy conservation features since FY 1978.

- o From FY 1978 to FY 1987, the total number of UDAG projects with notable energy conservation features reached 181. The total investment in these projects from all sources was \$2.6 billion.





## CHAPTER 6

### CPD-ADMINISTERED HOUSING REHABILITATION PROGRAMS

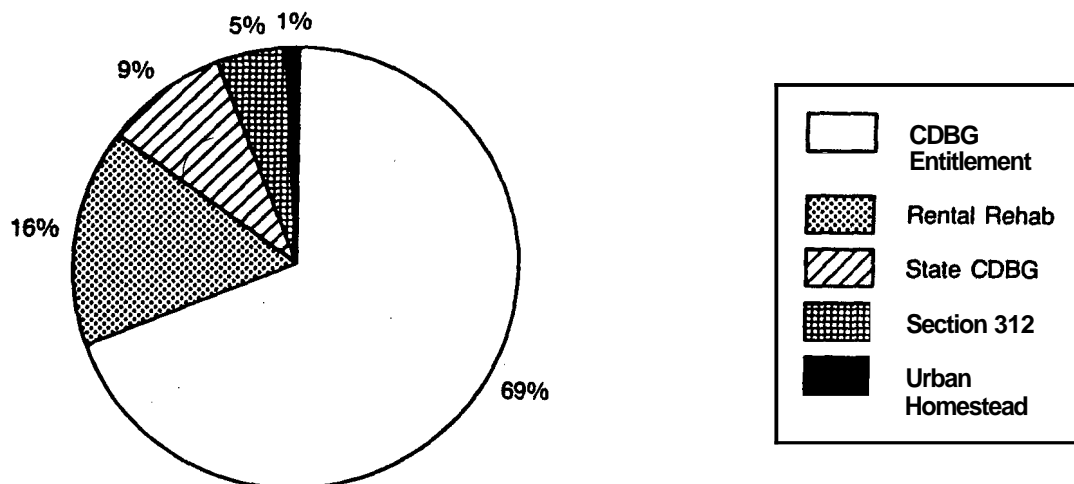
#### INTRODUCTION

This chapter reports on the housing rehabilitation programs that the Office of Community Planning and Development (CPD) administers. It is divided into three major parts, each devoted to one of three programs: the Rental Rehabilitation program, the Section 312 Rehabilitation Loan program, and the Urban Homesteading program. It reports on current developments in the three programs and documents the present status of each.

These three programs are specifically, and almost entirely, directed to housing rehabilitation, but they constitute only about 22 percent of the estimated \$1.275 billion of CPD program funds that were used for housing rehabilitation in FY 1987. The CDBG Entitlement program, accounting for 69 percent of this amount, is by far CPD's largest source of rehabilitation funding. The programs described in this chapter, Rental Rehabilitation (16%), Section 312 (5%), and Urban Homesteading (1%, for acquisition related to rehabilitation) provide lesser amounts. The State CDBG program (9%) and the Urban Development Action Grant program (.2%) also support housing rehabilitation.

Figure 8 1

CPD-Administered Programs as a Source of Housing Rehabilitation Financing, FY 1987



CPD Total Rehabilitation Financing was about \$1.275 billion in FY 1987

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

## **PART ONE: THE RENTAL REHABILITATION PROGRAM**

### **BACKGROUND AND INTRODUCTION**

The Housing and Urban-Rural Recovery Act of 1983 amended the United States Housing Act of 1937 by adding Section 17, which authorized the Rental Rehabilitation program. The Rental Rehabilitation program provides grants to finance the rehabilitation of privately-owned rental housing. Funds are distributed by formula to cities with populations of 50,000 or more, urban counties, approved consortia of general local governments, and States. States may elect to administer the program for smaller communities within their jurisdiction; if they choose not to **do so**, the responsible HUD Field Office will establish a State-specific system to select small local government grantees to participate in the program from the State's fund allocation.

The Rental Rehabilitation program is designed to increase the supply of affordable standard housing for lower-income tenants. It achieves that purpose by providing Federal funds to rehabilitate existing private market rental housing units. In addition, Housing Vouchers are made available to local public housing agencies to provide rental assistance to lower-income tenants to help them afford the rent of these units.

### **PROGRAM FUNDING AND PARTICIPATION**

The Continuing Resolution Appropriations Act (P.L. 99-500), signed by the President on October 18, 1986, provided \$200 million in program funds for FY

In FY 1987, 498 communities, including 382 cities, 115 urban counties, and one consortium, qualified for direct allocations under the Rental Rehabilitation program. All States also qualify for a direct allocation.

- o Seventy-eight percent of cities and counties eligible for direct allocations qualified for less than \$250,000 in funding for FY 1987.
- o Nineteen cities and counties each qualified for more than \$1 million in direct allocations for FY 1987.
- o Of the 498 communities eligible for direct allocations, 448 chose to participate as formula grantees. All but eleven communities that elected not to administer a formula grant were eligible to receive less than \$100,000 in FY 1987 funding.
- o Of the 50 States and Puerto Rico, 40 elected to submit program descriptions and receive grants based on their FY 1987 allocations. HUD administers the States' allocations in the remainder of the States.

TABLE 6-1

RENTAL REHABILITATION PROGRAM INITIAL ALLOCATIONS  
BY PROGRAM TYPE, FY 1987

Allocation Amount	Cities and Counties		States	
	Number	Percent	Number	Percent
\$ 50,000 - \$ 99,999	171	34%	2	4%
\$ 100,000 - \$249,999	220	44	4	a
\$ 250,000 - \$499,999	59	12	11	22
\$ 500,000 - \$999,999	29	6	12	23
\$1,000,000 or more	<u>19</u>	<u>4</u>	<u>22</u>	<u>43</u>
Totals	498	100%	51	100%

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

A high proportion of funds appropriated for the program have been committed to specific projects by the end of FY 1987.

- o By the end of FY 1987, nearly 78 percent of all FY 1984-1986 funds had been committed to specific projects. Most grantees had committed well over half of their FY 1984-1986 grants to specific projects. This was true for formula grantees and States, as well as for HUD-administered non-formula grantees.
- o During FY 1987, some \$8.6 million in FY 1984-86 Rental Rehabilitation grant funds were deobligated from 61 grantees who did not commit funds according to their schedules, and these funds were reallocated to 78 grantees.

TABLE 6-2

PERCENT OF **FY 1984 - FY 1986** RENTAL REHABILITATION PROGRAM FUNDS COMMITTED AS OF **SEPTEMBER 30, 1987<sup>+</sup>**

Percent of Funds	Formula Grantees		HUD-Administered Grantees		States	
	Number	Percent	Number	Percent	Number	Percent
100% or more <sup>++</sup>	132	33%	14	24%	4	10%
75% - 99%	129	32	14	24	12	31
50% - 74%	75	19	15	25	16	41
25% - 49%	38	9	7	12	7	18
1% - 24%	30	7*	9	15	0	0
Less than .5%	1		0	0	0	0
Totals	405	100%	59	100%	39	100%

+ FY 1987 funds were not made available to most grantees until very late in the fiscal year. Thus, the commitment rate of FY 1987 funds was very low for most grantees by September 30, 1987.

++ The percent committed is calculated as a percent of the initial allocation. Consequently, the amount committed may exceed 100 percent where a community has received additional funds through reallocations.

\* Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

USES OF FUNDS

The funds allocated for use in the Rental Rehabilitation program support a single activity -- financing the rehabilitation of rental housing affordable to lower-income families.

Since program funds first became available in the Fall of 1984, the Rental Rehabilitation program has been successful in promoting the rehabilitation of more than 85,000 dwelling units, of which 37,652 were completed" by the end of FY 1987.

\* Throughout this section on Rental Rehabilitation, "committed" units or projects are those for which a program grantee and property owner have entered into a legally binding agreement under which construction is reasonably expected to begin within 90 days. "Completed" units or projects are those for which construction is complete, and for which the grantee has submitted to HUD a "project completion form," containing information on project financing and post-rehabilitation tenants. Completions measured only in terms of whether construction had been completed by the end of FY 1987 numbered 11,308 projects and 41,648 units.

- o The program completed construction on 23,864 units in 5,942 projects during FY 1987.
- o Overall, projects committed under the program have contained an average of 5.1 dwelling units. Completed projects have averaged 3.6 units.

**TABLE 6-3**  
**RENTAL REHABILITATION PROGRAM PRODUCTION**  
**AND PROJECT SIZE BY FISCAL YEAR, FY 1984-87**

<u>Period Covered</u>	<u>Committed</u>			<u>Completed</u>		
	<u>Projects</u>	<u>Units</u>	<u>Units/Proj.</u>	<u>Projects</u>	<u>Units</u>	<u>Units/Proj.</u>
Pre-FY 86	3,243	25,981	8.0	469	1,115	2.4
FY 86	6,681	31,322	4.7	4,088	12,656	3.1
<u>FY 87</u>	<u>6,868</u>	<u>28,291</u>	<u>4.1</u>	<u>5,942</u>	<u>23,864</u>	<u>4.0</u>
Cumulative	16,792	85,594	5.1	10,449	37,652	3.6

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

#### PROGRESS TOWARD PROGRAM OBJECTIVES\*

The objective of the program is to rehabilitate privately-owned, primarily residential property, which is affordable to lower-income tenants. A unit is considered affordable if its after-rehabilitation rent is at or below the local Section 8 Fair Market Rent (FMR). The program achieves its objective by providing a subsidy to reduce the cost of financing the construction. The Section 8 program also provides rental assistance for eligible tenants of Rental Rehabilitation projects. This section first discusses benefit to households with lower incomes. Subsequent sections address the following program issues: cost of rehabilitation; size of units produced; affordability of rents in completed projects; and rental assistance.

\* The Urban Institute, under contract to HUD's Office of Policy Development and Research recently concluded a major study of the Rental Rehabilitation program. This study independently confirmed the pattern of findings presented in this section; Evaluation of the Rental Rehabilitation Program, HUD-1107-PDR, July, 1987.

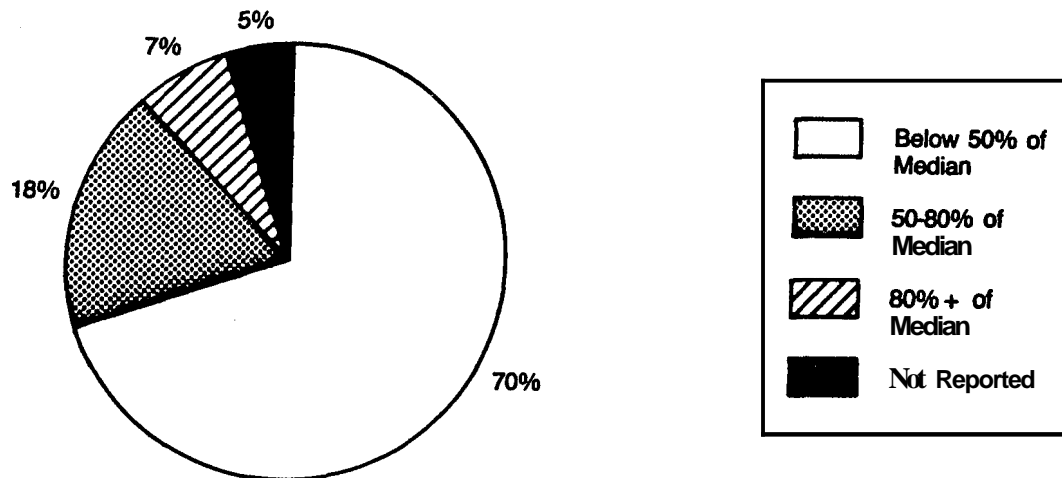
## BENEFIT TO LOWER-INCOME HOUSEHOLDS

The preponderance of units that have been rehabilitated through the Rental Rehabilitation program have been occupied by lower-income families immediately after rehabilitation was completed.

- o For units completed in FY 1987, at least 88 percent of the post-rehabilitation households had incomes below 80 percent of the area median income. For at least 70 percent of the families the household income was below 50 percent of the median.
- o Of the 23,864 units completed during FY 1987, 21,296 were occupied by households of all income ranges after rehabilitation (89%) compared with 13,070 (56%) before rehabilitation.

Figure 6-2

Incomes of Households Occupying Rental Rehabilitation Projects Completed in FY 1987



Total number of occupants was 21,296

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

## MINIMIZING REHABILITATION SUBSIDY

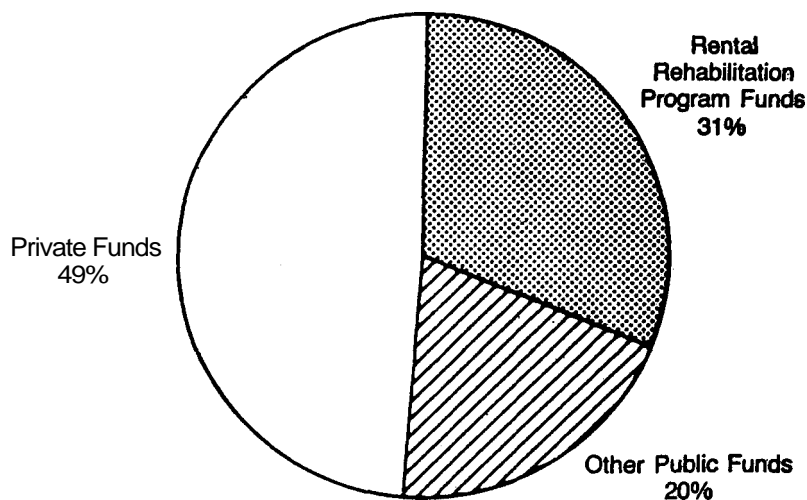
The program provides affordable rental housing by selecting neighborhoods in which market rents for standard units are below local FMRs and are expected to remain affordable for at least five years. The program specifies that program funds cannot make up more than half of the cost of any project up to \$5,000 per unit. The balance of the rehabilitation cost must come from private funds or other public funds, such as CDBG. While there is no prohibition against using other public funds, grantees are strongly encouraged to maximize private investment and minimize public investment.

Overall during FY 1987, the Rental Rehabilitation program met its objective of keeping subsidies provided by the program under 50 percent of rehabilitation costs.

- o Thirty-one percent of FY 1987 project costs was financed by program funds.
- o Forty-nine percent of project costs came from private sources, with the other 51 percent coming from public sources, including CDBG and local funds in addition to the Rental Rehabilitation grants.
- o The CDBG program (10% of project costs) and tax exempt financing (8%) were the major sources of public funding after the Rental Rehabilitation program funds themselves.
- o For every dollar of Rental Rehabilitation grant funds spent in projects completed during FY 1987, private investment of \$1.58 went into Rental Rehabilitation projects.

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**Figure 6-3**  
**Sources of Financing for Rental Rehabilitation Projects**  
**Completed in FY 1987**



Total amount equals \$268 million

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**Source:** US Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

- o In FY 1987, 88 percent of all completed projects had at least as much private investment as investment from public sources. The most frequent arrangement (36%) in projects completed during the year was to finance half of the project from public sources and half from private sources.

TABLE 6-4

PUBLIC FINANCING IN RENTAL REHABILITATION PROJECTS AS A PERCENT OF TOTAL REHABILITATION FINANCING BY COMPLETION DATE, FY 1984-87

Public Financing as a Percent of Total Financing	Period of Completion					
	FY 1984-86		FY 1987		Cumulative	
	Projects	Percent	Projects	Percent	Projects	Percent
51% or more	459	10%	733	12%	1,192	11%
50	1,717	38	2,141	36	3,858	37
40-49	1,255	28	1,607	27	2,862	27
30-39	608	14	809	14	1,417	14
1-29	468	10	652	11	1,120	11
Total	4,507	100%	5,942	100%	10,449	100%

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

REHABILITATION COST

Program regulations specify that the amount of a Rental Rehabilitation grant for any project shall not exceed an average of \$5,000 per unit, except in certain high-cost areas that HUD may approve on a case-by-case basis.

TABLE 6-5

FINANCIAL CHARACTERISTICS OF RENTAL REHABILITATION PROJECTS BY PERIOD OF COMPLETION, FY 1984-87

Characteristic	Period of Completion		
	FY 1984-86	FY 1987	Cumulative
Number of Projects	4,507	5,942	10,449
Average per Unit:			
Total Cost <sup>1</sup>	\$9,842	\$11,250	\$10,735
Rehab Cost	\$9,103	\$ 9,587	\$ 9,410
RRP Funds	\$3,370	\$ 3,421	\$ 3,402
Private funds	\$5,439	\$ 5,544	\$ 5,505
RRP Funds as a Percent of:			
Rehab Costs	37%	36%	36%
Total Project Costs	34%	30%	32%
Private Funds	62%	62%	62%

+ The difference between total cost and rehabilitation cost principally is the cost of refinancing existing debts on program properties.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.



The average amount of Rental Rehabilitation funds per unit in projects completed in FY 1987 was well below the program limit of \$5,000 per unit.

- o The average amount of Rental Rehabilitation funds in projects completed in FY 1987 was \$3,421 per unit, a level that has remained about constant for completed projects throughout the life of the program. On the other hand, grantees committed about \$3,603 per unit for projects initiated during FY 1987, which may suggest a trend upward in program costs.
- o The total per unit rehabilitation cost of projects completed during FY 1987 was \$9,587, indicating a moderate level of rehabilitation.

#### UNIT SIZE

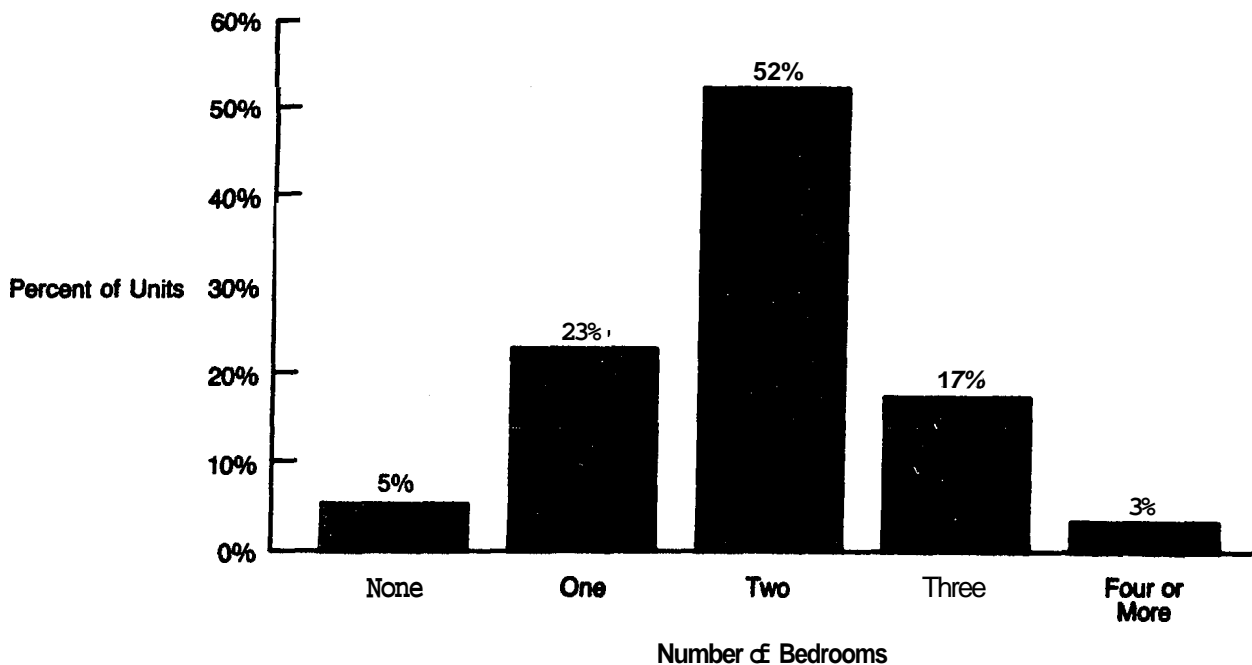
In order to benefit large families, the Rental Rehabilitation program regulations provide that at least 70 percent of each grantee's grant be used to rehabilitate units with two or more bedrooms.

Overall in FY 1987, the Rental Rehabilitation program met the requirement regarding producing units with two or more bedrooms.

- o Of units completed during FY 1987, 72 percent had two or more bedrooms and 20 percent had three or more bedrooms.

Figure 6-4

Size of Rental Rehabilitation Units Completed in FY 1987



Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

## RENTS IN COMPLETED PROJECTS

So that people with lower incomes may afford to rent units completed in the program, the Rental Rehabilitation program statute provides as a performance goal that rents on at least 80 percent of the units completed should be affordable by lower income families. Program regulations define affordable rents as being below the applicable HUD-published Section 8 Existing Housing Fair Market Rent (FMR).

Although rents for occupied units generally are higher after rehabilitation than they were before, post-rehabilitation rents still tend to be below the applicable FMR, a basic indicator of affordability as defined by the program regulations.

- o Eighty-seven percent of the units completed during FY 1987 that were occupied had post-rehabilitation rents at or below the FMR. This exceeds the program performance goal that 80 percent of units meet this standard.
- o Units completed during FY 1987 that were occupied prior to rehabilitation rented for an average of \$315 per month. After rehabilitation, occupied units rented for an average of \$378 per month. Despite this increase, the average post-rehabilitation rent of occupied units was \$70 below the applicable FMR.
- o The general effect of rent increases after rehabilitation in the program has been to raise rents from far below the FMR to nearer the FMR -- not to raise them above this standard of affordability.

TABLE 6-6

### NUMBER OF OCCUPIED RENTAL REHABILITATION UNITS COMPLETED DURING FY 1987 BY THE DIFFERENCE BETWEEN THEIR RENTS AND THE FAIR MARKET RENT

Compared with the FMR, Unit Rent is:	Before Rehabilitation		After Rehabilitation	
	Number	Percent	Number	Percent
\$100 to \$200 more	44	*%	178	1%
\$ 50 to \$100 more	128	1	601	3
\$ 1 to \$ 50 more	325	3	1,911	9
Same	92	1	1,179	6
\$ 1 to \$ 50 less	1,374	11	5,552	27
\$ 50 to \$100 less	2,440	19	5,081	24
\$100 to \$200 less	5,657	45	4,847	24
More than \$200 less	2,650	20	1,213	6
Not Reported	360	+	734	+
Totals	13,070	100%	20,296	100%

\* Less than .5 percent.

+ Percents were computed on known characteristics only.

SOURCE: U.S. Department of Housing and Urban Development Rental Rehabilitation Program Cash and Management Information system.

## RENT ASSISTANCE

The Section 8 program provides eligible Rental Rehabilitation tenants with Section 8 Certificates or Vouchers to minimize displacement of tenants residing in projects to be rehabilitated and to assist families moving from rental rehabilitation projects.

Although information is not available on the extent to which families moving out of Rental Rehabilitation properties received rental assistance, most of the households with very low incomes living in completed units received assistance in the form of a Section 8 Certificate or Voucher.

- o Seventy-two percent of the very low income households residing in Rental Rehabilitation projects completed during FY 1987 received rental assistance in the form of a Voucher or Certificate.
- o Twenty-four percent of households with incomes between 51 and 80 percent of the median incomes of their areas also received rental assistance in the form of a Certificate or Voucher. Households with incomes in this range may receive housing voucher assistance only if the household is being physically displaced as a result of activity in the Rental Rehabilitation program.
- o Of a total of 21,296 households residing in projects completed during FY 1987, 55 percent received either a Section 8 Certificate or Voucher. More Vouchers than Certificates were used in projects completed during FY 1987.

TABLE 6-7

### RENTAL ASSISTANCE BY HOUSEHOLD INCOME IN RENTAL REHABILITATION PROJECTS COMPLETED IN FY 1987

Type of Rental Assistance	Percent of Households with Incomes		
	Below 50 Percent of Median	51 - 80% of Median	Above 80 Percent of Median
Certificate or Voucher	72%	24%	if
Other Assistance	3	.1	if
<u>No Assistance Reported</u>	<u>25</u>	<u>75</u>	<u>100</u>
Totals	100%	100%	100%
Number <sup>1</sup>	14,903	3,893	1,398

\* Less than .5 percent. The few cases noted as receiving certificates or vouchers probably are the result of errors in reporting.

+ Number of households with reported income level. These figures total to 20,194 households. There were 21,296 occupied units in this period; thus, data on 1,102 households were missing.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

**PART TWO: SECTION 312 REHABILITATION LOAN PROGRAM**

**BACKGROUND AND INTRODUCTION**

Section 312 of the Housing Act of 1964, as amended, authorized the Secretary to make loans for property rehabilitation. To be eligible, 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, or properties must be located in urban homesteading areas. Most types of privately-owned properties are eligible, including single-family residential, multi-family residential, mixed use, and non-residential.

**PROGRAM FUNDING AND PARTICIPATION**

Since its beginning in 1964 through FY 1987, the Section 312 program has awarded 100,274 loans totaling \$1.427 billion for the rehabilitation and occasional refinancing of housing. Congress, however, has appropriated no new funding for the Section 312 program since FY 1981. Since then, the program has depended for funding support entirely on loan repayments, recovery of prior year commitments, fees, and the unobligated balance from previous years.

In FY 1987, the Section 312 Loan Fund had approximately \$238.3 million in total resources. Of this amount, OMB apportioned \$182.5 million for use in new program loans by 240 local public agencies (LPAs).

- o Just less than one-half of the available funds were carried over from the previous year.
- o A comparable amount of funds came from loan repayments.
- o The 240 LPAs participating in FY 1987 represented all parts of the country.
- o The largest number of Section 312 LPAs were located in HUD's Region V, i.e. the Great Lakes Region.

TABLE 6-8

**SOURCES OF SECTION 312 PROGRAM FUNDS  
AVAILABLE IN FY 1987  
(Dollars in Thousands)**

Source	Amount	Percent
Unobligated Balance, Start of Year	\$111,775	47%
Loan Repayments and Other Income	110,387	46
Recovery of Prior Year Commitments	15,562	7
Fees and Premiums	556	
<b>Totals</b>	<b>\$238,280</b>	<b>100%</b>

\* Less than .5 percent.

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

**USE OF FUNDS**

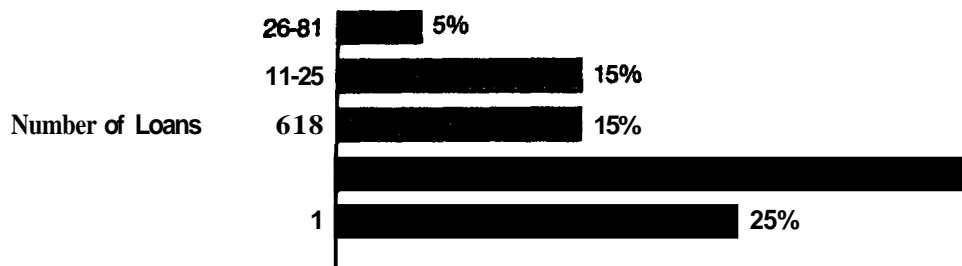
Section 312 loans may be used to rehabilitate single-family residential structures, multi-family residential structures, mixed-use buildings, and non-residential properties.

Section 312 loans totalled 1,700 in FY 1987 and enabled the rehabilitation of 3,093 housing units at an average cost of \$20,756 per unit.

- o Most participating agencies administered only a few loans in FY 1987 -- 65 percent of all participating LPAs processed five or fewer approved loans.
- o A few communities made extensive use of the Section 312 program. For example, 12 LPAs each processed more than 25 approved loans.

Figure 6-5

**Level of Section 312 Loan Activity by Participating Communities, FY 1987**



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

Of \$182.5 million available for loans during FY 1987, LPAs actually obligated about \$64 million in Section 312 loans.

- o Program funds were made available to LPAs earlier in FY 1987 than they were in FY 1986, resulting in more loans and a higher level of funds being obligated. However, factors such as stricter underwriting criteria, lack of administrative capacity at the local level, and local officials' perceptions of Section 312 funding as uncertain, caused substantial portions of available program funding to be unused during FY 1987.
- o The number of single family loans and of all other loans both increased substantially during FY 1987. However, the percentage increase for all other loans was much greater than for single-family loans. Multi-family, non-residential, and mixed use loans accounted for 38 percent of all loans obligated in FY 1987, as compared with 12 percent in FY 1986.
- o For both categories of loans, the average amount per loan declined somewhat from FY 1986 to FY 1987, although the increase in the numbers of loans resulted in more funds being committed during FY 1987.

TABLE 6-9

**CHARACTERISTICS OF SECTION 312 LOANS,  
FY 1986 AND FY 1987**

Single Family Loans'

	<u>FY 1986</u>	<u>FY 1987</u>
Total Loan Amount	\$35,375,881	\$39,680,240
Number of Loans	1,164	1,583
Average Amount per Loan	\$30,400	\$25,066

All Other Loans ''

	<u>FY 1986</u>	<u>FY 1987</u>
Total Loan Amount	\$5,036,197	\$24,011,656
Number of Loans	16	117
Average Amount per Loan	\$314,762	\$205,228

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

++ This category includes all multifamily, non-residential, and mixed use loans.

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

## PROGRESS TOWARD PROGRAM OBJECTIVES

The Section 312 program is intended mainly to assist in eliminating and preventing the development and spread of slums and blight by encouraging property owners to upgrade and preserve existing neighborhoods and to rehabilitate private properties. Thus, all properties rehabilitated with Section 312 loans must be located in areas with activity associated with other community development programs, including CDBG, UDAG, and Urban Homesteading. Additionally, priority is given in making loans to borrowers who have low- and moderate-incomes (defined in the Section 312 program as at 95 percent or below of the area median Income) who will occupy the building after rehabilitation.

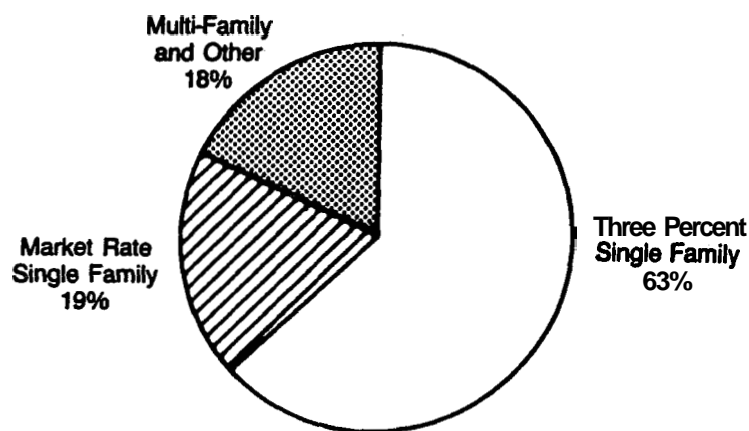
Borrowers with incomes below 80 percent of the area median receive a three percent rate of interest. All other loans charge a variable rate of interest, which becomes fixed on the date of approval at the yield of government securities with a comparable maturity, usually 20 years. At the direction of OMB, the Department charged a one percent risk premium in FY 1987, which was added to the contract interest rate for the loan. The Housing and Community Development Act of 1987 eliminated this risk premium and application fees. The term of a Section 312 loan cannot exceed 20 years or three-fourths of the remaining useful life of the property, whichever is less.

In FY 1987, the Section 312 program provided a high degree of benefit to lower-income home owners, as indicated by interest rates on loans and available data on borrowers' incomes.

- o About 63 percent of all FY 1987 loans and 77 percent of single family loans were at a three percent rate of interest, indicating that they were made to lower-income borrowers.

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**Figure 6-6**  
Prevalence of Section 312 Three Percent Loans,  
FY 1987



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Source: U.S. Department of Housing and Urban Development, Office of Urban Rehabilitation. Compiled by Office of Program Analysis and Evaluation.

- o Based on an analysis of a non-random sample of about 27 percent of all FY 1987 borrowers, it appears that a majority of FY 1987 Section 312 single-family loan recipients had incomes below \$20,000, and that very few recipients had incomes of more than \$30,000.
- o Forty percent of loan recipients were Black, 17 percent were elderly, and more than a quarter of recipient households had four or more members.

TABLE 6-10

CHARACTERISTICS OF RECIPIENTS OF FY 1987  
SECTION 312 SINGLE-FAMILY RESIDENTIAL LOANS<sup>+</sup>

<u>Income Level</u>	<u>Number</u>	<u>Percent</u>	<u>Persons in Household</u>	<u>Number</u>	<u>Percent</u>
More than \$30,000	57	13%	One	114	27%
\$20,001 - \$30,000	89	21	Two	110	26
\$10,001 - \$20,000	232	55	Three	82	19
\$10,000 or less	48	11	Four or more	121	28
Not Available	1,145	*	Not available	1,144	
Totals	1,571	100%	Totals	1,571	100%

<u>Race/ethnicity</u>	<u>Number</u>	<u>Percent</u>	<u>Age</u>	<u>Number</u>	<u>Percent</u>
Black	158	40%	Under age 30	82	19%
White	206	51	30-40 years old	149	35
Hispanic	30	8	41-60 years old	126	29
Other	6	↓	Over age 60	74	17
Not available	1,171	*	Not available	1,140	
Totals	1,571	100%	Totals	1,571	100%

+ Data were derived from a review of a non-random sample of about 27 percent of all FY 1987 approved single-family loan applications.

\* Percents are calculated based on known characteristics only.

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



## PART THREE: THE URBAN HOMESTEADING PROGRAM

### BACKGROUND AND 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 properties owned by HUD, the Veterans Administration (VA), and the Farmers Home Administration (FmHA) to States and local governments with homesteading programs approved by HUD. These recipients, in turn, transfer 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. At the end of that time, the homesteader obtains fee simple title to the residence. Approved Urban Homesteading programs must be part of a coordinated approach toward neighborhood improvement that includes the upgrading of community services and facilities in the homesteading neighborhoods. Section 810 funds are used to reimburse the respective Federal agencies for the value of the units transferred to State and local governments for homesteading.

The Department also operated a Local Property Demonstration, which concluded in July of 1987, in which eleven cities homesteaded locally-acquired properties. For this Demonstration, Section 810 funds were used to compensate city agencies for the value of properties acquired.

### PROGRAM FUNDING AND PARTICIPATION

Since 1975, Congress has appropriated \$114.358 million to support the acquisition of Federal properties for Urban Homesteading programs. Appropriations for FY 1987 totalled \$12 million.

In FY 1987, 112 Local Urban Homesteading Agencies (LUHAs) obligated \$13.327 million to acquire 810 properties. These obligations exceeded the annual appropriation because some carry-over funds from FY 1986 also were obligated.

- o In FY 1987, there were 112 active LUHAs, including 16 newly approved agencies. Three of these participants were the States of Ohio, Virginia, and Minnesota. There were 45 LUHAs in an "inactive" status, meaning that they did not acquire any new properties during the year.
- o The Department's Field Offices reported that active LUHAs acquired 769 properties for homesteading at a total cost of \$12.997 million in program funds during FY 1987. These properties, plus an additional 31 that were undertaken during FY 1986, but for which funds were not officially obligated until the FY 1987 accounting period, resulted in obligations of \$13.237 million during the year.
- o On average, active LUHAs acquired 7.1 properties each in FY 1987. There was a substantial range about this average as 47 percent of the active LUHAs acquired four or fewer properties and three have each acquired more than 26 properties.

- o In general, the Department encourages LUHAS to plan on homesteading a minimum of five properties per year in order for their programs to be cost effective and have discernable neighborhood impact.

TABLE 6-11

NUMBER OF LOCAL URBAN HOMESTEADING AGENCIES+  
BY NUMBER OF PROPERTIES ACQUIRED IN FY 1987

Number of Properties Acquired	LUHAS	
	Number	Percent
None (new participant)	11	10%
One	11	10
Two to four	31	28
Five to ten	39	34
Eleven to Twenty-five	17	15
Twenty-six to Fifty-one	3	3
<u>Totals</u>	<u>112</u>	<u>100%</u>

- + State participants (MN, OH, VA) each are included as one LUHA, although the properties they have acquired may be located in several different communities.

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

USES OF FUNDS

Section 810 funds may be used to reimburse HUD, the Veterans Administration (VA), or the Farmers Home Administration (FmHA) for the cost of properties used in Urban Homesteading programs. Properties are suitable for acquisition if the appraised as-is fair market value of the property does not exceed \$20,000 for a one-unit single-family residence, or an additional \$5,000 for each unit of a two- to four-family structure. Under some circumstances, HUD Field Office staff may authorize acquisitions where the value of a one-unit property is as much as \$35,000.

Properties acquired under the program in FY 1987 came primarily from HUD. Overall, the properties acquired were within the allowable program maximum of \$20,000 per unit.

- o Seventy-nine percent of Section 810 funds in FY 1987 were used to acquire HUD-owned properties.
- o Similarly, 78 percent of the properties acquired during the year came from HUD.
- o The average Section 810 cost per property acquired in FY 1987 in the regular program was \$16,493 per property -- well under the \$20,000 program limit for one-unit properties.

**TABLE 6-12**

**NUMBER OF SECTION 810 PROPERTIES AND THEIR ACQUISITION COST  
BY SOURCE, FY 1987**

Source of Property	Properties		cost	
	Number	Percent	Amount	Percent
Regular program	769	92%	\$12,996,838	94%
(HUD)	(651)	(78)	(10,970,688)	(79)
(VA)	(104)	(12)	(1,937,455)	(14)
(FmHA)	(14)	(2)	(151,695)	(1)
Local Property				
<u>Demonstration<sup>+</sup></u>	<u>69</u>	<u>8</u>	<u>824,228</u>	<u>6</u>
Totals	838	100%	\$13,821,066	100%

+ The Demonstration and its evaluation were funded by a one-time appropriation set aside of \$2 million, \$1.9 million of which was obligated to the 11 participating LUHAs in FY 1985. The amount in the cost column for the Demonstration is the amount the LUHAs committed for the 69 properties they acquired in FY 1987. The remaining \$100,000 funded an evaluation of the Demonstration, conducted by Urban Systems Research and Engineering under contract to HUD's Office of Policy Development and Research.

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

**PROGRESS TOWARD PROGRAM OBJECTIVES**

After properties are acquired for homesteading, it is necessary that the LUHA convey the unit conditionally to a homesteader and ensure that the homesteader complies with the program requirements of repairing all defects that pose a danger to health and safety within a year of conditional conveyance, completing all additional repairs within three years of conditional conveyance, and occupying the property for at least five consecutive years from the date of initial occupancy.

Program regulations specify that homesteaders should be selected from among applicants with a demonstrated need for improved housing and that they should not own other residential property. From FY 1984 through FY 1987, special priority was given to applicants who currently were paying more than 30 percent of their adjusted incomes for rent, living in substandard housing, and having little prospect of obtaining housing in the near future except through homesteading. The Housing and Community Development Act of 1987 replaced these requirements with a single requirement that priority be given to persons with incomes below 80 percent of the median family income for their area.

The Urban Homesteading program itself provides no funding for repairs, although many localities use the Community Development Block Grant program and the Section 312 Rehabilitation program to assist buyers with necessary rehabilitation financing.

In FY 1987, rehabilitation costing an average of \$22,950 was begun on some 782 properties. Most Urban Homesteading properties rehabilitated in FY 1987 received assistance from other community development programs.

- o Rehabilitation was begun on 782 properties in FY 1987, including properties that may have been acquired during FY 1986 as well as some of those acquired during FY 1987.
- o Seventy-six percent of properties rehabilitated in FY 1987 were financed, at least in part, by the CDBG or Section 312 programs. This indicates that the owners of these properties and the neighborhoods in which the properties are located meet the targeting and benefit requirements of these programs.

**TABLE 6-13**

**AVERAGE REHABILITATION COST FOR SECTION 810 PROPERTIES  
BY FINANCING SOURCE, FY 1987**

Financing Source	Properties		Mean Rehab Cost
	Number	Percent	
Section 312 Only	329	42%	\$24,426
CDBG Only	145	19	18,760
Other Only <sup>+</sup>	188	24	12,026
Mixed <sup>++</sup>	120	15	30,070
Overall	782	100%	\$21,545

+ Both public and private funds, including personal cash, conventional loans, State housing finance agency monies, bond funds, and other local sources, but excluding CDBG and Section 312.

++ A combination of funding sources, including CDBG and/or Section 312 and/or other sources.

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

## CHAPTER 7

### SECRETARY'S DISCRETIONARY FUND

Authorized by Section 107 of the Housing and Community Development Act of 1974, the Secretary's Discretionary Fund provides Community Development Block Grant funds to special constituencies that are not eligible under the Entitlement or State Small Cities programs. The Fund also provides support through technical assistance awards and funds for special projects.

The Secretary's Discretionary Fund is a relatively small, but important, part of the CDBG program (FY 1987 funding represents less than two percent of total CDBG funds appropriated for that year). The appropriation in FY 1987, \$56 million, supported four programs: the CDBG Indian Tribes and Alaskan Natives program (\$27 million), the CDBG Insular Areas program (\$7 million), the Technical Assistance (\$12 million) and Special Projects (\$10 million) programs.

#### THE CDBG PROGRAM FOR INDIAN TRIBES AND ALASKAN NATIVE VILLAGES

Indian tribes, bands, groups, or nations including Alaskan Indians, Aleuts, Eskimos, or Alaskan Native villages are eligible for CDBG funds through the Indian program under Title I of the Housing and Community Development Act of 1974, as amended. Applicants are considered eligible recipients if they qualify under Title I of the Indian Self-Determination and Education Assistance Act.

In FY 1987, the largest share of the Secretary's Discretionary Fund, \$27 million or 48 percent, was made available for the CDBG Indian program. About \$303 million have been awarded to Indian Tribes and Alaskan Native Villages since 1976.

The program is administered through the Indian Offices in six HUD field offices. Funds are divided among five regions by a formula that uses: (1) the Indian population in each of the five HUD Indian jurisdictions and (2) the extent of poverty and overcrowded housing among that population. Each of the six Indian Offices is allocated \$500,000 as a base amount to which the formula allocation is added, reducing year-to-year fluctuations in funding levels in the field offices due to appropriation changes.

Each of the six HUD Indian Offices distributes its share of funds by competition among tribes using a project rating and ranking system designed by that office in consultation with the Indian Tribes. In the FY 1987 competitions, among the factors used were: applicants' needs, the impact of the proposed project in meeting those needs, and the quality of the proposed project. The selection procedures are reviewed by HUD Headquarters to maintain consistency while allowing flexibility among regions. Applicants are allowed to set their priorities and to request funding for any activity eligible under the CDBG program.

As of February 1, 1988, HUD has awarded FY 1987 funds to 100 grantees for a total of 113 projects. Approximately 63 percent of these funds assisted housing-related activities and economic development projects.

- o The largest portion of these funds, 38 percent, went to grantees for the rehabilitation of housing units, the construction of new housing, and the acquisition of land for new housing construction.
- o The second largest share of Indian program funds supported economic development projects (25%).
- o The CDBG Indian program also funded infrastructure projects (water, sewers, roads, flood control, electrical services, etc.) and community facilities (day care centers, health care centers, community centers, etc.).
- o For the past three years, the proportion of funds used for the various activities has remained fairly constant.

**TABLE 7-1**

**CDBG INDIAN PROGRAM FUNDING BY TYPE OF AWARD,  
FY 1987  
(Dollars in Thousands)**

<u>Type of Award</u>	<u>Awards</u>		<u>Funds</u>	
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Housing:</u>				
Rehabilitation	33	29%	\$8,433	32%
Construction	6	5	1,163	4
Acquisition	3	3	527	2
Economic Development	25	22	6,557	25
Infrastructure	23	20	4,655	18
<u>Community Facilities</u>	<u>23</u>	<u>20</u>	<u>4,872</u>	<u>19</u>
Total	113	100%	\$26,207	100%

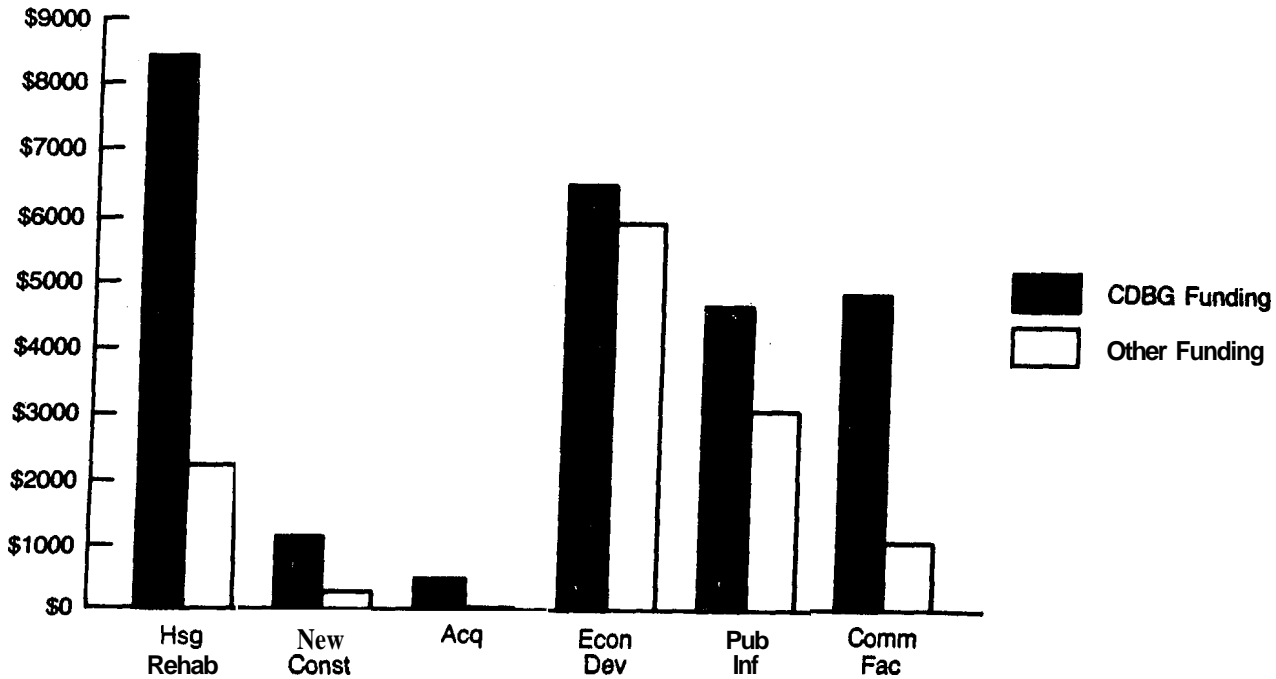
SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

Economic development projects received the greatest amount of support from other funding sources.

- o Economic development activities supported by CDBG Indian program funds received \$5.9 million in assistance from other sources including the Bureau of Indian Affairs, the Indian Health Service, other Federal agencies, and the tribes themselves.

- o Assistance from other funding sources for all Indian program activities totaled almost \$13 million.

**Figure 7-1**  
**Total Funding for CDBG Indian Activities,**  
**FY 1987**  
**(Dollars in Thousands)**



Source: U.S. Department of Housing and Urban Development, Community Planning and Development. Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

In all Indian program activities in FY 1987, more than 90 percent of total beneficiaries are low- and moderate-income persons.

- o Economic development projects accounted for the largest group, 65 percent, of the total Indians benefiting from these programs.
- o Economic development projects helped to create more than 700 permanent jobs.
- o Housing rehabilitation efforts in this program made approximately 750 units available to Indians, 99 percent of which were for owner-occupancy. The median cost per unit was about \$13,300.

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TABU 7-2

CDBG INDIAN PROGRAM ACTIVITIES,  
PERCENTAGE OF LOW- AND MODERATE-INCOME BENEFICIARIES,  
FY 1987

<u>Activity</u>	<u>Percent</u>
Housing :	
Rehabilitation	100%
Construction	100
Acquisition	99
Economic Development	91
Infrastructure	94
Community Facilities	94

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Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

THE CDBG INSULAR AREAS PROGRAM

The CDBG Insular Areas program provides funds to the Virgin Islands, Guam, American Samoa, the Commonwealth of Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Trust Territory of the Pacific Islands - the Republic of Palau. Funds are distributed to HUD Field Offices based solely on population. Grantees apply to the Field Office serving them for project funding.

In FY 1987, \$6.9 million were available to grantees in the following amounts: The Virgin Islands (\$1,827,000) , Guam (\$2,000,000) , American Samoa (\$1,027,235), the Commonwealth of Northern Mariana Islands' (\$683,265) , the Federated States of Micronesia (\$686,2501, the Republic of the Marshall Islands (\$206,2501, and the Trust Territory of the Pacific Islands - the Republic of Palau (\$470,000). At this time, HUD is reviewing applications to award these funds.

Only the Republic of Palau can be funded under the Section 107 authority to fund the Trust Territory of the Pacific Islands. The Federated States of Micronesia and the Republic of the Marshall Islands, the other two former members of the Trust Territory, became sovereign nations in free association with the United States under Compacts of Free Association. (Compact of Free Association Act of 1985, P.L. 99-239, as amended by P.L. 99-396 and P.L. 99-658). HUD funding for these former territories is authorized under a three-year phase-out provision in the 1985 Act at 75 percent, 50 percent, and 25 percent of their FY 1986 allocation. (P.L. 99-658, section 104(c)).



## THE TECHNICAL ASSISTANCE AND SPECIAL PROJECTS PROGRAMS

HUD uses the Technical Assistance (TA) and Special Projects components of the Secretary's Discretionary Fund to assist participants in CPD-administered development activities and to address special community development needs. In FY 1987, HUD made available \$13.4 million (including the FY 1987 allocation

The majority of FY 1987 Section 107 Technical Assistance funds were either awarded to minority organizations or businesses or were used primarily to benefit minorities.

- o The largest share of the FY 1987 Section 107 Technical Assistance funds, \$4.7 million or 35 percent of all funds awarded that year, helped to increase the minority business involvement in local community and economic development programs.
- o The Community Development Work Study Program (CDWSP) received \$3 million, earmarked by Congress. The purpose of the CDWSP is to increase the number of minority and other economically disadvantaged students engaged in careers in community and economic development by providing financial assistance to them for work-study programs.
- o HUD awarded \$1.5 million to Historically Black Colleges and Universities (HBCU) to support local Community Development Block Grant and Urban Development Action Grant programs. Each HBCU provides technical assistance to nearby smaller communities to support these programs.

The largest share (42%) of all FY 1987 Section 107 Technical Assistance funds went to public sector not-for-profit organizations; colleges and universities, state and local governments each received a little over one-fifth of the total funds awarded.

- o Private not-for-profit groups received the greatest proportion of FY 1987 funds (42%) and the second largest number (23) of awards.
- o Colleges and universities received the largest number (31) of FY 1987 TA awards.
- o Six of the seven FY 1987 awards made to private for-profit firms went to minority-owned firms eligible for the Small Business Administration's "8A" program. These six firms received almost \$1.6 million of the funds awarded to for-profit firms.

**Special Projects Program.** The Community Development Special Projects program enables HUD to award grants to States and units of general local government for special projects that address community development activities consistent with the purposes of Title I of the Housing and Community Development Act of 1974, as amended.

TABLE 7-3

SECTION 107 TECHNICAL ASSISTANCE AWARDS  
 BY PURPOSE, FY 1987  
 (Dollars in Thousands)

Purpose	Awards	
	Amount	Percent
Minority Business	\$4,660	35%
Community Development		
Work Study Program	2,556	19
Economic Development	1,938	14
Historically Black		
Colleges/Universities	1,491	11
Program Management	782	6
Neighborhood Development	631	5
Housing	350	3
Energy	323	2
Technical Assistance		
to Indians	346	3
Housing Rehabilitation	213	1
Technical Assistance to		
States/Small Cities	150	1
<u>Total</u>	<u>\$13,440</u>	<u>100%</u>

Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

TABLE 7-4

SECTION 107 TECHNICAL ASSISTANCE AWARDS  
 BY TYPE OF ORGANIZATION, FY 1987  
 (Dollars in Thousands)

Type of Organization	Awards		Funds	
	Number	Percent	Amount	Percent
Not-for-Profits	23	30%	\$5,648	42%
Colleges and Universities	31	41	2,967	22
State/Local Govts. and COGs	15	20	2,986	22
For-Profit firms	7	9	1,839	14
<u>Total</u>	<u>76</u>	<u>100%</u>	<u>\$13,440</u>	<u>100%</u>

Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

In FY 1987, HUD awarded 21 special project grants to local governments in 12 different States.

- o A total of \$10.3 million supported projects in economic development, human services, public works, and housing rehabilitation. These projects included:
  - Ten economic development projects, including the New Equity Program in Jacksonville, Florida which provides minority entrepreneurship opportunities;
  - Three drug-abuse and alcoholism treatment facilities in New York and Vermont;
  - Five sewer, water, and other infrastructure projects in Connecticut, New York, Florida, and Illinois; and
  - Three housing projects, including the rehabilitation of 45 large low-income units in Des Moines, Iowa.



## CHAPTER 8

### WAGING THE PROGRAMS

#### BACKGROUND AND INTRODUCTION

This chapter discusses the process by which the Office of Community Planning and Development (CPD) exercises its oversight responsibilities to ensure that the programs it administers are carried out by grantees in an effective manner and in compliance with the law. The statutes allow considerable latitude on the part of the States and localities in determining local priorities, in pursuing community development goals, and in selecting strategies to carry out these goals. CPD, for its part, must exercise its responsibility to ensure that the intent of Congress, as expressed in the statute, is carried out.

This chapter is organized into four sections: (1) the first deals with the role of CPD in Field monitoring; (2) the second covers the audit process; (3) the third reports on Fair Housing and Equal Opportunity certification reviews, monitoring, compliance reviews and complaint investigations; and (4) the fourth describes CPD efforts to promote minority business enterprise.

#### MONITORING

Monitoring of grantee activities is a statutorily-mandated responsibility of CPD Field Office staffs and a critical part of the overall management of CPD. The CPD Monitoring Handbook and the Regional Management Plan, along with periodic management issuances, serve as guides. The process involves review and analysis of available data in the Field Office, on-site reviews, and follow-up actions to resolve any problems. Monitoring differs from auditing, since monitoring focuses on a broader range of requirements and administrative practices. It places more emphasis on preventative actions that may involve on-site resolution of problems. Due to the local nature of CPD programs, application of discretion in applying general requirements to unique and sometimes complex local situations is required. In the process of monitoring, CPD Field Office staffs also provide technical assistance to help grantees solve problems related to community development.

#### DEVELOPMENT OF MONITORING PLAN AND STRATEGY

The FY 1987 CPD Regional Management Plan, developed by Headquarters in consultation with the Field, played an important role in the conduct of monitoring reviews by the Field Office staffs.

- o **As** in the past, all State Community Development Block Grant (CDBG) programs and State Rental Rehabilitation programs were monitored.
- o For the other CPD programs, the approaches to on-site monitoring used prior to FY **1987** (limited, comprehensive, focussed, intensive, etc.) were replaced by an analysis based on certain risk factors. The factors were to be indicators of vulnerability to waste, fraud, and mismanagement.

- o Each Field Office developed a plan for on-site monitoring based on the risk analysis completed for each program. The analysis showed which grantees, projects, and areas should be monitored. The monitoring plan would also indicate when the monitoring was scheduled to take place.
- o By changing to a risk-based monitoring system, emphasis was put on better targeting of resources, concentrating reviews on fewer grantees, and using team visits to provide the depth of review needed to deal with problems.

#### MONITORING GOALS AND PERFORMANCE

Monitoring is critical for CPD Field Office staffs to ensure that the U.S. Department of Housing and Urban Development's programs are implemented in accordance with its requirements. A finding of noncompliance with applicable laws or program regulations is noted by HUD Field Offices, and the monitored grantee is informed by letter. These findings are deficiencies in meeting applicable program requirements for which sanctions or other corrective actions are authorized. Grantees are required to respond formally to findings either by submitting additional information to establish compliance or by taking steps to remedy the situation.

Field Offices met or exceeded their monitoring goals nationally in all but one category, Environment, in which they were only six percent short of the goal.

- o Of the 13 programs and technical review areas for which goals were met, the Secretary's Fund, the Urban Development Action Grant (UDAG) program, Relocation, and Acquisition monitoring goals were exceeded by more than ten percent. Goals refer to grantees or grants to be monitored.
- o Over 1,000 fewer program areas were reviewed in FY 1987 than in FY 1986. In FY 1987, 3,988 CPD areas were monitored compared to 5,076 in FY 1986. This reduction may be due to the risk analysis process, the reduction in travel funds and staff, and the increased staff time and depth spent in monitoring each grantee or grant selected for review.
- o In FY 1986, 1,172 UDAG projects were monitored; in FY 1987, this number dropped to 766. This reduction may be attributed to factors cited above, as well as the increasing number of completed and closed out projects, and the reduction in the number of new UDAG projects in recent years.

The CDBG Entitlement grantees constituted only 36 percent of the grantees monitored, 57 percent of CPD program funds in FY 1987, and had 58 percent of the findings. The number of CDBG Entitlement findings increased by over 1,200 compared to last year.

- o The total of 2,126 grantees monitored in FY 1987 had 4,680 findings. Of the 763 CDBG Entitlement grantees monitored, there were 2,718 findings, up from 1,458 in FY 1986. The 128 HUD Small Cities grantees monitored had 201 findings, and the 48 State CDBG grantees monitored had 288 findings.
- o The 452 monitored grantees with UDAG projects constituted 21 percent of the grantees monitored and had fourteen percent of the findings.

**TABU 8-1**

**CPD PERFORMANCE IN MEETING MONITORING GOALS FOR GRANTS OR GRANTEES,  
FY 1987**

Programs and Technical Areas	Grants and grantees		Percent of Goal Accomplished
	Performance	Goal	
CDBG Entitlement	685	673	102%
State CDBG	48	48	100
UDAG	766	671	114
Rental Rehab-Local	360	355	101
Rental Rehab-States	40	40	100
Section 312	217	202	107
Indian CDBG	170	169	101
HUD Small Cities	88	85	104
Acquisition	383	330	116
Relocation	396	339	117
Environment	700	740	95
Urban Homesteading	103	98	105
Insular Areas	5	5	100
Secretary's Fund	27	19	142
Total	3,988	3,774	106%

NOTE: This table covers both grants and grantees, depending upon the program. Definitions of the type of monitoring visit for which the Field Office receives credit vary. Therefore, numbers vary between Tables 8-1 and 8-2.

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

**TABU 8-2**

**CPD GRANTEES MONITORED AND FINDINGS BY PROGRAM, FY 1987 \***

Program	Grantees Monitored		Findings	
	Number	Percent	Number	Percent
CDBG Entitlement	763	36%	2,718	58%
State CDBG	48	2	288	6
UDAG	452	21	657	14
Rental Rehabilitation	414	20	478	10
HUD Small Cities	128	6	201	4
Other	321	15	338	7
Total	2,126	100%	4,680	100%

NOTE: The tables covers grantees and findings only, not grants monitored; therefore numbers differ from table 8-1.

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

- o The Rental Rehabilitation program had 20 percent of all CPD program grantees monitored (414), but it had only 10 percent of the findings.
- o Ninety-three percent of all CDBG Entitlement grantees and only 46 percent of HUD-administered Small Cities with active grants were monitored.

#### MONITORING AREAS

There are 28 potential program areas that may be monitored when Field Staff are conducting monitoring visits. Not all program areas are applicable to every CPD program. The State programs have an additional set of eight areas specific to their operations, and UDAG has one. An overall indicator of program performance is the number of findings that are the result of monitoring visits. A finding notes that a program is deficient in meeting applicable requirements as defined by statute and regulation. HUD may invoke sanctions against a grantee or take other corrective action when a finding is made. The Data Appendix contains a list of all monitoring areas covered for each program and the frequency of findings made in each monitoring area.

Program Progress was the monitoring area most often covered in all CPD monitoring visits, except those to State grantees. This area focused on the grantee's progress in carrying out a program as a whole.

- o Program Progress ranked first or second as the most frequently monitored area of activity for Rental Rehabilitation, HUD Small Cities, and UDAG. Program Progress ranked third for Entitlement CDBG monitoring.
- o In rank order, the most frequently monitored areas for all CPD programs (except State CDBG) were (1) Program Progress; (2) Rehabilitation; (3) Environment -- covering monitoring of grantees' compliance with various Federal environmental laws and regulations; (4) Program Benefit -- reviewing compliance with CDBG objectives of benefiting low- and moderate-income persons, preventing slums and blight, and meeting urgent needs; and (5) Financial Management. For ranking purposes, similar activities were combined (i.e., environmental reviews by Field representatives and by specialists were merged).
- o Among the program areas most frequently monitored for the State CDBG program were timeliness of State distribution of funds to local governments, the method of distributing these funds, and the adequacy of State monitoring of recipients. Data on state reviews are contained in Table A8-2 in the data Appendix.

The Environment was the monitoring area in which findings were most likely to occur for all HUD programs.

- o In rank order, the monitoring areas with the highest number of findings were: (1) Environment, (2) Rehabilitation, (3) Financial Management, (4) Labor Standards, and (5) Program Benefit.
- o While Labor Standards monitoring produces a relatively high number of findings, it is not a frequent component in CPD monitoring visits.



TABLE 8-3

RANK ORDER OF MONITORING AREAS BY FREQUENCY OF MONITORING REVIEWS  
WITHIN CPD PROGRAMS, FY 1987 \*

Monitoring Areas	All Programs	Entitle- ment CDBG	Rental Rehabili- tation	HUD Small Cities	UDAG
Program Progress	1	3	2	1	2
Rehabilitation	2	4	1	3	
Environment	3	2		4	4
Program Benefit	4	1	3		
Financial Management	5		5	2***	5
Eligibility		5		5	
Relocation			4		
Accountability**				5***	3
Performance					1

\* Does not include State CDBG. \*\* UDAG-specific. \*\*\* Ties.

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

TABLE 8-4

RANK ORDER OF MONITORING AREAS BY FREQUENCY OF FINDINGS,  
WITHIN CPD PROGRAMS, FY 1987

Monitoring Areas	All Programs	Entitle- ment CDBG	Rental Rehabili- tation	HUD Small Cities	state CDBG	UDAG
Environment	1	1	3	5	1	5
Rehabilitation	2	2	1	4		
Financial Mgt.	3	3		1	3***	4
Labor Standards	4	4	4		2	
Program Benefit	5	5	5	3		
Distribution*			2		3***	
Program Progress				2		2
Fair Housing & Equal Opportunity					5***	
Audits Management					5***	
Performance**						1
Accountability						3

\* Specific to state programs. \*\* UDAG-specific. \*\*\* Ties.

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

## AUDITS

Grantee programs are subject to financial and compliance audits, in addition to the monitoring conducted by CPD staff. The entire operations of each grantee must generally be audited annually by an independent auditor (Independent Public Accountant, a State auditor, or a local government auditor). The HUD Office of Inspector General also performs audits. Auditing focuses on a number of issues, including: legality of expenditures; systems to control subgrantee expenditures; and procedures for monitoring subgrantee activities.

### AUDIT ACTIVITY AND RESULTS

Audit findings indicate that problems have been identified worthy of grantee attention. They include both monetary and nonmonetary findings.

Seventy percent of all CPD audit reports indicated no findings. The CPD programs for which the highest percentage of findings were made for grantees audited were CDBG Entitlement (37%) and UDAG (38%).

- o In FY 1987, the HUD Office of Inspector General and the independent auditors filed 1,485 audit reports on CPD grantees, with some reports covering several programs. In the reports, 1,425 findings were recorded.
- o Thirty seven percent of the grantees audited and 42 percent of those with findings were for the CDBG Entitlement program; 23 percent of the grantees audited and only 13 percent of the findings were for the State and HUD-administered Small Cities CDBG program.

**TABU 8-5**

### AUDIT REPORTS BY GRANTEE, PROGRAM AND PRESENCE OF FINDINGS, FY 1987 \*

	CDBG Entitlement		State and Small Cities		UDAG		Other		All CPD Reports	
	No	Pct	No	Pct	No	Pct	No	Pct	No	Pct
<u>Audit Reports</u>										
<u>With Findings</u>	277	37	88	26	136	38	156	27	449	30
<u>Without Findings</u>	463	63	250	74	222	62	431	73	1,036	70
<u>Total</u>	740	100%	338	100%	358	100%	587	100%	1,485	100%

\*

Audit reports may cover more than one program. Therefore, each audit report is counted here under each grantee and program, but only once for the net total of all CPD programs. Thus, total reports are less than total grantees audited by program.

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

**TABU 8-6**

**AUDITS WITH FINDINGS BY PROGRAM, FY 1987**

<u>Program</u>	<u>Number</u>	<u>Percent</u>
CDBG Entitlement	277	42%
State CDBG	88	13
UDAG	136	20
Other	156	24
All CPD Programs	657	100
Total reports	449	

NOTE: Several programs are covered in a single audit report

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

**TABU 8-7**

**TYPE OF AUDIT FINDINGS BY CPD PROGRAM, FY 1987  
(Dollars in Thousands)**

<u>Type of Finding</u>	<u>Entitlement</u>		<u>state and Small cities</u>		<u>UDAG</u>		<u>Other CPD</u>		<u>Total</u>	
	<u>Nb.</u>	<u>Pct.</u>	<u>Nb.</u>	<u>Pct.</u>	<u>Nb.</u>	<u>Pct.</u>	<u>Nb.</u>	<u>Pct.</u>	<u>Nb.</u>	<u>Pct.</u>
Monetary	230	22	27	23	23	17	50	40	330	23
Non-Monetary	812	78	92	77	115	83	76	60	1,095	77
Total	1,042	100%	119	100%	138	100%	126	100%	1,425	100%

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

**TABLE 8-8**

**AMOUNT OF AUDIT FINDINGS BY CPD PROGRAM, FY 1987  
(Dollars in Thousands)**

<u>Findings</u>	<u>Entitlement</u>	<u>state and Small cities</u>	<u>UDAG</u>	<u>Other CPD</u>	<u>Total</u>
Non-sustained	\$ 9,972	\$ 71	\$2,458	\$ 351	\$12,853
sustained	13,178	87	61	2,151	15,478
Unresolved	4,944	417	163	830	6,354
Total	\$28,094	\$577	\$2,682	\$3,332	\$34,684

NOTE: Totals may not add due to rounding.

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

- o Of the 1,425 findings, only 23 percent were monetary, where the expenditures of funds had been questioned or disallowed. Seventy-seven percent of the findings were nonmonetary. They dealt with systems management and grantee management of subgrantees.
- o The monetary findings involved expenditures of almost \$35 million. Of this amount, 45 percent (\$15.4 Million) was sustained; i.e. upon further review and examination of additional documentation, the expenditures were still disallowed. Thirty-seven percent of the funds (\$12.8 million) was not sustained; further documentation provided an adequate justification for those expenditures.
- o Only two percent of all UDAG dollars questioned were sustained, but forty-seven percent of all Entitlement dollars questioned were sustained.

**AUDIT POLICY**

Grantee audits are the single-audits, as required by the Single Audit Act and OMB Circular A-128. The Circular requires a single audit of all Federal programs administered by a grantee instead of a separate audit for each program. This policy is aimed at reducing duplication of auditing efforts for a single unit of government which has grants under several Federal programs.

The number and, percent of single audits increased dramatically each year since 1982. This reduced total auditing efforts during a period when the number of grants was increasing.

- o The number of single audits increased from only 156 in 1982, (5 percent of all independent audits) to 1,149 in 1987 (89 percent of all audits).
- o Because of the single audit policy, the total number of audits by independent auditors dropped from over 3,000 in 1982 to only 1,294 in 1987.

**TABLE 8-9**

**INDEPENDENT PUBLIC ACCOUNTANT AUDITS OF CPD GRANTEES, FYs 1982-1987**

<u>Fiscal Year</u>	<u>Total Audits</u>	<u>Single Audit Reports</u>	
		<u>Number</u>	<u>Percent</u>
1982	3,136	156	5%
1983	2,787	370	13
1984	2,385	560	23
1985	1,539	762	50
1986	1,280	832	65
1987	1,294	1,149	89

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

## FAIR HOUSING AND EQUAL OPPORTUNITY

Federal statutes and Executive Orders prohibit discrimination on the grounds of race, color, national origin, religion, sex, age or disability. These statutes and Executive Orders apply to grantees, subgrantees, contractors, and subcontractors of all CPD programs. Each CPD program contains sanctions for failure to comply. CPD program grantees and contractors are made aware of their responsibilities to: (1) comply with all applicable nondiscrimination requirements through provisions incorporated within grant agreements and contracts; (2) certify that they will comply; (3) maintain adequate records; and (4) meet certain reporting requirements.

This section reports on in-house and monitoring reviews conducted by the HUD Fair Housing and Equal Opportunity (FHEO) Field Office staff in FY 1987 and the results of those activities by program area. The section also lists the number of compliance reviews and complaint investigations.

### **CERTIFICATION REVIEWS**

It is a primary objective of HEO to ensure that the Department's grant decisions are based upon informed and documented judgments regarding a grantee's compliance with applicable civil rights and equal opportunity laws. Grantees submit civil rights certifications prior to the grant award. In determining acceptability of these certifications, the Department relies upon the administrative records of performance reviews of the grantees and other independent evidence such as litigation or complaint investigations involving the applicant. Each grantee must certify annually that it will comply with equal opportunity statutes and laws.

Of the 674 certification reviews in FY 1987, 463 were of the CDBG Entitlement program, the largest number for any CPD program. The program also received the highest number of negative conclusions (33) on civil rights compliance.

- o Two findings that there was substantial evidence of a lack of conformance to established civil rights requirements resulted in recommendations for placing conditions upon a grantee's succeeding year's grant.
- o No negative recommendations were reported for the HUD-administered Small Cities program out of a total of 199 reviews completed.

The HEO Field staff reviewed 268 UDAG applications prior to their approval. More than half were rated as "good" or "excellent." Eighty-four percent (225) were recommended for approval with or without conditions.

- o Of the 268 applications reviewed, almost half were rated as either "excellent" (74), or "good" (49), on equal opportunity commitments. A rating of "excellent" was given if minority job estimates were high and if contracts for minority businesses were planned to be over 10 percent of total contracts. A rating of "good" was given if minority employment opportunities were average and if minority-owned business involvement was projected to be around 10 percent of project costs.

- o One-third of the UDAG applications was rated as either "fair" (75), "poor" (14) or "unacceptable" (15). An application was rated "fair" if it planned a low number of minority jobs and less than 10 percent minority business participation. Ratings were not reported for some reviews.
- o As a result of the review, 152 applications were recommended for funding, 73 were recommended with contract conditions, 22 were not recommended. Data on recommendations were not reported for 21 applications.

#### **FHEO MONITORING**

During the life of a project, the HEO Field staff undertakes either an in-house or an on-site review to determine conformance of the grantee with civil rights-related program requirements.

In FY 1987, HEO conducted 1,602 monitoring reviews, most of which were of the CDBG Entitlement cities and UDAG grantees. The largest number of deficiencies was reported for the Entitlement program, but the highest percent of deficiencies was in the HUD-administered Small Cities program.

- o In FY 1987, FHEO conducted 1,602 performance reviews, 340 fewer than the previous fiscal year; of these, 825 were on-site and the balance in-house.
- o The largest number of HEO monitoring reviews by the HEO Field staff was for the CDBG Entitlement Cities (859) and UDAG grantees (343).
- o Although the largest number of deficiencies was found in the CDBG Entitlement program (111), the highest percentage of findings (31% or 41 of the reviews) was in the HUD-administered Small Cities program.
- o The largest number of deficiencies was for Recipient Recordkeeping and reporting (33 out of 172), followed by Fair Housing Deficiencies.

#### **COMPLIANCE REVIEWS**

In addition to the Field Office monitoring, HEO Regional Office staffs also conducted in-depth compliance reviews, i.e., reviews for compliance with Title VI of the Civil Rights Act of 1964 and Section 109 of the Housing and Community Development Act of 1974. The compliance reviews are undertaken as a response to various factors: Field Office monitoring results, equal opportunity conditions placed on contracts, the size of the grantee or its minority population, and failure to meet civil rights requirements.

Because of an emphasis on conducting Title VI compliance reviews of Public Housing Authorities, no new compliance review activity occurred in FY 1987 under Section 109.

- o The only activity for the year in this field was closing the 30 reviews carried over from the previous fiscal year. All of the reviews were closed with a "determination of compliance."

TABLE 8-10

DEFICIENCIES FOUND IN FHEO MONITORING OF CPD PROGRAMS, FY 1987

Type of Deficiency	Entitle- ment	HUD Small cities	State CDBG	UDAG	Rental Rehabil- itation
Minority Entrepreneurship	11	14	0	3	0
Recordkeeping/Reportings	23	0	0	10	0
Recipient Employment	11	1	0	1	0
Section 3 Local Businesses	2	0	0	0	0
Fair Housing/Private Market	29	1	1	0	0
Minority Employment	8	2	0	1	0
Program Benefits	13	9	0	0	0
<u>Other</u>	<u>14</u>	<u>14</u>	<u>0</u>	<u>4</u>	<u>0</u>
Total Deficiencies	111	41	1	19	0
Total Reviews	859	133	53	343	214

SOURCE: U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity.

**COMPLAINT INVESTIGATIONS**

The FHEO Regional Office staff also conducts in-depth investigations in response to filed civil rights complaints. The Office investigates complaints of noncompliance with Section 109 of the Housing and Community Development Act of 1974, Title VI of the Civil Rights Act of 1964, and Section 3 of the Housing and Urban Development Act of 1968, as amended.

Section 3 requires that, to the greatest extent feasible, opportunities for training and employment in projects assisted by CPD funds be given to lower-income persons residing within the jurisdiction of the local government, metropolitan area, or nonmetropolitan county in which the project is located.

Section 3 also requires that contracts be awarded to business concerns either located in the metropolitan area or owned in substantial part by persons residing in the metropolitan area of the project.

Thirty complaints were investigated under Section 109. Fourteen have been closed, i.e. found in compliance, or otherwise successfully resolved. Two new complaints were received under Section 3.

**MINORITY BUSINESS ENTERPRISE**

Efforts to encourage participation by minority-owned firms in HUD's programs are of particular importance to the Secretary. On September 17, 1981, President Reagan promulgated a directive committing the Administration to expand efforts to develop and encourage minority business. On July 14, 1983, the President issued Executive Order 12432. It provides guidance for the

Federal role on development of minority business enterprises and encouragement of greater economic opportunity for minority entrepreneurs. The Office of Community Planning and Development has supported these efforts for a number of years by establishing annual regional goals for the amount of contract funds to be awarded by grantees to minority owned firms.

#### MINORITY BUSINESS ENTERPRISE ACTIVITY

The Field Offices reported that \$503 million were awarded in contracts to minority-owned businesses for CPD programs in FY 1987. This was 99 percent of the goal for the year. This amount was almost identical to the FY 1986 total.

- o In FY 1987, the Field Office reported \$503 million in contracts to minority-owned businesses, which represented 99 percent of the goal for the year and 25 percent of all contract dollars. The FY 1986 MBE total was \$502 million or 23 percent of all contract dollars. In FY 1987 five of the ten HUD Regional Offices substantially exceeded their goals.

**TABLE 8-10**  
**MINORITY BUSINESS ENTERPRISE**  
**PARTICIPATION IN CPD CONTRACTS AND SUBCONTRACTS AWARDED,**  
**BY HUD REGION, FY 1987 (Dollars in Millions)**

HUD Region	Goal	Performance	Percent Accomplishment	
			Goal	Total Contracts
I	\$15	\$25	167%	9%
II	154	155	100	45
III	42	30	70	27
IV	70	63	90	22
V	74	58	78	18
VI	54	60	111	28
VII	18	20	112	19
VIII	4	6	155	30
IX	70	78	112	23
X	9	9	107	21
Total	\$509	\$503	99%	25%

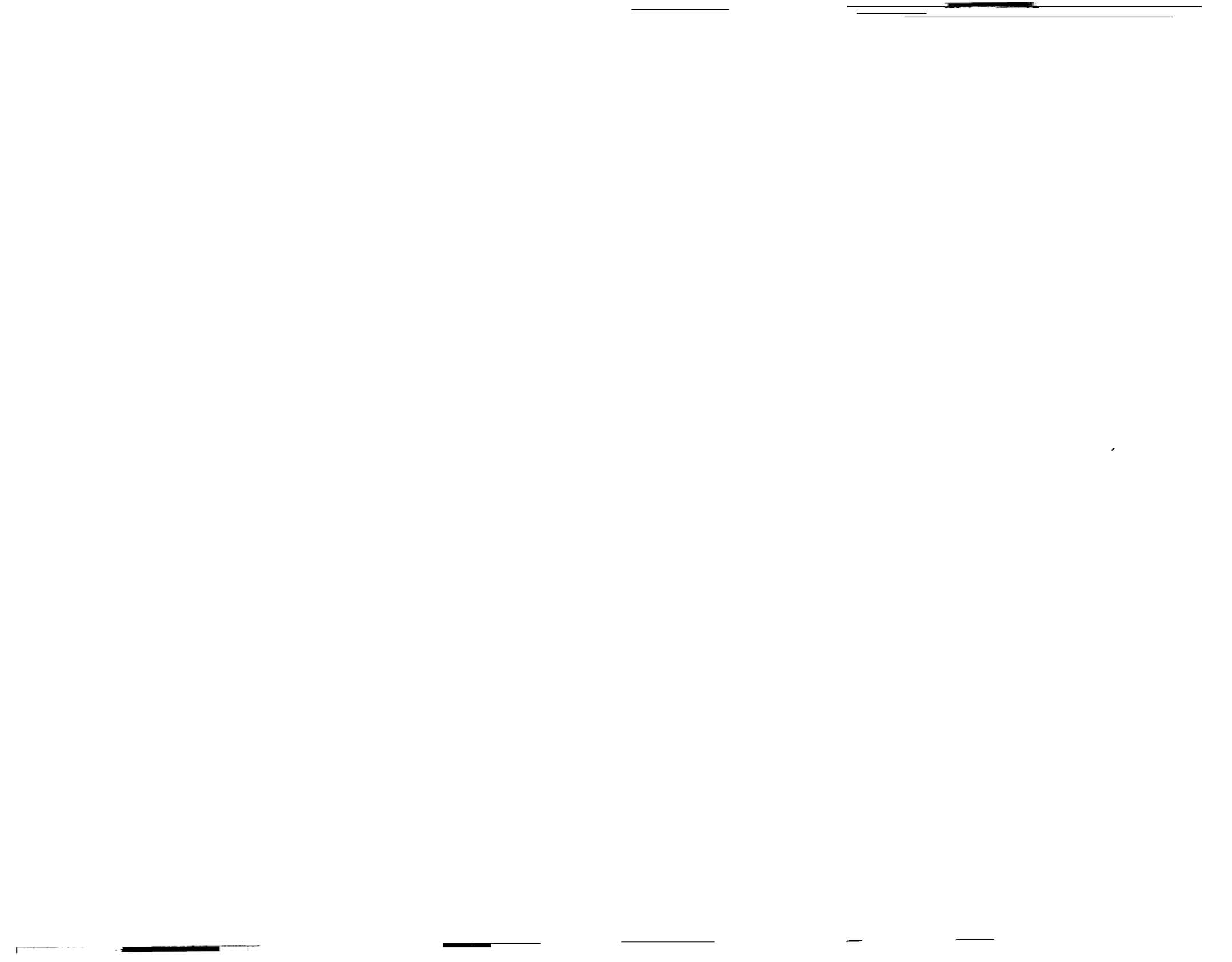
\* May not add due to rounding.

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



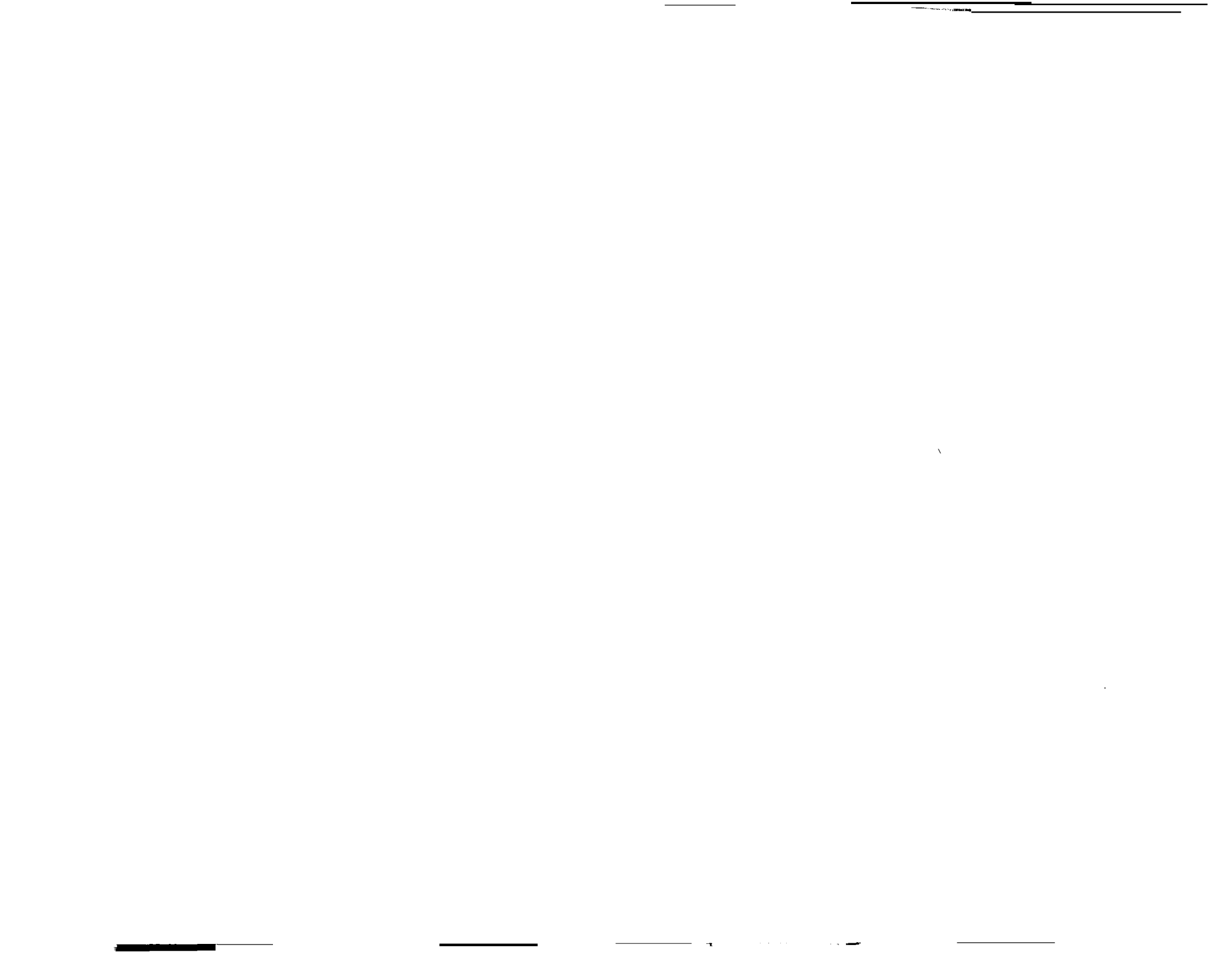
**1988 CONSOLIDATED ANNUAL REPORT TO CONGRESS  
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**DATA APPENDIX**



## INTRODUCTION

This Appendix contains tables which complement the Consolidated Annual Report to Congress on Community Development Programs. The tables follow the sequence of the chapters in the Report.



1988 CONSOLIDATED ANNUAL REPORT TO CONGRESS  
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TABLE A1-1

**COMMUNITY DEVELOPMENT PROGRAMS  
APPROPRIATIONS, FYs 1975-1987  
(Dollars in Millions)**

Fiscal Year	Community Development Block Grant						
	Entitle- ment	Non- Entitle- ment	Secretary's Fund	UDAG	Rental Rehab.	urban Home- steading	Emerg. Shelter
1975	\$ 2,219	\$254	\$ 27	-	-	-	-
1976	2,353	346	53	-	-	\$ 5	-
1977	2,663	434	51	-	-	15	-
1978	2,794	612	95	\$400	-	15	-
1979	2,752	797	102	400	-	20	-
1980	2,715	955	71	675	-	0	-
1981	2,667	926	102	675	-	0	-
1982	2,380	1,020	57	435	-	0	-
1983	2,380	1,020	57	440	-	12	-
1984	2,380	1,020	66	440	\$150	12	-
1985	2,388	1,023	61	440	150	12	-
1986	2,053	880	58	316	72	11	-
1987	<u>2,059</u>	<u>883</u>	<u>56</u>	<u>225</u>	<u>200</u>	12	<u>\$60</u>
Total	\$31,803	\$10,170	\$856	\$4,446	\$572	\$114	\$60

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

TABLE A1-2

## Community Development

## Funding Summary by State

FY 1987 (Dollars in Thousands)

State	Entitle- ment CDBG	State CDBG	UDAG	Rental Rehab	Emerg. Shelter	Section 312 Rehab	Urban <sup>(1)</sup> Home- steading	Indian CDBG	CPD Total
Alabama	\$21,359	\$ 25,443	\$ 3,339	\$2,588	\$953	\$504	\$249	\$250	\$54,685
Alaska	1,636	1,526		239	65	316		2,719	6,501
Arizona	22,771	5,610		1,925	579	32	144	5,089	36,151
Arkansas	6,197	18,120		1,339	4%	150			26,302
California	279,856	21,851	9,848	26,549	6,139	4,357		4,501	353,100
Colorado	17,991	7,824	410	2,401	526	2,107	154		31,413
Connecticut	24,871	9,111	950	2,722	691	111	28		38,483
Delaware	5,047	1,442	7,120	324	132	275	36		14,375
Dist. of Columbia	16,922			1,231	344	51			18,548
Florida	96,318	21,291	11,640	8,413	2,395	333	1,422		141,812
Georgia	29,206	31,586	10,880	4,063	1,238	278			77,251
Hawaii	11,435	2,299		858	280				14,872
Idaho	805	6,505		483	149	349	82		8,373
Illinois	131,371	28,903	1,435	11,664	3,262	3,537	729		180,901
Indiana	32,813	25,201	6,430	3,280	1,181	778	521		70,203
Iowa	11,511	21,754	139	1,623	677	1,434	302		37,440
Kansas	8,765	14,249	650	1,359	468	516	178	200	26,385
Kentucky	17,401	25,328	11,614	2,090	870	1,768	140		59,211
Louisiana	32,357	23,528		3,566	1,138	416		275	61,280
Maine	4,306	9,880	964	835	289	240			16,514
Maryland	40,709	7,015	18,573	3,436	971	1,176	262		72,141
Massachusetts	65,016	24,177	4,251	6,625	1,815	932			102,815
Michigan	91,947	27,879	12,523	6,274	2,439	224	347	750	142,382
Minnesota	29,823	18,219	6,070	2,476	978	1,609	257	250	59,681
Mississippi	4,862	27,243	15,434	1,354	654	402		158	50,107
Missouri	41,988	21,133	9,331	3,473	1,284	869	562		78,640
Montana	1,247	5,463		508	137			2,013	9,368
Nebraska	5,513	10,522		899	327	2,317	144	47	19,770
Nevada	5,788	1,489		721	149			424	8,571
New Hampshire	3,160	5,845		621	184	1,543			11,353
New Jersey	87,579	7,581	17,351	7,324	1,935	1,881	219		123,870
New Mexico	5,110	8,278	10,000	854	273			1,869	26,384
New York	277,978	36,108	22,747	29,081	6,391	11,704	308	250	384,568
North Carolina	16,011	37,533	1,440	3,127	1,090	1,586		250	61,037
North Dakota	1,250	4,703		291	121			466	6,831
Ohio	101,473	37,717	23,278	8,716	2,833	3,784	618		178,418
Oklahoma	10,639	14,218	267	1,984	507	134		3,751	31,501
Oregon	14,010	9,988		2,203	499	748	562	198	28,208
Pennsylvania	152,961	38,466	65,895	10,040	3,895	2,897	509		274,662
Puerto Rico	54,913	48,140	25,630	2,656	2,098	390	125		133,952
Rhode Island	10,910	3,561	8,803	1,200	294				24,768
South Carolina	9,065	23,127	330	1,755	659	350	332		35,618
South Dakota	1,116	6,054		399	146			1,782	9,497
Tennessee	23,331	23,842	2,845	3,013	960	1,257	97		55,345
Texas	120,215	54,056	1,867	9,980	3,548	1,609	257	302	191,834
Utah	11,039	4,574	1,100	992	318	654			18,677
Vermont	688	4,929	3,845	305	114	180			10,061
Virginia	28,377	19,784	3,622	3,393	981	925			57,081
Washington	32,188	9,570	3,358	3,331	850	7,210	277	1,313	58,097
West Virginia	6,777	14,962	479	851	443	59			23,571
Wisconsin	30,070	22,610		2,999	1,072	2,212	1,170	97	60,230
Wyoming	709	2,363		31	63			58	3,224
<b>Total</b>	<b>\$2,059,400</b>	<b>\$882,600</b>	<b>\$ 324,458</b>	<b>\$198,464</b>	<b>\$59,900</b>	<b>\$64,199</b>	<b>\$10,028</b>	<b>\$27,011</b>	<b>\$3,626,060</b>

(1) FY 1986 Funds



TABU A2-1: PART 1

**ESTIMATED CDBG ENTITLEMENT FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1984-1987  
(Dollars in Millions)**

	<u>FY 87</u>	<u>FY 86</u>	<u>FY 85</u>	<u>FY 84</u>
<u>HOUSING-RELATED</u>	<u>\$876.2</u>	<u>\$859.2</u>	<u>\$966.7</u>	<u>\$970.3</u>
(percent)	(35.8)	(35.2)	(36.2)	(36.1)
Private Residential Rehab. :				
Single-family	563.9	523.6	523.0	514.7
Multi-Family	158.2	185.0	96.7	129.1
Rehab. of Pub. Res. Property	0.4	4.8	16.2	94.3
Rehab. of Pub. Housing	17.7	19.6	15.7	21.6
Code Enforcement	32.3	34.7	45.4	48.0
Historic Preservation	0.7	4.3	0.4	3.2
Housing Activities by Sub-recip.	49.4	41.4	187.9	71.7
Renovation of Closed Schools	0.2	0.9	0.0	1.5
Weatherization Rehabilitation	4.7	6.6	8.1	10.2
Rehabilitation Administration	48.9	38.0	103.2	76.0
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>535.6</u>	<u>505.7</u>	<u>599.9</u>	<u>586.5</u>
(percent)	(21.9)	(20.7)	(21.8)	(21.8)
Street Improvements	220.5	208.5	211.5	251.4
Park, Recreation, etc.	48.3	53.6	69.7	67.2
Water and Sewer	50.1	63.0	79.9	99.5
Flood and Drainage	29.8	13.1	28.8	17.9
Neighborhood Facilities	39.4	30.7	24.6	30.2
Solid Waste Facilities	3.2	1.4	1.8	2.8
Removal of Arch. Barriers	14.9	13.5	15.7	11.1
Senior Centers	14.6	11.8	16.8	13.6
Centers for Handicapped	5.4	2.6	1.9	7.1
Historic Preservation	7.3	2.2	4.7	8.3
Other Pub. Fac. and Improve.	102.2	104.5	144.4	77.4
<u>ECONOMIC DEVELOPMENT</u>	<u>254.4</u>	<u>304.3</u>	<u>305.5</u>	<u>355.3</u>
(percent)	(10.4)	(12.5)	(11.1)	(13.2)
Assist. For-Profit Entities	172.8	258.5	118.5	60.1
Comm. and Industrial				
Improvements by Grantee	81.7	40.8	175.1	279.7
Rehab. of Private Property	12.0	3.0	11.8	15.5
<u>PUBLIC SERVICES</u>	<u>242.3</u>	<u>236.2</u>	<u>264.6</u>	<u>240.2</u>
(percent)	(9.9)	(9.7)	(9.6)	(8.9)
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>140.2</u>	<u>150.8</u>	<u>112.1</u>	<u>90.8</u>
(percent)	(5.7)	(6.2)	(4.1)	(3.4)
Acquisition of Real Property	66.0	76.5	60.1	12.6
Clearance	39.5	35.5	24.1	45.9
Relocation	21.5	21.2	17.2	20.7
Disposition	13.2	17.7	10.7	11.6
<u>OTHER</u>	<u>93.3</u>	<u>78.9</u>	<u>91.1</u>	<u>81.1</u>
(percent)	(3.8)	(3.2)	(3.3)	(3.0)
Contingencies/Local Options	43.7	51.7	53.8	52.6
Repayment of Section 108 Loans	49.6	27.2	32.0	17.6
Completion of Urban Renewal	-	-	5.3	9.8
<u>ADMINISTRATION AND PLANNING</u>	<u>307.4</u>	<u>303.7</u>	<u>380.7</u>	<u>355.9</u>
(percent)	(12.5)	(12.5)	(13.8)	(13.3)
Administration	284.9	282.6	344.5	325.0
Planning	22.5	31.1	36.2	30.9
<u>TOTAL PROGRAM RESOURCES'</u>	<u>\$2,449.5</u>	<u>\$2,438.9</u>	<u>\$2,750.6</u>	<u>\$2,685.0</u>

t Includes CDBG Entitlement grants, program income, 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.

TABLEU-1: PART 2

ESTIMATED CDBG ENTITLEMENT FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1979-1983  
(Dollars in Millions)

	<u>FY 83</u>	<u>FY 82</u>	<u>FY 81</u>	<u>FY 80</u>	<u>FY 79</u>
<u>HOUSING-RELATED</u>	<u>\$921.6</u>	<u>\$885.5</u>	<u>\$951.7</u>	<u>\$862.4</u>	<u>\$797.0</u>
(percent)	(35.1)	(35.0)	(33.9)	(31.1)	(27.7)
Private Residential Rehab.	648.6	694.6	729.8	673.1	555.6
Rehab. of Pub. Res. Structures	106.5	110.5	120.4	91.8	137.0
Rehab. of Pub. Housing	20.5	13.6	29.2	30.5	31.3
Code Enforcement	58.0	55.6	58.8	52.3	56.3
Historic Preservation	11.2	11.5	13.5	14.7	16.8
Housing Activities by LDCs	76.8	N/A	N/A	N/A	N/A
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>592.2</u>	<u>578.6</u>	<u>740.5</u>	<u>811.1</u>	<u>899.0</u>
(percent)	(22.6)	(22.9)	(26.3)	(29.3)	(31.2)
Street Improvements	244.0	215.5	340.3	332.3	339.3
Park, Recreation, etc.	69.6	68.1	84.4	97.0	121.6
Water and Sewer	91.0	76.3	111.4	109.3	126.4
Flood and Drainage	32.4	23.6	27.3	31.2	50.3
Neighborhood Facilities	17.1	30.9	59.7	84.0	84.4
Solid Waste Facilities	9.2	4.4	1.5	11	2.4
Parking Facilities	9.6	1.7	11.1	25.7	14.6
Fire Protection Facilities	11.0	12.8	13.7	13.3	16.3
Removal of Arch. Barriers	11.2	10.6	16.8	20.1	19.4
Senior Centers	14.2	16.2	20.9	25.6	29.0
Centers for Handicapped	3.0	25	9.1	10.4	8.5
Other Pub. Fac. and Improve.	62.0	115.3	44.2	60.0	84.4
<u>ECONOMIC DEVELOPMENT</u>	<u>262.8</u>	<u>205.3</u>	<u>133.0</u>	<u>129.7</u>	<u>97.4</u>
(percent)	(10.0)	( 8.1)	( 4.8)	( 4.7)	(3.4)
Local Deveopment Corp.	104.4	79.1	82.0	74.2	42.1
Public Fac. and Impr. for ED	30.8	33.8	19.1	23.7	24.2
Com. and Ind. Fac. for ED	83.6	70.0	19.6	19.8	19.2
Acquisition for ED	30.7	30.5	12.3	12.0	11.9
<u>PUBLIC SERVICES</u>	<u>276.1</u>	<u>213.5</u>	<u>187.9</u>	<u>187.4</u>	<u>199.2</u>
(percent)	(10.5)	(8.4)	(6.7)	(6.8)	(6.9)
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>107.0</u>	<u>194.9</u>	<u>293.3</u>	<u>315.9</u>	<u>361.7</u>
(percent)	(4.1)	(7.7)	(10.4)	(11.4)	(12.6)
Acquisition of Real Property	26.8	105.6	166.0	180.3	209.5
Clearance	38.6	47.8	57.7	63.7	70.2
Relocation	31.3	34.3	58.6	63.2	73.7
Disposition	11.3	7.2	11.0	8.7	8.3
<u>OTHER</u>	<u>108.1</u>		<u>122.3</u>	<u>157.4</u>	<u>169.6</u>
(percent)	(4.1)		(4.4)	(5.7)	(5.9)
Contingencies/Local Options	88.1	63.2	101.8	119.4	124.4
Completion of Cat. Programs	20.0	32.3	20.5	38.0	45.2
<u>ADMINISTRATION AND PLANNING</u>	<u>374.6</u>	<u>358.6</u>	<u>381.4</u>	<u>309.5</u>	<u>355.3</u>
(percent)	(14.3)	(14.2)	(13.6)	(11.2)	(12.3)
Administration	297.6	294.7	317.6	252.3	290.1
Planning	77.0	63.9	63.8	57.2	65.3
<u>TOTAL PROGRAM</u> CE <sup>+</sup>	<u>\$2,624.5</u>	<u>\$2,513.2</u>	<u>\$2,809.3</u>	<u>\$2,772.5</u>	<u>\$2,877.3</u>

NA = not available.

+ Includes CDBG Entitlement grants, program income, 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 A2-1: PART 3**

**ESTIMATED EXPENDITURE OF CDBG ENTITLEMENT FUNDS,  
FYs 1975-1978  
(Dollars in Millions)**

	<u>FY 78</u>	<u>FY 77</u>	<u>FY 76</u>	<u>FY 75</u>
<u>REHABILITATION</u>	<u>\$466.2</u>	<u>\$381.6</u>	<u>\$313.5</u>	<u>\$241.7</u>
(percent)	(11.6)	(14.0)	(12.8)	(11.4)
Rehabilitation Loans and Grants	417.4	343.6	281.2	207.4
Code Enforcement	48.8	38.0	32.3	34.4
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>917.8</u>	<u>987.1</u>	<u>862.3</u>	<u>642.3</u>
(percent)	(32.7)	(36.2)	(35.2)	(30.4)
Public Works, Fac., Site Impr.	917.4	987.0	862.1	642.1
Payments for Loss of Rental Inc.	0.4	0.1	0.2	0.2
<u>PUBLIC SERVICES</u>	<u>237.1</u>	<u>185.4</u>	<u>156.1</u>	<u>91.5</u>
(percent)	(8.4)	(6.8)	(6.4)	(4.3)
Provision of Public Services	207.2	169.9	140.0	74.8
Special Projects for the Elderly and Handicapped	29.9	15.5	16.1	16.7
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>577.1</u>	<u>487.8</u>	<u>452.8</u>	<u>453.8</u>
(percent)	(20.5)	(17.9)	(18.5)	(21.5)
Acquisition	236.4	256.7	237.6	251.2
Clear., Demolition, and Rehab	249.6	137.0	119.6	110.0
Disposition	4.8	3.7	7.0	3.2
Relocation Payments and Assist.	86.3	90.4	88.6	89.4
<u>CONTINGENCIES AND LOCAL OPTIONS</u>	<u>104.8</u>	<u>126.7</u>	<u>105.6</u>	<u>103.6</u>
(percent)	(3.7)	(4.6)	(4.3)	(4.9)
<u>COMPLETION OF CATEGORICAL PROGRAMS</u>	<u>119.5</u>	<u>208.3</u>	<u>266.0</u>	<u>328.3</u>
(percent)	(4.3)	(7.7)	(10.8)	(15.5)
Completion of Urban Renewal	79.1	152.8	154.5	159.6
Continuation of Model Cities	2.5	17.6	67.3	136.5
Payment of Non-federal Share	37.9	37.9	44.2	32.2
<u>ADMINISTRATION AND PLANNING</u>	<u>387.7</u>	<u>350.6</u>	<u>296.3</u>	<u>251.9</u>
(percent)	(13.8)	(12.9)	(12.1)	(11.9)
Administration	287.6	256.9	216.5	159.3
Planning	100.1	93.7	79.8	92.3
<u>TOTAL PROGRAM RESOURCES+</u>	<u>\$2,810.4</u>	<u>\$2,727.7</u>	<u>\$2,452.7</u>	<u>\$2,113.1</u>

+ Includes CDBG entitlement grants, program income, surplus urban renewal funds, 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 Management, Data Systems and Statistics Division.

TABLE A2-2: PART 1

ESTIMATED CDBG METROPOLITAN CITY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1984-1987  
(Dollars in Millions)

	<u>FY 87</u>	<u>FY 86</u>	<u>FY 85</u>	<u>FY 84</u>
<u>HCUSING-RELATED</u>	<u>\$767.3</u>	<u>\$745.2</u>	<u>\$871.2</u>	<u>\$837.8</u>
(percent)	(38.1)	(36.9)	(38.2)	(37.9)
Private Residential Rehab.:				
Single-family	475.6	429.9	427.0	414.4
Multi-Family	156.5	182.4	91.2	114.9
Rehab. of Pub. Res. Property	0.0	3.3	14.6	93.3
Rehab. of Pub. Housing	15.8	17.6	13.1	19.0
Code Enforcement	29.0	31.8	42.2'	45.2
Historic Preservation	0.5	3.4	0.3	3.0
Housing Activities by Sub-recip.	41.9	35.8	178.3	66.5
Rehabilitation of Closed Schools	0.2	0.9	0.0	1.5
Weatherization Rehabilitation:	3.6	4.2	5.7	8.2
Rehabilitation Administration	44.1	35.7	98.8	71.8
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>382.4</u>	<u>370.4</u>	<u>433.3</u>	<u>421.8</u>
(percent)	(19.0)	(18.4)	(19.0)	(19.1)
Street Improvements	162.8	158.0	156.2	186.7
Park, Recreation, etc.	38.1	44.2	56.9	55.0
Water and Sewer	22.7	27.6	43.1	56.2
Flood and Drainage	17.0	9.0	21.1	11.2
Neighborhood Facilities	30.7	23.5	17.9	24.6
Solid Waste Facilities	2.7	1.1	1.8	2.6
Removal of Arch. Barriers	10.0	7.7	8.2	5.7
Senior Centers	5.5	6.2	6.6	4.3
Centers for Handicapped	3.3	1.2	0.8	4.7
Historic Preservation	6.0	1.8	3.0	5.4
Other Pub. Fac. and Improve.	83.6	90.2	117.7	65.4
<u>ECONOMIC DEVELOPMENT</u>	<u>217.0</u>	<u>257.3</u>	<u>263.3</u>	<u>293.1</u>
(percent)	(10.8)	(12.8)	(11.5)	13.3
Assist. For-Profit Entities	152.4	224.4	102.5	55.2
Comm. and Industrial				
Improvements by Grantee	55.0	30.0	10.9	12.0
Rehab. of Private Property	9.6	2.9	15.5	41.6
<u>PUBLIC SERVICES</u>	<u>214.0</u>	<u>213.5</u>	<u>241.2</u>	<u>217.9</u>
(percent)	(10.6)	(10.6)	(10.6)	(9.9)
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>120.6</u>	<u>133.2</u>	<u>96.2</u>	<u>85.3</u>
(percent)	(6.0)	(6.6)	(4.2)	(3.9)
Acquisition of Real Property	53.1	65.7	47.9	11.7
Clearance	35.5	32.0	21.9	43.8
Relocation	20.1	18.4	15.9	18.5
Disposition	12.0	17.2	10.5	11.3
<u>OTHER</u>	<u>70.5</u>	<u>54.6</u>	<u>60.2</u>	<u>64.5</u>
(percent)	(3.4)	(2.7)	(2.5)	(2.9)
Contingencies/Local Options	24.9	31.0	33.7	37.1
Repayment of Section 108 Loans	45.5	23.6	21.5	16.7
Completion of Urban Renewal	-	-	5.0	9.8
<u>ADMINISTRATION AND PLANNING</u>	<u>243.8</u>	<u>242.9</u>	<u>317.2</u>	<u>287.3</u>
(percent)	(12.1)	(12.0)	(13.9)	(13.0)
Administration	225.9	227.3	289.4	264.0
Planning	17.9	15.6	27.7	23.3
<u>TOTAL PROGRAM RESOURCES+</u>	<u>\$2,015.3</u>	<u>\$2,017.2</u>	<u>\$2,282.5</u>	<u>\$2,210.0</u>

+ Includes CDBG Entitlement grants, program income, 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 A2-2: PART2

**ESTIMATED CDBG METROPOLITAN CITY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1979-1983  
(Dollars in Millions)**

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
<u>HOUSING-RELATED</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)
Private Residential Rehab.	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	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
Housing Activities by LDCs	67.2	-NA-	-NA-	-NA-	-NA-
<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 Pub. Fac. and Improve.	46.0	96.7	40.1	55.4	79.8
<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>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>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>OTHER</u>	<u>73.6</u>	<u>78.9</u>	<u>99.7</u>	<u>132.1</u>	<u>145.5</u>
(percent)	(3.4)	(3.7)	(4.2)	(5.6)	(5.9)
Contingencies/Local Options	53.8	47.3	79.9	95.3	102.4
Completion of Cat. Programs	19.8	31.6	19.8	36.8	43.1
<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 PROGRAM RESOURCES</u>	<u>\$2152.1</u>	<u>\$2118.6</u>	<u>\$2374.3</u>	<u>\$2350.7</u>	<u>\$2471.1</u>

N/A = Not available

+ Includes CDBG Entitlement grants, 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 A2-2: PART 3

**ESTIMATED CDBG METROPOLITAN CITY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1975-1978  
(Dollars in Millions)**

	<u>FY 78</u>	<u>FY 77</u>	<u>FY 76</u>	<u>FY 75</u>
<u>REHABILITATION</u>	<u>\$402.3</u>	<u>\$329.5</u>	<u>\$285.3</u>	<u>\$228.0</u>
(percent)	(16.5)	(13.7)	(12.7)	(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>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>751.8</u>	<u>830.2</u>	<u>759.4</u>	<u>601.5</u>
(percent)	(30.8)	(34.6)	(33.9)	(30.0)
Public Works, Fac., Site Impr.	751.4	830.1	759.2	601.3
Payments for Loss of Rental Inc.	.4	.1	.2	.2
<u>PUBLIC SERVICES</u>	<u>220.6</u>	<u>174.6</u>	<u>149.1</u>	<u>87.4</u>
(percent)	(9.0)	(7.3)	(6.7)	(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>ACQUISITION, CLEARANCE RELATED</u>	<u>527.8</u>	<u>440.0</u>	<u>420.1</u>	<u>436.4</u>
(percent)	(21.6)	(18.0)	(18.8)	(21.7)
Acquisition	207.7	225.5	215.5	240.0
Clear., Demolition, and Rehab	234.8	125.8	112.5	105.8
Disposition	48	37	7.0	3.1
Relocation Payments and Assist.	80.5	85.0	85.1	87.5
<u>CONTINGENCIES/ LOCAL OPTIONS</u>	<u>86.2</u>	<u>107.3</u>	<u>93.6</u>	<u>97.2</u>
(percent)	(3.5)	(4.5)	(4.2)	(4.9)
<u>COMPLETION OF CATEGORICAL PROGRAMS</u>	<u>113.9</u>	<u>204.4</u>	<u>261.1</u>	<u>320.9</u>
(percent)	(4.7)	(8.5)	(11.7)	(16.0)
Completion of Urban Renewal	76.0	151.9	154.3	158.1
Continuation of Model Cities	2.4	17.6	66.4	132.2
Payment of Non-federal Share	35.5	34.9	40.4	30.6
<u>ADMINISTRATION AND PLANNING</u>	<u>335.0</u>	<u>309.3</u>	<u>270.6</u>	<u>232.5</u>
(percent)	(13.7)	(12.9)	(12.1)	(11.6)
Administration	251.5	229.5	201.4	150.6
Planning	83.5	79.8	69.2	81.9
<u>TOTAL PROGRAM RESOURCES+</u>	<u>\$2,437.6</u>	<u>\$2,395.3</u>	<u>\$2,239.2</u>	<u>\$2,003.9</u>

+ Includes CDBG entitlement grants, program income, surplus urban renewal funds, 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 Management, Data Systems and Statistics Division.

TABLE A2-3: PART 1

**ESTIMATED CDBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1984-1987**  
(Dollars in Millions)

	<u>FY 87</u>	<u>FY 86</u>	<u>FY 85</u>	<u>FY 84</u>
<u>HOUSING-RELATED</u>	<u>\$109.0</u>	<u>\$114.0</u>	<u>\$125.5</u>	<u>\$132.5</u>
(percent)	(25.1)	(27.0)	(26.8)	(27.9)
Private Residential Rehab. :				
Single-family	88.3	93.7	96.0	100.3
Multi-Family	16	2.6	5.5	14.2
Rehab. of Pub. Res. Property	0.4	1.5	1.6	1.0
Rehab. of Pub. Housing	1.8	2.0	2.6	2.6
Code Enforcement	3.3	2.9	3.3	2.8
Historic Preservation	0.2	0.9	0.1	0.2
Housing Activities by Sub-recip.	7.4	5.6	9.7	5.2
Weatherization Rehabilitation	1.1	2.4	2.3	2.0
Rehabilitation Administration	4.8	2.3	4.4	4.32
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>153.2</u>	<u>135.3</u>	<u>165.6</u>	<u>164.7</u>
(percent)	(35.3)	(32.1)	(35.6)	(34.7)
Street Improvements	57.6	50.5	55.4	64.7
Park, Recreation, etc.	10.3	9.4	12.7	12.2
Water and Sewer	27.4	35.4	36.8	43.3
Flood and Drainage	12.9	4.1	7.7	6.7
Neighborhood Facilities	8.6	7.2	6.8	5.6
Solid Waste Facilities	0.5	0.3	0.0	0.2
Removal of Arch. Barriers	4.9	5.8	7.5	5.4
Senior Centers	9.1	5.6	10.2	9.3
Centers for Handicapped	2.0	1.4	1.1	2.4
Historic Preservation	0.2	0.4	1.7	2.9
Other Pub. Fac. and Improve.	18.5	15.1	26.7	10.9
<u>ECONOMIC DEVELOPMENT</u>	<u>37.4</u>	<u>47.0</u>	<u>42.2</u>	<u>62.2</u>
(percent)	(8.6)	(11.1)	(9.0)	(13.1)
Assist. For-Profit Entities	20.6	35.1	16.1	4.9
Commercial and Industrial				
Improvements by Grantee	14.7	10.8	25.3	53.8
Rehab. of Private Property	2.4	0.1	0.8	3.5
<u>PUBLIC SERVICES</u>	<u>28.4</u>	<u>22.7</u>	<u>23.4</u>	<u>22.3</u>
(percent)	(6.5)	(5.4)	(5.0)	(4.7)
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>19.6</u>	<u>17.6</u>	<u>15.9</u>	<u>5.5</u>
(percent)	(4.5)	(4.2)	(3.4)	(1.2)
Acquisition of Real Property	12.9	10.8	12.2	0.9
Clearance	4.0	3.5	2.2	2.1
Relocation	1.5	2.8	1.3	2.2
Disposition	1.3	0.5	0.2	0.3
<u>OTHER</u>	<u>22.9</u>	<u>24.3</u>	<u>30.9</u>	<u>16.6</u>
(percent)	(5.3)	(5.8)	(6.6)	(3.5)
Contingencies/Local Options	18.8	20.7	20.1	15.5
Repayment of Section 108 Loans	4.0	3.6	10.5	0.9
Completion of Urban Renewal	-	-	0.3	-
<u>ADMINISTRATION AND PLANNING</u>	<u>63.6</u>	<u>60.8</u>	<u>63.6</u>	<u>68.6</u>
(percent)	(14.7)	(14.4)	(13.6)	(14.4)
Administration	59.0	55.3	55.1	61.0
Planning	4.6	5.5	8.5	7.6
<u>TOTAL PROGRAM RESOURCES+</u>	<u>\$434.2</u>	<u>\$421.7</u>	<u>\$468.1</u>	<u>\$475.0</u>

+ Includes CDBG Entitlement grants, program income, 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 A2-3: PART 2

**ESTIMATED CDBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
FYs 1979-1983  
(Dollars in Millions)**

	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>
<u>HOUSING-RELATED</u>	<u>\$119.1</u>	<u>\$117.4</u>	<u>\$135.7</u>	<u>\$109.6</u>	<u>\$ 94.4</u>
(percent)	(25.2)	(28.5)	(31.2)	(26.0)	(23.2)
Private Residential Rehab.	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 Mtd.	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
Housing Activities by LDCs	9.6	-NA-	-NA-	-NA-	-NA-
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>161.2</u>	<u>155.6</u>	<u>171.1</u>	<u>178.5</u>	<u>186.6</u>
(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 Pub. Fac. and Improve.	16.0	18.6	4.1	4.6	4.2
<u>ECONOMIC DEVELOPMENT</u>	<u>58.1</u>	<u>31.2</u>	<u>11.5</u>	<u>10.3</u>	<u>8.2</u>
(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>PUBLIC SERVICES</u>	<u>22.0</u>	<u>18.4</u>	<u>7.6</u>	<u>7.3</u>	<u>8.0</u>
(percent)	(4.7)	(4.5)	(1.7)	(1.7)	(2.0)
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>7.1</u>	<u>18.9</u>	<u>32.9</u>	<u>37.2</u>	<u>37.0</u>
(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>OTHER</u>	<u>34.5</u>	<u>16.6</u>	<u>22.6</u>	<u>25.3</u>	<u>24.1</u>
(percent)	(7.3)	(4.0)	(5.2)	(6.0)	(5.9)
Contingencies/Local Options	34.3	15.9	21.9	24.1	22.0
Completion of Cat. Programs	.2	.7	.7	1.2	2.1
<u>ADMINISTRATION AND PLANNING</u>	<u>70.4</u>	<u>55.2</u>	<u>54.3</u>	<u>54.5</u>	<u>51.1</u>
(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 PROGRAM RESOURCES+</u>	<u>\$472.4</u>	<u>\$412.6</u>	<u>\$435.0</u>	<u>\$421.8</u>	<u>\$406.2</u>

N/A : Not available

+ Includes CDBG Entitlement grants, 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 A2-3: PART 3

ESTIMATED CDBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES BUDGETED,  
 FYs 1975-1978  
 (Dollars in Millions)

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
<u>REHABILITATION</u>	\$ 63.9	\$ 52.1	\$ 28.2	\$ 13.7
(percent)	(17.1)	(15.7)	(13.2)	(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>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>166.0</u>	<u>156.9</u>	<u>102.9</u>	<u>40.8</u>
(percent)	(44.5)	(47.2)	(48.2)	(37.4)
Public Works, Fac., Site Impr.	166.0	156.9	102.9	40.8
Payments for Loss of Rental Inc.	0	0	0	0
<u>PUBLIC SERVICES</u>	<u>16.5</u>	<u>10.8</u>	<u>7.0</u>	<u>4.1</u>
(percent)	(4.4)	(3.2)	(3.3)	(3.8)
Provision of Public Services	6.7	6.8	3.6	2.6
Special Projects for the Elderly and Handicapped	9.8	4.0	3.4	1.5
<u>ACQUISITION, CLEARANCE RELATED</u>	<u>49.3</u>	<u>47.8</u>	<u>32.7</u>	<u>17.4</u>
(percent)	( 13.2)	( 14.4)	( 15.3)	( 15.9)
Acquisition	28.7	31.2	22.1	11.2
Clear., Demolition, and Rehab Disposition	14.8	11.2	7.1	4.2
	---	---	---	.1
Relocation Payments and Assist.	5.8	5.4	3.5	1.9
<u>CONTINGENCIES/LOCAL OPTIONS</u>	<u>18.6</u>	<u>19.4</u>	<u>12.0</u>	<u>6.4</u>
(percent)	(5.0)	(5.8)	(5.6)	(5.9)
<u>COMPLETION OF CATEGORICAL PROGRAMS</u>	<u>5.6</u>	<u>3.9</u>	<u>4.9</u>	
(percent)	(1.5)	(1.2)	(2.3)	
Completion of Urban Renewal	3.1	.9	.2	1.5
Continuation of Model Cities	.1	---	.9	4.3
Payment of Non-federal Share	24	3.0	3.8	1.6
<u>ADMINISTRATION AND PLANNING</u>	<u>52.7</u>	<u>41.3</u>	<u>25.7</u>	<u>19.4</u>
(percent)	(14.1)	(12.4)	(12.0)	(17.8)
Administration	36.1	27.4	15.1	9.0
Planning	16.6	13.9	10.6	10.4
<u>TOTAL PROGRAM RESOURCES<sup>+</sup></u>	<u>\$372.8</u>	<u>\$332.4</u>	<u>\$213.5</u>	<u>\$109.2</u>

+ Includes CDBG entitlement grants, 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 A2-4

**CDBG ENTITLEMENT PROGRAM EXPENDITURES**  
**BY ACTIVITY GROUP AND NATIONAL OBJECTIVE,**  
**FYs 1982-1985**  
(Dollars in Millions)

	FY 1985		FY 1984		FY 1983		FY 1982	
	<u>Amt.</u>	<u>Pct.</u>	<u>Amt.</u>	<u>Pct.</u>	<u>Amt.</u>	<u>Pct.</u>	<u>Amt.</u>	<u>Pct.</u>
Housing-Related	\$952.0	(33.0)+	\$976.0	(34.6)	\$917.2	(34.1)	\$987.9	(34.9)
Low/Mod	874.0	91.8	929.1	95.2	858.2	93.6	943.3	95.5
Slum/Blight	75.7	8.0	46.8	4.8	59.0	6.4	44.6	4.5
Urgent Need	2.3	0.2	-	-	-	-	-	-
Public Works	698.2	(24.2)	<del>696.5</del> (24.7)		704.5	(26.2)	725.9	(25.6)
Low/Mod	635.1	90.9	637.5	91.5	643.8	91.4	673.1	92.7
Slum/Blight	49.6	7.1	54.0	7.7	53.3	7.6	43.9	6.0
Urgent Need	14.1	2.0	51	0.7	7.4	1.0	8.9	1.2
Econ. Development	398.1	(13.8)	335.1	(11.9)	213.6	( 7.9)	269.2	( 9.5)
Low/Mod	322.7	81.0	276.2	82.4	177.3	83.0	212.7	79.0
Slum/Blight	74.1	18.6	58.9	17.6	34.6	16.2	55.1	20.5
Urgent Need	1.3	0.3	•		1.6	0.8	14	0.5
Public Services	220.4	( 7.6)	213.3	( 7.6)	212.6	( 7.9)	232.3	( 6.9)
Low/Mod	219.7	99.7	212.6	99.6	210.4	99.0	228.9	66.3
Slum/Blight	0.7	0.3	0.6	0.3	2.2	1.0	3.1	30.3
Urgent Need	*		*					35
Acq./Clearance	215.4	( 7.6)	199.3	( 7.1)	221.6	( 8.2)	194.2	( 6.9)
Low-Mod	142.0	65.9	127.2	63.8	157.2	70.9	128.7	66.3
Slum/Blight	33.5	33.5	70.0	35.1	60.5	27.3	58.8	30.3
Urgent Need	1.1	0.5	21	1.1	3.8	1.7	0.7	35
Urban Renewal Completion	-		-		31.2	( 1.2)	49.7	( 1.8)
Low/Mod	-		-		16.9	(54.2)	25.0	(50.4)
Slum/Blight	-		-		14.3	45.8	24.6	49.6
Urgent Need	-		-		-	-	-	-
Adm. Planning	401.7	(13.9)	396.9	(14.1)	387.4	(14.4)	370.0	(13.1)
Repayment of Section 108 Loan	2.2	(*)	4.3	(*I)	2.8	(*)	2.7	(*)
Total	2888.7		2821.5		2690.8		2832.2	
Net Program Benefit	2484.8		2420.3		2300.6		2459.5	
Low/Mod.	2193.5	88.3	2182.6	90.2	2063.8	89.7	2211.7	89.9
Slum/Blight	272.4	11.0	230.3	9.5	223.9	9.7	230.0	9.4
Urgent Need	18.8	0.8	7.2	0.3	12.8	0.6	17.4	0.7

\* Data within parenthesis are percentages of total expenditures.  
Less than \$500,000 or .5 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.

TABLE A2-5

**CDBG ENTITLEMENT PROGRAM AND DIRECT BENEFIT EXPENDITURES FOR  
HOUSING-RELATED ACTIVITIES BY NATIONAL OBJECTIVE,  
FYs 1982-1985  
(Dollars in Millions)**

	<u>FY 1985</u>	<u>FY 1984</u>	<u>FY 1983</u>	<u>FY 1982</u>
<b>Housing-Related</b>	<b>\$ 952.0</b>	<b>\$975.9</b>	<b>\$917.2</b>	<b>\$987.9</b>
Low-Mod	874.0	929.1	858.2	943.3
Slum/Blight	75.7	46.8	59.0	44.6
Urgent Need	2.3		*	
<b>Direct Benefit</b>				
Housing-Related	<u>510.2</u>	<u>532.5</u>	<u>538.1</u>	<u>465.7</u>
Low-Mod	468.7	519.1	511.8	460.3
Slum/Blight	40.5	13.4	26.3	5.4
Urgent Need	1.0			-
<b>Multi-Family</b>				
Housing-Rehab	<u>152.7</u>	<u>144.8</u>	<u>115.9</u>	<u>171.4</u>
Low-Mod	117.5	132.1	100.4	165.1
Slum/Blight	35.2	12.7	15.5	6.3
Urgent Need	-	-	-	-
Direct Benefit				
Multi-Family Rehab	<u>90.3</u>	<u>76.6</u>	<u>75.9</u>	<u>61.7</u>
Low-Mod	66.2	73.3	67.5	61.0
Slum/Blight	24.1	3.3	8.4	0.7
Urgent Need	-	-	-	-
<b>Single-Family</b>				
Housing-Rehab	<u>520.4</u>	<u>526.1</u>	<u>494.9</u>	<u>497.8</u>
Low-Mod	492.9	507.3	469.1	479.6
Slum/Blight	25.2	18.8	25.8	18.2
Urgent Need	2.3	•	-	-
Direct Benefit				
Single-Family Rehab	<u>391.4</u>	<u>416.7</u>	<u>417.1</u>	<u>346.9</u>
Low-Mod	374.8	407.4	399.6	342.5
Slum/Blight	15.6	9.3	17.5	4.4
Urgent Need	1.0	•	-	-
<b>Publicly-Owned</b>				
Housing	<u>142.3</u>	<u>142.7</u>	<u>149.1</u>	<u>108.4</u>
Low-Mod	142.2	141.2	133.5	108.3
Slum/Blight	*	15	15.6	•
Urgent Need	-	-	-	-
Direct Benefit				
Publicly-Owned	<u>8.3</u>	<u>13.2</u>	<u>19.6</u>	<u>12.1</u>
Low-Mod	8.3	13.1	19.4	12.1
Slum/Blight	•	.1	.2	•
Urgent Need	-	-	-	•

\* Less than \$500,000.

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

TABLE A2-6

**SECTION 108 LOAN GUARANTEE PROGRAM  
BY FISCAL YEAR  
(Dollars in Thousands)**

<u>FY</u>	<u>Applications Approved</u>		<u>Guarantees Issued</u>		<u>Funds Advanced</u>	<u>Funds Repaid</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>		
1978 &						
1979	10	\$ 31,286	4	\$11,838	\$ 6,499	\$ 0
1980	23	156,933	22	89,885	37,631	3,198
1981	48	156,487	28	156,694	45,264	10,869
1982	54	179,377	30	83,356	57,273	14,535
1983	22	60,627	41	133,473	84,978	24,652
1984	29	86,952	29	95,116	70,757	39,758
1985	63	133,475	27	89,719	102,579	21,490
1986	25	113,290	47	119,429	88,832	77,836
1987	13	30,007	8	56,110	119,396	39,406
<b>Total</b>	<b>277</b>	<b>\$948,434*</b>	<b>236</b>	<b>\$835,620</b>	<b>\$613,209</b>	<b>\$231,744</b>

\*Total includes \$30,451,000 for 11 cancelled projects.

SOURCE: Compiled by the Office of Program Analysis and Evaluation based on data supplied by the Office of Finance and Accounting.

TABU A2-7

**CDBG ENTITLEMENT PROGRAM INCOME  
FYs 1982-1985  
(Dollars in Millions)**

<u>Fiscal Year</u>	<u>Metro Cities</u>	<u>Urban Counties</u>	<u>All Counties</u>
1982	\$184	\$18	\$201
1983	317	41	357
1984	322	50	372
1985	316	50	367

Note: Detail does not add due to rounding.

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 A3-1

STATE CDBG AND HUD-ADMINISTERED SMALL CITIES PROGRAMS  
 ALLOCATIONS BY STATE, FYs 1982-1987  
 (Dollars in thousands)

State	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
Alabama	\$31,727	\$29,792	\$28,803	\$29,102	\$25,372	\$25,443
Alaska	1,315	1,504	1,651	1,706	1,521	1,526
Arizona	5,998	6,849	6,301	6,425	5,635	5,610
Arkansas	22,902*	21,215	20,525	20,712	18,071	18,120
California	24,708	27,142	30,101	27,028	22,168	21,851
Colorado	9,654*	10,128	9,534	9,783	7,821	7,824
Connecticut	9,978	10,120	10,386	10,481	9,086	9,111
Delaware	1,587	1,663	1,645	1,642	1,438	1,442
Florida	23,076*	25,982	26,909	27,679	21,232	21,291
Georgia	36,676	36,408	36,454	36,920	31,497	31,586
Hawaii	1,633'	1,896*	2,544*	2,598*	2,293*	2,299*
Idaho	6,280	7,102	7,312	7,420	6,487	6,505
Illinois	33,713	33,485	33,209	33,375	28,822	28,903
Indiana	30,254	29,801	28,935	29,125	25,130	25,201
Iowa	24,908	24,775	24,920	25,096	21,693	21,754
Kansas	17,885*	17,484*	16,808	16,973	21,082	14,249
Kentucky	30,639	29,316	28,764	28,987	25,258	25,328
Louisiana	30,837	27,787	27,041	26,823	23,461	23,528
Maine	10,090	10,524	11,259	11,360	9,852	9,880
Maryland	8,325*	8,315*	8,154*	8,039*	6,996*	7,015
Massachusetts	26,542	27,380	27,626	27,834	24,110	24,177
Michigan	30,506	31,822	31,837	32,140	27,794	27,879
Minnesota	22,249"	22,291	21,689	21,806	18,254	18,219
Mississippi	33,925	30,349	30,824	31,177	27,166	27,243
Missouri	26,218	25,803	24,096	24,290	21,082	21,133
Montana	6,109	6,327	6,213	6,276	5,448	5,463
Nebraska	12,101	11,897	12,049	12,142	10,492	10,522
Nevada	1,291	1,520	1,682	1,693	1,485	1,489
New Hampshire	5,731*	6,015	6,629	6,710	5,829	5,845
New Jersey	11,381	11,915	8,326	8,833	7,669	7,581
New Mexico	9,329*	9,324	9,724	9,407	8,254	8,278
New York	39,225*	39,315*	42,342*	41,460*	36,007*	36,108*
North Carolina	46,374	43,868	42,685	43,176	37,433	37,533
North Dakota	5,704	5,528	5,341	5,407	4,690	4,703
Ohio	44,040	44,927	44,719	43,516	36,612	37,717
Oklahoma	18,517	17,719	15,836	16,194	14,178	14,218
Oregon	9,894*	11,081	10,189	10,282	8,923	9,988
Pennsylvania	42,622	42,691	44,359	44,334	38,358	38,466
Puerto Rico	47,050	54,796	55,906	56,592	48,003	48,140
Rhode Island	4,443	4,441	4,059	4,097	3,551	3,561
South Carolina	26,938	25,614	26,008	26,365	23,073	23,127
South Dakota	7,057	6,754	6,921	6,975	6,037	6,054
Tennessee	30,105	28,531	27,448	27,751	23,775	23,842
Texas	57,619"	56,886	61,569	62,986	53,907	54,056
Utah	4,235	4,728	5,028	5,170	4,573	4,574
Vermont	4,905*	5,145	5,613	5,666	4,915	4,929
Virginia	25,520	24,005	22,346	22,592	19,730	19,764
Washington	11,342	12,179	11,707	10,931	9,543	9,570
West Virginia	18,714	17,743	17,113	17,248	14,921	14,962
Wisconsin	25,058	24,998	25,816	26,065	22,548	22,610
Wyoming	2,921	2,970	2,985	3,061	2,357	2,363
Total	\$1,019,850	\$1,019,850	\$1,019,940	\$1,023,450	\$879,760	\$882,600
State Admin.:						
Amount:	762,715	952,840	966,900	971,353	834,464	844,193
Number:	(37)	(47)	(48)	(48)	(48)	(49)
HUD Admin.:						
Amount:	257,135	67,010	53,040	52,097	45,296	38,407
Number:	(14)	(4)	(3)	(3)	(3)	(2)

\* HUD-administered

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

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Commercial Rehabilitation	9			
Relocation	39	‡	2,831	1
Public Services	7		1,178	*
Interim Assistance/ Code Enforcement	3	*	9	*
Administration/Planning	706	32	13,757	6
Contingency	70	3	1,469	1

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‡ As of June 30, 1987.  
 \* Less than .5 percent.

Note: Detail may not add due to rounding.

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SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDBG Performance and Evaluation Report Data Base.

TABLE A3-3

STATE CDEG FUNDING BY PURPOSE OF GRANT,  
 FYs 1982-1987<sup>+</sup>  
 (Dollars in Thousands)

Purpose	Funds					
	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
Public Facilities	\$298,317	\$417,971	\$436,341	\$443,419	\$318,367	\$120,502
Housing	241,961	292,016	219,364	208,359	126,614	69,111
Economic Development	119,225	180,984	240,014	212,692	122,139	26,372
Planning	8,784	14,094	7,401	13,489	4,377	1,714
Public Services	7,119	7,599	7,275	6,680	3,843	854
No Information	2,836	6,527	362	198	111	16,097
Total	\$678,242	\$919,191	\$910,757	\$884,837	\$575,451	\$234,650

<sup>+</sup> As of June 30, 1987

SOURCE: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, State CDEG Performance and Evaluation Report Data Base.

TABLE A3-4

**ESTIMATED PLANNED EXPENDITURES BY SMALL CITIES GRANTEES,  
FYs 1979-1981  
(Dollars in Millions)**

	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>	<u>\$224.8</u>	<u>\$331.3</u>	<u>\$388.1</u>	<u>\$352.3</u>
(percent)	(44.1)	(45.0)	(42.3)	(40.5)
Street Improvements	80.6	117.5	139.1	118.7
Parks, Recreation, etc.	9.3	12.0	13.5	16.0
Water and Sewer	85.4	138.2	161.8	150.4
Flood and Drainage	16.3	18.7	23.8	19.8
Neighborhood Facilities	8.4	10.0	11.9	12.0
Solid Waste Facilities	1.2	2.1	2.9	1.7
Parking Facilities	1.2	1.7	2.6	2.6
Fire Protection Facilities	4.1	4.6	5.0	3.5
Removal or Arch. Barriers	1.0	2.1	1.4	2.1
Senior Centers	3.9	6.6	6.2	6.3
Centers for the Handicapped	3.9	5.2	6.2	3.8
Other Public Works and Fac,	9.5	12.6	13.7	15.4
<u>HOUSING RELATED ACTIVITIES</u>	<u>\$144.3</u>	<u>\$221.1</u>	<u>\$301.1</u>	<u>\$298.5</u>
(percent)	(28.2)	(30.1)	(32.8)	(34.5)
Rehab of Private Property	132.6	205.9	282.2	284.3
Rehab. of Pub Resi Structures	5.3	9.3	11.8	7.5
Rehab. of Publ Housing Mod	3.1	1.6	2.2	1.8
Code Enforcement	2.7	3.7	4.3	4.0
Historic Preservation	.6	.6	.6	.9
<u>ACQUISITION AND CLEARANCE RELATED</u>	<u>\$80.0</u>	<u>\$99.3</u>	<u>\$119.1</u>	<u>\$101.2</u>
(percent)	(15.7)	(13.4)	(13.0)	(11.7)
Acquisition of Real Property	45.8	52.6	59.6	50.9
Clearance	6.7	9.7	11.0	8.7
Relocation	27.3	36.4	47.6	41.1
Disposition	.2	.6	.9	.5
<u>PUBLIC SERVICES</u>	<u>\$2.03</u>	<u>\$2.2</u>	<u>\$2.8</u>	<u>\$2.2</u>
(percent)	(0.4)	(0.3)	(0.3)	(0.3)
<u>ECONOMIC DEVELOPMENT</u>	<u>\$9.8</u>	<u>\$10.3</u>	<u>\$15.6</u>	<u>\$22.0</u>
(percent)	(1.8)	(1.3)	(1.8)	(2.6)
Local Development Corporation	2.2	-2.5	4.2	6.8
Public Fac and Imp for ED	2.2	3.1	4.4	5.5
Com and Ind Fac for ED	3.3	3.1	5.6	7.5
Acquisition for ED	2.1	1.6	1.4	2.2
	*			
<u>COMPLETION OF CATEGORICAL PROG.</u>	<u>\$-</u>	<u>\$.1</u>	<u>\$.9</u>	<u>\$1.0</u>
(percent)	(-)	(-)	(0.1)	(0.1)
<u>CONTINGENCIES AND LOCAL OPTIONS</u>	<u>\$11.3</u>	<u>\$15.0</u>	<u>\$17.5</u>	<u>\$17.1</u>
(percent)	(2.2)	(2.0)	(1.9)	(2.0)
<u>ADMINISTRATION AND PLANNING</u>	<u>\$37.4</u>	<u>\$57.0</u>	<u>\$75.1</u>	<u>\$73.2</u>
(percent)	(7.4)	(7.8)	(8.2)	(8.4)
Administration	31.5	50.0	69.1	66.3
Planning	5.9	7.0	6.0	6.9
<u>TOTAL RESOURCES</u>	<u>\$509.6</u>	<u>\$736.3</u>	<u>\$920.2</u>	<u>\$867.5</u>
Net Grant Amount	508.3	734.4	914.4	850.7
Other Program Resources <sup>1</sup>	1.3	1.9	5.8	6.8

+N/A = Not available

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

\* Less than \$50,000

- Less than .05 percent

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



TABLE A3-5

**ESTIMATED PLANNED EXPENDITURES IN THE HUD-ADMINISTERED SMALL CITIES PROGRAM,  
FYs 1975-1978  
(Dollars in Millions)**

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u> (percent)	<u>\$171.3</u> (65.2)	<u>\$208.3</u> (61.2)	<u>\$207.0</u> (47.8)
Public Works, Facilities, and Site Improvements	171.3	208.3	207.0
Payments for Loss of Rental Income	•	*	*
<u>REHABILITATION</u> (percent)	<u>\$24.8</u> (9.5)	<u>\$44.7</u> (13.1)	<u>\$105.3</u> (24.3)
Rehabilitation loans and Grants	22.2	42.0	102.2
Code Enforcement	2.6	2.7	3.1
<u>ACQUISITION/CLEARANCE</u> (percent)	<u>\$37.8</u> (14.3)	<u>\$50.6</u> (14.8)	<u>\$73.9</u> (17.0)
Acquisition	24.5	28.4	34.8
Clearance, Demolition and Rehabilitation	8.7	12.1	24.7
Disposition	.1	.1	.1
Relocation Payments and Assistance	4.5	10.0	14.3
<u>PUBLIC SERVICES</u> (percent)	<u>\$2.7</u> (0.5)	<u>\$2.0</u> (0.3)	<u>\$2.2</u> (0.3)
Provision of Public Services	1.3	.9	.9
Special Projects for the Elderly and Handicapped	1.4	1.1	1.3
<u>COMPLETION OF CATEGORICAL PROGRAMS</u> (percent)	<u>\$7.5</u> (2.9)	<u>\$7.9</u> (2.3)	<u>\$4.3</u> (1.0)
Completion of Urban Renewal Projects	4.9	6.3	3.5
Continuation of Model Cities Activities	*	.1	*
Payment of Non-Federal Share	2.6	1.5	.8
<u>CONTINGENCIES AND, LOCAL OPTIONS</u> (percent)	<u>\$6.0</u> (2.3)	<u>\$7.9</u> (2.3)	<u>\$8.8</u> (2.0)
<u>ADMINISTRATION AND PLANNING</u> (percent)	<u>\$12.6</u> (4.8)	<u>\$19.2</u> (5.7)	<u>\$31.2</u> (7.2)
Administration	7.5	13.9	25.5
Planning/Management	5.1	5.3	5.7
<u>TOTAL RESOURCES</u>	<u>\$262.7</u>	<u>\$340.6</u>	<u>\$432.7</u>
Net Grant Amount	259.7	338.7	429.6
Other, Program Resources <sup>1</sup>	3.0	19	3.1

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

\* Less than \$50,000

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

TABLE A5-1

**URBAN DEVELOPMENT ACTION GRANT PROGRAM  
PLANNED INVESTMENT IN FUNDED PROJECTS, FYS 1978-1987  
(Dollars in Millions)**

ITEM	FISCAL YEAR OF AWARD*										TOTAL
	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	
Number of Projects	123	257	285	350	289	455	376	293	245	187	2,860
Large (#)	75	121	161	208	179	244	183	153	152	111	1,587
Small (#)	48	136	124	142	110	211	193	140	93	76	1,273
Large (%)	61	47	56	59	62	54	49	52	62	59	55
Small (%)	39	53	44	41	38	46	51	48	38	41	45
UDAG Dollars	\$276	\$420	\$540	\$598	\$345	\$630	\$512	\$490	\$394	\$325	\$4,427
Large (\$1	\$226	\$323	\$415	\$452	\$283	\$478	\$328	\$279	\$294	\$246	3,325
Small (\$1	\$49	\$96	\$125	\$144	\$62	\$152	\$184	\$111	\$100M	\$79	\$1,102
Large (%)	82	77	77	76	82	76	64	72	75	76	75
Small (%)	18	23	23	24	18	24	30	28	25	24	25
Private Invest.	\$1,690	\$2,668	\$2,827	\$4,391	\$2,346	\$3,379	\$2,829	\$3,293	\$3,296	\$2,192	\$28,913
Ratio to UDAG Dollars	6.1	6.4	5.2	7.4	6.8	5.4	5.5	8.5	8.3	6.8	6.5
State and Local (\$)	\$136	\$176	\$216	\$171	\$101	\$83	\$104	\$56	\$305	148	\$1,492
Other Federal (\$)	\$39	\$41	\$24	855	\$7	\$14	\$20	\$7	\$33	\$11	\$254
Total Invest.(\$)	\$2,136	\$3,306	\$3,607	\$5,215	\$2,798	\$4,106	\$3,465	\$3,747	\$4,029	\$2,676	\$35,086
Totals are adjusted to account for project terminations.											

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

**TABLE A5-2**  
**URBAN DEVELOPMENT ACTION GRANT PROGRAM**  
**PLANNED BENEFITS IN FUNDED PROJECTS**

ITEM	FISCAL YEAR OF AWARD*										TOTAL
	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	
New Permanent Jobs	44,745	58,780	73,051	83,838	40,899	63,407	57,967	46,210	45,461	33,155	547,513
UDAG Dollars/Job	\$6,157	\$7,137	\$7,391	\$7,128	\$8,446	\$9,930	\$8,827	\$8,436	\$8,665	\$9,786	\$8,086
Low/Moderate Income Jobs (%)	56	56	58	58	61	55	62	58	57	59	58
Construction Jobs	34,455	50,544	43,714	62,219	32,248	47,263	35,395	32,410	40,531	24,673	403,453
Housing (Units)	12,464	12,869	13,574	20,046	13,898	15,196	5,198	6,395	7,973	3,979	111,592
New Construction (%)	56	34	38	25	25	74	77	65	85	92	49
Low/Moderate Income Housing (%)	71	47	53	28	29	53	59	48	57	37	47
Total New Revenue	\$33M	\$86M	\$68M	\$129M	\$34M	\$86M	\$61M	\$48M	\$64M	\$35M	\$644

\* Totals are adjusted to account for project terminations.

NOTE: Detail may not add due to rounding.

"M" denotes millions of dollars.

All data from funded projects corrected with most recent data from grant agreements.

SOURCE: U. S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation, Action Grant Information System Data Base and Grant Agreement Data Base.

**TABLE A5-3**  
**DISTRIBUTION OF UDAG FUNDS BY INITIAL USE BY GRANTEES FOR**  
**PROJECTS WITH SIGNED GRANT AGREEMENTS, FYs 1978-1987**

<u>Year</u>	<u>Loans</u>	<u>Interest Rebates</u>	<u>Rehab Grants</u>	<u>Other Non-paybacks</u>	<u>Total</u>
1978	17%	1%	3%	79%	100%
1979	30	2	1	67	100
1980	54	1	2	43	100
1981	72	3	1	25	100
1982	86	4	1	10	100
1983	81	2	1	16	100
1984	89	1		9	100
1985	88		1	12	100
1986	80	5		15	100
<u>1987</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>100</u>
Total	69	2	1	28	100

Note: † Totals may not add due to rounding.  
 \* Less than .5 percent.

**SOURCE:** U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base

**TABLE A5-4**  
**DISTRIBUTION OF UDAG DOLLARS BY TYPE OF PROJECTS WITH**  
**SIGNED GRANT AGREEMENTS, FYs 1978-1987**

<u>Year</u>	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Mixed</u>	<u>Total</u>
1978	19%	39%	13%	29%	100%
1979	25	47	9	19	100
1980	21	48	8	23	100
1981	23	61	9	6	100
1982	29	45	10	15	100
1983	27	45	13	15	100
1984	24	60	9	7	100
1985	26	51	10	12	100
1986	24	46	15	14	100
<u>1987</u>	<u>42</u>	<u>43</u>	<u>16</u>	<u>0</u>	<u>100</u>
Total	25	50	10	15	100

NOTE: Totals may not add due to rounding

**SOURCE:** U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, Grant Agreement Data Base.

TABLE A6-1

**FY 1984 - 1986 RENTAL REHABILITATION PROGRAM FUNDS DEOBLIGATED  
AND REALLOCATED DURING FISCAL YEAR 1987 BY REGION**

HUD Region	Jurisdictions Receiving Reallocations		Amount Reallocated	Jurisdictions Having Funds Deobligated		Amount Deobligated
	Cities	States		Cities	States	
I	10	1	\$1,361,400	2	2	\$1,361,400
II	5	0	183,600	5	0	363,000
III	6	0	348,960	2	0	348,960
IV	7	0	535,571	11	0	535,572
V	19	1	2,639,594	10	0	2,639,595
VI	10	1	2,001,905	4	2	2,007,422
VII	3	0	368,789	3	0	369,739
VIII	3	2	472,706	6	1	165,271
IX	6	0	477,198	10	0	477,199
X	4	0	276,283	3	0	276,283
<b>Totals<sup>+</sup></b>	<b>73</b>	<b>5</b>	<b>\$8,616,006</b>	<b>56</b>	<b>5</b>	<b>\$8,544,441</b>

+ The total reallocated during the year exceeded the total deobligated during the year because some of the reallocated funds had been deobligated in FY 1986 but not reallocated until FY 1987.

SOURCE: U.S. Department of Housing and Urban Development, Office of Urban Rehabilitation, Cash and Management Information System.

TABLE A6-2

**TYPE OF SUBSIDY FURNISHED TO OWNERS  
OF RENTAL REHABILITATION PROJECTS  
BY FISCAL YEAR PROJECT COMPLETED, FYS 1984-87**

Subsidy Type	FY 1984-86		FY 1987		Cumulative	
	Projects	Percent	Projects	Percent	Projects	Percent
Deferred Payment Loan	2,840	63%	3,806	64%	6,646	64%
Grant	868	19	1,108	19	1,976	19
Direct Loan	498	11	744	13	1,242	12
Other	151	4	195	3	346	3
Grant and Loan	150	3	89	1	239	2
<b>Total</b>	<b>4,507</b>	<b>100%</b>	<b>5,942</b>	<b>100%</b>	<b>10,449</b>	<b>100%</b>

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

**TABU 86-3**

**SIZE OF COMMITTED AND COMPLETED  
RENTAL REHABILITATION PROJECTS,  
CUMULATIVE AS OF SEPTEMBER 30, 1987**

<u>Project Size</u>	<u>Committed</u>		<u>Completed</u>	
	<u>Number of Projects</u>	<u>Percent of Projects</u>	<u>Number of Projects</u>	<u>Percent of Projects</u>
1 - 4 units	13,532	81%	8,812	85%
5 - 10 units	2,065	12	1,188	11
11 - 25 units	700	4	308	3
26 - 99 units	430	3	125	1
100 - 499 units	50	*	12	*
500 - 999 units	4	*	1	*
1,000 or more units	3	*	0	0
<u>Not Determined</u>	<u>8</u>		<u>3</u>	<u>*</u>
Totals	16,792	100%	10,449	100%

\* Less than .5 percent

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

**TABLE 86-4**

**RENTAL REHABILITATION COMPLETION PERIOD BY PROJECT SIZE,  
FYs 1984-87**

<u>Units in Project</u>	<u>Mean Days from Commitment to Completion</u>	<u>Number of Projects</u>	<u>Percent of Projects</u>
1 - 2	190	6,998	67%
3 - 4	240	1,872	18
5 - 10	272	1,147	11
11 - 25	312	290	3
26 - 100	360	127	1
101 or more	433	12	*
<u>Undetermined</u>		<u>3</u>	
All Projects	214	10,449	100%

\* Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE A6-5

**OCCUPANCY STATUS IN RENTAL REHABILITATION PROJECTS  
BEFORE AND AFTER REHABILITATION BY PERIOD OF COMPLETION,  
FYs 1984-1987**

<u>Period of Completion</u>	<u>Total Number of Units</u>	<u>Number of Units Occupied</u>	<u>Percent of Units Occupied</u>
FY 1984-86			
Before Rehabilitation	13,936	7,598	55%
After Rehabilitation	13,788	12,623	92%
FY 1987			
Before Rehabilitation	23,180	13,070	56%
After Rehabilitation	23,864	21,296	89%
Cumulative			
Before Rehabilitation	37,116	20,668	56%
After Rehabilitation	37,652	33,919	90%

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE A6-6

**SOURCES OF PROJECT FINANCING FOR COMPLETED  
RENTAL REHABILITATION PROJECTS BY COMPLETION DATE,  
FYs 1984-1987**

<u>Source of Funding</u>	<u>Percent of Project Funds</u>		
	<u>FY 84-86</u>	<u>FY 87</u>	<u>Cumulative</u>
Public Funding:	44%	51%	49%
Rental Rehabilitation Program	(34)	(31)	(32)
CDBG	( 7)	(10)	( 9)
Tax-Exempt Financing	( 2)	( 8)	( 6)
Other Public Funds	( 1)	( 2)	( 2)
Private Funding:	56%	49%	51%
Private Loan Funds	(31)	(27)	(28)
Other Private Funds	(25)	(22)	(23)
<u>Total Percent</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Total Dollars (000)	\$135,704	\$268,479	\$404,183

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE A6-7

UNIT SIZE OF RENTAL REHABILITATION PROJECTS  
BY PERIOD OF COMPLETION, FYs 1984-1987

Unit Size	FY 1984-86		FY 1987		Cumulative	
	Units	Percent	Units	Percent	Units	Percent
Efficiency or SRO	481	4%	1,235	5%	1,716	4%
One Bedroom	2,896	21	5,584	23	8,480	23
Two Bedrooms	7,436	54	12,366	52	19,802	53
Three Bedrooms	2,592	19	4,064	17	6,656	18
Four Bedrooms	346	2	571	3	917	2
Five or More Bedrooms	37	<i>it</i>	44	<i>it</i>	81	<i>it</i>
Totals	13,788	100%	23,864	100%	37,652	100%

\* Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE A6-8

INCOMES OF HOUSEHOLDS OCCUPYING COMPLETED  
RENTAL REHABILITATION PROJECTS BY COMPLETION PERIOD,  
FYs 1984-1987

Household Income	FY 1984-86		FY 1987		Cumulative	
	Number	Percent	Number	Percent	Number	Percent
50% of Median or Below	8,805	70%	14,903	70%	23,708	70%
51-80% of Median	1,986	16	3,893	18	5,879	17
80%+ of Median	870	7	1,398	7	2,268	7
Not Reported	962	7	1; 102	5	2,064	6
Totals	12,623	100%	21,296	100%	33,919	100%

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.



TABLE A6-9

**AVERAGE MONTHLY GROSS RENTS IN OCCUPIED RENTAL REHABILITATION  
UNITS BEFORE AND AFTER REHABILITATION BY COMPLETION PERIOD,  
FYs 1984-1987**

Unit Size	Before Rehabilitation					
	FY 1984-86		FY 1987		Cumulative	
	Mean Rent	Number	Mean Rent	Number	Mean Rent	Number
Efficiency/SRO	\$215	322	\$234	817	\$229	1,139
1 Bedroom	\$263	1,793	\$288	3,443	\$279	5,236
2 Bedroom	\$311	3,986	\$322	6,533	\$318	10,519
3 Bedroom	\$361	1,126	\$372	1,712	\$367	2,838
4 Bedroom	\$377	133	\$405	195	\$393	328
5 Bedroom	\$455	21	\$353	16	\$411	37
Not Reported		217		354		571
All Units	\$304	7,598	\$315	13,070	\$311	20,668

Unit Size	After Rehabilitation					
	FY 1984-86		FY 1987		Cumulative	
	Mean Rent	Number	Mean Rent	Number	Mean Rent	Number
Efficiency/SRO	\$269	297	\$283	1,041	\$280	1,338
1 Bedroom	\$310	2,566	\$325	4,844	\$320	7,410
2 Bedroom	\$355	6,785	\$378	10,697	\$369	17,482
3 Bedroom	\$433	2,363	\$462	3,471	\$450	5,834
4 Bedroom	\$476	323	\$518	480	\$501	803
5 Bedroom	\$537	34	\$559	38	\$548	72
Not Reported		255		725		980
All Units	\$362	12,623	\$378	21,296	\$372	33,919

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

**TABLE 86-10**

**RENTAL REHABILITATION PROGRAM  
AVERAGE DOLLAR DIFFERENCE BETWEEN RENTS AND THE FMR AFTER  
REHABILITATION BY UNIT SIZE AND COMPLETION PERIOD, FYs 1984-1987**

Unit Size	FY 1984-86		FY 1987		Cumulative	
	Number of Units	Avg. of MR minus Rent	Number of Units	Avg. of MR minus Rent	Number of Units	Avg. of FMR minus Rent
Efficiency/SRO	297	\$ 66	1,041	\$ 87	1,338	\$ 83
1 Bedroom	2,566	\$ 68	4,844	\$ 61	7,410	\$ 64
2 Bedroom	6,785	\$ 81	10,697	\$ 64	17,482	\$ 70
3 Bedroom	2,363	\$113	3,471	\$ 98	5,834	\$104
4 Bedroom	323	\$129	480	\$ 99	803	\$111
5 Bedroom	34	\$200	38	\$ 65	72	\$129
<u>Not Reported</u>	<u>255</u>		<u>725</u>		<u>980</u>	
Totals	12,623	\$ 85	21,296	\$ 70	33,919	\$ 76

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

**TABLE A6-11**

**RENTAL ASSISTANCE IN RENTAL REHABILITATION PROJECTS  
BY PERIOD OF COMPLETION, FYs 1984-1987**

Type of Rental Assistance Certificate or Voucher	Percent of Households Receiving					
	FY 1984-86		FY 1987		Cumulative	
	Tenants Before Rehab	Tenants After Rehab	Tenants Before Rehab	Tenants After Rehab	Tenants Before Rehab	Tenants After Rehab
Certificates in Support of RRP	(*)	(37)	(*)	(20)	(*)	(27)
Vouchers in Support of RRP	(*)	(15)	(*)	(26)	(*)	(22)
Non-RRP Vouchers or Certificates	(13)	( 9)	(12)	( 9)	(12)	( 9)
Other Rental Assistance	3	2	4	2	4	2
<u>Reported</u>	<u>84</u>	<u>37</u>	<u>84</u>	<u>43</u>	<u>84</u>	<u>40</u>
Totals	100%	100%	100%	100%	100%	100%
Number	7,598	12,623	13,070	21,296	20,668	33,919

it Less than .5 percent.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE 86-12

PERCENT<sup>+</sup> OF OCCUPANTS OF RENTAL REHABILITATION PROJECTS  
WITH SELECTED CHARACTERISTICS BEFORE AND AFTER REHABILITATION  
BY COMPLETION PERIOD, FYS 1984-1987

Characteristic	Completion Period				Cumulative	
	FY 1984-86		FY 1987		Before	After
	Before	After	Before	After		
Total Number of Occupied Units	7,598	12,623	13,070	21,296	20,668	33,919
<u>Household Income</u>						
50% of median or Below	70%	76%	68%	74%	69%	75%
51-80% of median	22	17	24	19	23	18
80%+ of median	8	7	8	7	8	7
Number of Cases	6,958	11,661	11,978	20,194	18,936	31,855
<u>Race/Ethnicity of Head of Household</u>						
White	52%	48%	49%	46%	51%	47%
Black	33	39	34	38	34	38
Hispanic	11	10	12	12	11	11
Other	4	3	5	4	4	4
Number of Cases	7,154	12,202	12,604	21,047	19,758	33,249
<u>Gender of Head of Household</u>						
Female	51%	61%	48%	57%	49%	59%
Male	49	39	52	43	51	41
Number of Cases	7,109	12,219	12,699	21,047	19,758	33,266
<u>Household Size</u>						
Elderly	14%	12%	12%	11%	13%	11%
Single, non-elderly	12	11	15	13	13	12
Two - four persons	64	68	64	67	64	68
Five or more persons	10	9	9	9	10	9
Number of Cases	7,260	12,311	12,721	20,985	19,981	33,296

+ Percents are based on known characteristics only. The number of cases with the **known** characteristic appear on the "Number of Cases" lines. The total number of occupants for each period is noted on the "Total Number of Occupied Units" line.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Program Cash and Management Information System.

TABLE A6-13

NUMBER OF SECTION 312 PROGRAM LOCAL  
PWLIC AGENCIES BY HUD REGION, FY 1987

<u>Region</u>	<u>Number</u>	<u>Percent</u>
I.	12	5%
II.	25	10
III.	27	11
IV.	36	15
V.	53	22
VI.	18	8
VII.	19	8
VIII.	6	3
IX.	27	11
X.	17	7
Totals	240	100%

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

TABLE 86-14

SECTION 312 PROGRAM LOAN ACTIVITY  
BY NUMBER OF LOCAL PUBLIC AGENCIES, FY 1987

<u>Number of Loans</u>	<u>Local Public Agencies</u>	
	<u>Number</u>	<u>Percent</u>
1	59	25%
2- 5	97	40
6-10	37	15
11-25	35	15
26-81	12	5
Totals	240	100%

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

TABLE 86-15

STATUS OF SECTION 312 LOAN PORTFOLIO+  
FOR FYs 1985 - FY 1987  
(Dollars in Thousands)

Status	Loans					
	FY 1985		FY 1986		FY 1987	
	Number	Pct. ■	Number	Pct. ■	Number	Pct. ■
Current	48,016	81%	47,192	83%	43,713	83%
Delinquent:	7,199	12	6,586	12	5,865	11
3 months or less	(5,668)	(10)	(5,194)	(9)	(4,798)	(9)
More than 3 months	(1,531)	(3)	(1,392)	(3)	(1,067)	(2)
In Legal Action	4,508	7	3,042	5	3,076	6
Totals	59,273	100%	56,820	100%	52,654	100%

Status	Unpaid Balances					
	FY 1985		FY 1986		FY 1987	
	Amount	Pct. ■	Amount	Pct. ■	Amount	Pct. ■
Current	\$515,460	74%	\$529,524	77%	\$497,195	78%
Delinquent:	127,771	18	111,890	16	91,266	14
3 months or less	(100,599)	(14)	(89,043)	(13)	(71,857)	(11)
More than 3 months	(27,172)	(4)	(22,847)	(3)	(19,409)	(3)
In Legal Action.	52,416	8	49,886	7	49,923	8
Totals	\$695,647	100%	\$691,300	100%	\$638,384	100%

+ Data do not include loans not in servicing status, i.e., new loans and loans in the process of foreclosure. Loans that are in legal action also are delinquent.

SOURCE U.S. Department of Housing and Urban Development, Office of Urban Rehabilitation. Compiled by Office of Program Analysis and Evaluation.

TABU 86-16

**PROPERTIES ACQUIRED IN THE URBAN HOMESTEADING PROGRAM AND  
THEIR COST BY REGION, FY 1987**

HUD Region	Section 810 Funds		Properties		Section 810 Per Property
	Amount	Percent	Number	Percent	
I.	\$ 0 <sup>+</sup>	0%	0	0%	Inapplicable
II.	888,727	7	45	6	\$19,749
III.	665,381	5	41	6	16,228
IV.	2,059,596	16	93	12	22,146
V.	5,620,136	43	388	50	14,486
VI.	550,755	4	31	4	17,766
VII.	1,531,360	12	86	11	17,807
VIII.	172,000	1	6	1	28,807
IX.	237,500	2	10	1	23,750
X.	1,271,384	10	69	9	18,426
<b>Totals</b>	<b>\$12,996,838</b>	<b>100%</b>	<b>769</b>	<b>100%</b>	<b>\$16,901</b>

+ There are four LUHAs from Region I in the program, but they have been inactive during the past two years due to a lack of FHA-owned properties at a price affordable to the program.

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

TABU 86-17

**SOURCE OF REHABILITATION FINANCING, IN URBAN  
HOMESTEADING PROPERTIES, FY 1987**

Source	Rehabilitation Financing	
	Amount	Percent
Section 312	\$10,878,400	61%
CDBG	4,366,155	24
Other	2,702,339	15
<b>Totals</b>	<b>\$17,946,894</b>	<b>100%</b>

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

TABLE A7-1

CDBG INDIAN PROGRAM FUNDING BY ACTIVITY,  
FYs 1982 - 1987  
(Dollars in Millions)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Housing						
Rehabilitation	\$11	\$8	\$6	\$10	\$7	\$8
Construction	-	-	-	-	-	1
Acquisition	-	-	-	-	-	*
Economic						
Development	5	15	7	8	7	7
Infrastructure	6	7	15	5	7	5
Community Facilities	9	11	9	5	4	5
Other	--	*	*	*		--
Total	31	41	40	28	27	27

\* Less than \$1 million

Note: Detail does not add due to rounding.

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

TABU A7-2

TOTAL FUNDING FOR CDBG INDIAN ACTIVITIES,  
FY 1987  
(Dollars in Thousands)

	<u>CDBG Funding</u>	<u>Other Funding</u>
Housing		
Rehabilitation	\$8,433	\$2,273
Construction	1,163	294
Acquisition	527	6
Economic Development	6,557	5,948
Infrastructure	4,655	3,055
Community Facilities	4,872	1,038
Total	\$26,207	\$12,614

Source: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Program Policy Development. Compiled by Office of Program Analysis and Evaluation.

**TABLE A8-1**  
**FINDINGS BY MONITORING AREA AND PROGRAM, FY 1987**

Monitoring Areas		Action Grants	Entitle- ment CDBG	Rental Rehabil- itation	Small cities	State CDBG	Other	Total
ACT	Accountability	79	54	0	0	0	0	133
ALL	Allowable Costs	5	96	0	8	5	29	143
AQL	Acquisition, Limited	0	0	0	0	0	0	0
ACQ	Acquisition, In-Depth	9	135	0	1	6	1	152
AMI	Acquisition, Mail-In	0	2	0	0	0	0	2
CPA	Citizen Participation	0	25	3	5	1	3	37
ELI	Eligibility of Activities	1	133	5	10	2	0	151
ENV	Environment, Field Rep.	3	3	2	1	0	9	18
EVR	Environment, Specialist	61	486	78	26	25	23	699
FEO	Fair Housing & Equal Opportunity	10	47	7	0	21	1	86
FIN	Financial Management, Specialist	10	197	5	30	20	29	291
FMG	Financial Management, Field Rep.	60	61	11	26	2	56	216
HAP	Housing Assistance Plan	0	12	0	0	0	0	12
LAB	Labor Standards	53	248	10	22	24	0	357
MGT	Management System	47	50	4	9	1	6	117
MBE	Minority Business Enterprise	1	7	0	1	0	4	13
PPM	Personal Property Management	0	46	0	1	0	4	51
PRC	Procurement	5	93	1	12	0	41	152
PRP	Program Progress	91	83	30	50	0	59	313
MFP	Program Benefit	2	240	28	41	2	3	316
REH	Rehabilitation, Specialist	0	322	185	22	0	32	561
RHB	Rehabilitation, Field Rep.	2	30	26	11	0	12	81
RLC	Relocation, In-Depth	13	144	16	2	6	1	182
REL	Relocation, Limited	0	9	21	0	0	0	30
RMI	Relocation, Mail-In	2	1	0	0	0	0	3
SUB	Subrecipients	6	146	0	5	0	7	164
URR	Urban Renewal	0	0	0	0	0	0	0
xxx	Other Areas	1	45	23	1	0	14	84
<u>State Programs Only</u>								
AUM	Audits Management	-	-	-	-	21	-	21
BUY	Buy-In Provisions	-	-	-	-	0	-	0
DIS	Distribution	-	-	131	-	22	-	153
FUN	Fundability of Activities	-	-	-	-	18	-	18
GCS	Grant Closeout System	-	-	-	-	4	-	4
TIM	Timeliness	-	-	-	-	6	-	6
MON	Monitoring	-	-	10	-	13	-	23
yyy	Other Areas	-	-	-	-	2	-	2
<u>UDAG Program Only</u>								
		196	-	-	-	-	-	196
		657	2715	596	284	201	334	4787

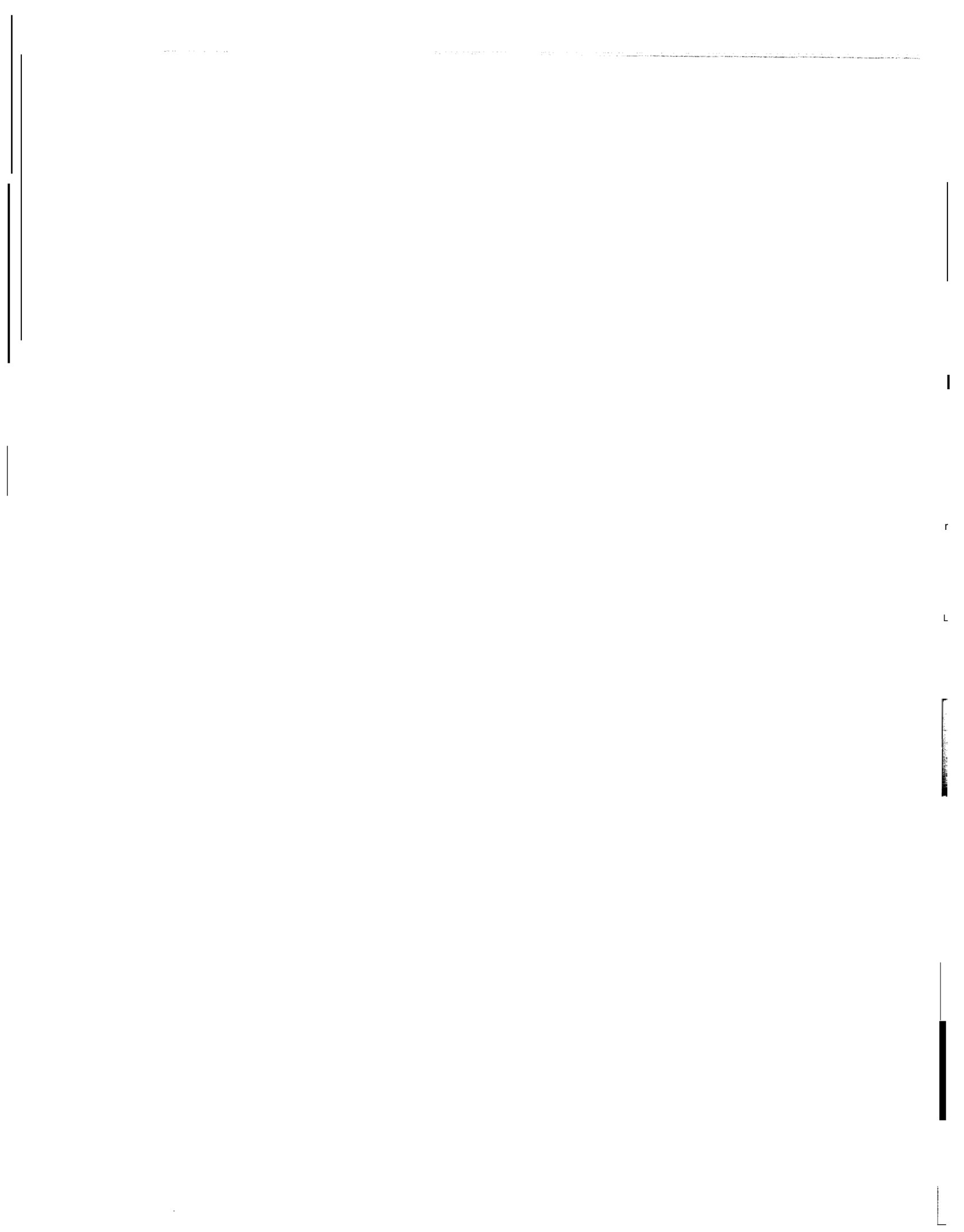
SOURCE: U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Management.



**TABLE A8-2**  
**MONITORING ACTIVITY BY MONITORING AREA AND PROGRAM, FY 1987**

<u>Monitoring Areas</u>		<u>Action Grants</u>	<u>Entitle- ment CDBG</u>	<u>Rental Rehabil- itation</u>	<u>Small cities</u>	<u>State CDBG</u>	<u>Other</u>	<u>Total</u>
ACT	Accountability	420	173	4	64	3	32	696
ALL	Allowable Costs	45	166	9	29	10	111	370
AQL	Acquisition, Limited	0	20	0	4	1	0	25
ACQ	Acquisition, In-Depth	25	273	6	8	50	6	368
AMI	Acquisition, Mail-In	0	3	0	0	0	0	3
CPA	Citizen Participation	21	138	83	37	12	43	334
ELI	Eligibility of Activities	11	291	20	29	6	9	366
ENV	Environment, Field Rep.	32	42	19	18	1	98	210
EVR	Environment, Specialist	139	445	132	55	73	68	912
FEO	Fair Housing & Equal Opportunity	30	80	19	9	43	7	188
FIN	Financial Management, Specialist	29	162	39	20	75	37	362
FMG	Financial Management, Field Rep.	121	112	116	44	8	166	567
HAP	Housing Assistance Plan	0	56	1	6	0	0	63
LAB	Labor Standards	83	138	22	a	61	11	342
MGT	Management System	127	147	16	16	6	96	408
MBE	Minority Business Enterprise	17	187	81	5	14	30	334
PPM	Personal Property Management	6	96	1	2	1	35	141
PRC	Procurement	30	146	4	20	1	143	344
PRP	Program Progress	668	462	284	139	8	329	1890
MFP	Program Benefit	44	519	259	122	12	40	996
REH	Rehabilitation, Specialist	1	373	525	49	16	82	1046
RHB	Rehabilitation, Field Rep.	4	72	72	36	0	24	208
RLC	Relocation, In-Depth	19	181	59	6	48	6	319
REL	Relocation, Limited	17	93	99	1	4	0	214
RMI	Relocation, Mail-In	3	4	0	0	0	0	7
SUB	Subrecipients	30	238	0	16	0	17	301
URR	Urban Renewal	0	10	0	0	0	0	10
xxx	Other Areas	10	53	45	3	8	27	146
<u>state Programs Only</u>								
AUM	Audits Management	-	-	-	-	89	-	89
BUY	Buy-In Provisions	-	-	-	-	7	-	7
DIS	Distribution	-	-	59	-	101	-	160
FUN	Fundability of Activities	-	-	1	-	91	-	92
GCS	Grant Closeout System	-	-	-	-	96	-	96
TIM	Timeliness	-	-	1	-	131	-	132
MON	Monitoring	-	-	56	-	95	-	151
yyy	Other Areas	-	-	-	-	13	-	13
<u>UDAG Program Only</u>								
PER	Performance	687	-	-	-	-	-	687
<b>Total Grants Monitored</b>		<b>896</b>	<b>763</b>	<b>414</b>	<b>200</b>	<b>184</b>	<b>461</b>	<b>2918</b>

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



**1988 CONSOLIDATED ANNUAL REPORT TO CONGRESS  
ON COMMUNITY DEVELOPMENT PROGRAMS:**

**UDAG APPENDIX**



## Fiscal Year 1987 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>ALABAMA</u>							
Bessemer	Financial assistance to developer to help construct 12,800 square foot building on one-half acre site and make interest payments.	\$70,000	\$221,990	\$0	4	0	\$1,680
Bessemer	Financial assistance to developer to help construct 60,000 square foot metal industrial building for new steel fabricating production facility.	300,000	1,076,025	248,000	60	0	6,105
Boligee	Loan to developer to help construct fuel and service center, purpose building, 96-room motel and water/sewer facility on 312-acre site in Greene County.	1,579,800	7,650,800	0	126	0	3,200
Bridgeport	Loan to corporation to purchase capital equipment for new facility to produce nylon and yarn to make carpets.	774,350	14,788,342	0	400	0	0
Reform	Financial assistance to limited partnership to help convert vacant building into 100,000 square foot outlet mall on 47 acres.	615,000	2,856,509	1,900,000	270	0	224,325
<u>CALIFORNIA</u>							
Los Angeles	Construction/permanent mortgage loan to corporation to assist in development of mixed-use facility consisting of 240-bed Congregate Care Center, 238-unit Senior Independent Living Apartment complex with parking and 53,000 square foot commercial/retail center.	2,500,000	30,256,481	2,300,000	196	478	869,896

## Fiscal Year 1987 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 (Continued)</u>							
San Bernardino	Construction/permanent mortgage loan to developers to help build an 80,000 square foot neighborhood shopping Center in the Northwest Development Project area.	\$1,848,100	\$5,823,956	\$3,325,000	248	0	\$85,711
South Gate	Construction/permanent mortgage loan to general partnership to help with on- and off-site public improvements for construction of a 250,000 square foot shopping center and 1,386,000 square feet of light industrial buildings.	5,500,000	59,430,752	664,000	2,879	0	1,032,698
<u>COLORADO</u>							
Canon City	First mortgage loan to manufacturing corporation to help add and equip 410,000 square feet of space to Flomaster Division plant. Location is former Western Forge plant, where Flomaster is operating in City.	410,000	1,524,142	0	40	0	16,658
<u>CONNECTICUT</u>							
Bridgeport	Financial assistance to general partnership to help construct 69,000 square foot, 1-story, Class A office building with space for 2,500 square foot restaurant. Project will include 84,000 square foot, 293-car garage.	950,000	9,230,071	0	162	0	142,834
<u>DELAWARE</u>							
Wilmington	Second mortgage loans to buyers to assist in permanent financing of homes in townhouse development being built by Neighborhood House, Inc. on Apple Street in South Wilmington.	420,000	1,330,000	378,000	0	28	24,247

## Fiscal Year 1987 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>
<b><u>DELAWARE</u></b> (Continued)							
Wilmington	Financial assistance to joint venture to help acquire land for construction of 250-space parking structure for 254-room hotel downtown. Funds for parking facility to be repaid within 25 years.	\$6,700,000	\$26,398,975	\$0	96	0	\$145,562
<b><u>FLORIDA</u></b>							
Belle Glade	Construction/permanent financing loan to developer to help build multi-family rental units in Palm Beach County, adjacent to City.	5,660,000	14,520,114	5,760,000	22	384	73,614
Lakeland	Grant to City to help construct parking facilities for 1,450 cars to support construction and development of 350,000 square foot shopping center.	4,700,000	48,511,536	8,741,000	511	0	713,819
Miami	Financial assistance to development entity to help acquire project site and construct 8-story medical/office building containing 20,000 square feet of net leasable area with basement parking.	400,000	2,421,188	0	105	0	36,735
St. Petersburg	Loan to development corporation to help renovate former dilapidated Times Square Shopping Center to include upgrading of 140,000 square feet for lease as industrial space and construction of 25,000 square feet of new commercial and industrial space.	880,000	2,965,546	180,000	183	0	62,046
<b><u>GEORGIA</u></b>							
Athens	Loan to developer to help construct 130-room hotel downtown.	1,700,000	5,754,940	0	98	0	105,191

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## Fiscal Year 1987 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>GEORGIA (Continued)</u>							
Athens	Financial assistance to non-profit organization providing outpatient w e to area residents who cannot afford private physicians to help construct 5,887 square foot facility with ten examining rooms.	\$51,519	\$237,201	\$72,500	5	0	\$0
Atlanta	Second mortgage financing for purchasers of single family homes in Edgewood Urban Development Area.	260,000	673,487	0	0	20	22,958
Augusta	Financial assistance to joint venture to help construct 225-unit hotel, 25,000 square feet of retail space plus 135,000 square foot office building with a central atrium joining hotel and office at 10th Street between Reynolds Street and the Savannah River.	7,562,454	2,375,868	9,906,000	600	0	372,114
Columbus	Financial assistance to developer to help convert vacant textile manufacturing plant into spinning mill for specialty yarns.	700,000	3,038,807	0	138	0	47,218
Macon	Loan to developer to help construct 100,000 square foot, 6-story office building downtown with adjacent 100-space parking deck.	505,000	10,098,000	0	194	0	42,640
Thomson	Financial assistance to developer to help construct 40-room motel at Interstate 20 and State Road 150 intersection to serve truck drivers along 1-20 corridor,	101,080	889,128	0	20	0	500



**Fiscal Year 1987 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>
<b><u>UTAH</u></b>							
Salt Lake City	Loan to developer to assist in construction of two automobile dealership facilities for lease. As Phase I of three-phase plan for downtown auto mall, project will include acquisition of 5.4 acres of land on Block 15, and rehabilitation of existing Coco-Cola building on site.	\$1,100,000	\$4,724,116	\$0	28	0	\$181,715
<b><u>VERMONT</u></b>							
Burlington	Financial assistance to joint venture, a general partnership and a private non-profit organization, to help construct 96,000 square foot building, providing 24,800 square feet of leasable commercial space and two levels of parking for 221 cars--132 spaces for lease to City.	1,660,000	4,161,402	680,000	71	0	97,303
Burlington	Financial assistance to general partners to help construct 8-story, 80,000 square foot, mixed-use office building with adjacent 325-car parking garage.	2,006,678	6,902,418	0	162	0	207,840
St. Albans	Financial assistance to linen service company to help acquire 15 acre site in City's new industrial park on Lower Welden Street. Project to include construction of 14,000 square foot facility and capital equipment purchase for planned expansion.	178,500	577,114	60,000	22	0	11,928
<b><u>VIRGINIA</u></b>							
Hampton	Loan to Hampton University to help construct rental apartments and 60,000 square feet of retail space on 20-acre site.	2,296,500	10,055,650	700,000	116	250	194,511

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## Fiscal Year 1987 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>
Saltville	Construction/permanent mortgage loan to wheel corporation to help build <b>115,000</b> square feet of industrial space and <b>50,000</b> square feet of renovated space at former Olin plant site. Project to provide machinery to manufacture <b>24" x 27"</b> diameter wheel rims for heavy construction equipment.	<b>\$1,325,000</b>	<b>\$8,491,000</b>	<b>\$925,000</b>	<b>164</b>	<b>0</b>	<b>\$97,161</b>
<u>WASHINGTON</u>							
Bingen	Financial assistance to family-owned and operated lumber company to purchase capital equipment to help modernize and expand plywood and stud mills.	<b>1,888,300</b>	<b>10,489,162</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>74,180</b>
Black Diamond	Financial assistance to developer to help construct coal preparation plant at the John Henry mine to increase coal production to <b>250,000</b> tons annually.	<b>525,000</b>	<b>3,680,060</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>118,306</b>
Colville Indian Res.	Financial assistance to confederated tribal corporation to partially finance acquiring and installing capital equipment to expand mill's processing capacity.	<b>945,000</b>	<b>3,141,922</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>0</b>
<u>WEST VIRGINIA</u>							
Bluefield	Grant to City to assist with acquisition and clearance of site for distributing company to develop an <b>80,000</b> square foot regional warehousing and distribution center.	<b>478,800</b>	<b>1,277,995</b>	<b>500,000</b>	<b>35</b>	<b>0</b>	<b>8,726</b>



