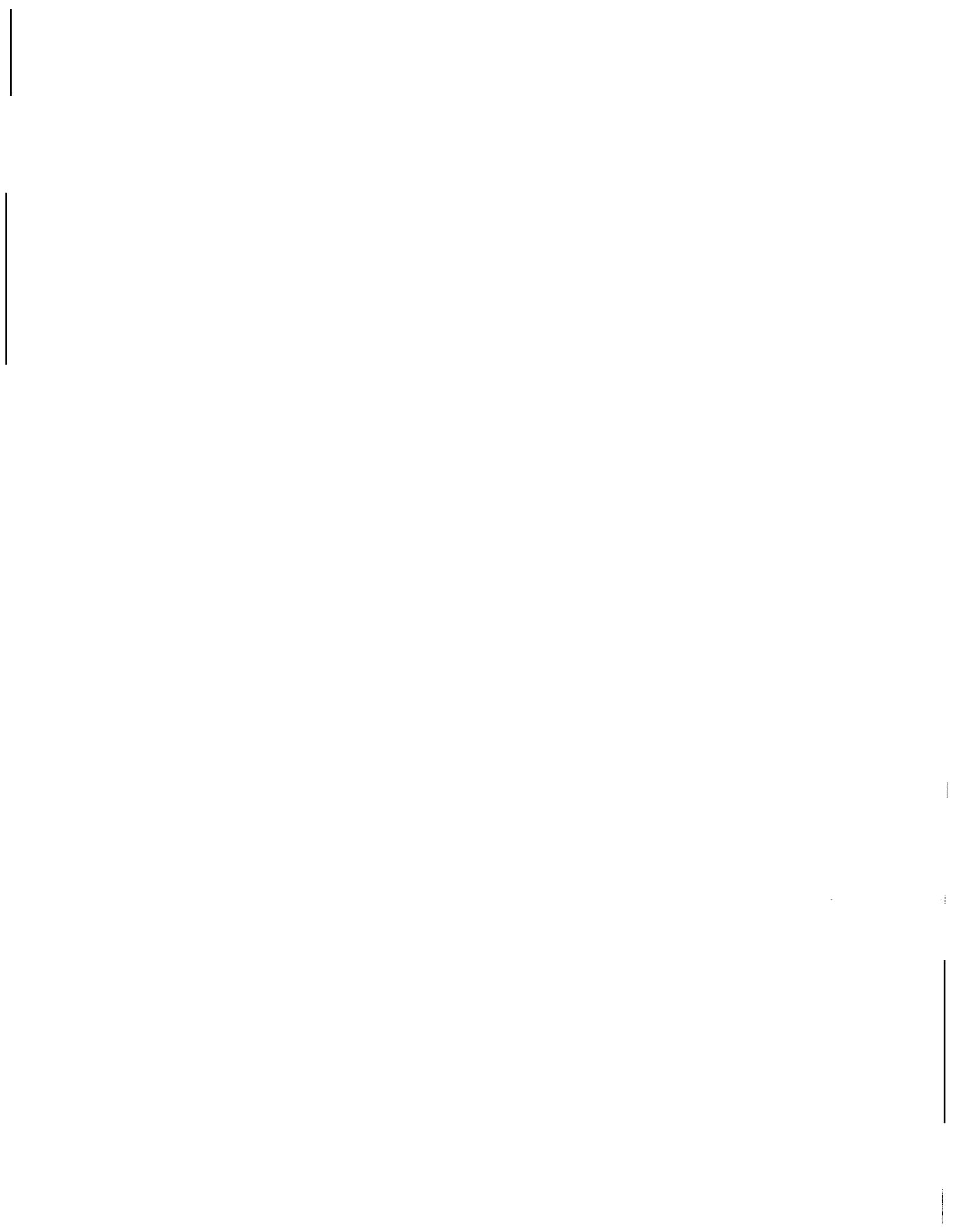




Report to Congress on Community Development Programs

1989

Office of Community Planning and Development



DRAFT



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

March 31, 1993 ~~April 4, 1989~~

TO THE CONGRESS OF THE UNITED STATES:

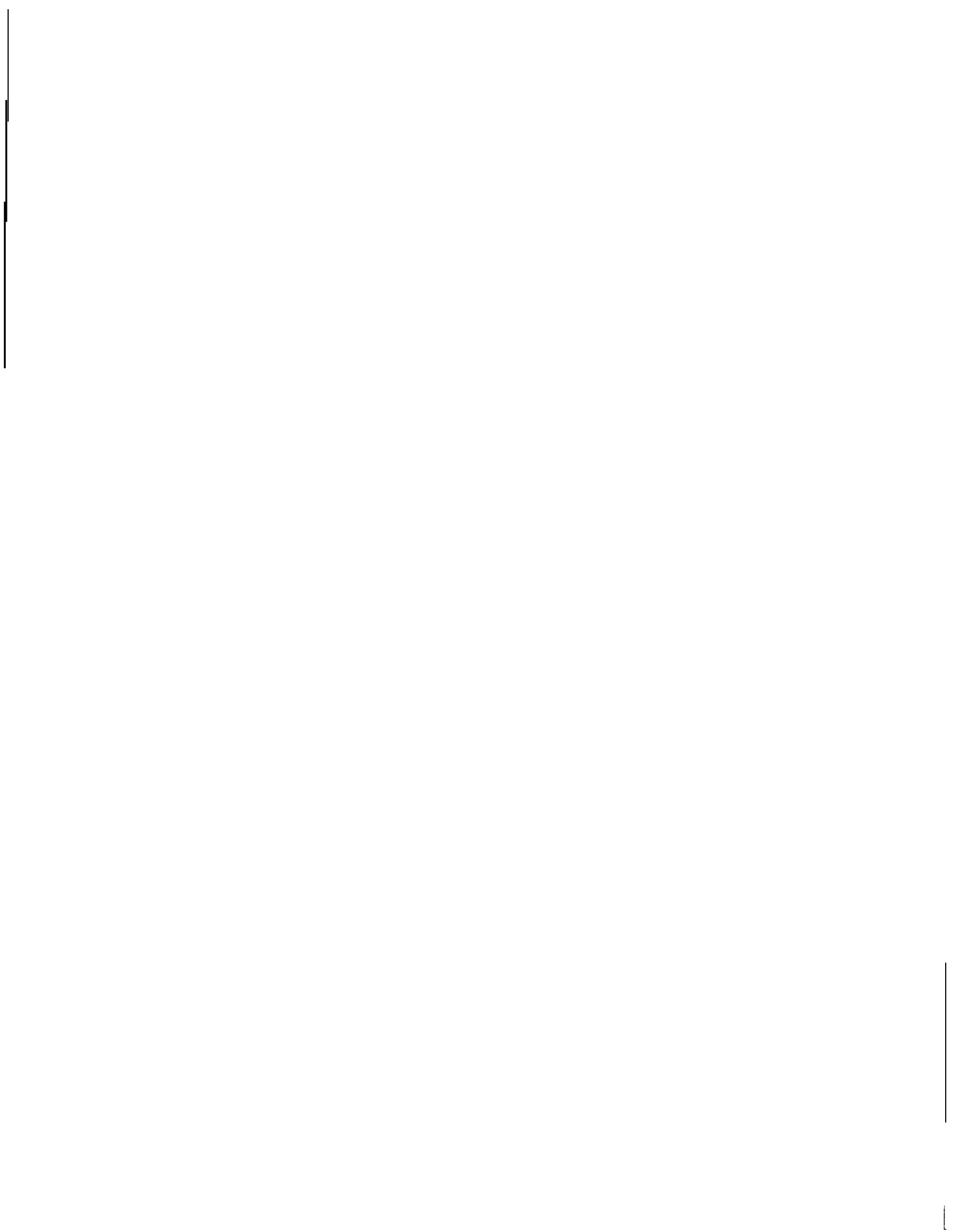
1993 In accordance with the provisions of Sections 113(a) and 810(e) of the Housing and Community Development Act of 1974, as amended, and Section 312(k) of the Housing Act of 1964, as amended, it is my pleasure to submit the Department's ~~1989~~ Consolidated Annual Report on the community development programs that the Department of Housing and Urban Development administers. Information is included about the Community Development Block Grant (CDBG), ~~Urban Development Action Grant (UDAC), Emergency Shelter Grant, Rental Rehabilitation, Section 312 Rehabilitation Loan, and Urban Homesteading programs.~~ Clinton resource for low-income people

President Bush and I are committed to using community development programs to meeting the goals of helping in the tragedy of homelessness, making housing more affordable for low-income families, eliminating drugs and providing opportunities for resident management and ownership of public housing, and creating jobs in distressed communities through urban and rural enterprise zones. We also recognize the important role many community development initiatives play in the revitalization of communities and lower-income neighborhoods, the rehabilitation of housing, the repair of infrastructure, and the creation of business opportunities and jobs. I hope this information is helpful to you.

Very sincerely yours,

Jack Kemp
Jack Kemp

Enclosure



HUD

1989 Annual Report to Congress on Community Development Programs

This Report Incorporates Statutorily-mandated

Reports to Congress for FY 1988 on the:

Community Development **Block** Grant Program

Urban Development Action Grant Program

Rental Rehabilitation Program

Emergency Shelter Grants 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

10/10/10

10/10/10

10/10/10

10/10/10

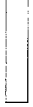
10/10/10

10/10/10

10/10/10



d

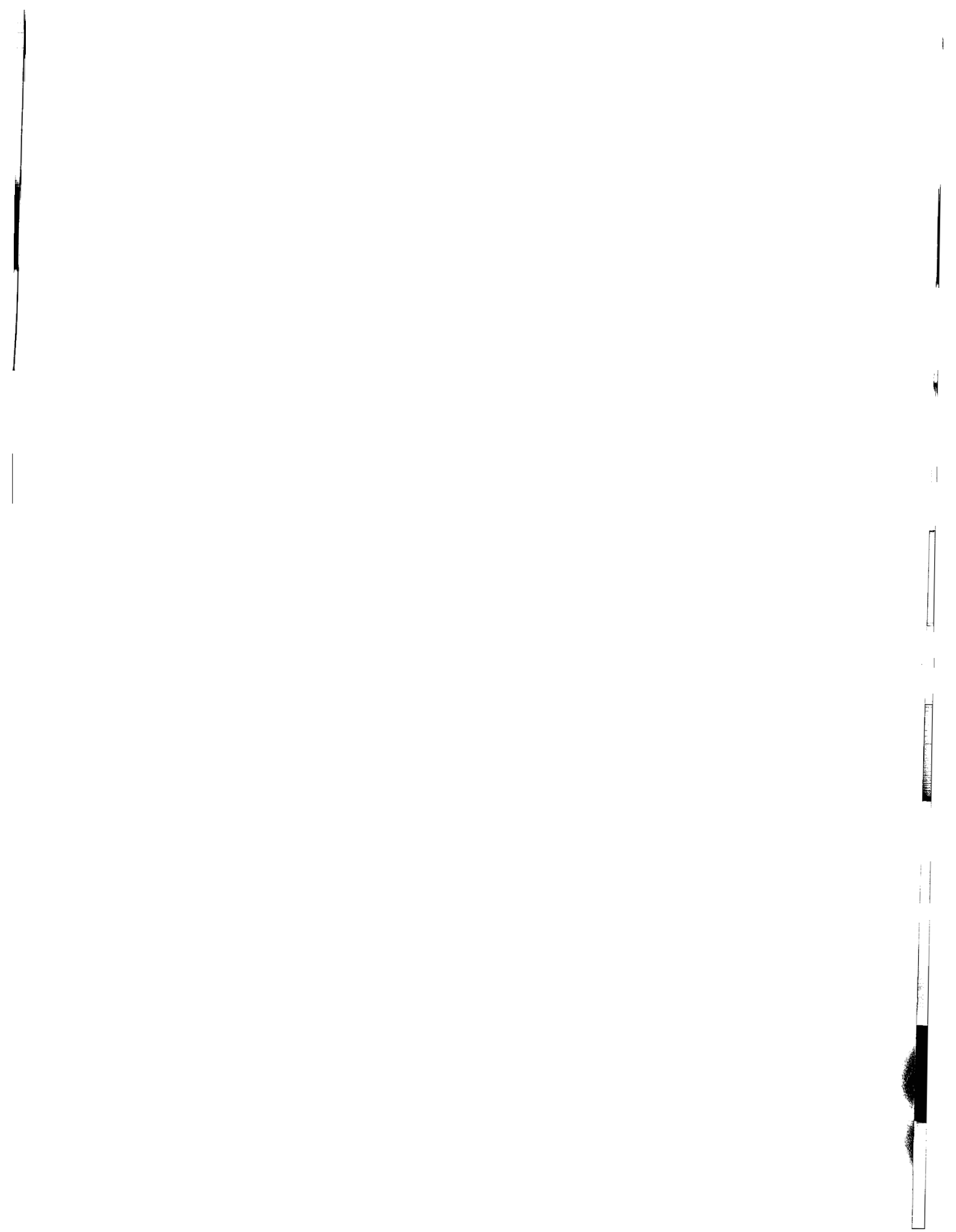


1989 Annual Report to Congress

on Community Development Programs

Table of Contents

Chapter 1	Overview	1
Chapter 2	Community Development Block Grant (CDBG) Entitlement Program and Section 108 Loan Guarantees	11
	CDBG Entitlement Program	11
	Section 108 Loan Guarantees	23
Chapter 3	State and HUD-Administered Small Cities Programs	25
	State CDBG	25
	HUD-Administered Small Cities	41
Chapter 4	Emergency Shelter Grants Program	43
Chapter 5	Urban Development Action Grant Program	51
Chapter 6	Secretary's Discretionary Fund and Neighborhood Development Demonstration Program	65
	Indian CDBG	66
	Technical Assistance Program	73
	Insular Areas CDBG	77
	Special Projects Program	80
	Neighborhood Development Demonstration	82
	Minority Business Enterprise	86
Chapter 7	CPD-Administered Housing Rehabilitation Programs	87
	Rental Rehabilitation Program	88
	Urban Homesteading	101
	Section 312 Rehabilitation Program	109
Chapter 8	Program Oversight	115
	Data Appendix	
	Urban Development Action Grant Appendix	



Overview

Introduction

The U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development administers the major Federal community development, economic development, housing rehabilitation and homeless shelter programs. These programs provide a comprehensive array of community assistance to State and local governments.

HUD gives grantee governmental units considerable latitude to ensure that local spending decisions, although based on national program objectives, meet local needs. Often HUD programs are complementary, and may be used in tandem to satisfy grantee needs.

This Report describes the FY 1988 operations of the following programs, administered by HUD's Office of Community Planning and Development:

- Community Development Block Grant (CDBG) Entitlement
- State CDBG and HUD-Administred Small Cities
- Secretary's CDBG Discretionary Fund
- Section 108 Loan Guarantee
- Emergency Shelter Grants (Homeless)
- Urban Development Action Grant (UDAG)
- Rental Rehabilitation Grants and Section 312
- Urban Homesteading
- Neighborhood Development Demonstration

This summary chapter briefly describes the purposes, funding levels, participation and activities supported by each program.

Programs

Community Development

Community Development Block Grant (CDBG) Entitlement Program

The Entitlement program, HUD's largest community development source, provides Entitlement 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

Chapter 1 - Overview

lag, number of persons in poverty, extent of overcrowded housing, and amount of housing built prior to **1940**.

Grantees use Entitlement funds to accomplish a broad range of activities, provided the activity meets one or more of CDBG's three national, legislatively established objectives:

- benefiting low- and moderate-income persons,
- preventing or eliminating slums and blight, or
- meeting urgent community development needs.

In **FY 1988**, Entitlement appropriations were **\$1.97** billion.

Entitlement grantees reported that almost **90** percent of funds spent in the **FY 1986** program year were actually used to benefit low- and moderate-income persons, and that they targeted the remainder to the other two purposes. About **50** percent of beneficiaries were minority persons.

In **FY 1988**, recipients planned to spend the following proportions of their Entitlement funds on the eligible activities cited: housing-related (**36%**); public facilities and improvements (**19%**); economic development (**13%**); administration and planning (**13%**); public services (**10%**); acquisition and clearance (**5%**); and other activities (**4%**). These proportions have remained essentially consistent over the past seven years.

Eligible Entitlement communities in **FY 1988** included **736** cities and **121** urban counties.

State CDBG and HUD-Administered Small Cities Program

The State CDBG and HUD-Administered Small Cities Programs are HUD's key programs for assisting communities with populations under 50,000 that are not otherwise eligible for Entitlement funding.

States receive funds allocated by HUD based on a formula similar to that used in the Entitlement program, but based on data for the State's nonentitled areas. In **48** States and Puerto Rico, State administering agencies selected communities that received awards, and accounted to HUD for recipients' use of funds.

State officials have broad latitude to select recipient communities, but proposals for completing eligible activities must meet HUD's national CDBG objectives. As in the Entitlement program, almost **96** percent of recipient expenditures helped low- and moderate-income persons.

In **FY 1988** allocations were **\$845.4** million, with **\$808.5** million allocated by HUD to **48** State administering agencies and Puerto Rico for their awards to small com-

munity recipients, and \$36.9 million for awards made directly by HUD to communities in the other two States.

States planned to award funds in FY 1988 for public facilities (48%), housing (36%) and economic development activities (14%), in that order.

Section 108 Program

CDBG Entitlement communities may borrow up to three times the amount of their formula grant through the Section 108 program to underwrite large development projects that often require substantial front-end expenses.

HUD guarantees grantees' debts incurred to carry out economic development and housing rehabilitation activities eligible under the CDBG program as well as to acquire or rehabilitate publicly owned properties including relocation, clearance and site preparation costs, and interest charges.

In FY 1988 the program was limited to \$144 million in loan guarantees, and \$143.6 million was committed.

Secretary's Discretionary Fund (SDF)

Authorized by Section 107 of the Housing and Community Development Act of 1974, these program areas were supported through a total allocation of **\$56** million in FY 1988:

- o Indian Tribes and Alaskan Natives CDBG Grants: **\$25.5** million.
- o Aid to Insular Areas: **\$5.5** million.
- o Technical Assistance: \$5.0 million.
- o Special Projects Fund: \$15.0 million.
- Park Central New Community: \$5.0 million

Through the technical assistance program, CDBG grantees were given aid to improve their programs through training, program management assistance, and other means.

Neighborhood Development Demonstration (NDD)

Congress authorized NDD in 1983 to determine whether it was feasible to assist neighborhood development activities by combining Federal support with monies raised by organizations in their own neighborhoods.

Awardee organizations may: create permanent jobs; establish or expand businesses; rehabilitate or manage housing stock; develop services delivery mechanisms; and plan, promote or finance voluntary improvements.

Chapter 1 - Overview

In FY 1988, \$1 million was appropriated, and combined with the FY 1989 appropriation of \$2 million to award grants to 64 neighborhood organizations located in 41 communities in 23 States.

Homeless Assistance

Emergency Shelter Grants Program (ESG)

The ESG Program seeks to provide the homeless access to safe, sanitary shelter and supportive services through grants to States, Entitlement cities and urban counties for rehabilitation, renovation, and conversion of buildings for emergency shelters, and the provision of certain operational costs.

A \$10 million FY 1987 appropriation supported homeless activities in 359 State and Entitlement communities. Support to 748 communities came from a supplemental FY 1987 \$50 million appropriation, and a FY 1988 appropriation of \$8 million supported an estimated 664 States and Entitlement communities.

Economic Development

Urban Development Action Grants (UDAG)

The UDAG Program is designed primarily to foster economic development in areas experiencing economic distress.

Eligible cities and urban counties apply to the Secretary for awards and must: obtain firm private sector financial commitments; generate private investment totalling at least two- and one-half times the grant amount; demonstrate that, "but for" the award, the project could not be undertaken; and document that the award is the "least amount" required. Local governments most frequently use their awards to make loans to private developers or corporations.

In previous fiscal years as well as in FY 1988, most Action Grants have supported commercial projects, with industrial, housing-related and other mixed-type projects receiving shares in that order. Congress appropriated \$216 million for UDAG in FY 1988.

In FY 1988, almost 47,000 permanent jobs were planned through 160 Action Grants, based on awards totalling \$278 million. The difference between appropriated funds and awards resulted from the allocation of "recaptured" program funds (that is, funds returned to HUD by grantees.) From FY 1978 to FY 1988, 2,976 projects were approved in 331 communities with populations of more than 50,000, and 871 communities with less than 50,000 population.

Enterprise Zones

The Housing and Community Development Act of **1987** (P.L. **100-242**), signed by the President on February 5, **1988**, established the Federal Enterprise Zone program. Title **VII** authorizes the Secretary of HUD to designate up to **100** zones, of which one-third must be located in rural areas.

To be eligible for Federal designation, an area must be located in an UDAG eligible jurisdiction, have a continuous boundary, and a minimum population of **4,000** if located within an MSA and 1,000 otherwise. In addition to these eligibility requirements, a metropolitan area must meet at least one of four criteria reflecting pervasive poverty, unemployment, and general distress.

State and local governments nominate areas for designation. HUD will assign **unique** ranks to each nominated area for the four criteria (unemployment, poverty, low income, and population loss). Based on the degree to which an area exceeds the threshold for a particular criterion, HUD will determine ranks relative to the other nominations received.

Housing Rehabilitation

HUD administers three programs specifically designed to conserve America's existing rental housing stock: Rental Rehabilitation, the Section **312** Loan Program and Urban Homesteading.

Rental Rehabilitation Program (RRP)

The Rental Rehabilitation Program (RRP), like CDBG, has a formula grant for larger cities and counties and a component for State- and HUD-Administered programs to serve the needs of smaller communities. HUD awards grants to States and communities based on a formula that takes into account older, deficient, rental housing stock, and stock occupied by persons in poverty.

Communities use RRP funds to offer financing for rehabilitating substandard housing primarily occupied or to be occupied by low-income renters. On a program-wide basis, HUD has succeeded in maintaining the same level of low-income occupancy for post-rehabilitation properties that existed before rehabilitation.

Most communities also use RRP in conjunction with rental assistance available through HUD's Section **8** Certificates and Housing Vouchers. Lower income tenants are then able to afford higher rents. Appropriations in **FY 1988** were **\$200** million. During the year, participating communities committed rehabilitation of **6,455** properties containing **31,631** housing units.

Section 312 Rehabilitation Loan Program

Section 312 Rehabilitation Loans assist in upgrading and preserving existing neighborhoods by providing reduced-rate direct Federal financing for rehabilitating private property.

Most loans are made to owner-occupants, although all properties are eligible for Section 312 loans. Financing assisted by the Section 312 Program must be "necessary or appropriate" with respect to local CDBG or Urban Homesteading programs. The program is also the largest source of rehabilitation financing for the Urban Homesteading Program.

Congress has appropriated no additional funds for the program since FY 1981, and the program has been funded from repayments of earlier loans and recovery of prior year funds. In FY 1988, \$102 million was made available from these sources to rehabilitate 3,413 properties in 281 communities.

Urban Homesteading

Through Urban Homesteading, properties whose owners have defaulted on Federally-insured loans are transferred to participating communities, who must then offer the properties at nominal cost to low-income "homesteaders." The "homesteaders" contract to repair, refurbish and then reside in them for at least five years, and at the end of the period acquire title to the property.

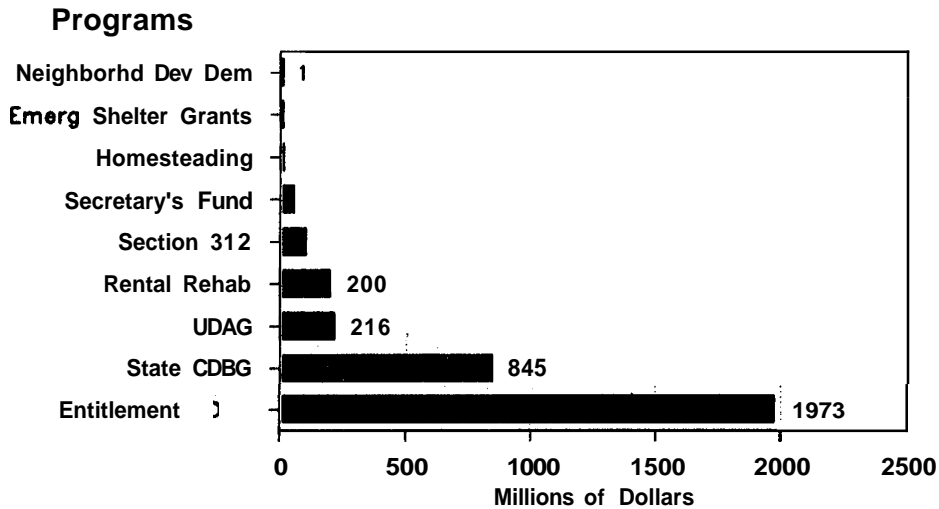
In FY 1988, \$14.4 million was appropriated for the program, and local agencies acquired 818 properties. Over half (54%) of the funds used to rehabilitate Homesteading properties came from the Section 312 Program.

Program Appropriations

The Congress appropriated \$3,413 billion in FY 1988 for all of HUD's community development programs, down from \$3.495 billion in FY 1987. (Figure 1-1 shows appropriations for each program.)

Figure 1-1

Community Development Programs Funding,
FY 1988



Note: FY 1988 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, Office of Management.

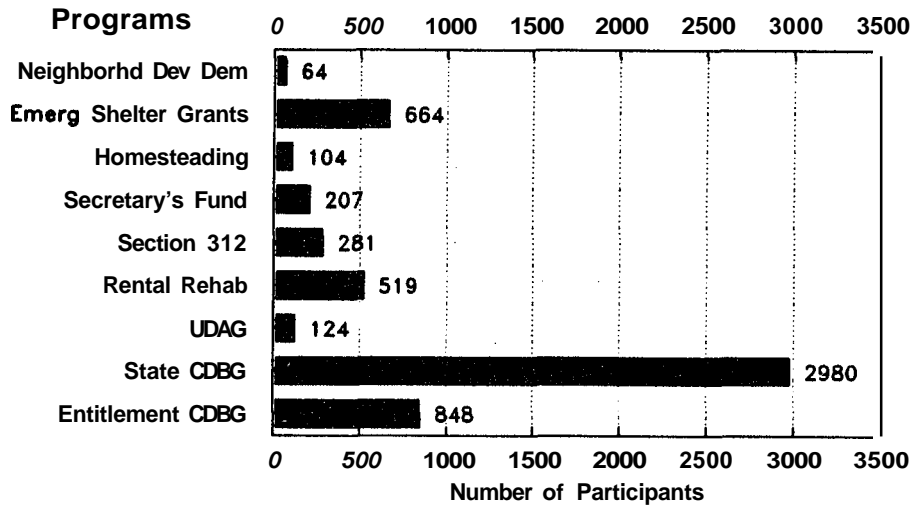
Program Participation

Considering all programs together, awards were made to all States, many Indian Tribes and Alaskan Native villages, American Samoa, the Trust Territories, and cities and counties of all sizes.

Based on awards made by HUD and/or State-administering agencies in FY 1988, the number of participants in each program is shown in Figure 1-2. Since many participate in more than one HUD program, the number of actual beneficiaries in FY 1988 is somewhat less than the total of the numbers indicated in Figure 1-2. For example, about half the CDBG Entitlement beneficiaries also received Rental Rehabilitation grants, and many received one or more UDAG and/or Emergency Shelter Grant (ESG) awards.

Figure 1-2

Community Development
Program Participants,
FY 1988



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

Program Oversight

The Office of Community Planning and Development (CPD) uses several methods to ensure that grantees administer CPD-funded programs effectively and in compliance with relevant Federal laws.

Monitoring

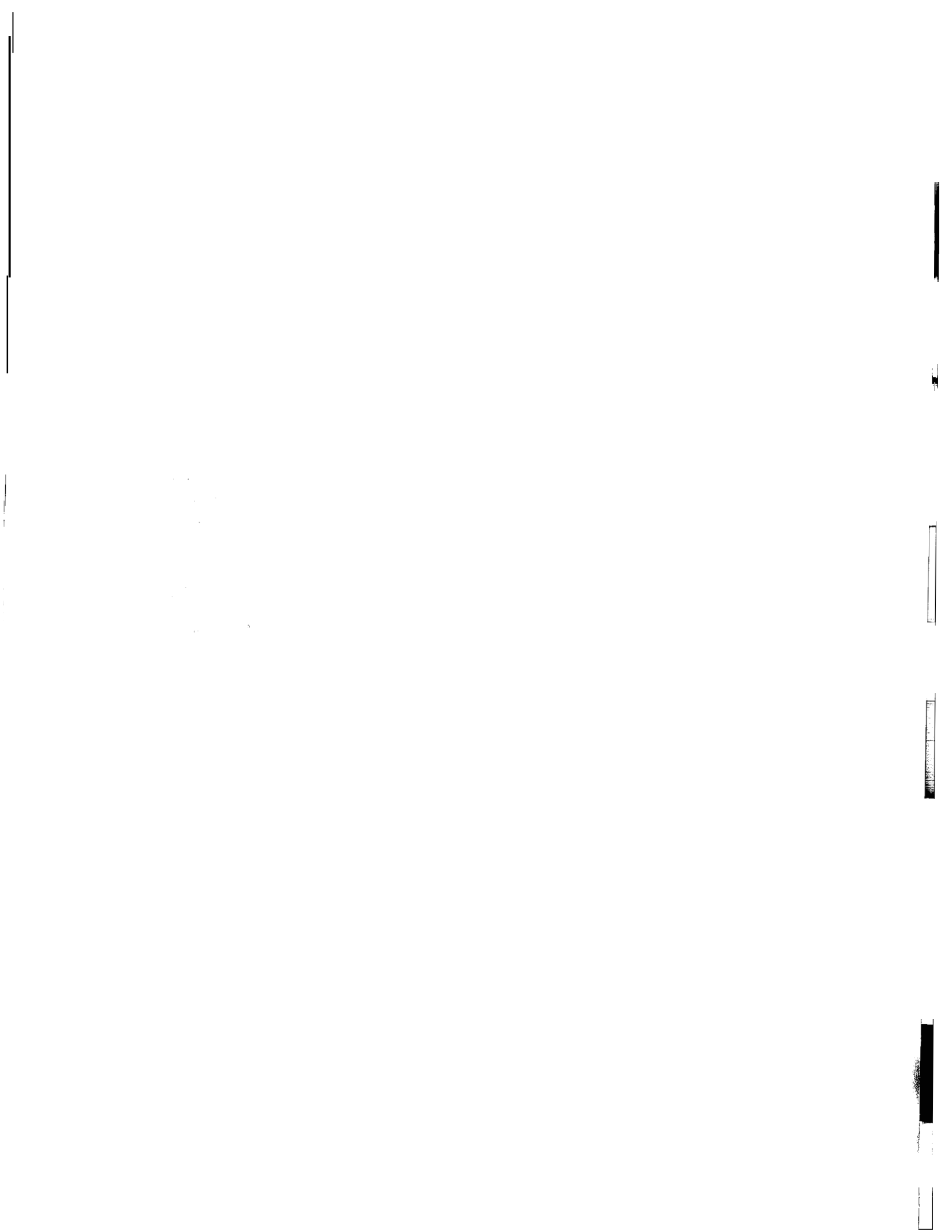
The statutes authorizing HUD's community development programs give grantees considerable discretion in determining local priorities and strategies. The goal of monitoring is to identify deficiencies and promote corrections to improve, reinforce, or augment grantee performance. In FY 1988, CPD Field Staff monitored 97 percent of all Entitlement grantees, 100 percent of State CDBG grantees, and 84 percent of UDAG grantees with active grants. The most frequently monitored areas were program benefits, looking at a grantee's compliance with the basic objectives of the CDBG program; program progress, measuring both the progress of the grantee's CDBG program as a whole and of specific projects; and the environment, covering all applicable environmental protection laws and regulations.

Audits and Reviews

Within **HUD**, the primary responsibility for performing internal audits and reviewing external audits of CPD-funded grantees lies with the Office of the Inspector General. Within CPD programs, **457 (25%)** of the **1,851** grantee audits in **FY 1988** resulted in findings. Sustained audits of **CPD** grantees involved expenditures of **\$7.7** million.

Fair Housing and Equal Opportunity

Federal laws and Executive Orders prohibit discrimination on the grounds of race, color, national origin, religion, sex, age, familial status, or disability. In **FY 1988**, the Office of Fair Housing and Equal Opportunity carried out **760** on-site and **737** off-site monitoring reviews of **CPD** projects. These reviews resulted in **103** on-site findings and 47 off-site findings. CPD staff monitored **FHEO** activity in 183 program grants. This monitoring resulted in **74** findings.



Community Development Block Grant Entitlement Program and Section 108 Loan Guarantees

This chapter has two parts. The first describes the Community Development Block Grant Program for Entitlement Communities. The second part describes the Section 108 Loan Guarantee Program.

Part One - CDBG Entitlement Program

Purpose

The Community Development Block Grant (CDBG) Entitlement Program assists local governments in meeting locally defined community development needs. The primary objective of the CDBG program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income.

Other CDBG objectives include: increased use of private investment in support of community development activities; promotion of efficient and effective use of community and economic development resources; restoration and preservation of properties of special value for historic, architectural, or aesthetic reasons; and activities or projects involving the improvement of energy efficiency.

Legislation

Title I, Housing and Community Development Act of 1974, as amended.

Program Administration

The Entitlement Program is CDBG's largest component, receiving **70** percent of all funds, less an allocation to the Secretary's Discretionary Fund, and set-asides for the Public Housing Child Care Demonstration, and Neighborhood Development Demonstration.

Metropolitan Cities and Urban Counties are eligible to receive an annual formula-based entitlement. Metropolitan Cities are either central cities of Metropolitan Statistical Areas (MSAs) or cities in MSAs with populations of 50,000 or more. Generally, a county in an MSA can qualify as an Urban County if its population is 200,000 or more, excluding Metropolitan Cities and other communities in the county choosing to participate with the county in the program.

Chapter 2 - CDBG Entitlement and Section 108

Entitlement grants are based on the higher of two needs-based formulas. The first is based on population, overcrowded housing, and poverty. The second is based on age of housing, poverty, and population growth lag.

To receive a grant, a community must submit to its HUD Field Office a Final Statement of Objectives and Proposed Uses of Funds, a Housing Assistance Plan (HAP) and certifications that its community development program complies with Federal laws. A community must certify that it has developed a community development plan, a plan for minimizing displacement and that it will affirmatively further fair housing. Communities must also assure citizen involvement by furnishing grant information and holding public hearings.

Each funded activity must meet one of three legislatively-mandated national objectives:

- a benefit to low- and moderate-income persons;
- eliminate or prevent slums and blight; or
- a meet urgent community development needs.

In 1983, Congress clarified that each community must spend at least 51 percent of its funds on activities benefiting low- and moderate-income persons over a period not to exceed three years. In 1987, Congress raised the percentage to 60.

During 1988, HUD published a major rule that implemented statutory changes since 1983 and updated grant management and performance requirements. New guidance material on eligible activities was issued. In addition, several management initiatives were undertaken that addressed deficiencies in subrecipient monitoring and "necessary or appropriate" determinations arising out of OMB Circular A-123 Internal Control Reviews.

HUD has always emphasized management initiatives to build local government entrepreneurial capacities and promote minority business opportunities. HUD helps build entrepreneurial capacity by providing technical assistance on local self-sufficiency, effectiveness, and productivity. Through conferences and on-site technical assistance, HUD promotes more effective and efficient uses of public and private community and economic development resources and encourages the creation of minority business opportunities. During FY 1988 Entitlement communities awarded more than \$384 million in CDBG funds for contracts benefiting minority businesses.

Funding History

Community Development Block Grant Program Entitlement Appropriations

(Dollars in Millions)

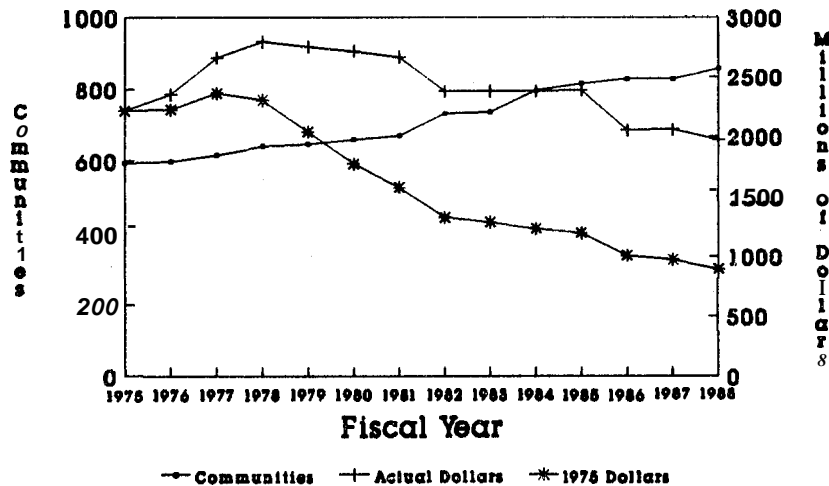
Year	Amount	Year	Amount	Year	Amount
1975	\$2,219	1980	\$2,715	1985	\$2,388
1976	2,353	1981	2,667	1986	2,053
1977	2,663	1982	2,380	1987	2,059
1978	2,794	1983	2,380	1988	1,973
1979	2,752	1984	2,380		

Participation

HUD allocated Entitlement funds to 736 Metropolitan Cities and 121 Urban Counties in FY 1988. This represented a net increase of 30 jurisdictions (4%) over FY 1987. Eligible Metropolitan Cities increased by 24 (3%) over the past year and Urban Counties by six (5%). As shown in Figure 2-1, the number of eligible communities has increased substantially since 1975, while CDBG Entitlement funding has decreased in the last few years.

Figure 2-1

Number of CDBG Entitlement Communities and Amount of Funding FY 1975-88



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

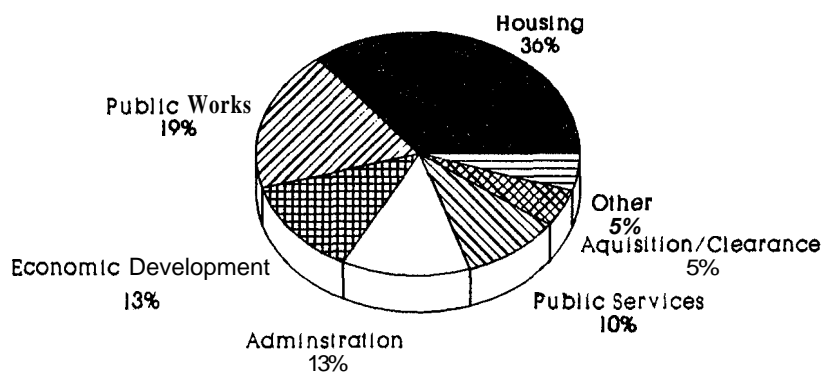
In **FY 1988**, **728** Metropolitan Cities and **120** Urban Counties received grants. Seven eligible Metropolitan Cities did not apply. Two communities' grants were pending at the end of **1988** because of questions about past performance. Thirteen Metropolitan Cities combined their grants with Urban Counties. A total of **543** grantees (**63%**) have populations of 100,000 or less, and **214** (**25%**) have populations less than **50,000**. The average grantee experienced a **34%** decline in funding from **FY 1980** to **FY 1988**. Over three-fourths of that decline resulted from decreasing appropriations. The remaining reduction resulted from the addition of new entitlement communities, updated Census information, and changes in Urban County configurations.

Proaram Activities

FY 1988 Planned Spending

In **FY 1988**, local officials reported how they planned to spend an estimated **\$2.56** billion in new grants, program income and funds reprogrammed from prior years on CDBG funded projects. Grantees used these funds to undertake a broad range of eligible activities including neighborhood and housing revitalization, public works, social services, and economic development. From **FY 1983** to **FY 1988**, relative shares for housing-related activities and public services remained virtually unchanged at **36** and **10** percent respectively. Economic development spending increased from **\$255** million (**10%**) in **FY 1987** to **\$323** million (**13%**) in **FY 1988** and expenditures for public works declined from **\$534** million (**22%**) in **FY 1987** to **\$476** million (**19%**) in **FY 1988**.

Figure 2-2
CDBG Entitlement Program
FY 1988 Planned Spending
By Category



Note: Detail does not add to 100% due to rounding.

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

Housing

Planned housing-related activities, the largest single category of planned FY 1988 spending, accounted for an estimated \$923 million (36%) of all Entitlement spending:

- o Rehabilitation loans and grants for single family dwelling units: \$503 million;
- o Upgrades of multifamily and public housing: \$224 million;
- o Special activities such as the construction of new housing, down payments, or mortgage subsidies, where the activities were necessary or appropriate to carry out neighborhood revitalization objectives: \$37 million;
- o Administrative services such as loan processing, preparation of work specifications, and rehabilitation counseling: \$114 million;
- o Code enforcement: \$38 million; and
- o Weatherization of housing units: \$5 million.

Public Works

Public Works, the second largest category, represented an estimated \$476 million (19%) of Entitlement planned FY 1988 spending:

- o Street and sidewalk improvements: \$163 million;
- o Construction or renovation of senior centers, facilities for the handicapped, neighborhood facilities, halfway houses, shelters, and other public buildings: \$161 million;
- o Water, sewer, flood control, and drainage systems: \$85 million;
- o Parks and recreation facilities: \$46 million; and
- o Special purpose activities, such as the removal of architectural barriers and historic preservation: \$21 million.

Economic Development

Economic development activities accounted for an estimated \$323 million (13%) of all planned Entitlement spending in FY 1988. Loans and grants to businesses for the rehabilitation, expansion and construction of commercial and industrial buildings or facilities, and the purchase of equipment represented an estimated \$130 million of planned economic development expenditures. Infrastructure improvements, such as industrial park development, parking additions, streets and sidewalks, and other improvements designed to make sites more attractive places to do business, accounted for an estimated \$93 million.

Other activities include facade improvements and commercial revitalization (\$10 million), land acquisition, clearing structures, packaging land for industrial parks,

Chapter 2 - CDBG Entitlement and Section 108

and encouraging commercial and industrial redevelopment (\$39 million); and technical, small and minority business, and economic development assistance (\$51 million).

Public Services

Public services accounted for an estimated \$256 million (10%) of all planned FY 1988 CDBG Entitlement spending. These services include the following: services for the elderly (\$25 million); day care (\$21 million); and services for youth (\$25 million), women (\$6 million) and the handicapped (\$8 million). Other public services including health care, police, and a myriad of social services such as crisis centers, training programs, counseling services, and support for community groups (\$171 million).

Acquisition/Clearance

Acquisition and clearance related activities accounted for an estimated \$128 million (5%) of planned spending. Grantees plan to spend \$43 million to purchase property for housing, \$14 million to purchase nonhousing property, \$53 million for clearing land, and \$18 million for disposition and relocation.

Administration/Planning/Other

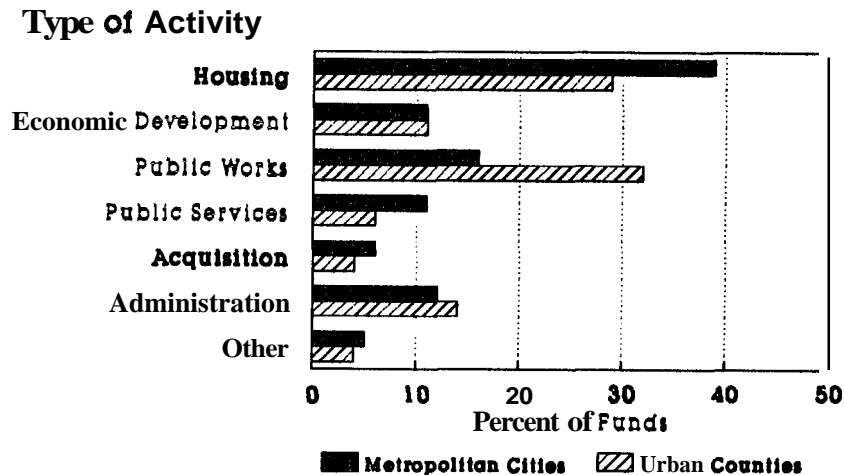
Administration and planning activities amounted to \$325 million (13%) of planned spending. Entitlement communities programmed the remaining \$129 million (5%) for repayment of Section 108 guaranteed loans, contingencies and completion of urban renewal programs.

Metropolitan City vs. Urban County Spending

As shown in Figure 2-3, Metropolitan Cities and Urban Counties differed in the types of activities they funded.

Figure 2-3

**CDBG Entitlement Program
FY 1988 Planned Spending
Metropolitan Cities vs. Urban Counties**



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

Housing

Large Metropolitan Cities, like New York, Dallas, Philadelphia, and Los Angeles, budgeted the largest portion of their CDBG allocation for housing-related activities. Nationally, Metropolitan Cities budgeted **\$812 million (39%)** of their CDBG funds for housing-related activities. Metropolitan Cities earmarked **\$423 million (20%)** of their funds to rehabilitate single family dwelling units; **\$214 million** to upgrade multifamily and publicly owned housing; and the remaining **\$175 million** for other housing-related expenditures. For example, New York City budgeted **\$179 million** of its funds for housing-related activities, primarily the rehabilitation and management of vacant and partially occupied buildings acquired through tax foreclosures.

Urban Counties, on the other hand, budgeted **\$111 million, (23%)** of their funds for housing-related activities. Urban Counties earmarked \$81 million for rehabilitation of single family housing and \$30 million for other housing-related activities. For example, in FY 1988, St. Louis County, MO, budgeted \$600,000 for a home improvement program that provides rebates to eligible homeowners who undertake rehabilitation activities.

Public Works

Metropolitan Cities allocated **\$321 million (15%)** of their CDBG funds to public works activities: \$116 million went for street improvements; **\$102 million** for neighborhood facilities; **\$14 million** for senior centers; and **\$39 million** for water

Chapter 2 - CDBG Entitlement and Section 108

and sewer improvements. Metropolitan Cities budgeted \$49 million for parks and recreation, the removal of architectural barriers, and historic preservation. Santa Monica, CA, for example, allocated \$1,051,000 in FY 1988 for the construction of a multi-service center to house a range of social service agencies. This center will provide stable, low-cost space for agencies serving low- and moderate-income persons throughout the city.

Urban Counties allocated \$156 million (33%) of their funds to public works: \$47 million for street improvements; \$46 million for water and sewer improvements, \$42 million for neighborhood facilities, and \$3 million for senior centers. Parks, recreation, removal of architectural barriers, and historic preservation accounted for \$18 million. As an example, Harris County, TX, earmarked \$32 million, or 52 percent of its funds, for public works including \$2.6 million for water, sewer, streets, and drainage improvements; and \$727,000 for construction of a 5,000 square foot library and several community centers serving low- and moderate-income persons.

Assistance to the Homeless

The CDBG Entitlement program has become a major local resource for assisting the homeless because HUD encourages grantees to use Entitlement funds to acquire and rehabilitate buildings as homeless shelters and for essential social services. CDBG grants are considered "local funds" and thus may legally match some HUD and other Federal homeless programs' matching requirements.

Proportions of CDBG funds communities budgeted for homeless assistance remained about the same in FY 1987 and FY 1988 (2.2%), even though the funds declined because of the reduced FY 1988 appropriation. Altogether, in FY 1988, communities planned to spend \$44.8 million for homeless assistance. The number of communities using funds for homeless assistance increased from 256 in FY 1987 to 295 in FY 1988, while the actual number of activities assisted increased 13 percent, from 515 to 580.

CDBG funds were used in conjunction with other HUD programs for the homeless. Twenty-five Transitional Housing projects used \$3.4 million in CDBG funds to meet local matching requirements. Thirteen projects funded by the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program also used CDBG funds (\$1.7 million) to help finance the projects.

Of the \$44.8 million used for homeless assistance, \$22 million was directed to shelter acquisition and rehabilitation; \$8.2 million for food services; \$7.6 million for shelter operational costs; \$4.9 million for social services; and \$1.1 million for administrative costs. Between FY 1983 and FY 1988, \$202 million in Entitlement funds were estimated to have been allocated for the homeless.

Examples of how communities budgeted FY 1988 CDBG grants to assist the homeless include:

- Richmond, CA: \$421,875 for acquiring land and structures to develop homeless housing.
- Houston, TX: two projects; \$100,000 for social services, and \$525,000 for food services in a project providing housing for indigent persons with AIDS.
- Washington, DC: \$460,000 for short-term assistance to displaced homeless households to meet furniture storage and housing needs.
- Virginia Beach, VA: \$53,753 to fund a homesharing program so homeless persons might share existing resources with homeowners, in exchange for assistance with expenses and maintenance.
- Atlanta, GA: \$790,000 of its grant to nine activities, ranging from shelter rehabilitation to funding a legal services program.
- Detroit, MI: \$685,000 to fund 12 activities involving shelters, rehabilitation, and provision of services.
- Stamford, CT: three projects; \$25,000 for a food bank serving 41 agencies; \$100,000 for rehabilitation; and \$18,000 for shelter administrative costs.

Program Objectives and Progress

The U.S. Housing and Community Development Act of 1974 requires that each activity assisted with CDBG funds meet one of three national objectives:

- benefit low- and moderate-income persons;
- prevent or eliminate slums or blight; or
- meet urgent community development needs.

The Department of Housing and Urban Development also encourages grantees to use innovative and businesslike techniques to attract private investment in support of community development activities and improve the efficiency and effectiveness of their urban development efforts.

Special emphasis is placed on entrepreneurial techniques that encourage boldness, self-reliance, risk-taking, collaborative management with community leaders, and the imaginative use of nontraditional public and private funding sources to achieve community development goals.

Low and Moderate Income Benefit

In **1986**, the most recent program year for which actual expenditure data are available, local officials reported spending approximately **\$2.278** billion for activities meeting one of the three national objectives. Grantees reported that **89** percent of expended funds (\$2 billion) went for activities benefiting low- and moderate-income persons, **11** percent went for slum and blight clearance, and less than one percent for urgent community needs. As shown in Table 2-1, over two-thirds of the Entitlement grantees spent **90** percent or more of their program year **1986** funds on activities benefiting low- and moderate-income persons.

Table 2-1

Percent of Expenditures Reported as Low- and <u>Moderate-Income Benefit</u>	Metro Cities		Urban Counties		All Grantees	
	Number	Pct.	Number	Pct.	Number	Pct.
100	228	33	35	30	263	32
90-99	230	33	63	54	293	36
75-89	126	18	13	11	139	17
60-74	69	10	3	2	72	9
51-59	24	3	1	1	25	3
50 or less	18	3	1	1	19	2
Total	695	100%	116	100%	811	100%

Note: Detail may not add due to rounding.

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

The following examples illustrate how CDBG funds benefit low- and moderate-income persons:

- Wilkes-Barre, PA, spent **\$969,000** to construct or repair **12,625** linear feet of streets and sidewalks in low- and moderate-income areas.
- Honolulu, HI, reported spending \$35 million (**91%**) of its funds for housing-related activities benefiting low- and moderate-income persons. The city spent **\$17** million to help finance construction of a **396** unit rental housing project above a city-owned parking structure. Through neighborhood-based non-profit organizations, fifty-one percent of the units are reserved for low- and moderate-income persons.
- Los Angeles, CA, spent **\$1.5** million from its small business and industrial revolving loan funds for fixed asset financing, business expansion, and development of a new wholesale produce market. Los Angeles reported businesses assisted by these funds created or retained **577** jobs with **457** of those jobs benefiting low- and moderate-income persons.

- Chicago, IL, spent more than \$5 million for health care services serving 137,803 low- and moderate-income persons at three neighborhood health centers and more than \$523,000 for substance abuse treatment and prevention services benefiting 3,149 lower income persons.
- Sioux Falls, SD provided \$35,000 of its funds to help low-income single parents gain economic independence through HUD's Project Self-Sufficiency. The city used these funds to provide child care and transportation assistance, career counseling, emergency funds, and assistance with school/job training costs.

Low-income persons and minorities, particularly Blacks, make up the majority of beneficiaries of CDBG-funded direct benefit activities. For the 1986 program year, localities identified 74 percent of their direct beneficiaries as low-income, 22 percent as moderate income, and 4 percent as above moderate income. Minorities, particularly Blacks, represent a much larger proportion of beneficiaries of CDBG-funded direct benefit activities than their share in the population of Entitlement communities as a whole. Thirty-six percent of the beneficiaries of direct benefit activities were identified as Black and 14 percent Hispanic compared to the 15 percent Black and 9 percent Hispanic composition of all Entitlement Communities.

Other National Objectives

Grantees spent **\$256** million for activities to prevent or eliminate slums and blight. For example, Los Angeles, CA, spent \$16 million for economic development loans to rehabilitate a rundown hotel and commercial buildings, acquire land, build new parking lots, and develop public improvements.

Expenditures for urgent community needs were proportionally very small, approximately three million dollars.

Entrepreneurship

HUD promotes the efficient and effective use of housing, community, and economic development resources by stimulating private sector initiatives, public/private partnerships, and public entrepreneurship. HUD encourages grantees to develop greater self-reliance and resourcefulness through the imaginative use of entrepreneurial techniques to achieve local community development goals.

One entrepreneurial approach used by many grantees is the recycling of public funds. Many grantees make direct loans or establish revolving loan funds using CDBG money. This has become popular because it is simple and flexible, can leverage other public and private funds, and produces income for the grantee.

In 1986, CDBG grantees generated an estimated \$485 million in program income for Community development activities. Of that amount, \$187 million (39%) came

Chapter 2 - CDBG Entitlement and Section 108

from loan repayments, **\$172 million (31%)** from revolving loan fund repayments, and **\$74 million (15%)** from the sale of land.

Another measure of success in using scarce public resources is the extent to which CDBG funds leveraged other public and private resources, In **1988**, Allegheny County, **PA**, Charleston, **SC**; Durham, **NC**; New York, **NY**; New Bedford, **MA**; Oakland, **CA**; Rochester, **NY**; and San Juan, **PR**, received National Recognition Awards for Urban Development Excellence from HUD for sustained efforts in improving living conditions and economic opportunities with CDBG funds.

- Charleston, **SC**, has used **\$21 million** in CDBG assistance since **1975** to leverage **\$41 million** in private and public funds. The City implemented a mixed strategy of restoration and new construction of housing with public improvements to transform desolated areas into opportunities for private investment. In **1988**, Charleston spent CDBG funds to assist a nonprofit organization in acquiring and rehabilitating vacant and dilapidated structures for occupancy by low- and moderate-income persons.
- New Bedford, **MA**, used **\$293,481** to assist a local nonprofit organization convert a hotel into lower income housing, establish a community center, and provide voucher day care, fuel assistance, housing counseling, and building weatherization. The local nonprofit organization now operates fifteen programs providing **\$7.5 million** in services for economically disadvantaged persons annually.
- New York City reversed the decline of downtown Brooklyn's central business district by providing **\$700,000** in CDBG funds for infrastructure improvements and a pedestrian mall that attracted investment in five major office, hotel and residential projects valued at nearly **\$2 billion**.
- Oakland, **CA**, combined **\$4 million** in CDBG funds with **\$78 million** in private and public funds to address a severe shortage of affordable housing and displacement resulting from the redevelopment of downtown. Oakland's program created **879** new and **481** rehabilitated housing units.
- Rochester, **NY**, which had experienced severe housing abandonment, leveraged **\$264 million** in private and public funds with **\$156 million** in CDBG assistance to help rehabilitate the City's older housing stock, revitalize the appearance of downtown areas, and create jobs through the development of several industrial parks.

Part Two - Section 108 Loan Guarantee Program

Purpose

Section 108 loan guarantees provide Entitlement communities with a source of financing for community and economic development projects which are frequently too large to be financed from annual grants or other means.

Legislation

Section 108 of the Housing and Community Development Act of 1974, as amended.

Program Administration

The Section 108 Loan Guarantee Program authorizes HUD to guarantee notes issued by Metropolitan Cities and Urban Counties receiving CDBG grants. Local governments pledge their CDBG grants as security for loans, may borrow up to three times their annual grants for projects, and generally repay the loan within six years.

Between 1974 and 1988, guaranteed loans could only be used to finance the acquisition of real property or the rehabilitation of publicly-owned property and certain project-related costs. Starting in 1988, housing rehabilitation and CDBG-eligible economic development activities became eligible for loan guarantees. As with CDBG assisted activities, each project must benefit low- and moderate-income persons, aid in the prevention or elimination of slums or blight, or meet other community development needs having a particular urgency. Section 108 activities are included in a local government's program for purposes of meeting the requirement that 60 percent of CDBG funds, over a one to three year period selected by the grantee, benefit lower income persons.

Before July 1, 1986, the Federal Financing Bank bought the guaranteed notes. Since that time, HUD has arranged for private lenders and investors to finance the notes. There was one public offering in FY 1988 involving projects in the continental United States and Puerto Rico.

Communities submit applications to HUD Field Offices for review. Applications include information on the proposed activity, its national objective qualifications, legal authority, financial projections, and loan repayment. **An** applicant must also indicate that it has attempted to obtain financing and cannot complete the project in a timely manner. HUD Headquarters makes final reviews and approvals of the applications.

Funding History

Section 108 Loan Commitments

(Dollars in Millions)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1978-9	\$31.2	1982	179.4	1985	133.5
1980	156.9	1983	60.6	1986	113.3
1981	156.5	1984	86.9	1987	30.0
				1988	143.6

Program Participation

In FY 1988, HUD approved 43 applications for loans totaling \$143.6 million. The median loan guarantee was \$2.2 million. Four communities received approval for more than \$10 million each: Baltimore (\$20,500,000); Detroit (\$16,000,000); Ponce, PR (\$10,450,000); and Tulsa, OK (\$10,053,000).

Program Activities

Most of the \$143.6 million in FY 1988 loan guarantees enabled local governments to support economic development activities. For example,

- o Baltimore, MD: two loans totalling \$25.5 million for land acquisition, clearance, site preparation, public improvements, and relocation, mainly for a business park in the Port Covington area;
- Ponce, PR: \$10.5 million loan to acquire and rehabilitate land and to rehabilitate 700 units of family housing;
- Arecibo, PR: \$4.5 million loan to acquire and improve real property for public and private office space;
- o Kettering, OH: over \$500,000 to finance the acquisition of land for a General Motors plant; and
- Monterey Park, CA: will use its loan for \$2.2 million to purchase real property to facilitate the development of an "auto block" retail sales area.

Program Objectives and Progress

Grantees reported that \$94 million in FY 1988 loan guarantees went for activities benefiting low- and moderate-income persons, and \$49.6 million went for slum and blight clearance.

State and HUD-Administered Small Cities Programs

Purpose

The primary purpose of the Community Development Block Grant program is the development of viable urban communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income.

Leaislation

Title I, Housing and Community Development Act of **1974**, as amended.

Proaram Administration

The State and Small Cities program is the second largest component of the Title I Community Development Block Grant program after the Entitlement portion. The State and Small Cities program aids communities that do not qualify for assistance under the CDBG Entitlement program. It receives 30 percent of all CDBG funds, after amounts for the Secretary's Discretionary Fund, Public Housing Child Care Demonstration, and Neighborhood Development Demonstration programs have been deducted. The other 70 percent is allocated to the Entitlement program.

Each State receives a grant based on the higher of two different needs-based formula calculations. The first formula is based on population, overcrowded housing, and poverty, and the second formula is based on age of housing, poverty, and population. The numbers to be applied to the formulas are based on data for non-entitlement areas of the State.

The State CDBG program is a primary example of New Federalism, the initiative of the Reagan Administration to move responsibility for certain programs to lower levels of Government. The 1981 Amendments to the Housing and Community Development Act of **1974** gave each State the option of administering nonentitlement CDBG funds for smaller communities within its jurisdiction. The State CDBG program replaced the HUD-administered Small Cities CDBG program in States that chose to take part. For States electing not to participate, HUD continues to administer the program.

For a State, implementing the State CDBG program requires submission of a Final Statement which includes community development objectives, a method to distribute the funds among nonentitlement communities, and a system that ensures that recipient communities comply with applicable laws. The Department does not

Chapter 3 - State and Small Cities CDBG

participate in the State administrative decisions about the State's recipients. The State is free to establish its priorities for selecting activities, but it may not refuse to fund a community solely on the basis of the activity the community selects.

To receive its grant, each State in the State CDBG program submits to its HUD Field Office a Final Statement, a document that must contain the State's community development objectives, its method of distributing its funds, and certification that its community development program will comply with Title I and other applicable laws, such as Federal civil rights, environmental, labor, and contracting statutes. The State must also certify that it has provided or will provide technical assistance in connection with local community development programs and that it has consulted with local elected officials in designing its method of distribution.

States are required to furnish their citizens with information on the State CDBG amount and activities, hold at least one public hearing on community development and housing needs, publish the proposed statement of objectives and projected use of funds and consider public comments received on it. In addition, local government recipients must estimate the amount of funds that will be used for activities benefiting low- and moderate-income persons and develop plans for minimizing displacement and assisting displaced persons.

To receive funding for a fiscal year, States must submit their Final Statements by March 31 of the appropriate year, unless they request extensions. HUD Field Offices have a maximum of 30 days to review the document after they receive it. **Al-**most all of the FY **1988** Final Statements (**48 of 49**) were received by March **1988**, and **46** of the grants were awarded by May 1988.

While States have broad discretion in designing their own community development programs, each activity funded must meet one of the CDBG program's national objectives of benefiting lower income persons, eliminating or preventing slums or blight, or meeting urgent community development needs. The program's social targeting goal was strengthened in 1988 with a requirement that **60** percent of each State's program funds must be spent on activities benefiting lower income persons. Each State selects the relevant period for meeting this requirement; however, that period cannot exceed three years.

Funding History

Community Development Block Grant Nonentitlement Funding (Dollars in Millions)					
Year	Amount	Year	Amount	Year	Amount
1975	\$254	1980	\$955	1985	\$1,023
1976	346	1981	926	1986	880
1977	434	1982	1,020	1987	883
1978	612	1983	1,020	1988	845
1979	797	1984	1,020		

Of the **\$845.4** million apportioned to the States and Small Cities programs for FY **1988**, **\$808.5** million went to States in the State CDBG program and **\$36.9** million went to the two States in the HUD-Administered Small Cities program.

Participation

Fifty-one States, including the Commonwealth of Puerto Rico, were allocated formula amounts for nonentitlement areas in their jurisdictions. (For purposes of convenience, Puerto Rico will be termed a State for the remainder of the chapter.)

- o Forty-nine States, including Puerto Rico, administer the State CDBG programs within their jurisdictions.
- o Two States, Hawaii and New York, have so far elected not to administer their CDBG funds. HUD administers the CDBG programs in those two States.
- o As of June **30, 1988**, **721** State CDBG grants had been awarded by 27 States to communities using FY **1988** allocations. Those awards to communities account for **25** percent of FY **1988** allocations to States.
- o Towns, i.e., all communities, other than counties, with populations less than 2,500, received **41** percent of the grants and **33** percent of the funding.
- Although very small cities, i.e., all communities, other than counties, with populations between 2,500 and 10,000, and small cities, i.e., all communities, other than counties, with populations between **10,000** and 50,000, received a smaller number of grants and of grant funding, their average grant awards were substantially greater than those of towns, the smallest jurisdictions.
- While the great majority of both grants and grant funding went to jurisdictions outside metropolitan areas, there was no difference in the average grant award received by the metro and nonmetro categories.

Table 3-1
 Characteristics of FY 1988 State CDBG Program Recipients
 As of June 30, 1988+
 (Dollars in Thousands)

Type of Community	Grants		Funds		Average Award
	Number	Percent*	Dollars	Percent*	
Towns	279	41%	\$61,758	33%	\$221
Very Small Cities	144	21	52,528	28	365
Small Cities	93	14	31,486	17	339
Counties	168	25	42,942	23	256
<u>No Information</u>	<u>37</u>	<u>—</u>	<u>14,825</u>	<u>—</u>	<u>401</u>
Total	721	100%	\$203,539	100%	\$282
<u>Metropolitan Status</u>					
In Metro Area	101	16%	\$27,579	15%	\$276
Outside of Metro Area	544	84	150,892	85	277
<u>No Information</u>	<u>76</u>	<u>—</u>	<u>25,068</u>	<u>—</u>	<u>330</u>
Total	721	100%	\$203,539	100%	

+ Percentages calculated on known characteristics only.

• 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.

In the seven years that the State CDBG program has been in existence, **61** percent of all communities receiving State CDBG funding have obtained only one grant.

In general, the larger the community, the more likely it is to have received multiple grants. For example, nine percent of all recipients have received five or more grants over the life of the program, but **26** percent of the largest municipalities, the small cities, had obtained five or more grants.

Table 3-2

**Number of State CDBG Grants Received by Type of Recipient
FY 1982-FY 1988 +**

Number of Grants	Type of Recipient			
	Towns	Very Small Cities	Small Cities	Counties
One	64%	37%	26%	42%
Two	24	25	18	24
Three	8	17	15	14
Four	2	10	15	7
<u>Five or more</u>	<u>2</u>	<u>11</u>	<u>26</u>	<u>13</u>
Total	100%	100%	100%	100%
Number of Communities	4,484	2,090	937	1,732

+As of June 30, 1988.

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

Program Activities

State Setasides

One method that States use to ensure that program distributions reflect the State's perception of need is special setasides. States earmark portions of their grants to particular categories of projects or of geographic areas.

States placed more than half of the total State CDBG allocation in FY 1988 into set asides. Forty-two of 49 States participating in the program used some form of set aside during FY 1988.

Economic development is by far the most frequently used form of set aside, followed by public facilities and housing.

- Thirty-eight States use some form of economic development set aside, accounting for approximately \$195 million in FY 1988.
- Seventeen States employed public facilities set asides, summing to \$74 million in FY 1988, and 19 States used various housing setasides amounting to \$67 million.
- Nineteen States earmarked funds for imminent threats (\$13 million); ten used planning grants (\$3 million); and five employed some form of interim financing (\$30 million).
- Several States set aside grants for jurisdictions of various sizes and for certain geographical areas (e.g., rural/nonrural, regions).

State Program Priorities

As of June 30, 1988, States were able to report awards of FY 1988 funds to communities of almost \$204 million, a quarter of **FY** 1988 grants awarded to the States. In their Performance and Evaluation Reports (PER), States are asked to attribute a general purpose to each activity funded and reported. The purpose categories give a shorthand way to portray what the State and its recipients were trying to accomplish with their State CDBG resources.

- o Public facilities and improvements remained by far the largest grouping of State CDBG activity in **FY** 1988, as it had in each previous year of the program. Infrastructure construction and repair comprised the largest share of that activity.
- o Housing, especially housing rehabilitation, and economic development, particularly assistance to for-profit firms, activities constituted the second and third largest concentrations of State CDBG-funded activity in **FY** 1988. Because the PER is submitted only part of the way into the fiscal year and economic development projects are typically processed and awarded by States throughout the year, the **FY** 1988 figures understate the magnitude of economic development activities that were funded during that year.

Table 3-3
 FY 1988 State CDBG Funding by Purpose of Award †
 (Dollars in Thousands)

Purpose and Major Activities	Activities		Funds	
	Number	Percent	Amount	Percent
Public Facilities	890	49%	\$98,120	48%
(Streets, water, sewer)	(331)	(18)	(60,680)	(30)
(Other)	(290)	(16)	(33,366)	(16)
(Administration)	(269)	(15)	(4,074)	(2)
Housing	575	32	72,185	36
(Rehabilitation)	(249)	(14)	(58,647)	(29)
(Other)	(129)	(7)	(7,482)	(4)
(Administration)	(197)	(11)	(6,056)	(3)
Economic Development	191	11	28,349	14
(Assistance to for-profits)	(63)	(4)	(13,697)	(7)
(Other)	(66)	(4)	(13,395)	(7)
(Administration)	(62)	(3)	(1,257)	*
Planning	68	4	1,197	*
Public Services	20	1	1,028	*
Contingencies and Unspecified Activities	<u>80</u>	<u>4</u>	<u>2,660</u>	<u>1</u>
Total	1,824	100%	\$203,539	100%

† As of June 30, 1988.

* 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.

- o Over the life of the program, public facilities have made up half of all State **CDBG** activity, with housing comprising more than a fourth and economic development more than a fifth of all funding. In the aggregate, public services and planning have consumed very small shares of State **CDBG** resources.
- Again, in the aggregate, housing-related activity declined as a proportion of State **CDBG** funding from **FY** 1982 to **FY** 1986 and increased somewhat thereafter.
- o Forty-six States have planned to rehabilitate 120,705 housing units with State **CDBG** funding allocated to communities from **FY** 1982 to **FY** 1988. The average number of units expected to be renovated per State is 2,624.

Chapter 3 - State and Small Cities CDBG

- So far, States report having actually rehabilitated **76,592** housing units with State **CDBG** funds, or an average of **1,741** units for the **44** States reporting actual housing accomplishments. (The **FY 1988** data are too partial to warrant a conclusion about that year's figures.)
- Economic development-related activity expanded as a share of funding from **FY 1982** to **FY 1984** and remained roughly the same thereafter.

Table 3-4

Purpose of State CDBG Funding FY 1982 Through FY 1988 (Dollars in Millions)								
Purpose	1982	1983	1984	1985	1986	1987	1988	Total
Public Facilities	47%	48%	50%	50%	54%	52%	48%	50%
Housing	34	32	24	24	22	25	36	27
Economic Development	17	19	25	25	25	22	14	22
Planning	1	1	1	1	1	1	*	1
Public Services	1	1	1	*	*	*	*	*
<u>No Information</u>	—	—	—	—	—	—	1	—
Total	100%	100%	100%	100%	100%	100%	100%	100%
Amount	\$745	\$929	\$910	\$940	\$736	\$742	\$204	\$5,206

* Less than .5 percent

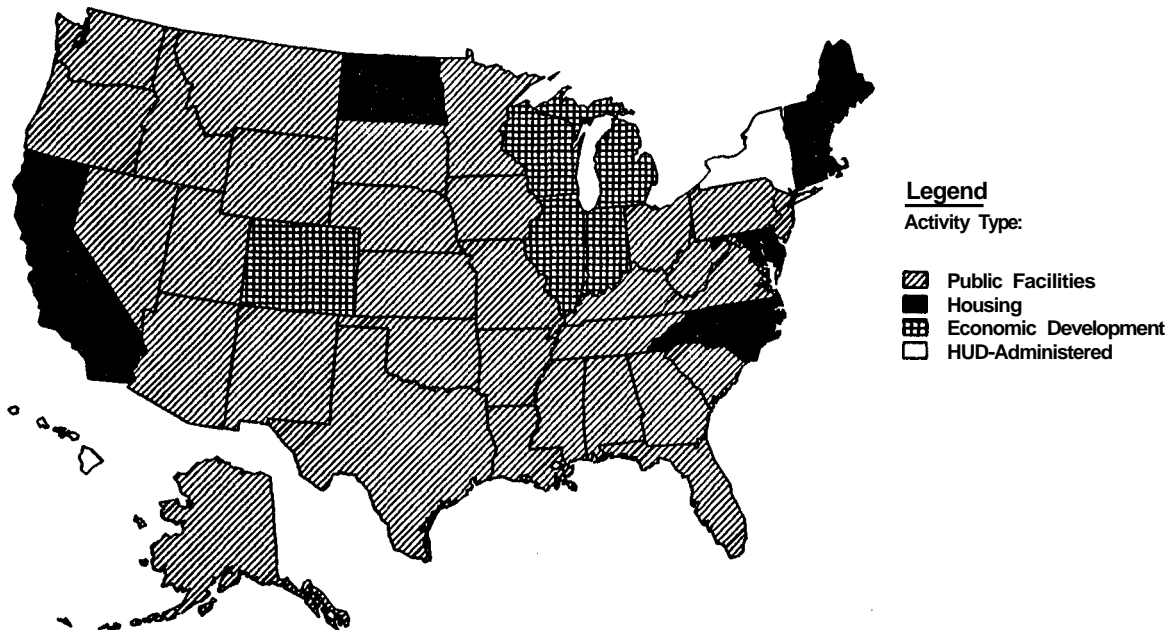
Note: Percentages may not add due to rounding.

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

The predominance of public facilities in State **CDBG** funding manifests itself also in the principal activity groupings for individual States over the program's length. In 34 of **49** State **CDBG** programs, public facilities-related activity obtained the most funding. Ten States put the most State **CDBG** resources into housing-related activity, and five States put the most dollars into economic development.

Figure 3-1

Principal Purpose of State CDBG Programs FYs 1982-1988



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

The purpose of State CDBG funding varies dramatically by type of recipient. The smallest jurisdictions and counties are much more likely to conduct public facilities-related activity, and larger communities are much more likely to use State CDBG funding for housing rehabilitation and economic development.

Table 3-5
 FY 1988 State CDBG Funding by Purpose of Award †
 and Type of Recipient
 (Dollars in Thousands)

<i>Purpose</i>	Type of Recipient				<u>Total</u>
	<u>Towns</u>	<u>Very Small Cities</u>	<u>Small Cities</u>	<u>Counties</u>	
Public Facilities	69%	40%	20%	53%	48%
Housing	23	41	54	29	36
Economic Development	6	18	25	13	14
Planning	*	1	*	*	1
Public Services	*		*	2	1
<u>Not Reported**</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>
Total	100%	100%	100%	100%	100%
Amounts Awarded	\$61,758	\$52,528	\$31,486	\$32,942	\$203,539

† As of June 30, 1988.

* Less than .5 percent.

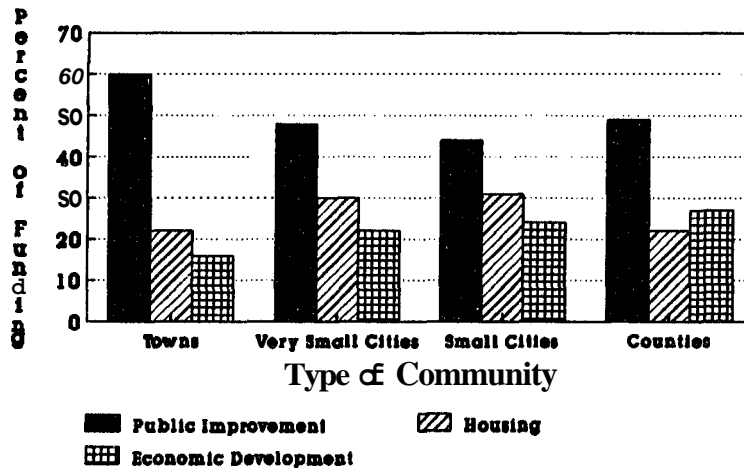
** Total includes funding that could not at this time be attributed to types of recipients.

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.

- Over the program's history, public facilities-related activity has been most prominent in all types of recipient communities, but clearly most prominent in the smallest jurisdictions.
- The amount of housing and economic development-related activity increases steadily from the smallest to largest State CDBG recipients. Counties are more likely to be awarded grants for economic development activity than any other type of recipient.

Figure 3-2
Principal Purpose of State CDBG Funding
By Type of Recipient, FY's 1982-1988



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

Program Objectives and Progress

Low- and Moderate-Income Benefit

States must certify to HUD that in executing their programs they will only fund activities that meet one of the three national objectives of the program. As part of this certification, a State ensures that not less than **60** percent of its CDBG grant funds are used for activities that will benefit people with low- and moderate-income over a one-, two-, or three-year period that the State designates.

- Twenty-nine States have selected one year as the period for determination of principal benefit, 17 have established three-year intervals, and three have chosen two-year periods.
- States attributed a low- and moderate-income benefit objective to activities accounting for **96** percent of all **FY 1988** grant funds awarded to recipients as of June 30, **1988**.
- Using that same measure, there has been almost no change in low- and moderate-income benefit in the State CDBG program since **FY 1982**, with a **95** or **96** percent low and moderate-income benefit reported in each year.

Chapter 3 - State and Small Cities CDBG

- There was very little variation in the degree to which the major activity groupings, public facilities, housing, and economic development, were reported to have benefited low- and moderate-income people for **FY 1988** State CDBG funds.
- Planning and public services had somewhat lower reported low- and moderate-income benefit percentages, but they account for such small portions of State CDBG funding that the effect in the aggregate is negligible.

Table 3-6

Percent of FY 1988 State CDBG Awards by Purpose of Funds and National Objective [†]
(Dollars in Thousands)

Purpose	National Objective		
	Low- and Moderate- Income	Slums and Blight	Urgent Needs
Public Facilities	95%	4%	1%
Housing	98	2	0
Economic Development	97	3	0
Planning	86	1	13
Public Services	83	11	4
Total	96%	3%	1%
Amount	\$195,162	\$6,674	\$1,325

[†] As of June 30, 1988.

• 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.

- Thirty-five of **49** States claimed that 95 percent or more of their State CDBG funding went to activities principally benefiting low- and moderate-income people; only four claimed 80 percent or less low- and moderate-income benefit. No State reports an overall percentage below **60** percent.

Table 3-7

Cumulative Percent of Funds Awarded for Low- and Moderate-
Income National Objective by State, FY 1982-FY 1988†

Low- and Moderate- <u>Income Benefit</u>	States <u>Number</u>	<u>Percent</u>
100%	8	16%
95-99	27	55
90-94	4	8
80-89	6	12
<u>Less than 80</u>	<u>4</u>	<u>8</u>
Total	49	100%

† As of June 30, 1988.

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.

Inspector General Audit of the State CDBG Program

In April 1988, HUD's Office of the Inspector General (OIG) sent out for comment a draft audit, "The Review of Economic Development and Public Facility Grants in the State Community Development **Block** Grant Program." The draft audit contained findings in a number of areas, but one of the most important programmatic findings questioned HUD's monitoring practices for the State CDBG program, particularly in the area of economic development.

HUD Field staff visit community projects to gather monitoring data only if they find that the State cannot produce records to demonstrate that the project meets a national objective or are failing to satisfy other applicable requirements. So if a State's records appear adequate but are inaccurate, then the monitor has no recourse but to conclude, perhaps wrongly, that a national objective has been met. In this instance, the value of HUD's monitoring approach would be seriously deficient.

The OIG Draft Audit contended that projects had been identified which failed to meet the low- and moderate-income national objective. The draft audit also reported that numerous examples of economic development projects in which State records failed to meet the requirements for low- and moderate-income benefit had been found. The OIG recommended that the Department revise its monitoring procedures to require that Field Offices review a sample of subgrantees as part of monitoring, and that the monitoring include verification of job creation and retention numbers. The final audit report, issued in August 1988, modified the recommendation to require Field Offices to assess program areas and subgrantees in terms of **risk** and concentrate their monitoring efforts on those at greatest risk.

Chapter 3 - State and Small Cities CDBG

Community Planning and Development (CPD) responded to the finding in several ways. First, it affirmed the importance of the issue the OIG had raised and pointed out its own continuing efforts to have the OIG look at the issue and to respond itself through new policy guidance, particularly the May 19, 1987 policy memorandum, which offered detailed instruction to HUD Field staff on how they should review State CDBG-funded economic development projects. Second, CPD challenged the methodology used by the OIG in its inquiry and its interpretation of the statute, especially concerning monitoring in the State CDBG program. CPD also maintained that the OIG failed to recognize fully the inherent risk of economic development activity.

To address the methodology issue, CPD's Office of Program Analysis and Evaluation, with the assistance of the Office of Block Grant Assistance, conducted a review of 54 economic development projects in nine States. The basic assumption underlying the study was that, if State records inaccurately indicate that projects satisfy a national objective, HUD's current monitoring practices would be brought seriously into question. The study concluded that in no instance did State files incorrectly indicate whether a project satisfied a national objective.

Finally, CPD agreed to do risk-sensitive monitoring and send out additional guidance, as necessary, to convey the importance of State tracking and monitoring of recipient economic development activities. In December 1988, CPD sent out guidance to Field Offices in reviewing State CDBG grantees that stresses the significance of the issues surrounding the funding of economic development projects in the State CDBG program.

Timeliness

Section 104(e)(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. 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 that 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 had placed 95 percent of a year's grant under contract within 12 months of its award. The Department later supplemented that 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.

Table 3-8

**Timeliness of State Distribution of CDBG Funds to Recipients
FYs 1986 and 1987**

Recipients Under <i>Contract</i>	FY 1986 + 12 months after HUD Award		FY 1987 + + 12 months after HUD Award		FY 1987 15 months after HUD Award	
	States	Pct.	States	Pct.	States	Pct.
95-100%	15	31%	13	29%	21	53%
90-94	7	15	6	13	7	18
70-89	21	44	21	47	11	27
40-69	3	6	5	11	1	2
<u>0-39</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	48	100%	45	100%	40	100%

+ As of March 8, 1988

+ + As of January 5, 1989

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

Although most States are meeting the timeliness standards set by the Department, some have remained below even the minimum thresholds. There was no perceptible improvement in timeliness of State distribution from FY 1986 to FY 1987.

- The same number of States, five, remained below the 70 percent threshold of timeliness from FY 1986 to FY 1987; however, it was not the same five States.
- Roughly the same proportion of States, 30 percent, achieved the standard for exemplary timeliness, 95 percent of funds distributed to recipients after 12 months, in both FY 1986 and FY 1987.
- More than half of the States met the 100 percent benchmark of timeliness after 15 months, but the proportion of those making this standard barely changed from FY 1986 to FY 1987.

Program Income

States have the power to require any program income produced from State CDBG-funded activity be returned to the State except when it is used to continue the same activity that generated the program income.

Forty-five States reported in their Final Statements that program income (for example, in the form of loan paybacks) has been produced in their programs. Of those, nine report permitting recipients to retain all program income, two indicate that all income is returned to the State, and 34 report some combination of those two alternatives.

Chapter 3 - State and Small Cities CDBG

Thus far, States report having collected and distributed only a little more than \$14 million in program income over the life of the program, a sum amounting to less than three-tenths of one percent of the total funds States have distributed to recipients over that period. Most of that limited activity has occurred in the last several years, as economic development has become more prominent, as loan paybacks have begun to fall due, and as States have shown greater interest in capturing income produced by the program.

Table 3-9

**State Distribution of Program Income
In the State CDBG Program, FYs 1982-1988
(Dollars in Thousands)**

Fiscal <u>Year</u>	Program Income		Number of States Distributing
	<u>Amount</u>	<u>Percent</u>	<u>Program Income</u>
1982	\$ 100	1%	3
1983	288	2	4
1984	231	2	6
1985	2,601	18	12
1986	4,080	29	14
1987	5,990	42	11
<u>1988**</u>	<u>825</u>	<u>6</u>	<u>5</u>
Total	\$14,115	100%	21*

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

** These figures represent only a partial accounting of all FY 1988 program income due to the PER reporting deadline.

Note: Detail does not add due to rounding.

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

The HUD-Administered Small Cities Program

Two States, Hawaii and New York, have so far chosen not to assume administrative responsibility for the CDBG program to nonentitled areas within their jurisdictions. For them, HUD through its Field Offices administers the program.

The Department awarded **102** Small Cities grants in **FY 1988**, adding up to almost **\$37** million. Housing grants comprised the largest share, both in number and dollars, with comprehensive grants (i.e., those incorporating more than one activity) constituting the next largest dollar amount.

- o The two Field Offices in New York received **193** applications and funded 99 of them, amounting to almost **\$35** million. Housing was the largest focus of funding in the State.
- The Honolulu Field Office awarded formula grants to three counties summing to nearly **\$2.3** million.

Table 3-10

HUD-Administered Small Cities Program
Applications Received and Number, Percent, and Amount of Grants
Awarded by Funded Program Activity, FY 1988
(Dollars in Thousands)

Activity	Applications*		Total Grants**			
	Number	Pct.	Number	Pct.	Amount	Pct.
Housing	86	45%	42	41%	\$13,947	38%
Economic Development	35	18	17	29	5,359	15
Public Works	47	24	25	25	7,430	20
<u>Comprehensive</u>	<u>25</u>	<u>13</u>	<u>18</u>	<u>18</u>	<u>10,124</u>	<u>27</u>
Total	193	100%	102	100%	\$36,860	100%

* Includes New York only.

** Includes Hawaii and New York.

Note: Percentages may not add due to rounding.

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

- ~~Sixty-two~~ percent of HUD-Administered Small Cities funding went to communities of 10,000 people or fewer.
- On the whole, smaller communities were much more likely to apply for and receive grants for housing and public works; larger communities were much more likely to apply for and obtain comprehensive funding; and counties were by far most likely to apply for and receive economic development assistance.

Table 3-11

**HUD-Administered Small Cities Program
Activity Funded by Type of Recipient, FY 1988
(Dollars in Thousands)**

Program	Towns		Small Cities		Small Cities Very		Counties	
	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.
Public Works	\$4,705	41%	\$1,586	14%	\$650	9%	\$111	2%
Economic Development	400	3	1,168	10	775	11	3,016	45
Housing	4,888	42	5,576	49	2,134	31	1,319	20
Comprehensive	1,538	14	2,973	26	3,358	49	2,255	33
Total	\$11,531	100%	\$11,303	100%	\$6,917	100%	\$6,731	100%

Note: Totals may not add due to rounding.

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

- o The average grant size in the HUD-administered program for FY 1988 was \$361,000.
- o Average grant size ranged from \$332,000 for very small cities to \$384,900 for small cities.

Comprehensive grants averaged \$562,000. The average public works grant was \$297,000, the average economic development grant was \$315,000, and the average housing grant was \$332,000.

Emergency Shelter Grants Program

Purpose

The Emergency Shelter Grants (ESG) program provides funds to State and local governments to assist homeless persons. ESG funds activities that improve the quality and expand the capacity of homeless shelters; provide essential social services, such as medical care or counseling; and meet operational costs of homeless facilities such as rent, insurance and utilities.

Legislation

Title IV, of the Stewart B. McKinney Homeless Assistance Act of **1987**, as amended.

Program Administration

The Emergency Shelter Grants program was established initially by Part C of Title **V** of HUD's appropriation for FY **1987**, signed into law October **18, 1986**. The McKinney Act continued the ESG Program. HUD makes grants to States, Metropolitan Cities, Urban Counties, and Territories based on the CDBG allocation formula that incorporates objective measures of community need such as poverty, population, housing overcrowding, age, and population growth lag. The minimum amount awarded to Metropolitan Cities or Urban Counties was \$30,000 in **1986** and one-half percent of the total appropriation in **1987** (\$25,000) and **1988** (\$4,000). If the formula amount was less than the minimum, the funds were awarded to the State instead of the Entitlement community.

A Metropolitan City or Urban County submits an application to its HUD Field Office identifying proposed activities, and States submit a plan for distributing funds. Each grantee certifies that proposed activities are consistent with its Comprehensive Homeless Assistance Plan (CHAP).

The McKinney Act requires that State and Entitlement grantees submit and gain approval of a Comprehensive Homeless Assistance Plan (CHAP) as a condition for receipt of ESG funds. The CHAP must include a description of needs for each of the Title IV McKinney Act programs; a local homeless resource inventory; and strategies for matching homeless needs with available services and facilities and meeting unique needs of special homeless groups. HUD emphasizes the CHAP's orientation as a local planning aid and gives grantees broad discretion in meeting requirements, reviewing plans only for completeness. Grantees report annually to HUD on progress in meeting self-established CHAP goals. In addition to the ESG Program, the other Title IV programs requiring a CHAP are the Transitional Housing, Permanent Housing for the Handicapped, Supplemental Assistance for

Chapter 4 - Emergency Shelter Grants Program

Facilities to Assist the Homeless, and Section 8 Single Room Occupancy (SRO) Moderate Rehabilitation programs.

HUD expedites the review process and approves applications within the **30** day regulatory deadline, most within seven days. States are required by HUD to obligate funds to local governments within **65** days of HUD approval, and State recipients must, in turn, obligate funds within **180** days of State award. CDBG Entitlement communities also have **180** days after HUD approval to obligate funds. HUD conducts limited periodic performance reviews of State and Entitlement ESG programs.

Grantees must certify that buildings receiving assistance will be used as a shelter for a specified time, and if renovated, be safe and sanitary. Grantees are further required to assist homeless persons in obtaining appropriate supportive services and other public and private assistance; comply with Federal civil rights, environmental, and other requirements; and match ESG funds equally with funds from other sources.

Funding History

Emergency Shelter Grants Program

Appropriations and Allocations

Year	(Dollars in Thousands)					
	Entitlement		State		Total	
	<u>Allocation</u>		<u>Allocation</u>		<u>Appropriation</u>	
1986*	\$2,956	(30%)	\$7,044	(69%)	\$10,000	(100%)
1987	29,046	(58%)	20,954	(42%)	50,000	(100%)
<u>1988</u>	<u>4,623</u>	<u>(58%)</u>	<u>3,377</u>	<u>(42%)</u>	<u>8,000</u>	<u>(100%)</u>
Total	\$36,625	(54%)	\$31,375	(46%)	\$68,000	(100%)

*Note: The \$10 million FY 1987 appropriation and the \$50 million FY 1987 supplemental appropriation are referenced in this chapter as the 1986 Program and the 1987 ESG Program respectively.

Program Participation

1986

In 1986, 48 States, Puerto Rico, 31 Metropolitan Cities, and 5 Urban Counties participated. Two States, Tennessee and South Dakota, chose not to participate the first year, and HUD allocated their funds on a competitive basis to communities in those States.

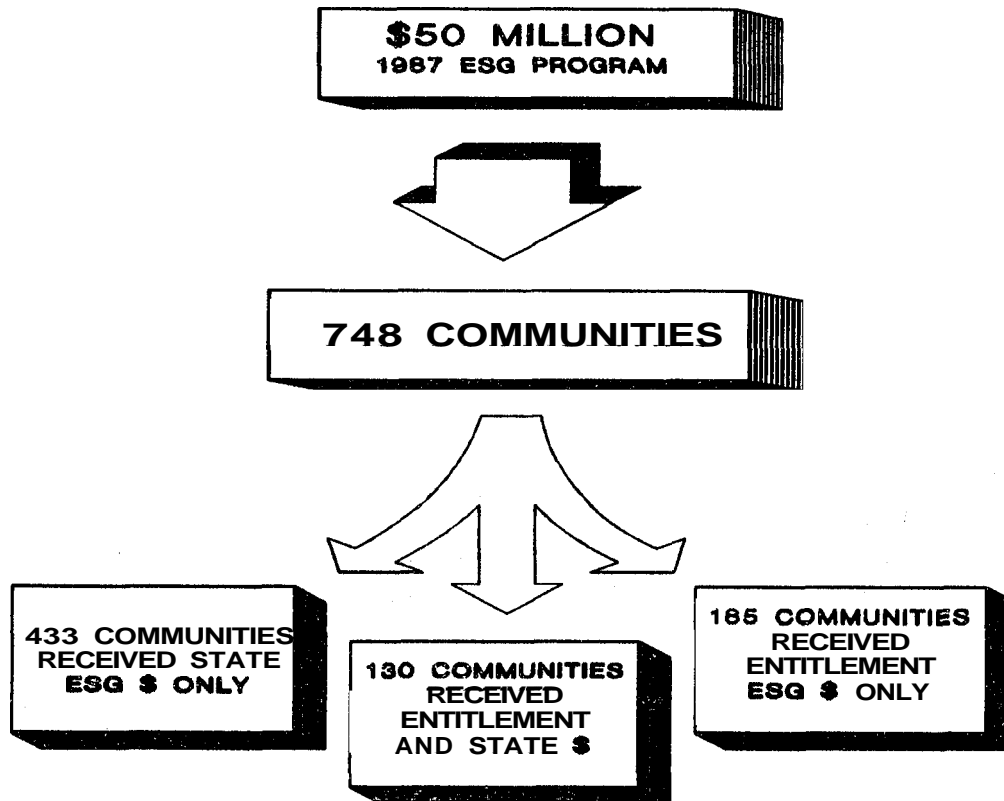
Nationally, 359 communities participated: 323 received grants through their States, and 36 were Entitlement communities.

1987

All 50 States, Puerto Rico, and three territories participated in **1987**. Seven Entitlement communities and 2 territories did not participate, and HUD reallocated their funds to other communities.

Nationwide, **748** communities participated: a 110percent increase over **1986**. State grantees provided ESG funds to **433** non-Entitlement communities and **130** Entitlement communities. The number of Entitlement communities increased from **36** to **322**.

Figure 4-1



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

1988

All **50** States, Puerto Rico, three territories, and **309** Entitlement communities participated in ESG for the **\$8** million, **1988** appropriation. Data are insufficient at this time to determine the number of communities funded through State grants.

Program Activities

Communities may spend ESG funds to support three broad categories of activities:

- rehabilitation or conversion of existing structures for use as homeless shelters;
- essential social services, such as providing food, medical services, and counseling; and
- shelter operational expenditures, such as rent, utilities and insurance.

For 1987, **ESG** grantees budgeted **57** percent of all funds for rehabilitation activities, 36 percent for operational expenditures, and 7 percent for social services. There was insignificant variation in the way that States and Entitlement communities apportioned their funds among the three activity types.

The most noticeable trend was the increase in rehabilitation expenditures. In 1986, grantees spent **54** percent for rehabilitation. This increased to **57** percent in 1987.

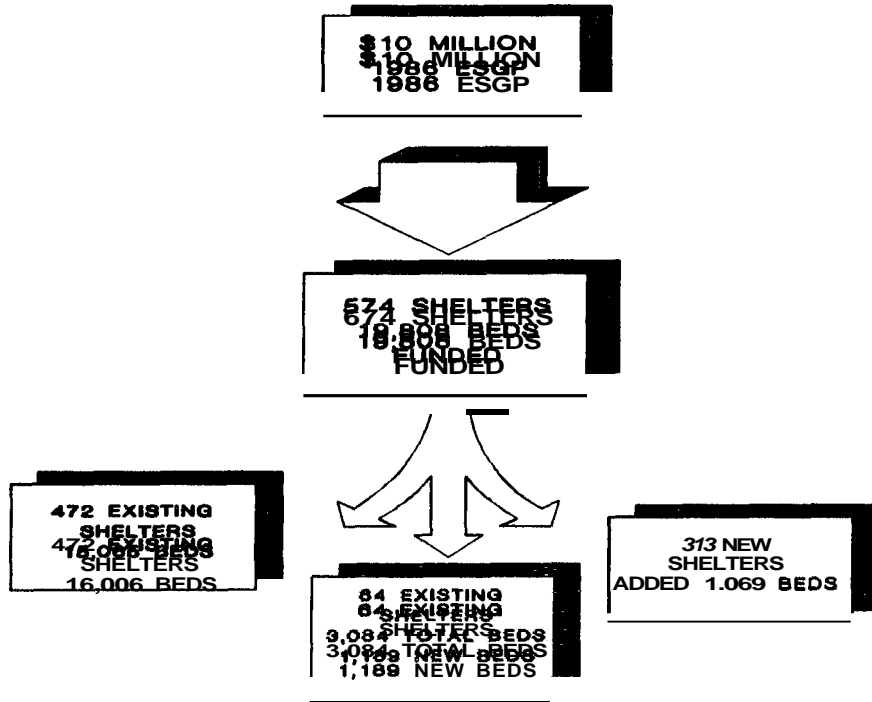
Program Objectives and Progress

The primary objective of the **ESG** program is to assist State and local governments in meeting homeless needs. The primary ESG goal is to increase the physical quality and quantity of homeless shelters.

Increasing the Quality and Quantity of Homeless Shelters

The 1986 **ESG** Program assisted **574** homeless shelters: **455** were funded by the State grantees and 119 by Entitlement communities. The median grant to a homeless shelter was \$9,000.

Figure 4-2



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

There were **16,960** shelter beds funded by the **1986** ESG program nationwide at the beginning of the reporting period, This number increased to **19,808** at the end of the reporting period, an increase of 2,848 beds. Sixty-four existing shelters added **1,189** shelter beds, and 38 new shelters added **1,659** shelter beds.

The capacity of ESG-funded shelters varied greatly, ranging from small rural shelters to large urban facilities. Table 4-1 provides information on the size of shelters funded with ESG for the **1986** ESG program.

Table 4-1

Distribution of ESG-Funded Shelters by Number of Beds			
Number of Beds	Number of Shelters	Percentage	Cumulative Percentage
0-9	59	11%	11%
10-25	257	45	56
26-50	131	24	80
51-100	67	12	92
over 100	34	6	100
Total	548	98%*	

* Percent does not equal 100 due to rounding.

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

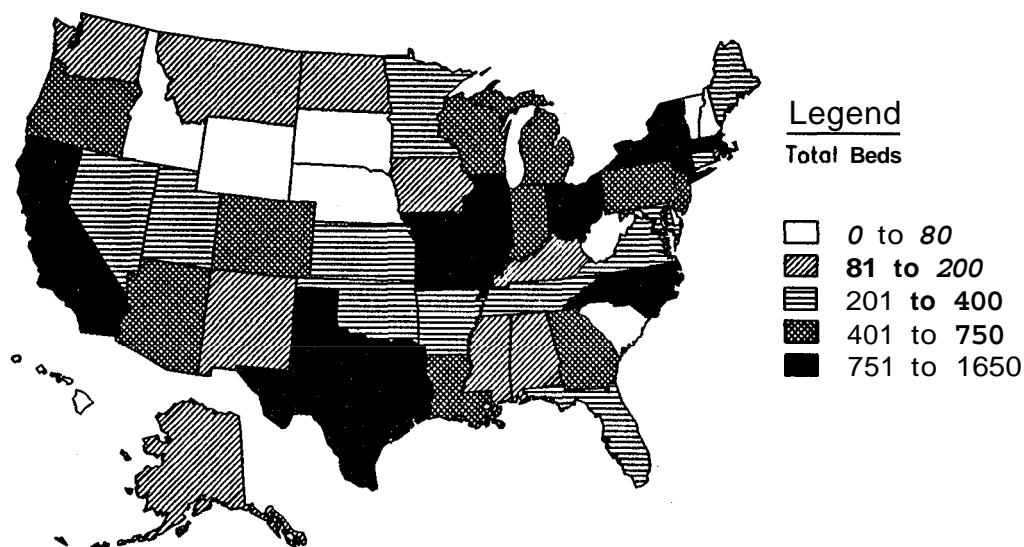
Chapter 4 - Emergency Shelter Grants Program

The largest shelters funded by ESG were in major urban centers. In New York, NY, an abandoned hospital is being turned into a multi-purpose homeless facility. One building is being renovated with ESG funding for use as an emergency shelter to house 350 individuals. Another large ESG-funded shelter is in Cincinnati where the Drop-Inn Center is being expanded to provide nightly shelter for approximately 150 persons. The center is actually a group of facilities providing comprehensive services, emergency shelter, and transitional housing. The facility primarily serves alcohol abuse victims.

The budgets of many rehabilitation projects exceed the capacity of ESG, requiring supplemental funds. A frequent source of supplemental funding for large scale shelter rehabilitation projects has been the CDBG program which spent \$44.5 million for homeless projects in FY 1988 (see Chapter 2).

Figure 4-3

Distribution of 1986 ESG-Funded Shelter Beds by State



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

Rather than focusing on making improvements to a small number of shelters, some grantees, mostly States, made large numbers of small grants to support the continued operation of existing homeless shelters.

- o North Carolina made 31 grants, ranging in size from \$1,000 to \$11,000, out of its 1986 allocation of \$182,000.
- Chicago, IL, chose a similar direction making 26 grants, all below \$25,000, from its \$287,000 allocation.
- While few new beds or services were added by grantees using this approach, their funds aided the continuation of shelters that might otherwise have been forced to limit operations.

Essential Services and Operating Expenses

Other objectives of the Program are to provide essential social services to the homeless and operational expenditures for rent, utilities, furnishings, and insurance costs to support homeless facilities.

Only seven percent of 1986 ESG funds (\$10 million) were spent on social services. The most common social service expenditure was to provide food for the homeless. The other commonly provided services were medical services such as nursing and medical screening, and counseling, which included job and psychological counseling services.

Program Progress

Of the \$68 million appropriated to ESG through FY 1988, \$38 million (56%) has been expended. Most ESG grantees have overcome initial start-up difficulties and have expended their funds in an expeditious manner. Approximately three-fourths of all 1986 ESG grantees expended 75% or more of their funds within 15 months. A small number of grantees have experienced some difficulty in drawing down program funds. Delay, in most instances, is related to the process of undertaking shelter rehabilitation activities.



Urban Development Action Grant Program

Purpose

The Urban Development Action Grant program (UDAG) stimulates economic development and employment in distressed communities. UDAG grants are made to local governments that use the funds largely to make loans to private developers and to industrial companies to implement economic development projects. These loans leverage private investment and create new jobs. Grants go to distressed cities and small towns, Indian Tribes, urban counties, and nondistressed cities containing "pockets of poverty."

Legislation

Section 119 of the Housing and Community Development Act of 1974, as amended (PL-95-128, October 12, 1977), established the Urban Development Action Grant program. The Act has been amended several times. Most recently, the Housing and Community Development Act of 1987 changed the selection procedures for the program.

Although the program is still authorized, Congress appropriated no new funds for it for Fiscal Year 1989. Whatever grants are made in FY 1989 will come from recaptured funds from terminated projects.

Program Administration

Major Policies

The policies of the UDAG program are designed to ensure that project selection is linked to demonstrated need. Funding priority is based on the applicant city's level of economic distress and the projected number of benefits to be created by the project. Program policies seek to stimulate maximum private investment for each UDAG dollar invested.

UDAG funds are awarded on a competitive basis. Cities, towns, urban counties and Indian Tribes are eligible to apply for grants if they meet the minimum standards of physical and economic distress. In addition, nondistressed cities are eligible if they have "pockets of poverty" meeting certain standards with regard to poverty within these areas.

Chapter 5 - Urban Development Action Grants

Action Grants are not awarded until there are firm commitments from the private and public sectors to finance a particular development. No project is approved unless the private investment is at least two and one-half times the amount of the UDAG award. Further, the UDAG funds must be the "least amount necessary" to ensure the project's success.

No project is funded unless the participants can affirm that, "but for the UDAG assistance the project would not be implemented." The project's underwriting must demonstrate clearly that without UDAG funds the project is not feasible. Action Grant funds cannot substitute for private or other public funds.

Once a project meets the above requirements, projects are competitively selected. The Housing and Community Development Act of 1987 revised the selection system to create two selection phases. In the first phase of every selection round, 65 percent of the funds are awarded on a ranking system that gives heavy weight to the distress of applicant cities. Economic distress factors account for two-thirds of project points and one-third of the project points are given for project merit. In the second phase of each round, the remaining 35 percent of the funds are awarded solely on the merits of the project. No points are given for community distress in this phase.

Some of the key factors used in the selection of projects to receive UDAG awards in the first phase are listed below. The last four factors are also considered in phase two. The factors are:

- degree of economic distress among the applicants,
- the ratio of private investment to UDAG dollars,
- UDAG dollars for each permanent job to be created,
- number of new, permanent jobs the project will create, and
- amount of local tax revenues to be generated.

The Application and Monitoring Process

The following are the steps in the UDAG application and monitoring process:

1. A community applying for the first time must request a determination of eligibility (based on required distress criteria) from the HUD Field Office. Also, it must show that it has "demonstrated results" in providing housing for low- and moderate-income persons and in providing equal opportunity in employment and housing.
2. The HUD Field Offices screen applications for each round to ensure that they are complete. The Field Offices then send the applications to the UDAG Office in Community Planning and Development (CPD) Headquarters,

3. The Headquarters staff reviews all applications to determine that program and legal requirements have been met. They also negotiate the terms of the assistance and make recommendations for approval. Recommended applications are then scored and ranked against the selection criteria.
4. If a project receives preliminary approval, the applicant will be notified in writing. It will receive a Grant Agreement that it must sign and return to HUD. The agreement spells out the rights and obligations of the local government, the developer, and HUD. It also spells out the terms and conditions of city assistance to the developer and confirms the planned benefits of the project.
5. The grantee and the developer must submit acceptable Legally Binding Commitments to ensure that promised resources are actually available and committed to the project before UDAG funds are released.
6. The Field staff monitors the progress of projects to completion. In FY 1988, Field Offices monitored 721 projects in various stages of development.
7. Once construction and all other promised activities are finished and the Action Grant funds have been drawn down, the grant is closed out. At this point, a Closeout Agreement is signed which sets the terms and conditions after closeout.
8. Once the various performance requirements for the project have been met (such as jobs created), the Field Office issues a Certificate of Project Completion.

Funding History

The UDAG appropriation was \$216 million in FY 1988, down from a peak of \$675 million in 1980 and 1981.

The total amount of funds for announced projects in FY 1988 was \$275.3 million. This included funds which were appropriated and those made available from projects deobligated from previous years.

MUD gave preliminary approval to 160 projects out of a total of 527 applications received during the year.

The awards went to 124 local governments. The total cost of the UDAG projects is expected to be \$3.8 billion.

From FY 1978 to FY 1988, a total of 3,531 projects reached the stage where they had signed Grant Agreements. These projects obligated \$5.3 billion in UDAG funds. However, many projects were terminated before any funds were spent.

Chapter 5 - Urban Development Action Grants

Over the life of the program, the net number of **2,976** UDAG projects (excluding terminations) were approved for **\$4.6** billion in UDAG funds. Total project costs for these projects were **\$38.5** billion.

The approved projects were located in **331** large and **871** small communities throughout the nation.

Approximately **59** "pockets of poverty" projects were approved for **\$116** million in UDAG assistance. These projects were in poor neighborhoods of communities that did not qualify overall as distressed communities.

Most project costs (nearly **\$32** billion) have been funded from private sources. The public support has come from UDAG grants (**\$4.6** billion), State and local grants (**\$1.6** billion), and other Federal grants (**\$295** million).

The private sector has invested nearly seven dollars for every dollar of UDAG grants in all projects approved since **1978**. This far exceeds the minimum ratio of **2.5** dollars in private investment to one UDAG dollar required by Congress.

In FY **1988**, the ratio of private commitments to UDAG dollars (**12:1**) was almost double the historic average.

Table 5-1

Source of Funds	FY 1988		FY 1978-1988	
	Dollars	Percent	Dollars	Percent
UDAG Obligations	\$ 275	7%	\$4,647	12%
Private Commitment	3,355	87	31,961	83
Other Federal Grants	48	1	295	1
State and Local Grants	174	5	1,634	4
Total	\$3,852	100%	\$38,537	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.

Participation

Distribution by City Size

From Fiscal Year **1978** to Fiscal Year **1988**, **75** percent of the grant dollars and **55** percent of the grants have gone to large cities and urban counties. In FY **1988**, **76** percent of grant dollars and **53** percent of grants went to these cities.

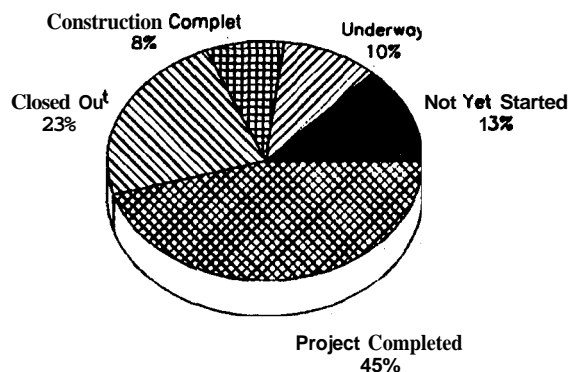
- Since FY 1978, \$3.5 billion in 1,646 UDAG grants went to 331 large cities.
- In this same period, \$1.2 billion in 1,330 grants went to 871 small cities. This was **25** percent of grant dollars and **45** percent of the grants.
- In **FY 1988**, large cities received **\$207.5** million and small cities, **\$67.8** million.

Distribution of Projects by Degree of Completion

Projects may be characterized by degree of completion: (1) construction not yet started; (2) construction underway; (3) construction completed; (4) closed-out, when all activities defined in the grant agreement are finished and all costs have been incurred; and (5) completed, when all performance requirements have been met. These requirements include employment and tax objectives.

From FY 1987 to FY 1988, projects which were closed-out or completed increased from **60** percent to **68** percent of all approved projects. Projects which were completed, with all performance requirements met, increased from 34 percent to **45** percent. Conversely, the percent of projects which had not yet been started or construction underway decreased from 29 percent to only 23 percent.

Figure 5-1
Construction and Completion Status
Approved UOAG Projects
FY 1978 - FY 1988



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

Program Activities

Initial Distribution of UDAG Funds by Grantees

Since FY 1978, local governments have disbursed 70 percent of the UDAG grants in the form of loans to developers; and 30 percent were used for project activities for which no paybacks were expected. Each year since 1982, more than 80 percent of grant dollars have been used for loans. Loans for projects with Grant Agreements total \$2.9 billion.

The trend is toward more loans and less assistance for those without paybacks. In the first three years of the program, from FY 1978 to FY 1981, an average of 63 percent of funds were used in the form of "other nonpaybacks." In the past eight years, from FY 1981 to the present, the average of other nonpaybacks has been only 12 percent.

Most local governments which have UDAG awards should receive a future stream of revenues not only from loan repayments, but also from participation in the cash flow of the projects as equity partners. Grantee participation in developer cash flow, or "equity kickers," have been increasing steadily over the years. In 1979, only seven percent of the projects with Grant Agreements had equity participation; this steadily increased to 66 percent in FY 1988.

End Use of Grant Funds

Grantees and developers may use UDAG funds for a variety of purposes. These include on-site construction, building or improvement of infrastructure, or purchasing capital equipment.

Since the program was created, 62 percent of the UDAG funds in approved projects have been used for on-site construction. Fourteen percent was used for capital equipment and the balance for other uses. Only one percent went to overhead. However, project types vary considerably by type of funded activity.

Since 1978, UDAG-supported commercial and housing projects have used most of the UDAG funds (76% and 71%) for on-site construction. In contrast, UDAG funds in industrial projects have been used more for acquiring capital equipment (48%) and for acquisition of land and relocation expenses (14%).

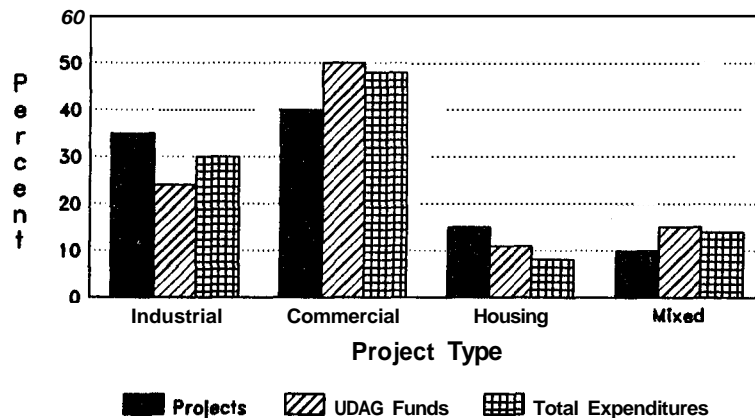
Distribution of UDAG Funds and Projects by Project Type

Projects with signed Grant Agreements are divided into four types: (1) commercial projects--the construction or rehabilitation of retail space, office buildings, hotels and parking garages; (2) industrial projects--investment in plant and equipment; (3) housing projects--the construction or rehabilitation of both for sale and rental

units; and (4) mixed-use projects--any combination of two or more of the above groups.

From FY 1978 to FY 1988, the largest share of UDAG funds have gone to commercial projects. They received 50 percent of all UDAG funds and were 40 percent of all projects. Industrial projects received 24 percent of UDAG funds and were 35 percent of all UDAG projects; and housing projects received 11 percent of UDAG funding and were 15 percent of all projects.

Figure 5-2
Percent of Projects, UDAG Funds,
and Total Planned Expenditures
By Project Type, FY 1978 - FY 1988



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

Program Objectives and Progress

The UDAG goal of revitalization of distressed communities can be measured by progress made toward several specific objectives. Among the measures of effectiveness for the UDAG program used in this section are the percent of the most distressed communities helped by UDAG grants, the number of jobs created, the number of low-income jobs created, the amount of local taxes generated, the extent of benefits to minorities, and the number of housing units rehabilitated and built.

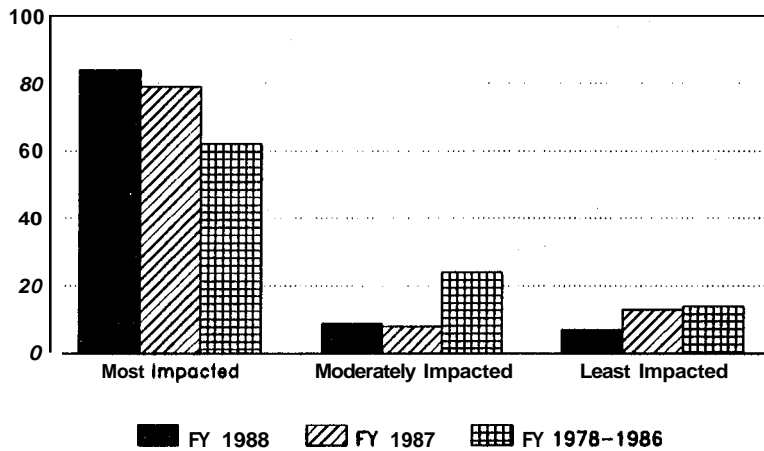
Distribution by Degree of Economic Impaction

In FYs 1987 and 1988, the percent of UDAG funds that went to the one-third most economically impacted large cities far exceeded the percent that went to these communities from FY 1978 to FY 1986.

Chapter 5 - Urban Development Action Grants

In FY 1988, 84 percent of the money going to large cities went to the one-third most impacted cities, compared to 62 percent from FY 1978 to FY 1986. Only seven percent of the grants went to the one-third least impacted communities, compared to 14 percent from FY 1978 to FY 1986.

Figure 5-3
Distribution of UDAG Dollars Among
Large Cities by Degree of Impaction
FY 1978-86, FY 1987, and FY 1988



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

UDAG funds were less concentrated in the most impacted small cities than they were in large cities. In FY 1988, 51 percent of small city UDAG funds went to the third most impacted cities. It was 41 percent from FY 1978 to FY 1986. Thirteen percent of the small city UDAG funds went to the one-third least impacted cities, compared to 33 percent from 1978 to 1986.

Job Goals and Benefits

When completed, UDAG projects approved since the beginning of the program were planned to produce nearly 600,000 new permanent jobs at a cost of nearly \$8,000 per job.

At the time they were approved, the nearly 3,000 UDAG projects were intended to result in the creation of 595,800 new permanent jobs. The cost in UDAG assistance per job is expected to be \$7,799. The cost to the public should be considerably lower, considering that most of the local UDAG grants are used in the form of loans. Repayments will be recycled to create more jobs. Of these jobs, 57 percent were planned for low- and moderate-income persons.

Table 5-2

Planned Employment in Approved Projects FY 1988 and FYs 1978-1988		
Planned Benefits	FY 1988	FYs 1978-88
New Permanent Jobs	46,688	595,813
Low/Moderate Income Jobs	25,304	337,014
Percent Low/Moderate	54%	57%
Minority Jobs	16,685	135,766
Percent Minority	36%	23%
Commercial Permanent Jobs	36,627	365,741
Industrial Permanent Jobs	7,769	176,385
Neighborhood Permanent Jobs	2,392	46,577
New Permanent Jobs/Project	291	200
UDAG Dollars Per New Job	\$5,954	\$7,799
Retained Jobs	5,110	91,162
Construction Jobs	38,533	436,392

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.

Almost **350,000** new jobs have been created in UDAG projects to date. Eighty-three percent of all planned jobs and 86 percent of planned low- and moderate-income jobs in completed or closed-out projects have been put in place. For the **1,329** completed projects only, **93** percent of new permanent jobs and **98** percent of planned low- and moderate-income jobs were actually created.

Table 5-3

Planned and Actual Permanent Jobs in Approved Projects FYs 1978-1988			
Type of Project	Planned	Actual	Percent
All Projects:			
Commercial	365,741	186,942	51%
Industrial	176,385	128,182	7
Neighborhood	46,577	33,943	73
Not Classified	7,110		
Subtotals	595,813	349,067	59%
Completed/closed out projects:			
New Permanent Jobs	354,895	293,406	83%
Low/Mod Income Jobs	209,372	180,672	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 Taxes and Paybacks

Cumulatively, grantees have received more than **\$458** million in paybacks from UDAG projects. These are largely in the form of loan repayments and payments under participation in cash flow agreements whereby a grantee receives a portion

Chapter 5 - Urban Development Action Grants

of the project's profit. In addition, each year they received tax revenues. In FY 1988 that amount was \$328 million.

By FY 1988, annual local taxes were expected to be \$708 million for all approved projects. Taxes for completed and closed-out projects were expected to be \$407 million. Actual taxes were only 66 percent of expected taxes in FY 1988 for completed and closed-out projects. Property taxes were only 57 percent of planned taxes received.

Benefits to Minorities

From FY 1978 to FY 1988, minorities received over 95,000 new permanent jobs in approved UDAG projects. In addition, minority firms received over 16,000 contracts totaling \$1.5 billion.

- Nearly 136,000 minority jobs were planned for UDAG projects approved since FY 1978. Most of these jobs (76%) were in large cities.
- By September 1988, 95,347 minority-held jobs were actually created. Most of the jobs planned (67%) and created (56%) were commercial.
- Actual minority jobs were 70 percent of all planned jobs and 122 percent of planned jobs for completed and closed-out projects.
- Minority firms received 16,081 contracts totaling \$1.5 billion from approved UDAG projects. Minority contracts constituted 18 percent of all contracts approved for UDAG projects, and nine percent of all contract dollars.

Table 5-4

Planned and Actual Minority Jobs for Approved Projects by City Size, Project Type, and Completion Status as of September, 1988			
	Planned	Actual	Percent
<u>All Projects</u>	135,969	95,347	70%
<u>City Size</u>			
Large City	103,906	69,185	67
Small City	32,063	26,162	82
<u>Project Type</u>			
Industrial	33,008	31,126	94
Commercial	90,622	53,312	59
Neighborhood	12,339	10,909	88
<u>Completion Status</u>			
Completed/Closed	62,785	76,526	122%

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.

Historic Preservation

Since FY 1978, a total of over two billion dollars in public and private funds has been used for UDAG projects involving historic preservation.

Since FY 1978, \$331 million in UDAG funds, \$1.5 billion in private funds, and \$107 million in other public funds have been used for UDAG projects involving historic preservation. Over 320 projects with signed Grant Agreements had some historic preservation elements.

Housing Assistance

From FY 1978 to FY 1988, plans for approved projects called for 113,824 new and rehabilitated housing units. By the end of FY 1988, 87,063 had actually been completed. Of the units completed, 35 percent were for low- and moderate-income persons.

- o By the end of FY 1988, over 87,000 housing units had been built in UDAG projects, of which 54 percent were rehabilitated and the balance, new.
- o Over 52,400 low- and moderate-income units were planned and 30,257 were actually built.
- o Seventy-five percent of planned units for projects with Grant Agreements were for homeownership (both rehabilitated and new); 25 percent were rental units.

Table 5-5

**Planned and Actually Built Housing Units for Approved Projects
New and Rehabilitated, by Completion States,
As of September, 1988.**

	Planned	Built	Percent
Total All Projects	113,824	87,063	76%
Low/Moderate Units	52,476	30,257	58
Rehabilitated Units	57,050	46,740	82
New Units	56,474	40,323	71
Completed/Closed-out	78,429	67,009	85
Low/Moderate Units	32,484	22,615	70
Rehabilitated Units	47,959	40,825	85
New Units	30,470	26,184	86

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

Impact of New Selection System on Benefits

The Housing and Community Development Act of 1987 changed the UDAG selection system. It provides that 35 percent of funds in each round will be for projects based upon merit alone. The balance of the 65 percent will be selected for projects upon a combination of merit and community distress. This system was applied for the first time in FY 1988.

To assess the impact of the new selection system, CPD's Office of Program Analysis and Evaluation compared the characteristics of two groups of projects. The Office of Management provided the data. The first group was 116 projects approved under four selection rounds using the new selection system. The second group was 121 projects approved in the prior four rounds under the old selection system.

The 116 projects approved in four rounds under the new selection system had less distress and poverty than did 121 projects approved in the prior four rounds under the old selection system.

The mean percent poverty for 116 communities approved under the new selection system was 21.9 percent, down from 23.7 percent for the 121 projects selected under the four rounds under the old rules.

The study also concluded that the benefits were significantly higher among projects in the four rounds approved under the new system than those in the four rounds under the old selection system. The mean number of jobs for projects selected under the new system were 326, compared to 170 under the old selection system. The leverage ratio for the projects selected under the new system were about double those selected under the old system.

The General Accounting Office (GAO) also studied the impact of the selection system. GAO used a different method in its January 1989 report, Urban Development Action Grants: Effects of the 1987 Amendments on Project Selection. It compared several rounds of actual approvals under the new system with simulations of those which would have been approved had the old system been in effect. It concluded that:

The most economically distressed cities...had fewer eligible projects selected and were awarded less grant funds than they would have been under the previous selection system. (p. 4)

Under the new selection system, HUD awarded grants to more projects that had higher expected results in terms of jobs, private investment, and generation of local tax revenues than would have occurred under the previous system. (p. 5)

The report predicted that if the experience of the first year under the new project selection system is indicative of the future trend, the following changes can be expected:

Future program funds would be less directed to the most economically distressed cities nationwide; and

program funds could have a wider geographic distribution, with more project results as measured by jobs, private investment, and tax revenues generated. (pp. 6-7)

Secretary's Discretionary Fund Programs and Neighborhood Development Demonstration Program

Purpose

To provide a source of nonentitlement funding for special groups and projects.

Legislation

Section 107, Housing and Community Development Act of 1974, as amended.

Program Administration

The Secretary's Discretionary Fund (SDF), which is administered by the Assistant Secretary for Community Planning and Development (CPD), supports several different types of programs. These include the Community Development Block Grant (CDBG) program for Indian Tribes and Alaskan Native Villages; the CDBG program for Insular Areas; the Technical Assistance program; the Community Development Work Study program; and the Special Projects program.

The administration, participation, activities, and program progress for each of these components are different. Each component, except for the Community Development Work Study (CDWSP) program, is described in a separate section. In FY 1988, the CDWSP was administered as part of the Technical Assistance program because of its similarities to activities that had previously been funded through that program.

Funding History

Each year the Administration's budget requests an overall amount for the Secretary's Discretionary Fund, including specific amounts for each of the program areas indicated above. When the Congress appropriates funds for the SDF, it also specifies, usually in the Committee Reports accompanying the Appropriation Act, an amount for the SDF and how this amount should be divided among the Fund's subcomponents. Frequently Congress earmarks specific projects that should receive funding.

The total amount for the Secretary's Discretionary Fund for FY 1988 was \$56 million. The Indian CDBG program received \$25.5 million and the Insular Areas CDBG program received \$5.5 million. Appropriations were made for \$15 million

Chapter 6 - Secretary's Discretionary Fund

for Special Projects, \$5 million for the Park Central New Community, and \$5 million for Technical Assistance, including \$3 million for the Work Study program.

Secretary's Discretionary Fund Appropriations
(Dollars in Thousands)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1975	\$26,934	1980	\$70,550	1985	\$60,500
1976	53,000	1981	101,920	1986	57,899
1977	50,963	1982	56,500	1987	56,000
1978	94,500	1983	56,500	1988	56,000
1979	101,550	1984	66,200		

Part One - Indian Community Development Block Grant Program Purpose

The Indian CDBG program assists any eligible Indian tribe, group, band, nation, including Alaskan Indians, Aleuts, or Eskimos, and Alaskan Native Villages to address their specific community development needs.

Legislation

Section 107, Housing and Community Development Act of 1974, as amended.

Program Administration

The Indian Community Development Block Grant (CDBG) program is HUD's principal vehicle to enable Indian Tribes and Alaskan Native Villages to carry out community development activities. The recipients of Indian CDBG awards can use the funds to undertake any of the broad range of activities that are eligible under the CDBG program. (Throughout this section of the report, the words "tribe" or "recipient" are used to designate any of the eligible groups such as tribes, village, bands, nations, groups, and other eligible entities.)

Once the SDF appropriations have been distributed, HUD issues a Notice of Fund Availability (NOFA) for the Indian Community Development Block Grant program. Each of the six HUD Field Offices that administers the Indian CDBG program (Chicago, Denver, Phoenix, Oklahoma City, Seattle, and Anchorage) receives an allocation of Indian CDBG funds to award eligible Tribes and Villages throughout their jurisdiction. HUD assigns each Field Office a base amount of \$500,000 and adds a formula allocation to that amount. The formula amount is based on the Indian population in the Offices' jurisdiction and the extent of poverty and of housing overcrowding among that population.

A Tribe is eligible for participation in the Indian CDBG program if it has been certified by the Bureau of Indian Affairs as an eligible recipient under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450). Tribes set their own priorities and may request funding for any activity eligible under the CDBG program. The HUD NOFA announcing the availability of funds also sets the deadline for the submission of applications to the respective Field Office jurisdictions. The **FY 1988** Notice of Fund Availability was issued on October 13, 1987.

To receive funds, a Tribe must submit an application package that includes a needs description, a project summary, a cost summary, an implementation schedule, and certifications that its program complies with Federal civil rights, environmental, labor, and contracting laws. In addition, the applying tribe must certify that the tribe has the legal authority to apply for the grant and implement the project and that it complies with the Indian preference provisions required in 24 CFR 571.503. Applicants in the Indian CDBG program must certify that at least 51 percent of the people benefiting from the project are of low- and moderate-income.

The Tribe must meet the same citizen participation requirements as prescribed for the State and Small Cities CDBG program. The applying Tribe must provide means for citizens to examine and appraise the application. This process includes providing members with information on the amounts of funds available, holding one or more public meetings to discuss the application, as well as developing and publishing or posting the community development proposal. The recipient must afford members an opportunity to review and comment on the tribal organization's performance on prior grants.

Each of the six HUD Indian Offices distributes its share of funds by competition among Tribes in that Office's jurisdiction. Each Field Office, through the rating and ranking process designed by the Office in consultation with the Indian Tribes, selects the Tribes to receive awards. These selections are made on the basis of applicants' needs, the impact of the proposed project in meeting those needs, and the quality of the proposed project.

In order for the Department to assess recipients' performance, each recipient must submit an annual status report that describes its progress in completing projects, effectiveness in meeting community development needs, and compliance with environmental regulations. HUD reviews each recipient's performance to determine whether the recipient has complied with all pertinent regulations, carried out its activities substantially as described in the application, and has made substantial progress in carrying out its approved program. The Department monitors the recipient's continuing capacity to carry out its program in a timely manner and has the continuing capacity to carry out additional activities. HUD considers all evidence for this assessment including applications, reports, records, results of on-site monitoring visits, and audits.

Funding History

Indian Community Development Block Grant					
Program Funding					
(Dollars in Thousands)					
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1978	\$25,000	1982	\$30,224	1986	\$25,839
1979	28,000	1983	32,760	1987	27,000
1980	31,000	1984	39,700	1988	25,500
1981	34,470	1985	30,000		

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

Participation

For **FY** 1988, 531 tribal organizations were recognized as eligible to participate in the program.

Indian CDBG awards were made to 92 recipients in FY 1988 to carry out 110 projects.

The largest number (35) of these awards was made to Tribes in the Southwest in the States of Arizona, California, and Nevada. The remainder went to Tribes in the Pacific Northwest and Alaska (17); Utah, Montana, Colorado, and the Dakotas (16); Oklahoma, Texas, Louisiana, New Mexico, and Kansas (15); and the rest of the States (9).

Program Activities

Tribes that receive Indian CDBG awards can carry out a broad range of eligible activities to meet their own community development needs. This section describes the types of projects carried out with Indian CDBG program grants, the average award amounts for different types of projects, and the use of funding from other sources.

In **FY 1988**, recipients used Indian CDBG program funds for five types of projects: economic development; housing rehabilitation and construction; public infrastructure; community facilities; and land acquisition. For **FY 1988**, the overall average Indian CDBG program grant was **\$231,818**. Housing activities, including rehabilitation and construction, were predominant. Housing rehabilitation and construction projects together accounted for **37** percent of **FY 1988** funds, almost the same as in **FY 1987**. The proportion of public infrastructure projects increased from 20 percent in **FY 1987** to **31** percent in **FY 1988**. The proportion of Indian CDBG awards made for economic development projects decreased from 22 percent in **FY 1987** to **13** percent in **FY 1988** awards.

Table 6-1

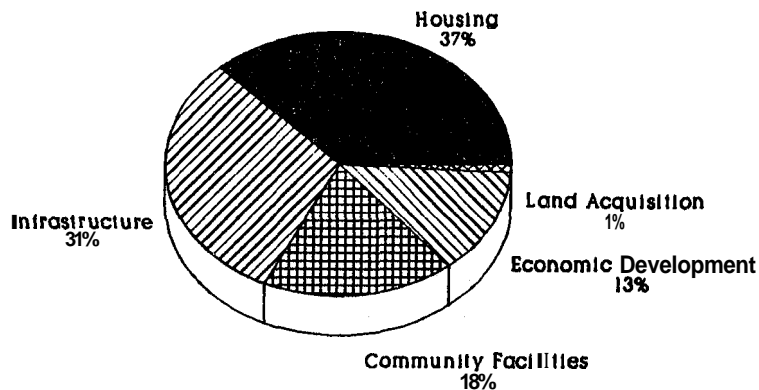
Activity	Indian CDBG Program Activity Funding By Type of Project, FY 1988 (Dollars in Thousands)		Funding		Average
	Number Awards	Percent	Amount	Percent	Amount
Housing	41	37%	\$9,439	37%	\$230,214
Rehabilitation	(34)	(31)	(7,706)	(30)	(226,657)
Construction	(7)	(6)	(1,733)	(7)	(247,486)
Public					
Infrastructure	34	31	8,021	31	235,913
Community					
Facilities	20	18	4,324	17	216,196
Economic					
Development	14	13	3,564	14	254,565
Land Acquisition	1	1	152	1	152,334
Total	110	100%*	\$25,500	100%*	
Overall Average			\$231,818		

* Percents 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.

Figure 6-1

Indian CDBG Activities By Project Type, FY 1988



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

The 14 economic development projects had the largest average grant amount of \$252,565. The smallest average grant (\$152,334) was for the single land acquisition project. Most projects (35%) were funded with awards between \$200,000 and \$300,000. A few (11%) were funded with awards exceeding \$400,000 and a few (16%) with less than \$100,000. Grant amounts ranged from \$10,000 to \$749,000,

To increase the money available for projects, Tribes combine the Indian CDBG awards with funds from many other sources. Overall, in FY 1988, Indian CDBG program funds were used in conjunction with funds from the Bureau of Indian Affairs (BIA), the Indian Health Service (IHS), other tribal monies, and funds from numerous other sources.

of the additional tribal funds were involved in economic development projects. Sixty-five percent of the BIA funds were used for housing rehabilitation. Tribes used 43 percent of the funds from the Indian Health Service for public infrastruc-

banks, or other lenders. Thirty-two percent of the projects funded through the Indian CDBG program combined money from the Indian CDBG program and other sources. Of these additional funds Federal funding that did not come from HUD or the Department of Interior, but from agencies such as the Environmental Protection Agency and the Department of Energy, totaled **\$1,531,702**. State governments contributed **\$364,108**; local governments and HUD-funded Indian Housing Authorities added **\$201,497** to these projects. Private nonprofit organizations and individuals contributed **\$874,295**. Grants and loans from private for-profit corporations or banks totaled **\$1,669,000**.

Table 6-2

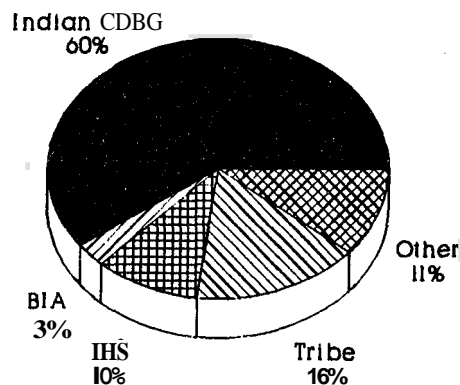
Other Funds Involved in the Indian CDBG Program						
By Type of Project, FY 1988						
(Dollars in Thousands)						
	Public Housing	Housing Rehab.	Housing Const.	Infra- structure	Community Facilities	Economic Development
BIA	\$946	(945)	(1)	\$0	\$251	\$250
IHS	831	(529)	(302)	1,830	1,592	0
Tribe*	438	(408)	(30)	1,028	458	4,948
Other Federal	180	(180)	(0)	991	353	8
State	214	(196)	(18)	150	0	0
Local	1	(1)	(0)	43	158	0
Private Non-Profit	126	(113)	(13)	648	73	27
Private For-Profit	<u>201</u>	<u>(201)</u>	<u>(0)</u>	<u>0</u>	<u>78</u>	<u>1,391</u>
Total	2,937	(2,573)	(364)	4,690	2,963	6,624

* The tribal funding of \$100 for land acquisition is not included.

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

Figure 6-2

Funding for Indian CDBG Projects By Source, FY 1988



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

Progress Toward Program Objectives

Low- and Moderate-Income Benefit

The intent of the Indian **CDBG** program is to assist projects in which at least 51 percent of the people benefiting will be of low- and moderate-income, to remove slums and blight, or to meet an urgent need.

The Indian **CDBG** program is expected to meet one of these statutory requirements; overall 85 percent of the people expected to benefit from the FY 1988 Indian **CDBG** awards are low- and moderate-income persons. The proportion of beneficiaries varies among the different types of activities.

Housing rehabilitation and construction projects have the highest expected proportion of benefit to low- and moderate-income people, 100 percent each. Among the 110 projects for which data have been received, 41 will rehabilitate or construct 686 housing units,

Public infrastructure and community facilities projects each had the next highest proportion (90%) of benefit to low- and moderate-income people. Thirty-four awards were made to projects involving public infrastructure. Most of the projects were combined water and sewer projects, which compose 30 percent of the total

public infrastructure projects. More than 20,000 low-and moderate-income people will benefit from these infrastructure projects.

Fourteen of the awards were made for economic development projects that will create **227** permanent jobs.

Table 6-3

Indian CDBG Program Activities, Percentage of Low- and Moderate-Income Beneficiaries By Type of Project, FY 1988			
<u>Activity</u>	Total Number of Persons	Number of Low- & Mod- Persons	Percent Low- & Mod- Persons
Housing	3,430	3,396	100%
Rehabilitation	(3,313)	(3,279)	(100)
Construction	(117)	(117)	(100)
Public Infrastructure	22,434	20,216	90
Community Facilities	21,851	19,336	90
Economic Development	14,204	9,964	70
<u>Land Acquisition</u>	<u>27</u>	<u>21</u>	<u>78</u>
Total	61,946	52,933	85%

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

Part Two - The Technical Assistance Program

Purpose

The Technical Assistance program helps participants carry out programs authorized under Title I of the Housing and Community Development Act of 1974, as amended.

Legislation

Section 107, Housing and Community Development Act of 1974, as amended.

Program Administration

The Section 107 Technical Assistance program makes funds available to States, units of general local government, Indian Tribes, or area-wide planning organizations to improve the delivery of their CDBG and UDAG programs. The program also funds groups that provide technical assistance to governmental units to assist them in carrying out their CDBG and UDAG programs. However, HUD provides funds to such groups only if they are designated as a provider of assistance by the chief executive officer of a State or locality.

Chapter 6 - Secretary's Discretionary Fund

The Department uses grants, contracts, and cooperative agreements to make Technical Assistance awards throughout the year. In FY **1988** HUD awarded over **50** percent of Technical Assistance funds as cooperative agreements. The Department makes these awards by conducting nationwide competitions and by funding unsolicited proposals. In FY **1988**, **73** percent of the Technical Assistance funds and **57** percent of the awards, including the Community Development Work Study program awards, were made using a competitive process.

CPD staff reviews the applications to ensure that the proposed projects will meet the statutory requirements of the CDBG program and provide benefits to the community's CDBG program. After CPD staff completes their review of a proposal, and makes a recommendation, the Secretary makes the final decision whether to fund the proposal.

Funding History

Technical Assistance Program					
(Dollars in Thousands)					
Year	Amount	Year	Amount	Year	Amount
1978	\$20,842	1982	\$17,809	1986	\$20,485
1979	18,618	1983	16,990	1987	11,725
1980	15,902	1984	20,450	1988	5,125
1981	21,187	1985	14,700		

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

Participation

In FY **1988**, HUD made **73** Technical Assistance awards totalling **\$9.3** million. These funds include new appropriations and the unobligated balances from prior years. In FY **1987**, the Department awarded **\$13** million for **61** projects and grants.

HUD awarded the largest share of funds in FY **1988**, **\$4,500,000**, or **48** percent, to colleges and universities. This includes assistance for the Historically Black Colleges and Universities program, in which faculty and students help local community development efforts, and to universities that will operate a Community Development Work Study program. HUD awarded the second largest share of funds, **\$3.2** million, or **34** percent, to not-for-profit organizations. State and local governments received \$1 million, or 11 percent, of funds available in FY **1988**. Private for-profit firms received **\$.7** million, or seven percent, of FY **1988** funds. Four of the **six** firms were eligible for Federal set-aside contracts under the Small Business Administration program for minority-owned businesses. These four firms received **\$278,107** of the **\$695,591**, or **40** percent of the funds awarded to for-profit firms.

Table 6-4

Types of Organizations Receiving FY 1988 Technical Assistance Awards			
Type of Organization	Number of Awards	Amount of Awards	Percent of Funds
Colleges/Universities	45	\$4,500,000	48%
Not-for-profit Organizations	12	3,153,802	34
State & Local Governments	10	1,002,509	11
Private For-Profit Firms	6	695,591	7
Total	73	\$9,351,902	100%

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

Program Activities

Through the Section 107 Technical Assistance program the Department may fund projects that help States and units of general local government improve the delivery of their CDBG and UDAG programs. In FY 1988, the 73 Technical Assistance awards supported a wide variety of projects. The Department required each project to show a link to the CDBG and UDAG programs.

The Department made seven Technical Assistance awards totaling \$1,574,564 for general CDBG activities. These awards included aid to communities for CDBG and UDAG programs in several southern States, southern California, State of New York, and a northeastern small town; a State CDBG information clearinghouse for States; and help for neighborhood organizations to develop service delivery contracts with cities for weed cutting, vacant lot cleaning and other projects.

HUD awarded \$1.5 million (16 percent) of the funds to Historically Black Colleges and Universities (HBCU). Each competitively selected HBCU provides technical assistance to support CDBG and UDAG programs in nearby small communities.

Of the remaining funds, CPD provided more than \$1 million to provide technical assistance in CDBG housing activities. Slightly less than \$1 million was awarded to promote Minority Business Enterprises and local economic development efforts. CPD awarded the final \$400,000 to six communities to plan and develop district heating/cooling systems.

In FY 1988, the Department awarded \$3 million for a competitive Community Development Work Study Program (CDWSP). The Congress earmarked these funds for this program in the FY 1988 HUD-Independent Agencies Appropriation Act. The purpose of CDWSP is to increase the number of minority and other economically disadvantaged students engaged in careers in community and

Chapter 6 - Secretary's Discretionary Fund

economic development. CDWSP provides financial aid to **194** students for Work Study programs in the **FYs 1987-1989** program.

Table 6-5

Type of Activity	Number of Awards	Amount of Awards	Percent of Funds
General CDBG Activities	7	\$1,574,564	17%
Historically Black Colleges and Universities	15	1,500,000	16
Housing	3	1,187,865	13
Promoting Minority Business Enterprises	6	865,536	9
Economic Development	6	823,937	9
Energy	6	400,000	4
Community Development			
<u>Work Study Program</u>	<u>30</u>	<u>3,000,000</u>	<u>32</u>
Total	73	\$9,351,902	100%

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

Program Objectives and Progress

The purpose of the Technical Assistance program is to help State and local officials carry out their CDBG and UDAG programs in a more efficient and effective manner. The program provides tailored assistance to these communities in a variety of forms. Among the most frequent forms of aid provided are group training, written materials, on-site assistance, and actually developing and negotiating projects.

HUD conducts surveys to determine how well the program meets the needs of local officials. The Department requires Technical Assistance providers to distribute questionnaires to recipients of assistance. The questionnaires ask for the recipients' assessments of the assistance they received. The recipients return these questionnaires to HUD and the managers of the project review the responses. HUD mails a second follow-up questionnaire to each recipient six months after the assistance is provided. The follow-up questionnaire asks if the recipients made any changes in their programs as a result of the help they received.

In **1988** HUD received **584** initial questionnaires and **150** follow-up questionnaires from recipients of Technical Assistance. The responses to these questionnaires show a very high level of satisfaction with the assistance that HUD furnished.

Eighty-three percent of the initial responses reported the assistance met all or most of the expectations they had for the assistance and 89 percent rated the usefulness of the assistance received as excellent or good.

Ninety-two percent of the initial responses rated the knowledge and ability of the Technical Assistance providers as excellent or good and 92 percent rated their actual performance in delivering the Technical Assistance as excellent or good.

Seventy-two percent of the recipients of Technical Assistance responding to the follow-up questionnaire reported that within *six* months after receiving the assistance they had implemented ideas generated from the aid they received.

Sixty-nine percent of the respondents of the follow-up questionnaire said the changes made during the six months following the assistance they received improved the effectiveness of their program.

Part Three - Insular Areas Community Development

Block Grant Program

Purpose

The Insular Areas CDBG program assists the community development efforts of the Insular Areas.

Legislation

Section 107, Housing and Community Development Act of 1974, as amended.

Program Administration

The Insular Areas CDBG program provides grants to seven designated areas: the Territory of Guam; the Territory of the Virgin Islands; the Territory of American Samoa; the Commonwealth of Northern Mariana Islands; the Trust Territory of the Pacific Islands (Palau); and the Federated States of Micronesia and the Republic of the Marshall Islands (both formerly part of the Trust Territory of the Pacific Islands).

MUD allocates Insular Areas CDBG funds to its Regional Offices in New York and San Francisco in proportion to the populations of the eligible areas in their jurisdictions. The Department's Field Offices in Hawaii and Puerto Rico, which directly administer the program, allocate the funds according to the size of the population and past performance of the applicants in their jurisdiction. After determining the amount available, they notify the eligible areas and invite them to apply.

Chapter 6 - Secretary's Discretionary Fund

Applicants for Insular Areas funds must provide means for citizens to examine and appraise their applications. This process includes furnishing citizens information on the amounts of funds available, holding one or more public meetings, developing and publishing or posting the community development proposals, and affording them an opportunity to review and comment on the grantees' performances.

The Department of Housing and Urban Development monitors grantee performance to fulfill the statutory and regulatory requirements that grantees have the continuing capacity to carry out funded activities in accordance with the primary objective and other applicable laws. Identifying deficiencies and providing technical assistance aimed at improving program management including ways to enhance and strengthen grantee performance are the goals of monitoring.

In addition to the monitoring requirements described above, grantees are required to submit an annual performance report describing their progress in completing activities, the effectiveness of funded activities in meeting community development needs, and the status of any actions taken to meet environmental regulations.

Funding History

Insular Areas Community Development Block Grant Program					
(Dollars in Thousands)					
Year	Amount	Year	Amount	Year	Amount
1975	\$3,250	1980	\$2,500	1985	\$7,000
1976	3,300	1981	5,000	1986	6,029
1977	3,300	1982	5,250	1987	6,765
1978	4,250	1983	5,950	1988	5,500
1979	5,000	1984	5,950		

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

Participation

The total amount of Insular Areas CDBG funding available for FY 1988 was \$5.5 million. Each area received the following amounts:

Table 6-6

Insular Areas CDBG Program Funding, FY 1988

(Dollars in Thousands)		
Area	Amount	Percent
Guam	\$1,916	35%
Virgin Islands	1,705	31
American Samoa	609	11
Micronesia	458	8
Paiau	352	6
Northern Mariana Islands	322	6
Marshall Islands	138	3
Total	\$5,500	100%

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

Program Activities

The Insular Areas **CDBG** funds can be used for any eligible **CDBG** activity. In **FY 1988**, those funds were used for housing rehabilitation, public infrastructure, and community facilities.

Of the **\$5.5** million of **FY 88** Insular Areas **CDBG** funds, 50 percent was used for public improvements.

Of the program funds spent for public improvements, \$2,466,000 went to improvements for streets, roads, sewers, and drainage projects. The amount spent on projects in Samoa, Micronesia, and the Marshall Islands that directly improve health and sanitation facilities to improve the supply of drinking water totaled \$303,000.

Guam committed Insular Areas **CDBG** funds to the Asan Redevelopment Project which improved streets and other public infrastructure in the village of Asan. American Samoa and Micronesia used the **FY 1988** Insular Areas **CDBG** funds for public facilities improvements such as roadways, sanitation, health facilities, and rain-water catchment facilities.

Housing rehabilitation composed 44 percent of the total Insular Areas **CDBG** funds in **FY 1988**. The Republic of Palau and the Virgin Islands used all of their funds for housing rehabilitation projects. The Federated States of Micronesia used more than two-thirds of its funds for that purpose.

Table 6-7

Area	Insular Areas FY 1988 CDBG Funding By Project Type (Dollars in Thousands)		
	Housing Rehabilitation	Public Infrastructure	Community
Guam	\$0	\$1,916	\$0
Virgin Islands	1,705	0	0
American Samoa	0	609	0
Micronesia	352	106	0
Palau	352	0	0
Northern Mariana Islands	0	0	322
<u>Marshall Islands</u>	<u>0</u>	<u>138</u>	<u>0</u>
Total	\$2,409	52,769	\$322
Percent of Total	44%	50%	6%

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

Progress Toward Program Objectives

The intent of the Insular Areas CDBG program is to assist projects in which at least **51** percent of the people benefiting are of low- and moderate-income, to remove slums and blight, and to meet an urgent need. Each project must meet at least one of these objectives.

Part Four - The Special Projects Program

Purpose

The purpose of Special Projects program is to make awards to States and units of general local governments for Special Projects that address community development activities eligible under Title I of the Housing and Community Development Act of **1974**, as amended.

Legislation

Section **107**, of Housing and Community Development Act of **1974**, as amended.

Program Administration

States and units of general local governments are the only entities eligible for assistance through the Special Projects program. Communities seeking Special Projects funds may submit unsolicited proposals to HUD at any time during the year. Projects are funded at the Secretary's discretion. After the Secretary approves the

initial proposal, the proposer is invited to submit an application to the **HUD** Field Office. The Field Office reviews the application and, if it meets all the statutory and regulatory requirements, approves the application. After approving the application, the Field Office funds, monitors, and closes out the project.

Successful proposals are funded generally within six months of their receipt at **HUD**. **HUD** accepts proposals while Special Project funds are available. When the funds are exhausted, the proposals are returned to the applicants without review.

Funding History

Special Projects Funding History (Dollars in Thousands)					
Year	Amount	Year	Amount	Year	Amount
1981	\$469	1984	\$ 100	1987	\$10,510
1982	0	1985	8,800	1988	14,875
1983	800	1986	5,546		

Participation

CPD awarded **\$15** million to **34** communities in **17** States in **FY 1988** through the Special Projects program, compared to \$10 million to **23** communities in **13** States in **FY 1987**. The smallest award was for **\$43,000** to help in upgrading a medical emergency complex. The largest award was for **\$3,000,000** for the installation and hookup of water mains in Brookhaven, New York. One-half of the remaining **32** awards were between **\$200,000** and **\$400,000**. These award amounts include new **FY 1988** appropriations and unobligated balances from prior years.

Program Activities

Special Projects program awards in **FY 1988** supported **34** projects in public works, community facilities, economic development, residential development and disaster relief. These projects included:

- eleven community facility projects, consisting of three river-shoreline mixed-use recreational areas, two mixed-use buildings for social services, two health centers, two elderly facilities, one facility for the handicapped, and one arts center;
- ten public works projects, including five water, two sanitary sewer, one water and sewer, one infrastructure, and one storm drainage project;
- six economic development projects, including three downtown improvement projects, the building of a pilot plant for the manufacturing of component house panels, the acquisition of a vacant plant for a manufacturer,

Chapter 6 - Secretary's Discretionary Fund

and a project to replenish an economic development revolving loan fund that a community had used to meet a local disaster emergency;

- six residential projects, including four building rehabilitations, one below-market loan program, and a program to repair homes of the elderly; and
- one project to provide disaster recovery assistance for a community following a 1987 earthquake.

Part Five - Neighborhood Development Demonstration Program

Purpose

To determine the feasibility of supporting eligible neighborhood development activities by providing Federal matching funds to eligible neighborhood development organizations on the basis of the monetary support such organizations have received from individuals, businesses and nonprofit or other organizations in their neighborhoods prior to receiving assistance under this section.

Legislation

Housing and Urban-Rural Recovery Act of 1983, Section 123.

Program Administration

To be eligible for the Neighborhood Development Demonstration program, the private, voluntary, nonprofit corporations that are neighborhood organizations must:

- have conducted business for at least three years prior to the date of application;
- be responsible to residents of their neighborhoods through governing boards, the majority of which are residents of the areas to be served;
- operate within a UDAG-eligible area; and
- conduct one or more eligible neighborhood development activities that have as their primary beneficiaries low- and moderate-income persons.

Each organization may receive a maximum of \$50,000. It must raise matching funds within the neighborhood during the demonstration year before receiving HUD funds. The ratio of HUD funds to local match varies from 6:1 to 1:1 depending on the amount requested and the population and median income of the neighborhood.

HUD combined the FY 1988 and FY 1989 appropriations of \$1 million and \$2 million into one \$3 million competition for the third round of the program held in 1988. The previous two rounds received \$2 million each in FYs 1984 and 1987.

Funding History

Neighborhood Development Demonstration Program

(Dollars in Thousands)			
Year	Amount	Year	Amount
1984	\$2,000	1987	\$2,000
1985	0	1988	1,000
1986	0	1989	2,000

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

Participation

In the third round, HUD received 99 applications and awarded grants to **64** Neighborhood Development Organizations (NDOs). These **64** organizations are located in **41** communities in 23 different States.

Program Activities

The legislation specified five activities as eligible for funding. These activities are:

- o creating permanent jobs in the neighborhood;
- o establishing or expanding businesses within the neighborhood;
- developing, rehabilitating, or managing the neighborhood housing stock;
- o developing delivery mechanisms for essential services that have lasting benefits to the neighborhood; or
- o planning, promoting, or financing voluntary neighborhood improvement efforts.

The largest share of projects proposed by third-round ND organizations, **46** percent, involved either housing rehabilitation or some type of support for new housing construction. The second largest share of third round projects involved some form of economic development project, either job creation (**26%**) or business development (12%) activities. Together, housing and economic development-related activities accounted for **84** percent of all third-round projects. Third-round projects providing essential services or neighborhood public improvements accounted for a relatively small share of the projects by the participating third-round NDOs.

The predominance of housing activities in the NDD has been true in all three rounds of the Demonstration. In fact, the proportion of housing activities in the third round is less than the proportions for the first two rounds. In those rounds, a majority of all projects, not just a plurality, involved housing. The share of NDD

Chapter 6 - Secretary's Discretionary Fund

projects in each round that involved economic development has increased to **38** percent of third-round projects from 16percent in round one and **12** percent in round two. In the third round, these economic development projects included business development projects (**12** percent of all third-round projects) and job creation projects (**26%**).

Table 6-8

Type of Projects Funded Through Three Rounds of the Neighborhood Development Demonstration Program						
Type of Project	FY 1984		FY 1987		FY 1988	
	Number	Pct	Number	Pct	Number	Pct
Housing	25	66%	23	56%	31	46%
Essential Services	7	18	10	24	7	10
Neighborhood Public						
Improvements	0	0	3	7	4	6
Business Development	1	3	3	7	8	12
Job Creation	5	13	2	5	18	26
Total	38	100%	41	100%	68*	100%

* Includes two NDOs that had projects involving three different activities.

Note: Percentages 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.

Program Objectives and Progress

Congress intended the Neighborhood Development Demonstration (NDD) to help neighborhood groups move toward greater self-sufficiency. The program tests the feasibility of providing matching grants to eligible Neighborhood Development Organizations based on monetary support they had already raised within their neighborhoods from citizens and local businesses.

First Round Demonstration

The **38** first-round NDOs raised **\$890,885**, or **98** percent, of their goals of **\$909,121**. HUD disbursed **\$1,597,217** in matching grants, or **93** percent, of the **\$1,725,132** amount awarded to them in their contracts. Twenty-seven of these organizations met or exceeded their fund raising goals. These **27** NDOs raised **\$685,778** compared to their total goals of **\$654,251**. However, **11** of the NDOs did not meet their fund raising goals; they raised only **\$204,107**, or **\$89,673 (30%)** less than their goals of **\$294,870**.

When completed, these projects will produce about **258** units of rehabilitated housing, 164 units of newly constructed housing, more than **150** job training positions, more than 100 vacant lots cleaned and vacant buildings sealed, dozens of neighbor-

hood businesses created or helped, and several new and expanded facilities for health and human service delivery.

Second Round Demonstration

Only preliminary fund raising information, drawn from the third quarterly reports of the second-round NDOs, is available. Thirty of the 41 second-round NDOs raised a total of **\$696,734**, of which **\$392,658** was included in their goal for matching funds. (**Six** NDOs raised **\$304,076** more than their matching fund goals, including one that raised **\$275,000** more than its matching fund goal. These NDOs did not receive NDD matching funds for this excess amount.)

HUD disbursed **\$807,192** in funds to the NDOs to match the **\$392,658** matching funds raised by these **30** second-round NDOs. These second-round NDOs have received **72** percent of the total HUD match of **\$1,117,639** available to them. **A** total HUD match of **\$1,900,000** was available to the 41 second-round NDOs.

While six NDOs raised more than 100 percent of their match by their third quarter, 11 had not reported any funds raised. The other 24 NDOs had raised from 20 to **99** percent of their match. Of these **24**, **12** had raised **20** to **39** percent of their match.

Table 6-9

**Percentage of Matching Funds Raised by Organizations
Funded in the First and Second Rounds of the Demonstration**

<u>Percent Raised</u>	<u>First Round</u>		<u>Second Round</u>	
	Number	Percent	Number	Percent
100 +	27	71%	6	14%
90 - 99	6	16	2	5
50 - 89	3	8	9	22
20 - 49	2	6	13	32
1 - 19	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>	<u>27</u>
Total	38	100%	41	100%

Note: Percentages may not add to 100 due to rounding.

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

Third Round Demonstration

In December **1988**, HUD announced the successful applicants for the third round NDD. The Department is preparing grant agreements for these **NDOs**.

Chapter 6 - Secretary's Discretionary Fund

A final evaluation of all three rounds, including information on the results of various fund raising techniques, is being prepared by HUD's Office of Policy Development and Research.

Minority Business Enterprise

One of the Department's major goals is to encourage CPD-funded grantees to use minority businesses. The primary indicator of performance is the percent of available CDBG funds awarded to minority businesses by grantees. CPD directed each Regional Office to encourage grantees to fund minority businesses and identify grantees that have faced problems in supporting minority businesses. The Field Staff then used four approaches to help grantees improve minority contracting:

- training;
- technical assistance;
- recognition of successful approaches; and
- distribution of information on successful approaches,

Overall, **95** percent of CPD's minority business participation goal.

CPD's grantees awarded minority-owned businesses 21 percent of all contract dollars available through the CPD-supported CDBG programs. The dollar amount of minority business participation reached \$536,200,000 in FY 1988.

Table 6-10

**Minority Business Participation in CPD Contracts
and Sub-Contracts, FY 1988
(Dollars in Millions)**

<u>HUD Region</u>	<u>Goal</u>	<u>Actual</u>	
		<u>Dollars</u>	<u>Percent of Goal</u>
I	\$15.0	\$27.0	180%
II	164.0	167.0	102
III	54.0	24.4	45
IV	88.0	82.9	94
V	79.0	105.2	133
VI	58.0	55.5	96
VII	14.5	4.6	32
VIII	5.0	3.6	72
IX	79.0	54.8	69
X	<u>7.5</u>	<u>11.2</u>	<u>149</u>
Total	\$564.0	\$536.2	95%

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

CPD-Administered Housing Rehabilitation Programs

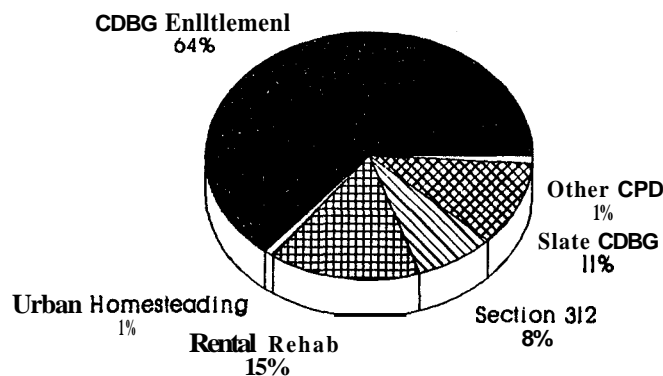
Introduction

Chapter 7 reports on Housing Rehabilitation programs administered by the Office of Community Planning and Development (CPD). It is divided into three parts covering the Rental Rehabilitation program, the Urban Homesteading program, and the Section 312 Rehabilitation Loan program.

The three programs described in this Chapter constitute only one-fourth (24%) of all FY 1988 funding for housing rehabilitation provided through programs administered by CPD. The largest source of CPD housing rehabilitation funds continues to be the CDBG Entitlement program which accounted for 65 percent of housing rehabilitation funding in FY 1988.

The second largest source of CPD-related housing rehabilitation funds was the Rental Rehabilitation program which provided 15 percent of total funding. This was followed by the State CDBG program with 11 percent, the Section 312 Loan program with eight percent, the Urban Homesteading program with one percent for acquisition related to rehabilitation, and one percent from other CPD sources.

Figure 7-1
**Funding for Housing Rehabilitation
 in CPD-Administered Programs
 FY 1988**



• Total funding equals \$1.34 billion which is the total for housing rehabilitation including all rehabilitation costs, acquisition for rehabilitation and administrative costs. Total funds for all housing purposes would be greater and would include new construction, code enforcement, and mortgage assistance.

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

Chapter 7 - Housing Rehabilitation Programs

The total funding for housing rehabilitation from all CPD sources for FY **1988** was approximately **1.34** billion dollars. These funds will be used to rehabilitate approximately **86,000** units of housing.

Part One - The Rental Rehabilitation Program

Purpose

The purpose of the Rental Rehabilitation program is to increase the supply of affordable standard housing for lower income tenants.

Legislation

Section **17** of the United States Housing Act of **1937**, which was added by the Housing and Urban-Rural Recovery Act of **1983**.

Program Administration

The program makes funding available to cities, urban counties, eligible consortia of local governments, and States for use in rehabilitating rental properties.

The program operates with considerable decentralization in program administration, as HUD Regional and Field Offices exercise discretion under program regulations in deobligating unexpended funds from grantees that fail to expend them according to their schedules and reallocating them to well-performing grantees.

Administration of the Rental Rehabilitation program is facilitated through the Cash Management and Information System (C/MI), which is an automated system for disbursing and managing program funds and tracking program progress. When grantees approve a project, they telephone **HUD** and set up the project in the C/MI. The transfer of funds from HUD to the grantees is effected through an electronic system in which grantees telephone HUD to request funds and the required funds are transferred from the U.S. Treasury to a local bank for use in the project.

Funds are allocated by a formula, which contains three factors that target funds to communities where the need for rehabilitating rental housing is greatest:

- number of rental units where the head of the household is at or below the poverty level;
- number of rental units built before **1940** where the income of the head of the household is at or below the poverty level; and
- number of rental units with at least one of four problems, including overcrowding, incomplete kitchen facilities, incomplete plumbing, or high rent costs.

Cities, urban counties, and eligible consortia that qualify for at least \$50,000 in program funds are eligible to receive a formula allocation. Additionally, a community that received a formula allocation in the preceding year, and, due to a reduction in

program funding, failed to qualify for at least \$50,000 may use its less-than-\$50,000 formula grant or may participate in its State's program. The 50 States and Puerto Rico each receive an allocation for use in communities that do not receive a formula grant. The States may elect to administer the program for their nonformula communities. HUD administers the funds allocated for use in the nonformula areas of any State that elects not to administer the program.

The Notice of Funding Availability for FY 1988 funds was published in the Federal Register on April 4, 1988. States had until May 4 to notify the Department of their intention to administer the program. Cities or counties that would receive formula grants were required to submit descriptions of their programs by May 19. State program descriptions were due to the Department by June 20. FY 1988 funds were available to use in specific projects after a community's program description had been approved, a Grant Agreement had been executed, and a Letter of Credit had been issued.

The program provides State and local governments with a great deal of flexibility in designing Rental Rehabilitation programs appropriate to their particular circumstances, consistent with program regulations. Among the important program decisions made locally are which lower income neighborhoods to operate in, which buildings to rehabilitate, how much subsidy to provide to particular projects, and the type of subsidy to use. States operating Rental Rehabilitation programs also have considerable discretion over which communities to fund.

Rural Rental Rehabilitation Demonstration Program

Since the beginning of the program, rural areas designated by the Farmer's Home Administration (FmHA) as eligible areas under Title V of the Housing Act of 1949 have been ineligible to participate in the State Rental Rehabilitation program. Section 311 of the 1987 Act created a demonstration program for the use of Rental Rehabilitation program funds in those areas. Only uncommitted funds from prior years can be used to support the demonstration which is authorized until September 30, 1989.

As of the end of FY 1988, the States of Minnesota and New Mexico had designated funds to be used in support of the demonstration. However, no projects had yet been committed under the demonstration.

Rent Assistance

The Rental Rehabilitation program provides funding for the physical rehabilitation of rental housing. Additionally, so that lower income families can afford to rent those homes, the program has involved coordination with rent subsidies provided through the Section 8 Existing program. The mechanism through which this rent assistance has been provided has changed throughout the brief history of the Rental Rehabilitation program.

Chapter 7 - Housing Rehabilitation Programs

Prior to FY **1988**, rental assistance was provided through Section **8** Certificates and Housing Vouchers as a ratio of housing vouchers or certificates to the Rental Rehabilitation program funding. Rental assistance in the program was to be used for eligible tenants living in Rental Rehabilitation units before rehabilitation, and those tenants could either use the certificate or voucher in the same unit or could move to other standard housing. Under certain circumstances, these vouchers or certificates could be used by eligible persons from a Public Housing Agency (PHA) waiting list who moved into the units rehabilitated through the Rental Rehabilitation program as the initial post-rehabilitation occupants.

Several statutory and regulatory provisions enacted in FY **1987** and FY **1988** substantially changed the relationship between the Rental Rehabilitation program and the use of vouchers and certificates. Section **143(a)(2)** of the Housing and Community Development Act of **1987** struck Section **8(o)(4)** of the **1937** Act, which required HUD to use "substantially all" housing voucher authority for families living in units to be rehabilitated under the Rental Rehabilitation program or for other certain purposes. Section **149** of the **1987** Act amended Section **8** of the United States Housing Act of **1937** by adding new subsection (u), concerning the use of housing vouchers or certificates. The new subsection (u) requires that certificates or vouchers be made available for families who have been displaced as a result of the physical rehabilitation of a unit or because of overcrowding. The same subsection also allows local PHAs administering the assistance discretion to provide certificates or vouchers to families who would have to pay more than **30** percent of their adjusted income for rent whether they choose to remain in the project after rehabilitation or to move to another home.

In addition to the changes brought about under the Housing and Community Development Act of **1987**, the **1988** HUD and Independent Agencies Appropriations Act also contains provisions affecting the use of housing vouchers in the Rental Rehabilitation program. The **1988** Appropriations Act (P.L. **100-202**) requires that the "highest priority shall be given to assisting families who are involuntarily displaced in consequence of increased rents, as a result of Rental Rehabilitation program actions." This Appropriations Act provision only applies to FY **1988** housing voucher authority appropriated in FY **1988** for additional housing voucher **units**.

HUD issued a Notice of Fund Availability (NOFA) in the Federal Register (**53** Fed. Reg. **9572; 9574**, March **23, 1988**) that requires PHAs to issue housing vouchers to families displaced through Rental Rehabilitation activity because of physical construction, overcrowding, or change of use; or to families who would have to pay more than 50 percent of their adjusted gross income for rent after rehabilitation. PHAs have the discretion to assist eligible families that will have rent burdens of between **30** and 50 percent of their adjusted gross income. The NOFA requirements complement both the requirements of Section **8(u)** and the **1988** Appropriations Act.

There was no specific allocation of certificates or vouchers for the Rental Rehabilitation program for FY **1988**. However, housing voucher funds were allo-

cated to HUD Regional and Field Offices according to a formula based on their housing needs and costs. The number of vouchers or certificates PHAs had available for use by Rental Rehabilitation program families was considered by the Field Offices in determining which PHAs would be invited to apply. If it was estimated by a Field Office that a PHA would not have sufficient housing vouchers, including turnover housing vouchers, to enable the PHA to comply with the obligations outlined above, additional housing vouchers were to be provided to the affected PHA.

Fundina History

Rental Rehabilitation Program Appropriations by Fiscal Year

(Dollars in Millions)

Year	Amount	Year	Amount	Year	Amount
1984	\$150	1986	\$72	1988	\$200
1985	150	1987	200		

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

Participation

There were **499** jurisdictions, including **383** cities and **116** counties eligible to receive a Rental Rehabilitation formula allocation during FY **1988**. Of these, **468** elected to apply for and receive a formula allocation.

Of the 50 States and Puerto Rico, **45** chose to administer the program for their non-formula communities.

In the remaining *six* States, Arkansas, Delaware, Florida, Hawaii, Nevada, and North Dakota, HUD administered the program for the communities that did not receive formula allocations.

Table 7-1

Rental Rehabilitation Initial Allocations

Allocation Amount	by Type of Grantee, FY 1988		State	
	City or County	Number	Percent	Number
\$ 50,000-\$99,999	151	32%	2	4%
\$100,000-\$249,999	212	46	6	12
\$250,000-\$499,999	57	12	11	21
\$500,000-\$999,999	30	6	10	20
			<u>22</u>	<u>43</u>
Totals	468	100%	51	100%

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Program Activities

Prior to **FY 1988**, 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. Effective in **FY 1988**, an amendment to Section 17(h) of the legislation authorizing the program permitted grantees for the first time to use **up to 10** percent of any initial rehabilitation grant (that is, excluding any reallocated funds) for administrative expenses under the program.

Prior to **FY 1988**, grantees financed the administration of their Rental Rehabilitation programs through other sources. Many grantees had relied on the CDBG program as the source of their funds for administering the Rental Rehabilitation program.

Since the program began in **FY 1984** through the end of **FY 1988**, commitments for the rehabilitation of **23,781** projects containing **117,791** units have been entered into through the program. A "commitment" is a legally-binding agreement between an owner and the grantee, which contains the terms and conditions of the grantee's assistance to a specific project, including the owner's agreement to start construction within **90** days. Throughout this section on Rental Rehabilitation, a "completed" unit or project is one 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 1988** numbered **17,626** projects and **70,885** units.

By the end of **FY 1988**, rehabilitation work was completed on **16,636** of the **23,781** projects, which contained **67,410** units.

Immediately after rehabilitation was completed, **60,078** of the **67,410** units were occupied (**89%**), whereas only **57** percent had been occupied prior to rehabilitation.

By the end of **FY 1988**, **25** of the **499** cities and counties receiving a formula grant and one State had drawn down a portion of their program funds for use in administering the program.

Table 7-2

**Rental Rehabilitation Program Production
and Project Size by Fiscal Year, FYs 1984-88**

Period Covered	Projects	Units	Committed		Completed	
			Units/Proj.	Projects	Units	Units/Proj.
Pre-FY 1986	3,213	25,513	7.9	384	889	2.3
FY 1986	6,551	30,638	4.7	3,841	11,871	3.1
FY 1987	6,390	27,557,	4.3	5,970	23,019	3.9
<u>FY 1988</u>	<u>7,627</u>	<u>34,088</u>	<u>4.7</u>	<u>6,455</u>	<u>31,631</u>	<u>4.9</u>
Cumulative	23,781	117,791	5.0	16,650	67,410	4.0

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

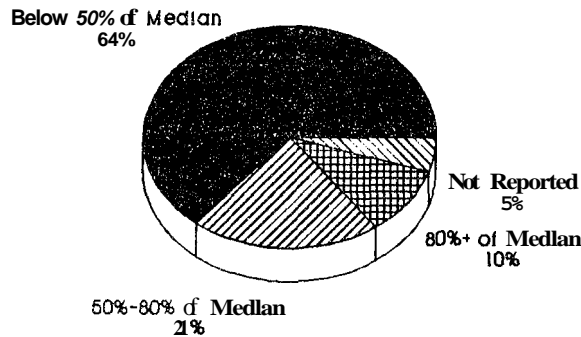
Program Objectives and Progress

Benefit to Lower Income Households

The Rental Rehabilitation legislation requires that grantees provide benefit to lower income households with 100 percent of the assistance available under the program for each fiscal year. This requirement is subject to a reduction to 70 percent if the grantee submits a statutorily-required certification or 50 percent if specifically approved by HUD, where necessary.

Eighty-five percent of the households that occupied Rental Rehabilitation projects immediately after they were rehabilitated during FY 1988 had incomes that were at or below 80 percent of the median family incomes for their areas.

Figure 7-2
**Incomes of Households Occupying Rental
Rehabilitation Projects Completed
During FY 1988**



Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

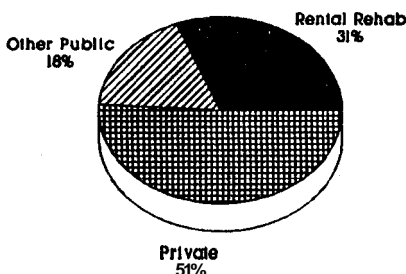
Minimizing Rehabilitation Subsidy

The legislation authorizing the Rental Rehabilitation program specifies that funding provided by the program shall not exceed 50 percent of the eligible project costs, except in certain cases involving refinancing. Thus, for each project, at least half of the financing normally must come from another source; private or other public funds, such as CDBG, make up the balance. While there is no prohibition against using other public funds, grantees are strongly encouraged to maximize private investment and minimize the amount of public funds used in Rental Rehabilitation projects.

Among all projects completed during FY 1988, program funds provided 31 percent of total financing costs. In the aggregate, this was well within the program requirement that Rental Rehabilitation funds make up no more than half of project costs.

The balance of project financing came from private sources (51%) and other public sources (18%).

Figure 7-3
Sources of Financing for
Rental Rehabilitation Projects
Completed During FY 1988



Total amount equals 3340.9 million.

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

In the most frequent financing arrangement, Rental Rehabilitation program funds make up exactly half of the project costs. In 39 percent of all projects completed during FY 1988, program funds contributed 50 percent of the project costs.

In nearly all of the remaining projects, grantees were leveraging funds from other sources in excess of the ratio normally required by the program. For example, in 18 percent of the FY 1988 projects, program funds accounted for less than 30 percent of the project costs.

Table 7-3

RRP Financing as a Percent of Total Financing	Rental Rehabilitation Program Subsidy as a Percent of Total Project Financing by Completion Date, FYs 1984-88					
	FY 1984-87		FY 1988		Cumulative	
	Projects	Percent	Projects	Percent	Projects	Percent
51% or more †	24		51	1%	75	
50	4,271	42%	2,531	39	6,802	41
40-49	2,726	27	1,760	27	4,486	27
30-39	1,540	15	944	15	2,484	15
<i>1-29</i>	<u>1,634</u>	<u>16</u>	<u>1,169</u>	<u>18</u>	<u>2,803</u>	
Total	10,195	100%	6,455	100%	16,650	100%

• Less than .5 percent.

† The program requires that program funds make up no more than half of project costs, except for certain cases involving refinancing. The cases reported here probably represent such refinancing cases or, perhaps, errors in reporting in the Cash Management and Information System.

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Rehabilitation Cost

Prior to amendment of the program legislation on February 5, 1988 by the Housing and Community Development Act of 1987 (P.L. 100-242), Rental Rehabilitation program funds were limited to not more than half of the cost of any project up to \$5,000 per unit. This \$5,000 limit could be increased on a case-by-case basis in areas with high labor costs, as permitted by program regulations. In the February 5, 1988 amendment, the \$5,000 limit was retained for apartments containing no bedrooms, but was increased to \$6,500 for a one bedroom unit, \$7,500 for a two bedroom unit, and \$8,500 for a unit with more than two bedrooms, subject to similar high-cost exceptions.

An average of \$3,360 per unit of program funds was used in rehabilitating properties completed during FY 1988.

The amount of Rental Rehabilitation funds per unit completed increased only very slightly in FY 1988 from previous periods. However, very few projects that have been approved under the new funding limits have yet been completed.

Chapter 7 - Housing Rehabilitation Programs

Table 7-4

Financial Characteristics of Rental Rehabilitation Projects by Period of Completion, FYs 1984-88			
Characteristic	Period of Completion		
	FYs 1984-87	FY 1988	Cumulative
Number of Projects	10,195	6,455	16,650
Average per Unit:			
Total Project Cost	\$10,478	\$10,777	\$10,735
Rehabilitation Cost	10,025	10,180	10,101
RRP Funds	3,352	3,360	3,356
Private Funds	5,343	5,441	5,381
RRP Funds as a Percent of			
Rehabilitation Cost	33%	33%	33%
Total Project Costs	32%	31%	32%

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

The limited number of units completed under the new guidelines suggests that the new limits on the amount of program funds available per unit are increasing the amount of program subsidy in program projects.

Of the **16,650** projects completed during FY **1988**, **349** were approved under the new funding limits. Twenty-six percent of these new projects used more than \$5,000 per unit of program funds. Only eight percent of the projects approved prior to the new regulations exceeded the \$5,000 limit on an exception basis.

Table 7-5

Rental Rehabilitation Projects Completed in FY 1988 by Program Cost per Unit and Approval Period				
Period of Approval	Per Unit Project Cost was:			
	\$5,000 or Less		More than \$5,000	
	Number	Percent	Number	Percent
Before 4/19/88	15,042	92%	1,259	8%
After 4/18/88	259	74%	90	26%

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Unit Size

Prior to July, **1988**, the Rental Rehabilitation program regulations specified that at least **70** percent of each grantee's grant be used to rehabilitate units with two or more bedrooms in order to provide housing for large families, unless otherwise approved by **HUD** under the regulations. On July **6, 1988**, **HUD** published an interim rule implementing certain changes made by the Housing and Community Development Act of **1987** (P.L. **100-242**), including a provision permitting units

rehabilitated to meet local seismic standards and occupied by very low-income persons after rehabilitation to be excluded from this 70 percent calculation.

In FY 1988, program funds generally were being used to rehabilitate larger units. At least 70 percent of all units completed during FY 1988 had two or more bedrooms. This percentage has changed little since the beginning of the program.

Table 7-6

Number of Bedrooms Efficiency	Number of Bedrooms in Completed Rental Rehabilitation Projects, FYs 1984-88					
	FY 1984-87		FY 1988		Cumulative	
	Number	Percent	Number	Percent	Number	Percent
	1,682	5%	1,895	6%	3,577	5%
One	8,209	23	7,525	24	15,734	23
Two	18,697	52	15,788	50	34,485	51
Three	6,255	18	5,655	18	11,910	18
Four or more	851	2	692	2	1,543	2
Not Reported	85	*	76	*	161	*
Total	35,779	100%	31,631	100%	67,410	99%

* Less than .5 percent.

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Rents in Completed Projects

Program regulations define affordable rents as those that are at or below the applicable HUD-published Section 8 Existing Housing Fair Market Rent (FMR).

Eighty-six percent of the units that were completed during FY 1988 had rents that were at or below the applicable FMR at the time they were completed.

Forty-one percent of the units completed during FY 1988 had post-rehabilitation rents that were more than \$100 per month below the applicable FMR.

Table 7-7

**Rents in Occupied Rental Rehabilitation Program Units
Completed During FY 1988 Compared with the Fair Market Rent
Compared with the FMR,
the Unit Rent is:**

	Number	Percent
More than \$100 more	240	1%
\$51 to \$100 more	712	3
\$1 to \$50 more	2,562	10
the same	1,118	4
\$1 to \$50 less	5,219	20
\$51 to \$100 less	5,630	21
More than \$100 less	10,743	41
<u>Not Available</u>	<u>1,310</u>	<u>*</u>
Total	27,534	100%

• Percentages calculated only on units with complete data.

Source: US. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

By August 31, 1987, 9,897 projects containing 34,844 units had been completed through the Rental Rehabilitation program. To determine whether these rents remained affordable, the Department surveyed owners of 861 of these projects, which contained 4,737 units, to determine the rents they charged for those units in the Fall of 1988. The reported gross rents on these randomly sampled units were compared with the current FMR for the jurisdiction in which each project was located.

The survey of owners of Rental Rehabilitation properties that was completed more than one year ago indicated that about 84 percent of the units continue to rent for the same or less than the applicable FMR. (This survey had a sampling error of plus or minus 3.75 percent.)

Table 7-8

Estimated Proportion of Units in Rental Rehabilitation
Projects Completed by August 31, 1987 that Continue to be Affordable

	Number of Units	Percent of Units
<u>Number of Bedrooms</u>	<u>with Data Reported</u>	<u>with Affordable Rents</u>
Efficiency	134	76%
One	1,340	78
Two	2,482	85
Three	721	88
<u>Four</u>	<u>60</u>	<u>83</u>
Total	4,737	84%

Source: U.S. Department of Housing and Urban Development, Survey of owners of Rental Rehabilitation projects completed prior to August 31, 1987. Compiled by the Office of Program Analysis and Evaluation.

Providing Rent Assistance to Lower Income Households

Even though most units rehabilitated through the program rent for less than the **FMR**, those rents may not be easily affordable to families with very low-incomes. To assist such families in paying the rent, the program helps furnish eligible households with housing vouchers or certificates, which the Department's Office of Housing administers through the Section 8 Existing program (certificates) or Housing Voucher program (vouchers).

Two-thirds of the households with very low-incomes that occupied units completed under the Rental Rehabilitation program during **FY 1988** received rental assistance in the form of a housing voucher or certificate.

Seventeen percent of the households with incomes between 51 and 80 percent of their area median family income received such assistance.

Table 7-9

**Rental Assistance by Household Income
in Rental Rehabilitation Projects Completed in FY 1988**

Type of <u>Rental Assistance</u>	Below		Above
	50 Percent of Median	51% - 80% of Median	80 Percent of Median
Certificate or Voucher	67%	17%	*
Other Assistance	3	1	
No Assistance Reported	30	82	100
Total	100%	100%	100%
Number †	17,631	5,923	2,646

* Less than .5 percent. The few cases where tenants with incomes above 80 percent of the median probably are the result of errors in reporting.

† Number of households with reported income level. These figures total 26,200. There were 27,534 occupied units in this period. Thus, data on 1,334 households were missing.

Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

The proportion of very low-income households in newly completed Rental Rehabilitation projects reported as receiving rental assistance in the form of a certificate or voucher has declined slightly over the life of the program. Changes in HUD's rental assistance programs generally have relaxed the strict tie between Section 8 rental assistance and the Rental Rehabilitation program. The apparent decrease in the proportion of very low-income tenants receiving assistance may be due to confusion on the part of grantees in using and reporting on rental assistance as a result of these program changes.

Sixty-seven percent of the very low-income tenants occupying Rental Rehabilitation projects completed during FY 1988 were reported as receiving assistance in the form of a Section 8 Voucher or Certificate, compared with 73 percent in FY 1987 and 77 percent in FYs 1984 through 1985.

**Figure 7-4
Tenants with Incomes Below 50% of the
Area Median Income Receiving a Voucher
or Certificate, FY's 1984 - FY 1988**

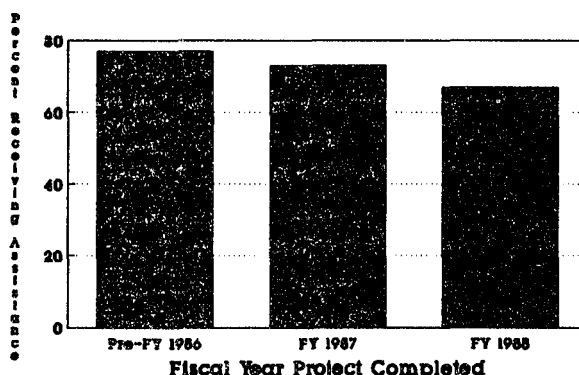


Figure 7-4 Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Part 2 - Urban Homesteading

Purpose

The purpose of the Urban Homesteading program is to provide homeownership opportunities through the use of existing housing stock and to encourage public and private investment in selected neighborhoods, thereby assisting in their preservation and revitalization.

Legislation

Section 810 of the Housing and Community Development Act of 1974, as amended.

Program Administration

The Urban Homesteading program transfers unoccupied one- to four-family properties owned by HUD (**FHA**), the Department of Veterans Affairs, and the Farmers Home Administration (**FmHA**) to homesteading programs approved by HUD. Funds appropriated under Section 810 are used to reimburse the respective Federal agencies for the value of the units transferred for homesteading. Jurisdictions do not receive the funds as they are transferred from the Section 810 fund directly to **FHA** and the other Federal agencies.

Local governments administer the program through Local Urban Homesteading Agencies (**LUHAs**). Any State or unit of general local government may apply to the local **HUD** Field Office for approval and to designate a **LUHA**. A **LUHA** is a public agency or qualified non-profit community organization. HUD makes a determination whether the proposed program complies with all program requirements. Annual requests to continue program participation detailing the number of properties proposed and the projected cost of acquiring the properties are required for participation thereafter.

The Urban Homesteading program gives local officials broad latitude to design a program to meet local needs, including the designation of homesteading neighborhoods, selection of the properties, and selection of homesteaders. **LUHAs** certify that the homesteading properties will be part of a coordinated neighborhood improvement effort. Local building codes are used as the standard for rehabilitation.

The annual allocation of funds to **HUD** Regional Offices is made based on a compilation of **LUHA** requests, the expected number of available **HIJD**, **VA**, and **FmHA** properties that would be suitable for homesteading in each Region, the average "as-is" value of such properties, and the past homesteading performance by **LUHAs** in each Region.

After **HUD** determines the regional allocation of funds, a fund reservation is made for the **LUHA** in the Field Office, permitting the **LUHA** to begin selection of Federal properties for homesteading. In general, **HUD** encourages **LUHA**'s 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.

Chapter 7 - Housing Rehabilitation 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-unit structure. New regulations, currently pending final approval, will raise these figures respectively to \$25,000 and \$8,000.

LUHAs transfer the properties at nominal or no cost to the homesteaders who agree to live in them for a minimum of five years and to bring them up to code. At the end of the required occupancy period, the homesteader obtains fee simple title to the residence.

The Urban Homesteading program is designed to provide homeownership opportunities targeted to lower income households. Local officials are required to give preference to households with annual incomes of less than 80 percent of the median income for the area and potential homesteaders may not own other property.

The LUHA ensures that homesteaders comply with program requirements to repair all defects that pose a danger to health and safety within one year of conditional conveyance of title. Homesteaders must make all additional repairs within three years. The Urban Homesteading program itself does not provide funding for repairs. Many LUHAs use the Community Development Block Grant program and the Section 312 Rehabilitation program to assist homesteaders with rehabilitation financing.

Funding History

Urban Homesteading Funding					
(Dollars in millions)					
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1976	\$5.0	1981	\$0.0	1986	\$11.4
1977	15.0	1982	0.0	1987	12.0
1978	15.0	1983	12.0	1988	14.4
1979	20.0	1984	12.0		
1980	0.0	1985	12.0		

Appropriations for the Urban Homesteading program since its inception total \$128.8 million (for FYs 1976 through 1978, funds for Urban Homesteading were provided through the FHA fund). New appropriations in FY 1988 were 17 percent greater than in FY 1987, and all available funds were expended.

Participation

In Urban Homesteading, the number of participants varies according to the definition of participation that one chooses to use. LUHAs come into the program, and acquire properties, which they transfer to homesteaders and monitor as the homesteaders acquire fee simple title. Thus, LUHAs that are no longer acquiring properties ("inactive" LUHAs) may still be participating in the program because they are administering previously-acquired properties. During FY 1988, the Department

began closing out LUHAs that are inactive and that have completed program requirements for all properties they have acquired under the program.

- In FY 1988, 104 LUHAs had active status, meaning that they acquired property or were newly approved during the year. This is a decline from 112 active LUHAs in FY 1987.
- The 104 active LUHAs included 87 cities, 15 counties, and two States.
- Since the beginning of the program, 203 LUHAs have been approved by HUD. Currently 147 LUHAs have HUD approval to acquire properties. Forty-three LUHAs remained on the approved list but did not acquire properties in FY 1988.
- In FY 1988, 10 new LUHAs were approved and 20 existing programs were closed out.
- The majority of LUHAs were located in the Midwest, corresponding to the location of the predominance of eligible properties.

Table 7-10

Number of Local Urban Homesteading Agencies (LUHAs)
by HUD Region, FY 1988

Region	LUHAs Number	
I Boston		*
II New York	5	5%
III Philadelphia	6	6
IV Atlanta	19	18
V Chicago	41	39
VI Fort Worth	10	10
VII Kansas City	13	12
VIII Denver	3	3
IX San Francisco	1	1
X Seattle	6	6
Total	104	100%

* Region I elects not to participate in the program due to a shortage of eligible properties in the Region.

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management Information System. Compiled by the Office of Program Analysis and Evaluation.

Program Activities

The Urban Homesteading program consists of a series of steps or benchmarks that describe the main activities of the program. The first step in the Urban Homesteading program is the acquisition of properties from the Federal inventory by the **LUHA**. The steps following this (but not necessarily in this order) include selection of homesteaders, conditional conveyance of title, occupancy, and rehabilitation of the property by the homesteader. Final conveyance of title to the homesteader is made after all program requirements have been met, including completion of all rehabilitation and residence by the homesteader for five years.

The number of properties at any stage in the process reflects the on-going nature of the local program and is conditioned by the effectiveness of the local program and the availability of eligible properties.

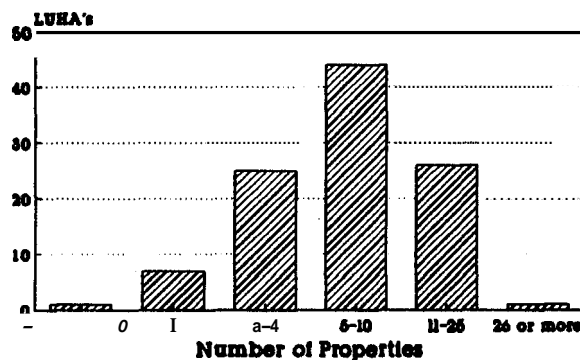
At the beginning of FY 1988 \$14,806,112 in Section 810 funds were available from new appropriations and unexpended funds from prior appropriations. HUD obligated \$14,758,889 (99.7%) of this amount in FY 1988.

In FY 1988 Local Urban Homesteading Agencies acquired 818 properties for an average cost per property of \$18,043.

The majority of LUHAs administer very small programs. In **FY 1988**, LUHAs acquired an average of six properties. Thirty-two percent (33 LUHAs) acquired fewer than five properties. Only one LUHA acquired more than 25 properties.

LUHAs reported conveying conditional title to 550 homesteaders, beginning rehabilitation on 588 properties, and conveying fee simple title to 159 homesteaders in FY 1988. (Note that these figures on conveyance and rehabilitation underestimate activity because several LUHAs did not submit updated or complete reports in FY 1988.)

Figure 7-5
Number of Local Urban Homesteading Agencies (LUHA's) by Number of Properties Acquired in FY 1988



• One newly approved LUHA in FY 1988 did not acquire any properties for homesteading.

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management Information System. Compiled by the Office of Program Analysis and Evaluation.

Program Objectives and Progress

To provide homeownership opportunities primarily for lower income families through disposition of the Federal inventory of single-family properties, Urban Homesteading also encourages investment in neighborhoods to assist in their preservation and revitalization.

The national inventory of HUD-owned properties reached a peak of **75,000** properties at the end of **1974** and declined during the early **1980's** to 20,000. From **1984** to **1988**, however, the inventory more than doubled, reaching **58,877** in March **1988**. Over the life of the Urban Homesteading program, the transfer of HUD properties to local homesteading programs has accounted for a very small part of the disposition of all HUD-owned properties.

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.

HUD-owned properties remain the primary source of properties in the Urban Homesteading program. Seventy-nine percent of properties acquired in FY **1988** (646 properties) were from the HUD inventory, **19** percent (155 properties) were from the Department of Veterans' Affairs and two percent (**17** properties) were from the Farmers Home Administration (FmHA).

Table 7-11
Number of Section 810 Properties and Acquisition Cost

Source	By Source, FY 1988		Total Section	Average
	Number	Percent	810 Cost	Cost
MUD	646	79%	\$11,713,083	\$18,132
FmHA	17	2	354,850	20,874
<u>VA</u>	<u>155</u>	<u>19</u>	<u>2,690,956</u>	<u>17,361</u>
Total	818	100%	\$14,758,889	\$18,043

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

The average Section **810** cost per property acquired in FY **1988** was **\$18,043**, up seven percent over FY **1987** and approaching the existing \$20,000 per single-family property limit. New regulations now pending final approval raise this limit to \$25,000.

Chapter 7 - Housing Rehabilitation Programs

Table 7-12

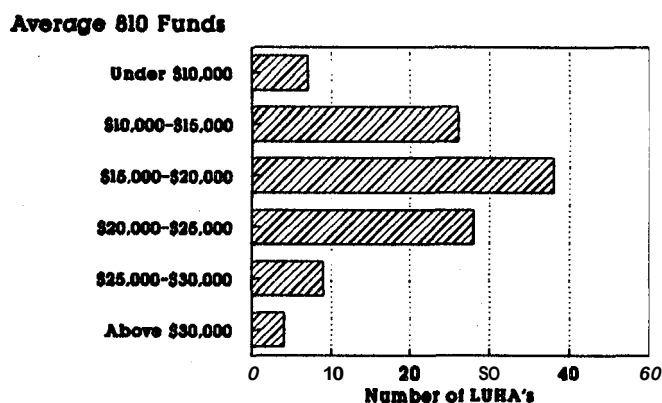
Average Section 810 Cost Per Property FY 1980 to FY 1988

<u>Fiscal Year</u>	<u>Average 810 Funds</u>	<u>Yearly Change</u>
1988	\$18,043	+ 7%
1987	16,901	+ 7
1986	18,127	+ 6
1985	17,101	+ 21
1984	14,078	+ 24
1983	11,366	+ 3
1982	11,005	+ 15
1981	9,580	+ 1
1980	9,450	N/A

Source: Department of Housing and Urban Development, Office of Program Analysis and Evaluation, Consolidated Annual Reports to Congress on Community Development Programs, 1981 to 1988.

There was a wide variation among LUHAs on average costs of Section 810 properties. Thirteen percent (13 LUHAs) exceeded an average of \$25,000 per property while seven percent (7 LUHAs) acquired properties for less than an average of \$10,000 per property.

Figure 7-6
**Variation Between LUHA's
 on Average 810 Cost Per Property
 FY 1988**



Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Rehabilitation of Substandard Housing Units

While the Urban Homesteading program transfers properties to homesteaders without substantial cost, the homesteader is obligated to pay for or do whatever rehabilitation is needed to meet required local standards. Workable rehabilitation financing is key to a successful homesteading program due to the poor condition of

many of the properties with purchase prices under \$20,000 and the low incomes of homesteaders.

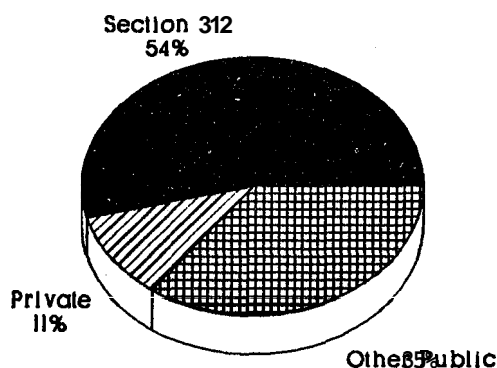
Based on available data reported by LUHAs regarding FY 1988 activity, \$11.791 million in public and private funds were expended for the rehabilitation of 470 properties. (Note that these data underestimate activity because several LUHAs did not provide updated or complete reports in FY 1988.)

Throughout the history of the Urban Homesteading program, Section 312 Rehabilitation Loan funds have been the principal source of rehabilitation financing. In recent years, however, communities have sought other sources of assistance, both public and private, to replace or supplement Section 312, since that program appears to have an uncertain future.

For properties reported on in FY 1988, Section 312 funds were still the primary source of financing, providing 54 percent of all rehabilitation financing (52 percent of properties used Section 312 loans) for Urban Homesteading properties. This percentage has continued to decline from 75 percent in FY 1985 and 61 percent in FY 1987.

Other public funds (primarily from the CDBG program) provided 35 percent of rehabilitation funds for Urban Homesteading properties and 11 percent of the funds were from private sources.

Figure 7-7
Sources of Rehabilitation Financing
in the Urban Homesteading Program
FY 1988



Note: Based on information on rehabilitation cost for 470 properties. Seven LUHAs did not submit reports in FY 1988 and reports for 118 properties did not contain this information.

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management Information System. Compiled by the Office of Program Analysis and Evaluation.

Available data suggest that the average expenditure for rehabilitation begun in FY 1988 was \$25,469 per property. This is an increase of 11 percent over the average rehabilitation cost of \$22,950 in FY 1987.

Chapter 7 - Housing Rehabilitation Programs

Most properties (89%) for which information was available on rehabilitation begun during FY 1988, relied exclusively on a publicly-provided rehabilitation subsidy.

Although precise information is not available, past experience indicates that it is probable that nearly all of the public rehabilitation subsidy that did not come from the Section 312 program represents a local use of CDBG funds.

Table 7-13

**Average Rehabilitation Cost of Section 810 Properties
with Construction Beginning during FY 1988
by Source of Rehabilitation Financing**

<i>Source</i>	Number of Properties*	Percent of Properties	Average \$ Per Property
Section 312 Only	166	35%	\$26,845
Other Public Only	140	30	22,395
Private Only	50	11	14,417
Mixed Total	114	24	32,089
a. 312 & Public	(65)	(14)	37,096
b. 312 & Private	(8)	(2)	19,318
c. 312 & Public & Private	(7)	(1)	32,490
<u>d. Public & Private</u>	<u>(34)</u>	<u>(7)</u>	<u>25,438</u>
Total	470	100%	\$25,469

Note: Based on information on rehabilitation cost for 470 properties. Seven LUHAs did not submit reports in FY 1988 and reports for 118 properties did not contain this information.

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management Information System. Compiled by the Office of Program Analysis and Evaluation.

Providing increased homeownership opportunities for lower income households.

The Urban Homesteading program is designed to reach lower income households. Priority is given to households with incomes less than 80 percent of the median income for the area (Metropolitan Statistical Area). LUHAs provided data on demographic characteristics for 394 homesteaders that took occupancy in FY 1988.

- Of the homesteaders that LUHAs reported beginning occupancy in FY 1988, 87 percent had incomes less than 80 percent of the median for the area.
- Twenty-four percent of the households had incomes less than 50 percent of the median for the area.
- Sixty-one percent of the households were members of minority groups, including 55 percent black, five percent Hispanic, three percent Asian, and less than one percent American Indian.

- A comparison between black and white homesteaders (the only two racial groups large enough to make valid comparisons), found that income characteristics do not vary significantly between these two groups.
- Income and racial characteristics of Urban Homesteading households over the life of the program are comparable to those for FY 1988.

Table 7-14

Income and Racial Characteristics of Urban Homesteaders					
Beginning Occupancy During FY 1988					
Income	Number	Percent	Race	Number	Percent
Below 50% of Median	95	24%	White	148	38%
50% - 80% of Median	246	62	Black	216	55
Above 50% of Median	53	13	Am. Indian	1	*
			Hispanic	18	5
			Asian	11	3
Total	394	99%	Total	394	101%

* Less than .5%.

Source: U.S. Department of Housing and Urban Development, Urban Homesteading Program Management information System. Compiled by the Office of Program Analysis and Evaluation.

Part Three - Section 312 Rehabilitation Loan Program

Purpose

To provide low-interest loans for rehabilitating properties "necessary or appropriate" to related CDBG activities or a local Urban Homesteading program.

Legislation

Section 312 of the Housing Act of 1964, as amended.

Program Administration

The program is administered by the Assistant Secretary for Community Planning and Development with extensive assistance from CPD Field Staff and private contractors.

Section 312 is a categorical program in which the Federal government makes loans directly to participating individuals. Individuals who would borrow under the program must apply to a Local Processing Agency (LPA), which is a unit of local government that has been approved by MUD to assist in processing Section 312 loans. There are two types of LPAs: most, with considerable experience and a good record, have the authority to approve loan applications; new LPAs, or those with less satisfactory records, receive and review applications, but must forward them to the appropriate HUD Field Office for approval.

Chapter 7 - Housing Rehabilitation Programs

The precise procedures for distributing Section 312 funds have changed from year to year due to the uncertainties surrounding the continued existence and level of activity in the program. Typically, the HUD Central Office allocates funds to the ten Regions early in each fiscal year. The initial allocation process is decentralized in that the HUD Field Offices survey the LPAs in their jurisdiction to determine the amount of Section 312 funds the localities need. Priority is given to LPAs operating Urban Homesteading programs.

During FY 1988, after aggregating needs across Field Offices, the Central Office allocated some 80 percent of the available FY 1988 funds to the Regions. These allocations were based on the needs for funds that were expressed within each Region and the demonstrated ability of local staff in the Region to use the funds. As the fiscal year progressed, funds that the Central Office had not yet allocated were allocated to Regions that had been most successful in committing program funds. By the time the fiscal year was drawing to a close, the Central Office took uncommitted funds from Regions where they had not been used and reallocated them to more rapidly performing Regions.

Regional Offices allocate funds to their constituent Field Offices in a manner similar to how the Central Office allocates funds among the Regions—expressed need for the funds and the demonstrated progress in committing the money determine the allocation each Field Office receives.

LPAs with the authority to approve Section 312 loans have considerable discretion over which loans to approve. They must give priority to applicants with incomes below 95 percent of the area median income, must commit the funds for loans related to CDBG activities or local Urban Homesteading programs, and must not discriminate against classes of applicants. But beyond these minimum requirements, LPAs have considerable discretion over which areas to target, what types of buildings to emphasize, and how to use Section 312 as one tool among many funded by Federal, State, and local programs for providing assistance with rehabilitation financing.

During FY 1988, some \$85 million of program funds were made available to the Regions in January 1988. In late May, the balance of the apportionment was distributed to the Regions. Funds were being reallocated in order to maximize the proportion committed through the end of the fiscal year.

The Department employs three contractors in its highly automated administration of the Section 312 program. One contractor manages electronic cash disbursement during the construction phase of a Section 312 project. When construction is complete, the case is turned over to a second contractor who is responsible for managing the extensive loan portfolio. The Federal National Mortgage Association (FNMA) also manages a portion of the loan portfolio.

In the Department's FY 1988 management plan, the goal of monitoring 166 Section 312 LPAs was established. During the year, the Department achieved 133 percent of this goal, as it monitored 221 LPAs.

Funding History

The program has received no new appropriations 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 prior years. In FY 1988, of \$263.1 million available in the Section 312 Loan account, OMB apportioned \$116 million to be used for new loans and loan servicing during the year. Of this amount \$101.9 million was loaned in FY 1988. Although there were 2,216 FY 1988 loans for about \$101.9 million, by the time data needed to be analyzed for this report, information on 2,140 loans (97%) for \$99.9 million was available in the HUD Central Office. Throughout the remainder of this section, the analysis is based on the less than complete data. In FY 1987, new loans had totalled \$64 million.

Participation

During FY 1988, some 281 LPAs participated in the Section 312 program by processing 2,216 loans. This is an increase of about 17 percent over the 240 LPAs that processed loans in FY 1987. The extent of Section 312 loan activity varied greatly across the participants. For example, while 30 percent of the LPAs processed only one loan, the LPAs in Chicago (53 loans), Chattanooga (96 loans), and Buffalo (97 loans) each processed more than 50 loans.

Table 7-15

Number of Section 312 Loans by Number of Local Processing Agencies, FY 1988		
Local Processing Agencies		
<u>Number of Loans</u>	Number	Percent
1	84	30%
2 - 5	91	34
6 - 10	40	14
11 - 15	22	8
16 - 20	11	4
21 - 30	14	5
31 - 50	10	4
<u>51 or more</u>	<u>3</u>	<u>1</u>
Total	281	100%

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

Program Activities

Section 312 loans are used for rehabilitating real property. They may also be used to refinance the existing debt on properties selected for rehabilitation. Eligible structures include single-family homes, multi-family residential buildings, mixed-use properties, and nonresidential structures.

In **FY 1988**, the Department made **2,140** new loans to rehabilitate properties containing some **4,251** housing units.

In **FY 1988**, **92** percent of Section 312 loans (**1,968** of **2,140** loans) and **59** percent of program funds were to rehabilitate single-family (one- to four-unit) residential properties.

Although loans to rehabilitate multi-family structures constituted only about three percent of all **FY 1988** loans, residential units in multi-family properties were about **27** percent of all housing units rehabilitated with Section 312 loans during the year.

Table 7-16
Characteristics of FY 1988 Section 312 Loans
by Property Type

Characteristic	-----Property Type-----		
	Single Family	Multi-Family	Other*
Number of Loans	1,968	62	108
Number of Dwelling Units	2,374	1,157	720
Average Units/Loan	1.2	18.7	6.7
Total Loan Amount	\$51,040,038	\$26,417,869	\$22,445,699
Average \$/Loan	25,935	426,095	207,831
Average \$/Unit	21,500	22,833	N/A

* "Other" includes mixed-use and nonresidential properties. Because nonresidential properties contain no housing units, an average cost per unit is not presented here.

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

Progress Toward Program Objectives

Benefit to Low- and Moderate-Income Home Owners

The authorizing legislation specifies that the Department give priority to applicants for Section 312 loans who have low and moderate incomes and who are owner-occupants of the properties to be rehabilitated. The Section 312 program defines a low- and moderate-income as one that is at or below **95** percent of the area median income. Data on whether borrowers' incomes are above or below **95** percent of area median income are not available. However, data that indicate whether the borrowers' incomes are above or below **80** percent of the area median

are available, and are used here as a rough, conservative indicator of the extent to which the low- and moderate-income requirement has been met.

In **FY 1988**, **73** percent of the recipients of Section **312** loans were owner-occupants of the buildings that were being rehabilitated and had incomes at or below **80** percent of the median incomes for their areas.

Another **18** percent of the **FY 1988** borrowers either were owner-occupants or had incomes that were at or below the **80** percent figure.

Table 7-17

**Income † and Owner-Occupancy Status of
Section 312 Loan Recipients, FY 1988**

Borrower:	Number	Percent
Has low income, is Owner-Occupant	1,564	73%
Has low income, is not Owner-Occupant	79	4
Is other Owner-Occupant	308	14
Is other non-Owner-Occupant	184	9
Not Available	5	*
Total	2,140	100%

* Percents calculated on known characteristics only.

† Low-income is one at or below 80 percent of the area median income.

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

The median-family income of **FY 1988** Section **312** loan recipients was less than \$20,000 per year.

Of **1,392** recipients of Section **312** loans to be used to rehabilitate single-family residences for whom information was available, **63** percent had family incomes below \$20,000.

Nearly half of **FY 1988** loan recipients were members of racial or ethnic minorities and about one-third were from households of four or more people.

Managing the Loan Portfolio

Ensuring that the loan portfolio is properly managed and repaid on schedule continued to be a high Department priority during **FY 1988**. Some **49,075** loans with an outstanding value of **\$636.9** million were in the portfolio at the end of **FY 1988**.

The number and total outstanding value of the Section **312** loans continued to diminish during **FY 1988**. The portion of the portfolio that was current continued to increase somewhat during **FY 1988**, both in terms of the number of loans and the outstanding balance of those loans.

The absolute number of loans that are delinquent also has declined as a result of the Department's collection efforts.

Program Oversight

The Office of Community Planning and Development (CPD) uses several methods to ensure that grantees administer CPD-funded programs effectively and in compliance with relevant Federal laws. This part describes those methods. The first part of this chapter describes the monitoring undertaken by Field staff. The second section describes the functions and audits performed by HUD's Office of Inspector General (OIG) and those performed by Independent Public Accountants (IPAs). The final section addresses how goals of the Office of Fair Housing and Equal Opportunity are met.

Part One - Monitoring

The statutes authorizing HUD's community development programs give grantees considerable discretion in determining local priorities and strategies. The goal of monitoring is to identify deficiencies and promote corrections to improve, reinforce or augment grantee performance.

Federal statutes and Departmental policy mandate that grantee activities are monitored to ensure that CPD-funded projects are carried out according to all applicable Federal laws, regulations, and Executive Orders. Beyond ensuring that the statutory requirements are met, these monitoring visits are an opportunity for CPD Field staff to provide grantees with technical assistance for improving project administration and management.

Early in each fiscal year, the CPD Headquarters develops monitoring goals for each program and the ten Regional Offices. The Regional Offices then develop their monitoring strategies. The purpose of this monitoring strategy is twofold. First, the monitoring strategy helps assure that each Region meets monitoring and other goals set for it in the annual Regional Management Plan. The second purpose of the monitoring strategy is to see that Field staff and travel resources are used most efficiently and effectively.

In **FY 1988**, Field staff monitored **97** percent of all Entitlement CDBC grantees, **100** percent of State CDBG grantees, and **84** percent of UDAG grantees with active grants.

Table 8-1
CPD Monitoring of Grantees with Active Grants, FY 1988

<u>Grantees with CPD Programs</u>	<u>Active Grantees</u>	<u>Grantees Monitored</u>	<u>Percent Monitored</u>
Entitlement CDBG	844	821	97%
State CDBG	49	49	100
Small Cities CDBG	249	125	50
Urban Development			
Action Grants	450	378	84
Other	580	433	75

Note: Grantees often have multiple projects.

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

HUD Monitoring of CDBG Entitlement Grantees

Since 1981, HUD has not substantively reviewed the needs and strategies of individual communities. However, HUD annually reviews grantee activities to determine whether grantees:

- executed CDBG funded activities and HAP activities in a timely manner;
- follow applicable Federal laws; and
- maintain the capacity to carry out their activities.

HUD Field Offices conduct three types of performance reviews: grantee performance report reviews; on-site monitoring; and annual in-house reviews. In conducting these reviews, HUD attempts to resolve concerns about grantee performance in a cooperative relationship that emphasizes guidance and technical assistance.

During FY 1988, HUD monitored 821 Entitlement grantees and reviewed their performance in over 20 functional areas. The three most frequently monitored areas in FY 1988 were: (1) program benefits, looking at a grantee's compliance with the basic objectives of the CDBG program; (2) program progress, measuring both the progress of the grantee's CDBG program as a whole and of specific projects; and (3) the environment, covering all applicable environmental protection laws and regulations. The three monitoring areas with the highest number of findings were: (1) the environment (488 findings); (2) rehabilitation (392 findings); and (3) program benefits (310 findings).

State CDBG Monitoring Reviews

The statute makes the State the grantee in the State GDBG program. Thus, the State has the basic responsibility for ensuring that statutory requirements are met. Local government recipients are responsible to the State, not HUD, and, therefore, HUD reviews the State's performance in carrying out its responsibilities.

- Nearly all (at least **48** out of **49**) States plus Puerto Rico in the State CDBG program were monitored by HUD Field staff in **FY 1988** in the following areas: distribution of funds according to State-established methods of distribution; whether funded activities were eligible and meet a national objective; procedures to ensure that closeouts occur on a timely basis; States' monitoring of their grantees; environmental regulations; and compliance with Fair Housing and Equal Opportunity requirements. All States participating in the State CDBG program were monitored by CPD Field Staff to determine whether they distributed funds to recipients in a timely manner.
- Field staff reported **234** monitoring findings in **FY 1988** related to all aspects of the State CDBG program. Monitoring areas with the highest number of findings included: financial management (**29** States); audits management (**29**); monitoring of grantees (**28**); and the fundability of activities (**27**).

Field offices monitored communities directly in the HUD-Administered Small Cities program. HUD Field Offices monitored **175** of **401** active grants in the HUD-administered program during **FY 1988**. Those reviews yielded **264** findings, **70** of which were in the area of financial management.

Other Program Monitoring

HUB Field Offices also monitored other community development programs. Some of the key monitoring information about those programs is listed below.

- Field Offices monitored **721** UDAG projects in various stages of development.
- During **FY 1988**, CPD exceeded its Indian CDBG monitoring goal by six percent, monitoring **178** grantees compared to the goal of monitoring **169** grantees.
- In its **FY 1988** management plan, the Department established the goals of monitoring **375** Rental Rehabilitation formula grantees and **42** State-administered programs. It surpassed its goals with regard to formula grantees, as **418** were monitored (about **89** percent of all formula grantees). The Department achieved **95** percent of its monitoring goal for State programs by monitoring **40** States.

- HUD Field Offices review the performance of each Local Urban Homesteading Agency that has a homesteading agreement with a Section 810 fund reservation at least once each year. HUD reviews LUHA compliance with all program requirements, continued ability to administer the program, suitability of properties selected for homesteading, program progress toward final conveyance of properties to homesteaders, and the progress of the coordinated approach to neighborhood improvement. In FY 1988, HUD planned to monitor 114 LUHAs. HUD Field Staff actually monitored 119 LUHAs, or 106% of the goal.

Part Two - Audits and Reviews

Within HUD, the primary responsibility for performing internal audits and reviewing external audits of CPD-funded grantees lies with the Office of Inspector General (OIG).

Each year, the OIG issues an Audit Plan that outlines its proposed workload in four areas:

- Internal audits; i.e., those that look at HUD's administrative and program operations.
- External audits; i.e., those that review the administration and performance of organizations or governmental units receiving financial assistance from HUD.
- Department-wide assistance activities including monitoring audits by non-Federal auditors and resolving audit findings.
- Fraud prevention and detection activities, providing assistance to U.S. Attorneys, reviews of hotline complaints, and internal audits specifically aimed at fraud.

Grantee use of Federal funds must be audited, at least biennially, by an independent auditor such as an Independent Public Accountant, a State auditor, or a local government auditor. An audit may result in no findings or in either monetary or nonmonetary findings. A monetary finding claims that a grantee may have used HUD funds inappropriately, which may have to be repaid to the government. A nonmonetary finding asserts that there may have been improper actions, but there is not the potential for the repayment of inappropriately expended funds.

Within CPD programs, 457 (25%) of the 1,851 grantee audits in FY 1988 resulted in findings. Audit findings involved expenditures of over \$24 million: sustained audits, \$7.7 (32%), unresolved audits, \$11.4 million (42%); and nonsustained audits, \$5.1 million (21%). Of the 963 audit reports involving the Entitlement program, 269 contained 1,121 audit findings. Audit findings involved expenditures of over \$10 million: sustained audits, \$5.5 million (55%); unresolved audits, \$3.5 million (35%); and nonsustained audits, \$1.3 million (13%).

Audit findings in the State CDBG and HUD-administered programs involved over \$8 million of questioned or disallowed costs; sustained findings comprised **16** percent of the total, or **\$1.3** million; nonsustained findings, **56** percent, or **\$4.6** million; and unresolved findings, **28** percent, or **\$2.3** million. See Chapter 3 for a detailed discussion of the Inspector General Audit of the State CDBG Program.

Part Three - Fair Housing and Equal Opportunity

Federal laws and Executive Orders prohibit discrimination on the grounds of race, color, national origin, religion, sex, age, familial status, or disability. All participants in CPD programs--grantees, subgrantees, contractors, and subcontractors--are subject to these laws and Executive Orders and to legal sanctions if they violate them. FHEO and CPD make program grantees and contractors aware of their responsibilities to do the following:

- o comply with all applicable requirements by incorporating nondiscrimination provisions into the grant agreements and contracts;
- o certify that they will comply with the requirements;
- o maintain adequate records; and
- o meet certain reporting requirements.

Within each HUD Regional Office and in many Field Offices, there is an Office of Fair Housing and Equal Opportunity (FHEO). These offices conduct four types of in-house and on-site reviews of CPD-funded programs. These reviews are described below.

Certification Reviews

It is a primary objective of FHEO to ensure that HUD bases its grant decisions on informed and documented judgments of a grantee's compliance with applicable civil rights and equal opportunity laws. Each grantee must submit a civil rights certification before HUD awards a grant. Also, each grantee must annually certify that it will follow all equal opportunity statutes and laws. The Department relies on the administrative records of performance reviews of the grantees and other independent evidence such as litigation or complaint investigations to determine the acceptability of these certifications.

In FY 1988, FHEO carried out **746** Certification Reviews of CPD programs. FHEO reported 58 deficiencies overall. Also, **446** eligibility reviews of UDAG projects were conducted.

Monitorinn Reviews

FHEO monitors every CPD-funded project at least once for compliance with fair housing and equal opportunity laws and regulations. This may be done based on submitted documentation and correspondence. FHEO also monitors at the site of the grantee.

In FY **1988**, FHEO conducted **760** on-site and **737** in-house monitoring reviews of CPD projects, resulting in **103** on-site findings and **47** off-site findings.

Compliance Reviews

Compliance reviews are more in-depth reviews than monitoring reviews. FHEO may undertake compliance reviews in response to several conditions, including questions raised by CPD Field staff, a documented history of failure to meet civil rights requirements, equal opportunity conditions placed on contracts, and the size of the grantee or its minority population.

Due to resource shortages, no compliance reviews were conducted by FHEO of CPD-funded projects in FY **1988**.

Complaint Investinations

FHEO makes in-depth investigations in response to filed civil rights complaints for noncompliance with the following statutory provisions:

- Section **109** of Title I 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 **109** prohibits illegal discrimination in CPD programs. FHEO Office carried over 26 Section **109** complaints from FY **1987** and received **12** during FY **1988**. The Office investigated six complaints and closed **10** complaints (including four complaints carried from previous years) in FY **1988**. Those complaints were either resolved or found to be in compliance with the law.

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 living in the jurisdiction of the local government, metropolitan area, or non-metropolitan county in which the funded 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 CPD-funded project.

FHEO received three new Section 3 complaints in FY 1988. None of those three, nor the two received in FY 1987, have been resolved.

Table 8-2

**Fair Housing and Equal Opportunity Reviews
of CPD Programs, FY 1988**

<u>Type of Review</u>	<u>Reviews Conducted</u>	<u>Number of Deficiencies</u>
Certification Review	746	58
Eligibility Review	446	885
Monitoring Review	1,497	150
<u>Compliance Review</u>	<u>0</u>	<u>0</u>
Total	2,689	1,093

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

CPD Fair Housing and Equal Opportunity Monitoring

In conducting on-site monitoring, CPD Field staff may carry out a limited review of fair housing and equal opportunity areas, if FHEO staff are not part of the monitoring team.

In **FY 1988**, CPD staff monitored FHEO activity in **183** program grants. This monitoring resulted in 74 findings. In each case, the finding and the needed appropriate corrective and remedial actions were coordinated with FHEO staff after the monitoring staff visit.



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.



1989 CONSOLIDATED ANNUAL REPORT TO CONGRESS
ON COMMUNITY DEVELOPMENT PROGRAMS
DATA APPENDIX

TABLE OF CONTENTS

	<u>PAGE</u>
PROGRAM SUMMARY.....	APP-1
COMMUNITY DEVELOPMENT BLOCK	
GRANT ENTITLEMENT PROGRAM.....	APP-3
STATE AND HUD-ADMINISTERED	
SMALL CITIES PROGRAMS.....	APP-18
EMERGENCY SHELTER	
GRANT PROGRAMS.....	APP-21
URBAN DEVELOPMENT ACTION	
GRANT PROGRAM.....	APP-24
CPD-ADMINISTERED HOUSING	
REHABILITATION PROGRAMS.....	APP-27
MANAGING THE PROGRAMS.....	APP-36

Handwritten text, possibly a signature or name, located in the upper center of the page.

Handwritten text, possibly a signature or name, located in the lower center of the page.

TABLE A1-1

**COMMUNITY DEVELOPMENT PROGRAM APPROPRIATIONS,
Fys 1975 - 1988
(Dollars in Millions)**

Fiscal Year	Community Development Block Grant				Rental Rehab	Section 312	Homesteading	UDAG	ESG	Total
	Entitlement	Non-Entitlement	Sec's Fund	other*						
1975	\$2,219	\$254	\$27	\$50	-	-	-	-	-	\$2,550
1976	2,353	346	53	50	-	\$50	\$5	-	-	2,857
1977	2,663	434	51	100	-	50	15	-	-	3,313
1978	2,794	612	95	100	-	-	15	\$400	-	4,016
1979	2,752	797	102	100	-	230	20	400	-	4,401
1980	2,715	955	71	12	-	110	0	675	-	4,538
1981	2,667	926	102	-	-	6	0	675	-	4,376
1982	2,380	1,020	57	-	-	-	0	435	-	3,892
1983	3,150 **	1,250 **	57	-	-	-	12	440	-	4,909
1984	2,380	1,020	66	2	\$150	-	12	440	-	4,070
1985	2,388	1,023	61	-	150	-	12	440	-	4,074
1986	2,053	880	58	-	72	-	11	316	-	3,390
1987	2,059	883	56	2	200	-	12	225	\$60	3,497
1988	1,973	844	56	6	200	-	14	216	8	3,317
Total	\$34,546	\$11,244	\$912	\$422	\$772	\$446	\$128	\$4,662	\$68	\$53,200

* Includes Financial Settlement Fund, Neighborhood Development Demonstration, and Child Care Demonstration.

** Includes Jobs Bill funds.

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 AI-2

Community Development

Funding Summary by State

FY 1988 (Dollars in Thousands)

State	Entitle- ment CDBG	State CDBG	UDAG ¹	Rental Rehab	Emerg. Shelter	Section 312 Rehab	Urban Home- steading	Indian CDBG	CPD Total
Alabama	\$20,276	\$ 24,750	\$ 2,383	\$2,572	\$ 127	\$219	\$163	\$250	\$50,740
Alaska	5557	1,510		210	9	742		2,580	6,608
Arizona	21,864	5,473	2,700	4994	77	529	137	4,598	37,372
Arkansas	6,042	17,480		4333	66	246			25,167
California	265,936	20,830	12,058	26,166	819	6,458		4,306	336,573
Colorado	17,092	7,589	5,000	2,317	70	5578	333	316	35,295
Connecticut	23,629	8,838		2,705	92	233			35,497
Delaware	4,744	1,416		376	18				6,554
Dist. of Columbia	15,816		4,000	1,224	46				21,086
Florida	94,496	19,275	6,749	8,366	319	898	1,620	250	131,973
Georgia	27,898	30,892	4,797	4,039	165	98	147		68,036
Hawaii	10,813	2,255		853	37				13,958
Idaho	759	6,308	464	481	20	2311	263	250	10,856
Illinois	122,924	27,842	13,725	11,593	435	4,243	1,319		182,081
Indiana	31,342	24,307	1,386	3,260	157	3,187	728		64,367
Iowa	11,347	20,917	1,345	1,613	90	1,579	577		37,468
Kansas	8,445	13,733		1,449	63	567	231	275	24,673
Kentucky	16,402	24,562	1,578	2,077	116	1,381	120		46,236
Louisiana	30,753	22,857		3,545	152	885	220	275	58,687
Maine	4,085	9,557	3,454	830	39	4,331			22,296
Maryland	38,717	6,771	5,050	3,415	130	2,375	157		56,615
Massachusetts	65,007	23,381	2,118	6,584	242	1,417			95,749
Michigan	85,960	26,955	16,888	6,453	325	394	572	416	137,963
Minnesota	28,231	17,579	3,405	2,390	130	1,178	623	498	54,034
Mississippi	4,591	26,491	4,580	1,346	87	100		220	37,415
Missouri	39,321	20,439	3,008	3,453	171	340	552		67,284
Montana	1,304	5,235		505	18			1,610	8,672
Nebraska	5,074	10,107		894	44	5,136	465	278	21,998
Nevada	5,852	4245		707	20	61		1,262	9,147
New Hampshire	3,041	5,700		617	24	1,102			10,484
New Jersey	84,112	7,341	16,475	7,407	258	2,163	225		117,981
New Mexico	4,872	8,089	300	849	36			1,032	15,178
New York	163,438	34,605	34,572	28,933	852	16,814	35		379,249
North Carolina	15,417	36,375	1,353	3,111	145	2,922			59,323
North Dakota	1,181	4,518	410	303	16			492	6,920
Ohio	96,615	36,026	52,785	8,661	378	5,223	1,271		200,959
Oklahoma	10,534	13,447	4,800	1,972	68	358	620	3,700	35,499
Oregon	14,306	8,667	730	2,190	65	2,087	534	698	29,277
Pennsylvania	146,122	37,054	42,939	10,051	520	2,283	594		239,563
Puerto Rico	51,976	46,748	17,155	2,639	280		210		119,008
Rhode Island	10,222	3,448	915	1,192	39				15,816
South Carolina	8,813	22,570		1,744	87	284	266		33,764
South Dakota	1,115	5,805	375	360	20			858	8,533
Tennessee	23,166	22,462	5,865	2,995	128	3,004	356		57,976
Texas	119,327	48,506		10,774	473	2,243	756		182,079
Utah	10,608	4,455		881	42	8%	94		16,976
Vermont	658	4,768		303	15	1,439			7,183
Virginia	27,044	19,295	800	3,373	131	1,249			51,892
Washington	32,137	8,406	388	3,339	113	16,478	579	487	61,927
West Virginia	6,467	14,406		846	59	200			21,978
Wisconsin	29,024	21,845	765	2,981	143	1,194	774	280	57,006
Wyoming	672	2,270		229	8	144	317	115	3,755
Total ²	\$1,968,145	\$845,400	\$275,314	\$198,500	\$7,984	\$101,570	\$14,856	\$25,046	\$3,436,815

¹ Funds competitively awarded in Fiscal Year 1988.² Detail may not add to Total due to rounding.

TABLE A2-1

FUNDING STATUS OF CDBG ENTITLEMENT COMMUNITIES, FY 1988
(Dollars in Thousands)

Status	Metro Cities		Urban counties		Total	
	Number	Amount	Number	Amount	Number	Amount
Appropriation	736	1,597,914	121	374,686	857	1,972,600
Reallocation		5,086		2,100		7,186
Total Eligible	736	\$1,603,000	121	\$376,786	857	\$1,979,786
Full Award	712	1,586,812	120	368,262	832	1,955,074
Partial Award	3	8,879		-	3	8,879
Combined with urban County	13	NA	NA	5,565	13	5,565
Total Awarded	728	1,595,691	120	373,827	848	1,969,518
Pending Approval	1	3,248	1	2,958	2	6,206
Did Not Apply	7	4,062	--	--	7	4,062

+ FY 1988 Grant reductions totaled \$354,319. These funds, along with \$4,062,000 that was not awarded in FY 1988 and \$2,063 in FY 1987 grant reductions will be reallocated during FY 1989.

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.

TABLE A2-2

ELIGIBLE CDBG ENTITLEMENT GRANTEES BY POPULATION,
FY 1988

SIZE	Metro Cities		Non-central Cities		urban Counties		All Grantees	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
LT 50,000	186	36.2	28	12.6	-	-	214	25.0
50,000 - 100,000	168	32.7	161	72.5	-	-	329	38.4
100,000 - 250,000	98	19.1	32	14.4	44	36.4	174	20.3
250,000 - 500,000	38	7.4	1	0.5	50	41.3	89	10.3
GT 500,000	24	4.6	-	-	27	22.3	51	6.0
Total	514		222		121		857	

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 A2-3

ESTIMATED CDBG ENTITLEMENT FUNDING BY MAJOR ACTIVITIES BUDGETED,
Fys 1975 - 1988
(Dollars in Millions)

	FY 75 - 83 -----	FY 84 -----	FY 85 -----	FY 86 -----	FY 87 -----	FY 88 -----	Total Dollars -----
HOUSING-RELATED	\$5,821.2 (24.6)	\$970.3 (36.2)	\$996.7 (36.2)	\$858.9 (35.2)	\$876.1 (35.8)	\$923.2 (36.1)	\$10,446.4 (28.6)
PUBLIC FACILITIES AND IMPROVEMENTS	7,007.9 (29.6)	586.5 (21.9)	599.9 (21.8)	505.7 (20.7)	534.4 (21.8)	476.4 (18.6)	9,710.8 (26.5)
ECONOMIC DEVELOPMENT	814.9 (3.4)	355.3 (13.3)	305.5 (11.1)	304.3 (12.5)	254.7 (10.4)	322.7 (12.6)	2,357.4 (6.4)
PUBLIC SERVICES	1,734.2 (7.3)	240.2 (9.0)	264.6 (9.6)	236.2 (9.7)	242.4 (9.9)	256.3 (10.0)	2,973.9 (8.1)
ACQUISITION, CLEARANCE RELATED	3,244.3 (13.7)	90.8 (3.4)	112.1 (4.1)	150.9 (6.2)	140.4 (5.7)	127.9 (5.0)	3,866.4 (10.6)
OTHER	2,015.7 (8.5)	81.1 (3.0)	91.1 (3.3)	78.9 (3.2)	93.2 (3.8)	129.3 (5.0)	2,489.3 (6.8)
ADMINISTRATION AND PLANNING	3,066.0 (12.9)	355.9 (13.3)	380.7 (13.8)	303.7 (12.5)	307.4 (12.6)	325.0 (12.7)	4,738.7 (13.0)
TOTAL PROGRAM RESOURCES+	\$23,704.2	\$2,680.1	\$2,750.6	\$2,438.6	\$2,448.6	\$2,560.8	\$36,582.9

† Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, and funds reprogrammed from prior years' grants.

* Data within parenthesis are percentages.

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 A2-4: Part 1

ESTIMATED CDBG ENTITLEMENT FUNDING BY MAJOR ACTIVITIES BUDGETED,
 FYs 1984 - 1988
 (Dollars in Millions)

	FY 84 -----	FY 85 -----	FY 86 -----	FY 87 -----	FY 88 -----
HOUSING-RELATED	\$970.3	\$996.7	\$858.9	\$876.1	\$923.2
(percent)	(36.1)	(36.2)	(35.2)	(35.8)	(36.1)
Private Residential Rehab.:					
Single-Family	514.7	523.0	523.6	563.9	503.3
Multi-Family	129.1	96.7	185.0	158.1	190.4
Rehab. of Pub. Res. Property	95.8	16.2	5.7	0.6	5.0
Rehab of Pub. Housing	21.6	15.7	19.6	17.6	28.9
Code Enforcement	48.0	45.5	34.7	32.3	37.7
Historic Preservation	3.2	0.4	4.3	0.7	1.7
Housing Activities by Sub-recipient	71.7	187.9	41.4	49.3	36.6
Weatherization Rehabilitation	10.2	8.1	6.6	4.7	5.6
Rehabilitation Administration	76.0	103.2	38.0	48.9	114.0
 PUBLIC FACILITIES AND IMPROVEMENTS	 586.5	 599.9	 505.7	 534.4	 476.4
(percent)	(21.8)	(21.8)	(20.7)	(21.9)	(18.6)
Street Improvements	251.4	211.6	208.5	220.4	162.9
Park, Recreation, etc.	67.2	69.6	53.6	48.4	46.1
Water and Sewer	99.5	79.9	63.0	50.1	47.1
Flood and Drainage	17.9	28.8	13.1	29.9	33.6
Neighborhood Facilities	30.2	24.7	30.7	39.3	61.5
Solid Waste Facilities	2.8	1.8	1.4	3.2	4.5
Removal of Arch. Barriers	11.1	15.7	13.5	14.9	16.4
Senior Centers	13.6	16.8	11.8	14.6	23.8
Centers for Handicapped	7.1	1.9	2.6	5.3	6.9
Historic Preservation	8.3	4.7	2.2	6.2	5.0
other Pub. Fac. and Improv.	77.4	144.4	105.3	102.1	68.6
 ECONOMIC DEVELOPMENT	 355.3	 305.5	 304.3	 254.7	 322.7
(percent)	(13.2)	(11.1)	(12.5)	(10.4)	(12.6)
Assist. For-Profit Entities	60.1	118.6	260.5	173.0	188.7
Comm. and Industrial					
Improvements by Grantee	279.7	175.2	40.8	69.7	125.2
Rehab. of Private Property	15.5	11.7	3.0	12.0	8.8
 PUBLIC SERVICES	 240.2	 264.6	 236.2	 242.4	 256.3
(percent)	(8.9)	(9.6)	(9.7)	(9.9)	(10.0)
 ACQUISITION, CLEARANCE RELATED	 90.8	 112.1	 150.9	 140.4	 127.9
(percent)	(3.4)	(4.1)	(6.2)	(5.7)	(5.0)
Acquisition of Real Property	12.6	60.1	76.5	66.0	57.2
Clearance	45.9	24.1	35.5	39.5	52.8
Relocation	20.7	17.2	21.2	21.6	14.2
Disposition	11.6	10.7	17.7	13.3	3.7
 OTHER	 81.1	 91.1	 78.9	 93.2	 129.3
(percent)	(3.0)	(3.3)	(3.2)	(3.8)	(5.0)
Contingencies/Local Options	53.7	53.8	51.7	43.7	59.7
Repayment of Section 108 Mans	17.6	32.0	27.2	49.5	57.8
Completion of Urban Renewal	9.8	5.3	-	-	11.8
 ADMINISTRATION AND PLANNING	 355.9	 380.7	 303.7	 307.4	 325.0
(percent)	(13.3)	(13.8)	(12.5)	(12.5)	(12.7)
Administration	325.0	344.5	282.6	284.9	295.0
Planning	30.9	36.2	21.1	22.5	30.0
 TOTAL PROGRAM RESOURCES+	 \$2,680.1	 \$2,750.6	 \$2,438.6	 \$2,448.6	 \$2,560.8

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 A2-4: Part 2

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

	FY 79	FY 80	FY 81	FY 82	FY 83
	-----	-----	-----	-----	-----
HOUSING-RELATED	\$797.0	\$862.4	\$951.7	\$885.5	\$921.6
(percent)	(27.7)	(31.1)	(33.9)	(35.0)	(35.1)
Private Residential Rehab.	555.6	673.1	729.8	694.3	648.6
Rehab of Pub. Res. Structure	137.0	91.8	120.4	110.5	106.5
Rehab. of Pub. Housing	31.3	30.5	29.2	13.6	20.5
code Enforcement	56.3	52.3	58.8	55.6	58.0
Historic preservation	16.8	14.7	13.5	11.5	11.2
Housing Activities by LDCs	N/A	N/A	N/A	N/A	76.8
PUBLIC FACILITIES AND IMPROVEMENTS	895.9	809.9	740.4	577.9	574.3
(percent)	(31.2)	(29.3)	(26.3)	(22.9)	(22.6)
street Improvements	339.3	332.3	340.3	215.5	244.0
Park, Recreation, etc.	121.6	97.0	84.4	68.1	69.6
Water and Sewer	126.4	109.3	111.4	76.3	91.0
Flood and Drainage	50.3	31.2	27.3	23.6	32.4
Neighborhood Facilities	84.4	84.0	59.7	30.9	17.1
Solid Waste Facilities	2.4	1.1	1.5	4.4	9.2
Parking Facilities	14.6	25.7	11.1	1.7	9.6
Fire Protection Facilities	16.3	13.3	13.7	12.8	11.0
Removal of Arch. Barriers	19.4	20.1	16.8	10.6	11.2
senior Centers	29.0	25.6	20.9	16.2	14.2
Centers for Handicapped	8.5	10.4	9.1	2.5	3.0
Other Pub. Fac. and Improv.	83.7	59.9	44.2	115.3	62.0
ECONOMIC DEVELOPMENT	97.4	129.7	133.0	205.3	249.5
(percent)	(3.4)	(4.71)	(4.8)	(8.1)	(10.0)
Local Development Corp.	42.1	74.2	82.0	84.9	104.4
Public Fac. and Impr. for ED	24.2	23.7	19.1	38.4	30.8
Com. and Ind. Fac. for ED	19.2	19.8	19.6	63.9	83.6
Acquisition for ED	11.9	12.0	12.3	18.1	30.7
PUBLIC SERVICES	199.2	187.4	187.9	213.5	276.1
(percent)	(6.9)	(6.8)	(6.7)	(8.4)	(10.5)
ACQUISITION, CLEARANCE RELATED	361.7	315.9	293.3	194.9	107.0
(percent)	(12.6)	(11.4)	(10.4)	(7.7)	(4.1)
Acquisition of Real Property	209.5	180.3	166.0	105.6	26.8
Clearance	70.2	63.7	57.7	47.8	37.6
Relocation	73.7	63.2	58.6	34.3	31.3
Disposition	8.3	8.7	11.0	7.2	11.3
OTHER	169.6	157.4	122.3	95.5	108.1
(percent)	(5.9)	(5.7)	(4.4)	(3.8)	(4.1)
Contingencies/Local Options	124.4	119.4	101.8	63.2	88.1
Completion of Cat. Programs	45.2	38.0	20.5	32.3	20.0
ADMINISTRATION AND PLANNING	355.4	309.5	381.4	358.6	374.6
(percent)	(12.3)	(11.2)	(13.6)	(14.2)	(14.3)
Administration	290.1	252.3	317.6	294.7	297.6
Planning	65.3	57.2	63.8	63.9	77.0
TOTAL PROGRAM RESOURCES+	\$2,876.2	\$2,772.2	\$2,810.0	\$2,531.2	\$2,611.2

N/A = not available.

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 A2-4: Part 3

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

	FY 75 -----	FY 76 -----	FY 77 -----	FY 78 -----
REHABILITATION	\$241.7	\$313.5	\$381.5	\$466.2
(percent)	(11.4)	(12.8)	(14.0)	(16.6)
Rehabilitation Loans and Grants	207.4	281.2	343.6	417.4
Code Enforcement	34.3	32.3	3%.0	48.8
 PUBLIC FACILITIES AND IMPROVEMENTS	 642.3	 862.3	 987.1	 917.8
(percent)	(30.4)	(35.2)	(36.2)	(32.7)
Public Works, Fac. , Site Impr.	642.1	862.1	987.0	917.4
Payments for Loss of Rental Inc.	0.2	0.2	0.1	0.4
 PUBLIC SERVICES	 91.5	 156.1	 185.4	 237.1
(percent)	(4.3)	(6.4)	(6.8)	(8.4)
Provision of Public Services	74.8	140.0	169.9	207.2
Special Projects for the Elderly and Handicapped	16.7	16.1	15.5	29.9
 ACQUISITION, CLEARANCE RELATED	 453.8	 452.8	 487.8	 577.1
(percent)	(21.5)	(18.5)	(17.9)	(20.5)
Acquisition	251.2	237.6	256.7	236.4
Clear., Demolition, and Rehab	110.0	119.6	137.0	249.6
Disposition	3.2	7.0	3.7	4.8
Relocation Payments and Assist.	89.4	88.6	90.4	86.3
 CONTINGENCIES AND LOCAL OPTIONS	 103.6	 105.6	 126.7	 104.8
(percent)	(4.9)	(4.3)	(4.6)	(3.7)
 COMPLETION OF CATEGORICAL PROGRAMS	 328.3	 266.0	 208.3	 119.5
(percent)	(15.5)	(10.8)	(7.7)	(4.3)
Completion of urban Renewal	159.6	154.5	152.8	79.1
Continuation of Model Cities	136.5	67.3	17.6	2.5
Payment of Non-Federal Share	32.2	44.2	37.9	37.9
 ADMINISTRATION AND PLANNING	 251.9	 296.3	 350.6	 387.7
(percent)	(11.9)	(12.1)	(12.9)	(13.8)
Administration	159.6	216.5	256.9	287.6
planning	92.3	79.8	93.7	100.1
 TOTAL PROGRAM RESOURCES+	 \$2,113.1	 \$2,452.6	 \$2,727.5	 \$2,810.2

+ Includes CDBG Entitlement grants, program income, surplus urban renewal funds, Section 108 loan proceeds, CD floats, 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 A2-5: Part 1

ESTIMATED CDBG METROPOLITAN CITY FUNDING BY M O R ACTIVITIES BUDGETED,
 FYs 1984 - 1988
 (Dollars in Millions)

	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>
HOUSING-RELATED	\$837.8	\$871.2	\$745.0	\$767.2	\$812.1
(percent)	(37.9)	(38.2)	(36.9)	(38.1)	(38.9)
Private Residential Rehab.:					
Single-Family	414.4	427.0	429.9	475.6	422.8
Multi-Family	114.9	91.2	182.4	156.5	186.3
Rehab. of Pub. Res. Property	94.8	14.6	4.2	0.2	2.8
Rehab of Pub. Housing	19.0	13.1	17.6	15.8	24.4
Code Enforcement	45.2	42.2	31.8	29.0	35.7
Historic Preservation	3.0	0.3	3.4	0.5	1.6
Housing Activities by Sub-recipient	66.5	178.3	35.8	41.9	30.6
Weatherization Rehabilitation	8.2	5.7	4.2	3.6	4.1
Rehabilitation Administration	71.8	98.8	35.7	44.1	103.8
PUBLIC FACILITIES AND IMPROVEMENTS	421.8	433.3	370.5	382.4	320.7
(percent)	(19.1)	(19.0)	(18.4)	(19.0)	(15.4)
Street Improvements	186.7	156.2	158.0	162.8	116.1
Park, Recreation, etc.	55.0	56.9	44.2	38.1	35.3
Water and Sewer	56.2	43.1	27.6	22.7	18.1
Flood and Drainage	11.2	21.1	9.0	17.0	19.2
Neighborhood Facilities	24.6	17.9	23.5	30.7	48.4
solid Waste Facilities	2.6	1.8	1.1	2.7	1.9
Removal of Arch. Barriers	5.7	8.2	7.7	10.0	10.4
Senior Centers	4.3	6.6	6.2	5.5	13.5
Centers for Handicapped	4.7	0.8	1.2	3.3	5.2
Historic preservation	5.4	3.0	1.8	6.0	3.6
Other Pub. Fac. and Improv.	65.4	117.7	90.2	83.6	49.0
ECONOMIC DEVELOPMENT	293.1	263.3	257.3	217.0	248.9
(percent)	(13.3)	(11.5)	(12.8)	(10.8)	(11.9)
Assist. For-Profit Entities	55.2	102.5	224.4	152.4	152.0
Comm. and Industrial					
Improvements by Grantee	225.9	149.9	30.0	55.0	89.0
Rehab. of Private Property	12.0	10.9	2.9	9.6	7.9
PUBLIC SERVICES	217.9	241.2	213.5	214.0	228.8
(percent)	(9.9)	(10.6)	(10.6)	(10.6)	(11.0)
ACQUISITION, CLEARANCE RELATED	85.3	96.2	133.3	120.7	111.5
(percent)	(3.9)	(4.2)	(6.6)	(6.0)	(5.3)
Acquisition of Real Property	11.7	47.9	65.7	53.1	47.3
Clearance	43.8	21.9	32.0	35.5	48.1
Relocation	18.5	15.9	18.4	20.1	13.1
Disposition	11.3	10.5	17.2	12.0	3.0
OTHER	64.5	60.2	54.6	70.4	107.9
(percent)	(2.9)	(2.5)	(2.7)	(3.4)	(5.2)
Contingencies/Local Options	38.0	33.7	31.0	24.9	43.8
Repayment of Section 108 Loans	16.7	21.5	23.6	45.5	52.7
Completion of Urban Renewal	9.8	5.0	-	-	11.4
ADMINISTRATION AND PLANNING	287.3	317.1	242.9	243.8	257.6
(percent)	(13.0)	(13.9)	(12.0)	(12.1)	(12.3)
Administration	264.0	289.4	227.3	225.9	233.9
Planning	23.3	27.7	15.6	17.9	23.7
TOTAL PROGRAM RESOURCES+	\$2,207.7	\$2,282.5	\$2,017.1	\$2,015.5	\$2,087.5

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 Evaluation Data Bases.

TABLE A2-5: Part 2

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

	FY 79 -----	FY 80 -----	FY 81 -----	FY 82 -----	FY 83 -----
HOUSING-RELATED	\$702.6	\$752.8	\$816.0	\$768.1	\$802.5
(percent)	(28.4)	(32.0)	(34.3)	(36.3)	(37.3)
Private Residential Rehab.	471.6	575.9	610.7	584.2	548.0
Rehab of Pub. Res. Structure	133.6	88.5	115.0	108.9	105.0
Rehab. of Pub. Housing	29.7	28.4	27.0	12.5	18.3
Code Enforcement	53.4	47.5	52.2	52.6	54.8
Historic Preservation	14.3	12.5	11.1	9.9	9.2
Housing Activities by LDCs	N/A	N/A	N/A	N/A	67.2
PUBLIC FACILITIES AND IMPROVEMENTS	712.4	632.6	570.0	423.0	413.1
(percent)	(28.8)	(26.9)	(24.0)	(20.0)	(19.2)
Street Improvements	278.5	266.8	279.1	164.3	182.4
Park, Recreation, etc.	104.5	81.2	67.3	55.0	58.2
Water and Sewer	78.8	66.7	68.9	44.0	52.0
Flood and Drainage	39.1	21.3	16.6	14.3	22.7
Neighborhood Facilities	67.9	70.2	49.0	19.4	16.2
Solid Waste Facilities	2.2	1.1	1.3	2.5	8.7
Parking Facilities	12.1	23.8	9.4	0.7	7.1
Fire Protection Facilities	12.4	9.7	9.5	9.6	6.5
Removal of Arch. Barriers	13.4	13.2	11.0	6.8	6.0
Senior Centers	16.8	14.7	9.6	8.3	6.0
Centers for Handicapped	7.2	8.6	8.2	1.4	1.3
Other Pub. Fac. and Improv.	79.5	55.3	40.1	96.7	46.0
ECONOMIC DEVELOPMENT	89.2	119.4	121.5	174.1	204.7
(percent)	(3.6)	(5.4)	(5.1)	(8.2)	(9.5)
Local Development Corp.	38.4	68.5	74.8	73.7	90.4
Public Fac. and Impr. for ED	22.3	22.5	16.5	31.7	27.1
Com. and Ind. Fac. for ED	17.3	18.0	19.1	52.5	58.6
Acquisition for ED	11.2	10.4	11.1	16.2	28.6
PUBLIC SERVICES	191.2	180.1	180.3	195.1	254.1
(percent)	(7.7)	(7.7)	(7.6)	(9.2)	(11.8)
ACQUISITION, CLEARANCE RELATED	324.7	278.7	260.4	176.0	99.9
(percent)	(13.1)	(11.9)	(11.0)	(8.3)	(4.6)
Acquisition of Real Property	182.6	151.9	141.3	92.3	25.4
Clearance	65.3	60.2	53.8	45.5	35.4
Relocation	68.8	58.8	54.5	31.0	27.9
Disposition	8.0	8.7	10.8	7.2	11.2
OTHER	145.5	132.1	99.7	78.9	73.6
(percent)	(5.9)	(5.6)	(4.2)	(3.7)	(3.4)
Contingencies/Local Options	102.4	95.3	79.9	47.3	53.8
Completion of Cat. Programs	43.1	36.8	19.8	31.6	19.8
ADMINISTRATION AND PLANNING	304.2	255.0	327.1	303.4	304.2
(percent)	(12.3)	(10.8)	(13.8)	(14.3)	(14.1)
Administration	250.0	205.9	272.1	253.4	249.8
Planning	54.2	49.1	55.0	50.0	54.4
TOTAL PROGRAM RESOURCES+	\$2,469.8	\$2,350.7	\$2,375.0	\$2,118.6	\$2,152.1

N/A = not available.

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 A2-5: Part 3

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

	FY 75 -----	FY 76 -----	FY 77 -----	FY 78 -----
REHABILITATION	\$228.0	\$285.3	\$329.5	\$402.3
(percent)	(11.4)	(12.7)	(13.7)	(16.5)
Rehabilitation Loans and Grants	195.7	255.4	294.0	356.8
Code Enforcement	32.3	29.9	35.5	45.5
 PUBLIC FACILITIES AND IMPROVEMENTS	 601.5	 759.4	 830.2	 751.8
(percent)	(30.0)	(33.9)	(34.6)	(30.8)
Public Works, Fac., Site Impr.	601.3	759.2	830.1	751.4
Payments for Loss of Rental Inc.	0.2	0.2	0.1	0.4
 PUBLIC SERVICES	 87.4	 149.1	 174.6	 220.6
(percent)	(4.4)	(6.7)	(7.3)	(9.0)
Provision of Public Services	72.2	136.4	163.1	200.5
Special Projects for the Elderly and Handicapped	15.2	12.7	11.5	20.1
 ACQUISITION, CLEARANCE RELATED	 435.4	 420.1	 440.0	 527.8
(percent)	(21.7)	(18.8)	(18.0)	(21.6)
Acquisition	240.0	215.5	225.5	207.7
Clear., Demolition, and Rehab	105.8	112.5	125.8	234.8
Disposition	3.1	7.0	3.7	4.8
Relocation Payments and Assist.	87.5	85.1	85.0	80.5
 CONTINGENCIES AND LOCAL OPTIONS	 97.2	 93.6	 107.3	 86.2
(percent)	(4.9)	(4.2)	(4.5)	(3.5)
 COMPLETION OF CATEGORICAL PROGRAMS	 320.9	 261.1	 204.4	 113.9
(percent)	(16.0)	(11.7)	(8.5)	(4.7)
Completion of urban Renewal	158.1	154.3	151.9	76.0
Continuation of Model Cities	132.2	66.4	17.6	2.4
Payment of Non-Federal Share	30.6	40.4	34.9	35.5
 ADMINISTRATION AND PLANNING	 232.5	 270.6	 309.3	 335.0
(percent)	(11.6)	(12.1)	(12.9)	(13.7)
Administration	150.6	201.4	229.5	251.5
Planning	81.9	69.2	79.8	83.5
 TOTAL PROGRAM RESOURCES+	 ----- \$2,003.9	 ----- \$2,239.2	 ----- \$2,395.3	 ----- \$2,437.6

+ Includes CDBG Entitlement grants, program income, surplus urban renewal funds, Section 108 loan proceeds, CD floats, 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 A2-6: Part 1

ESTIMATED CDBG URBAN COUNTY FUNDING BY MAJOR ACTIVITIES BUDGETED,
 FYs 1984 - 1988
 (Dollars in Millions)

	FY 84	FY 85	FY 86	FY 87	FY 88
	-----	-----	-----	-----	-----
HOUSING-RELATED	\$132.5	\$125.5	\$113.9	\$108.9	\$111.1
(percent)	(27.9)	(26.8)	(27.0)	(25.1)	(23.5)
Private Residential Rehab.:					
Single-Family	100.3	96.0	93.7	88.3	80.5
Multi-Family	14.2	5.5	2.6	1.6	4.1
Rehab. of Pub. Res. Property	1.0	1.6	1.5	0.4	2.2
Rehab of Pub. Housing	2.6	2.6	2.0	1.8	4.5
Code Enforcement	2.8	3.3	2.9	3.3	2.0
Historic Preservation	0.2	0.1	0.9	0.2	0.1
Housing Activities by Sub-recipient	5.2	9.7	5.6	7.4	6.0
Weatherization Rehabilitation	2.0	2.3	2.4	1.1	1.5
Rehabilitation Administration	4.2	4.4	2.3	4.8	10.2
 PUBLIC FACILITIES AND IMPROVEMENTS	 164.7	 166.6	 135.2	 152.0	 155.7
(percent)	(34.7)	(35.6)	(32.1)	(35.3)	(32.9)
Street Improvements	64.7	55.4	50.5	57.6	46.8
Park, Recreation, etc.	12.2	12.7	9.4	10.3	10.8
Water and Sewer	43.3	36.8	35.4	27.4	29.0
Flood and Drainage	6.7	7.7	4.1	12.9	14.4
Neighborhood Facilities	5.6	6.8	7.2	8.6	13.1
Solid Waste Facilities	0.2	0.0	0.3	0.5	2.6
Removal of Arch. Barriers	5.4	7.5	5.8	4.9	6.0
Senior Centers	9.3	10.2	5.6	9.1	10.3
Centers for Handicapped	2.4	1.1	1.4	2.0	1.7
Historic Preservation	2.9	1.7	0.4	0.2	1.4
Other Pub. Fac. and Improv.	12.0	26.7	15.1	18.5	19.6
 ECONOMIC DEVELOPMENT	 62.2	 42.2	 47.0	 37.7	 73.8
(percent)	(13.1)	(9.0)	(11.1)	(8.6)	(15.6)
Assist. For-Profit Entities	4.9	16.1	36.1	20.6	36.7
Comm. and Industrial					
Improvements by Grantee	53.8	25.3	10.8	14.7	36.2
Rehab. of Private Property	3.5	0.8	0.1	2.4	0.9
 PUBLIC SERVICES	 22.3	 23.4	 22.7	 28.4	 27.5
(percent)	(4.7)	(5.0)	(5.4)	(6.5)	(5.8)
 ACQUISITION, CLEARANCE RELATED	 5.5	 15.9	 17.6	 19.7	 16.4
(percent)	(1.2)	(3.4)	(4.2)	(4.5)	(3.5)
Acquisition of Real Property	0.9	12.2	10.8	12.9	9.9
Clearance	2.1	2.2	3.5	4.0	4.7
Relocation	2.2	1.3	2.8	1.5	1.1
Disposition	0.3	0.2	0.5	1.3	0.7
 OTHER	 16.6	 30.9	 24.3	 22.8	 21.4
(percent)	(3.5)	(6.6)	(5.8)	(5.3)	(4.5)
Contingencies/Local Options	15.7	20.1	20.7	18.8	15.9
Repayment of Section 108 Loans	9.9	10.5	3.6	4.0	5.1
Completion of Urban Renewal	-	0.3	-	-	0.4
 ADMINISTRATION AND PLANNING	 68.6	 63.6	 60.8	 63.6	 67.4
(percent)	(14.4)	(13.6)	(14.4)	(14.7)	(14.2)
Administration	61.0	55.1	55.3	59.0	61.1
Planning	7.6	8.5	5.5	4.6	6.3
 TOTAL PROGRAM RESOURCES+	 ----- \$472.4	 ----- \$468.1	 ----- \$421.5	 ----- \$433.1	 ----- \$473.3

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 A2-6: Part 2

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

	FY 79	FY 80	FY 81	FY 82	FY 83
	-----	-----	-----	-----	-----
HOUSING-RELATED	\$94.4	\$109.6	\$135.7	\$117.4	\$119.1
(percent)	(23.2)	(26.0)	(31.2)	(28.5)	(25.2)
Private Residential Rehab.	84.0	97.2	119.1	110.1	100.6
Rehab of Pub. Res. Structure	3.4	3.3	5.4	1.6	1.5
Rehab. of Pub. Housing	1.6	2.1	2.2	1.1	2.2
Code Enforcement	2.9	4.8	6.6	3.0	3.2
Historic Preservation	2.5	2.2	2.4	1.6	2.0
Housing Activities by LDCs	N/A	N/A	N/A	N/A	9.6
 PUBLIC FACILITIES AND IMPROVEMENTS	 183.5	 177.3	 170.4	 154.9	 161.2
(percent)	(45.7)	(42.3)	(39.3)	(37.7)	(34.1)
Street Improvements'	60.8	65.5	61.2	51.2	61.6
Park, Recreation, etc.	17.1	15.8	17.1	13.1	11.4
Water and Sewer	47.6	42.6	42.5	32.3	39.0
Flood and Drainage	11.2	9.9	10.7	9.3	9.7
Neighborhood Facilities	16.5	13.8	10.7	11.5	0.9
Solid Waste Facilities	0.2	-	0.2	1.9	0.5
Parking Facilities	2.5	1.9	1.7	1.0	2.5
Fire Protection Facilities	3.9	3.6	4.2	3.2	4.5
Removal of Arch. Barriers	6.0	6.9	5.8	3.8	5.2
Senior Centers	12.2	10.9	11.3	7.9	8.2
Centers for Handicapped	1.3	1.8	0.9	1.1	1.7
Other Pub. Fac. and Improv.	4.2	4.6	4.1	18.6	16.0
 ECONOMIC DEVELOPMENT	 8.2	 10.3	 11.5	 31.2	 44.8
(percent)	(2.0)	(2.4)	(2.6)	(7.6)	(12.3)
Local Development Corp.	3.7	5.7	7.2	11.2	14.0
Public Fac. and Impr. for ED	1.9	1.2	2.6	6.7	3.7
Com. and Ind. Fac. for ED	1.9	1.8	0.5	11.4	25.0
Acquisition for ED	0.7	1.6	1.2	1.9	2.1
 PUBLIC SERVICES	 8.0	 7.3	 7.6	 18.4	 22.0
(percent)	(2.0)	(1.7)	(1.7)	(4.5)	(4.7)
 ACQUISITION, CLEARANCE RELATED	 37.0	 37.2	 32.9	 18.9	 7.1
(percent)	(9.1)	(8.8)	(7.6)	(4.6)	(1.5)
Acquisition of Real Property	26.9	29.3	24.7	13.3	1.4
Clearance	4.9	3.5	3.9	2.3	2.2
Relocation	4.9	4.4	4.1	3.3	3.4
Disposition	0.3	-	0.2	-	0.1
 OTHER	 24.1	 25.3	 22.6	 16.6	 34.5
(percent)	(5.9)	(6.0)	(5.2)	(4.0)	(7.3)
Contingencies/Local Options	22.0	24.1	21.9	15.9	34.3
Completion of cat. Programs	2.1	1.2	0.7	0.7	0.2
 ADMINISTRATION AND PLANNING	 51.2	 54.5	 54.3	 55.2	 70.4
(percent)	(12.6)	(12.9)	(12.5)	(13.4)	(14.9)
Administration	40.1	46.4	45.5	41.3	41.8
Planning	11.1	8.1	8.8	13.9	22.6
 TOTAL PROGRAM RESOURCES+	 \$406.4	 \$421.5	 \$435.0	 \$412.6	 \$459.1

N/A = not available.

+ Includes CDBG Entitlement grants, program income, Section 108 loan proceeds, CD floats, 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 A2-6: Part 3

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

	FY 75 -----	FY 76 -----	FY 77 -----	FY 78 -----
REHABILITATION	\$13.7	\$28.2	\$52.1	\$63.9
(percent)	(12.5)	(13.2)	(15.7)	(17.1)
Rehabilitation Loans and Grants	11.7	25.8	49.6	60.6
Code Enforcement	2.0	2.4	2.5	3.3
PUBLIC FACILITIES AND IMPROVEMENTS	40.8	102.9	156.9	166.0
(percent)	(37.4)	(48.2)	(47.2)	(44.5)
Public Works, Fac., Site Impr.	40.8	102.9	156.9	166.0
Payments for Loss of Rental Inc.	0.0	0.0	0.0	0.0
PUBLIC SERVICES	4.1	7.0	10.8	16.5
(percent)	(3.8)	(3.3)	(3.2)	(4.4)
Provision of Public Services	2.6	3.6	6.8	6.7
special Projects for the Elderly and Handicapped	1.5	3.4	4.0	9.8
ACQUISITION, CLEARANCE RELATED	17.4	32.7	47.8	49.3
(percent)	(15.9)	(15.3)	(14.4)	(13.2)
Acquisition	11.2	22.1	31.2	28.7
Clear., Demolition, and Rehab	4.2	7.1	11.2	14.8
Disposition	0.1	-	-	-
Relocation Payments and Assist.	1.9	3.5	5.4	5.2
CONTINGENCIES AND LOCAL OPTIONS	6.4	12.0	19.4	18.6
(percent)	(5.9)	(5.6)	(5.8)	(5.0)
COMPLETION OF CATEGORICAL PROGRAMS	7.4	4.9	3.9	5.6
(percent)	(6.8)	(2.3)	(1.2)	(1.5)
Completion of urban Renewal	1.5	0.2	0.9	3.1
Continuation of Model Cities	4.3	0.9	-	0.1
Payment of Non-Federal Share	1.6	3.8	3.0	2.4
ADMINISTRATION AND PLANNING	19.4	25.7	41.3	52.7
(percent)	(17.8)	(12.0)	(12.4)	(14.1)
Administration	9.0	15.1	27.4	36.1
Planning	10.4	10.6	13.9	16.6
TOTAL PROGRAM RESOURCES+	\$109.2	\$213.4	\$332.2	\$372.6

+ Includes CDBG Entitlement grants, program income, surplus urban renewal funds, Section 108 loan proceeds, CD floats, 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 A2-7

CDBG ENTITLEMENT PROGRAM EXPENDITURES
BY ACTIVITY GROUP AND NATIONAL OBJECTIVE,
FYs 1982 - 1986
(Dollars in Millions)

	FY 1982		FY 1983		FY 1984		FY 1985		FY 1986	
	Amt	Pct	Amt	Pct	Amt	Pct	Amt	Pct	Amt	Pct
HOUSING-RELATED	\$988	(35)	\$917	(34)	\$976	(35)	\$952	(33)	\$883	(34)
Low/Mod	943	96	858	94	929	95	874	92	817	93
Slum/Blight	45	5	59	6	47	5	76	8	66	7
Urgent Need	-	-	-	-	-	-	2	-	-	-
PUBLIC WORKS	726	(26)	705	(26)	697	(25)	698	(24)	634	(24)
Low/Mod	673	93	644	91	638	92	635	91	576	91
Slum/Blight	44	6	53	8	54	8	50	7	56	9
Urgent Need	9	1	7	1	5	1	14	2	2	*
ECON DEVELOPMENT	269	(10)	214	(8)	335	(12)	398	(14)	358	(14)
Low/Mod	213	79	177	83	276	82	323	81	295	82
Slum/Blight	55	21	35	16	59	18	74	19	63	18
Urgent Need	1	1	2	1	-	-	1	-	•	-
PUBLIC SERVICES	232	(7)	213	(8)	213	(8)	220	(8)	210	(8)
Low/Mod	229	66	210	99	213	100	220	100	209	100
Slum/Blight	3	30	2	1	1	*	1	*	1	*
Urgent Need	-	4	-	-	-	-	-	-	-	-
ACQ./CLEARANCE	194	(7)	222	(8)	199	(7)	215	(8)	165	(6)
Low/Mod	129	66	157	71	127	64	142	66	113	68
Slum/Blight	59	30	61	27	70	35	34	34	52	32
Urgent Need	1	4	4	2	2	1	1	1	-	-
URBAN RENEWAL COMPLETION	50	(2)	31	(1)	-	-	-	-	29	(1)
Low/Mod	25	50	17	54	-	-	-	-	8	28
Slum/Blight	25	50	14	46	-	-	-	-	20	70
Urgent Need	-	-	-	-	-	-	-	-	1	2
ADMIN/PLANNING	370	(13)	387	(14)	397	(14)	402	(14)	328	(13)
REPAYMENT OF SECTION 108 LOAN	3	(*)	3	(*)	4	(*)	2	(*)	11	(0)
TOTAL	2832		2691		2821		2888		2618	
NET PROGRAM BENEFIT	2459		2301		2420		2484		2279	
Low/Mod	2212	90	2064	90	2183	90	2194	88	2018	89
Slum/Blight	230	9	224	10	230	10	272	11	257	11
Urgent Need	17	1	13	1	7	*	19	1	3	*

+ Data within parenthesis are percentages of total expenditures.

Detail does not add due to rounding.

* Less than \$1,000,000 or one 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 A2-8

CDBG ENTITLEMENT PROGRAM AND DIRECT BENEFIT EXPENDITURES FOR
HOUSING-RELATED ACTIVITIES BY NATIONAL OBJECTIVE,
FYs 1982 - 1986
(Dollars in Millions)

	FY 1982 -----	FY 1983 -----	FY 1984 -----	FY 1985 -----	FY 1986 -----
HOUSING-RELATED	\$987.9	\$917.2	\$975.9	\$952.0	\$882.9
Low/Mod	943.3	858.2	929.1	874.0	817.3
Slum/Blight	44.6	59.0	46.8	75.7	65.6
Urgent Need			•	2.3	
DIRECT BENEFIT					
HOUSING-RELATED	465.7	538.1	532.5	510.2	504.3
Low/Mod	460.3	511.8	519.1	468.7	484.0
Slum/Blight	5.4	26.3	13.4	40.5	20.3
Urgent Need	-		*	1.0	-
MULTI-FAMILY					
HOUSING-REHAB	171.4	115.9	144.9	152.7	170.6
Low/Mod	165.1	100.4	132.1	117.5	138.4
Slum/Blight	6.3	15.5	12.7	35.2	32.2
Urgent Need	-	-	-	-	-
DIRECT BENEFIT					
MULTI-FAM REHAB	61.7	75.9	76.6	90.3	91.1
Low/Mod	61.0	67.5	73.3	66.2	85.3
Slum/Blight	0.7	8.4	3.3	24.1	5.8
Urgent Need	-	-	-	-	-
SINGLE-FAMILY					
HOUSING-REHAB	497.8	494.9	526.1	520.4	463.7
Low/Mod	479.6	469.1	507.3	492.9	445.0
Slum/Blight	18.2	25.8	18.8	25.2	18.7
Urgent Need	-	-		2.3	
DIRECT BENEFIT					
SINGLE-FAM REHAB	346.9	417.1	416.7	391.4	380.1
Low/Mod	342.5	399.6	407.4	374.8	366.4
Slum/Blight	4.4	17.5	9.3	15.6	13.7
Urgent Need	-	-	-	1.0	-
PUBLICLY-OWNED					
HOUSING	108.4	149.1	142.7	142.3	121.5
Low-Mod	108.3	133.5	141.2	142.2	119.1
Slum/Blight		15.6	1.5		2.4
Urgent Need	-	-	-	-	-
DIRECT BENEFIT					
PUBLICLY-OWNED	12.1	19.6	13.2	8.3	16.3
Low-Mod	12.1	19.4	13.1	8.3	16.3
Slum/Blight	*	0.2	0.1	•	
Urgent Need		-	-	-	-

* Less than \$500,000.

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

TABLE A2-9

CDBG ENTITLEMENT PROGRAM INCOME, FY 1986
(Dollars in Millions)

Source of Income:	Metro Cities		urban Counties		All Grantees	
	Amount	Percent	Amount	Percent	Amount	Percent
.....	-----	-----	-----	-----	-----	-----
man Repayments	164	39%	24	39%	188	39%
Revolving Loan Funds						
Housing Rehabilitation	67	16	13	21	80	17
Economic Development	76	18	16	26	92	19
Sale of Land	70	17	4	6	74	15
Fees for Service	15	4	0	0	15	3
Rental Income	11	3	1	2	12	2
CD Float	6	1	1	2	7	1
Refunds	4	1	0	0	4	1
Other Sources	10	2	3	5	13	3
	-----	-----	-----	-----	-----	-----
Total	423	100%	62	100%	485	100%

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 A2-10

CDBG ENTITLEMENT PROGRAM INCOME
Fys 1982 - 1986
(Dollars in Millions)

Fiscal Year	Metro Cities	urban Counties	All Communities
-----	-----	-----	-----
1982	\$184	\$18	\$202
1983	317	41	357
1984	322	50	372
1985	316	50	367
1986	423	62	485
	-----	-----	-----
Total	\$1,562	\$221	\$1,783

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 A2-11

SECTION 108 LOAN GUARANTEE ACTIVITY
 FYs 1985 - 1988
 (Dollars in Millions)

	1985		1986		1987		1988	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Applications								
Approved	63	133.5	25	113.3	13	30.0	43	143.6
Guarantees								
Issued	27	89.7	47	119.9	10	56.1*	25	84.9*
Funds Advanced	NA	102.6	NA	88.8	NA	119.4	NA	124.1
Funds Repaid	NA	21.5	NA	77.8	NA	39.4	NA	47.4

- * Guaranteed Obligations, sold to private lenders/investors.

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

TABLE A2-12

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

FY	Applications Approved		Guarantees Issued		Funds Advanced	Funds Repaid
	Number	Amount	Number	Amount		
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
1988	43	143,600	25	84,900	124,100	47,400
Total	330	\$1,092,034	261	\$920,520	\$737,309	\$279,144

- * 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.

Table A3 - 1
STATE CDBG AND HUD-ADMINISTERED SMALL CITIES PROGRAMS
ALLOCATIONS BY STATE, FY 1982-FY 1988
(Dollars in thousands)

State	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988
Alabama	\$31,727	\$29,792	528,803	\$29,102	\$25,372	\$25,443	\$24,750
Alaska	1,315	1,504	1,651	1,706	1,521	1,526	1,510
Arizona	5,998	6,849	6,301	6,425	5,635	5,610	5,473
Arkansas	22,902*	21,215	20,525	20,712	18,071	18,120	17,480
California	24,708*	27,142	30,101	27,028	22,168	21,851	20,830
Colorado	9,654*	10,128	9,534	9,783	9,821	7,824	7,589
Connecticut	9,978	10,120	10,386	10,481	9,086	9,111	8,838
Delaware	1,587	1,663	1,645	1,642	1,438	1,142	1,416
Florida	23,076*	25,982	26,909	27,679	21,232	21,291	19,275
Georgia	36,676	36,408	36,454	36,920	31,497	31,586	30,892
Hawaii	1,633*	1,896*	2,544*	2,598*	2,293*	2,299*	2,255*
Idaho	6,280	7,102	7,312	7,020	6,487	6,505	6,308
Illinois	33,713	33,495	33,209	33,375	28,822	28,903	27,842
Indiana	30,254	29,801	28,935	29,125	25,130	25,201	24,307
Iowa	24,908	24,775	24,920	25,096	21,693	21,754	20,917
Kansas	17,885*	17,484*	16,808	16,973	21,082	14,249	13,733
Kentucky	30,639	29,316	28,761	28,987	25,258	25,328	24,562
Louisiana	30,837	27,787	27,041	26,823	23,461	23,528	22,857
Maine	10,090	10,524	11,259	11,360	9,852	9,880	9,557
Maryland	8,325*	8,315*	8,154*	8,039*	6,996*	7,015	6,771
Massachusetts	26,542	27,380	27,626	27,834	24,110	24,177	23,381
Michigan	30,506	31,822	31,837	32,140	27,794	27,879	26,955
Minnesota	22,249*	22,291	21,689	21,806	18,254	18,219	17,579
Mississippi	33,925	30,349	30,824	31,177	27,166	27,243	26,491
Missouri	26,218	25,803	24,096	24,290	21,082	21,133	20,439
Montana	6,109	6,327	6,213	6,276	5,448	5,463	5,235
Nebraska	12,101	11,897	12,049	12,142	10,492	10,522	10,107
Nevada	1,291	1,520	1,682	1,693	1,485	1,489	1,245
New Hampshire	5,731*	6,015	6,629	6,710	5,829	5,845	5,700
New Jersey	11,381	11,915	8,326	8,833	7,669	7,581	7,341
New Mexico	9,329*	9,324	9,724	9,407	8,254	8,278	8,089
New York	39,225*	39,315*	42,342*	41,460*	36,007*	36,108*	34,605*
North Carolina	46,374	43,868	42,685	43,176	37,433	37,533	36,375
North Dakota	5,704	5,529	5,341	5,407	4,690	4,703	4,518
Ohio	44,040	04,927	64,119	43,516	36,612	37,717	36,026
Oklahoma	18,517	17,719	15,836	16,194	14,178	14,218	13,477
Oregon	9,894*	11,081	10,189	10,282	8,923	9,908	6,667
Pennsylvania	42,622	42,691	44,359	44,334	38,358	38,466	37,054
Puerto Rico	07,050	54,796	55,906	56,592	48,003	68,140	46,148
Rhode Island	4,443	4,441	4,059	4,097	3,551	3,561	3,448
South Carolina	26,938	25,614	26,008	26,365	23,073	23,127	22,570
South Dakota	7,057	6,754	6,921	6,975	6,037	6,054	5,805
Tennessee	30,105	28,531	27,448	27,751	23,775	23,842	22,462
Texas	57,619*	56,886	61,569	62,986	53,907	54,056	48,506
Utah	4,235	4,728	5,028	5,170	4,573	4,574	4,455
Vermont	4,905*	5,145	5,613	5,666	4,915	4,929	4,768
Virginia	25,520	24,005	22,346	22,592	19,730	19,764	19,295
Washington	11,342	12,179	11,707	10,931	9,543	9,570	8,406
West Virginia	18,714	17,743	17,113	17,248	14,921	14,962	14,106
Wisconsin	25,058	24,998	25,816	26,065	22,548	22,610	21,845
Wyoming	2,921	2,970	2,985	3,061	2,357	2,363	2,270
total	\$1,019,850	\$1,019,850	\$1,019,940	\$1,023,450	\$879,760	\$882,600	\$845,600
State Admin.:							
Amount:	\$762,715	\$952,840	\$966,900	\$971,353	\$834,464	\$644,193	\$808,500
Number:	(37)	(47)	(48)	(48)	(48)	(49)	(49)
HUD Admin.:							
Amount:	\$257,135	\$67,010	\$53,040	\$52,097	45,296	\$30,407	\$36,900
Number:	(14)	(4)	(3)	(3)	(3)	(2)	(2)

* HUD-administered

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

Table A3-2

PLANNED EXPENDITURES BY STATE CDBG GRANTEES, FYs 1982-1988
(Dollars in Millions)

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
<u>Public Facilities and Improvements</u> (percent)	<u>\$367.7</u> (49.4)	<u>\$454.6</u> (48.9)	<u>\$454.2</u> (49.9)	<u>\$463.5</u> (49.3)	<u>\$384.9</u> (52.3)	<u>\$374.5</u> (50.5)	<u>\$102.0</u> (50.1)
Water**	176.8	225.5	248.3	227.3	169.2	118.5	38.0
Sewer**	12.8	22.1	28.5	36.3	55.5	101.2	26.3
Flood and Drainage**	5.4	8.2	81	8.7	121	20.5	49
Streets	82.3	113.0	83.4	86.5	68.7	66.4	8.1
Center/Facility Removal of	23.2	27.6	39.8	48.6	28.4	23.1	14.1
Architectural Barriers	19.9	.6	1.0	2.3	3.5	23	.6
Other Public Facilities	66.4	60.6	45.1	53.8	17.5	42.5	10.0
<u>Housing-Related Activities</u> (percent)	<u>\$180.5</u> (24.2)	<u>\$208.4</u> (22.4)	<u>\$168.8</u> (18.5)	<u>\$177.9</u> (18.9)	<u>\$125.3</u> (17.0)	<u>\$144.4</u> (19.5)	<u>\$ 59.9</u> (29.4)
Residential Rehabilitation	163.4	192.4	153.4	160.4	115.9	134.9	57.0
Commercial Rehabilitation	4.2	2.3	2.9	1.8	22	32	24
Unspecified Housing	12.1	12.6	8.9	10.0	5.7	5.6	.2
Public Housing Modernization	.8	11	3.6	5.7	1.5	.7	.3
<u>Acquisition and Clearance-Related</u> (percent)	<u>\$ 57.1</u> (7.7)	<u>\$ 64.4</u> (6.9)	<u>\$ 45.7</u> (5.0)	<u>\$ 49.8</u> (5.3)	<u>\$ 35.6</u> (4.8)	<u>\$ 31.9</u> (4.3)	<u>\$ 8.0</u> (3.9)
Acquisition/Disposition	34.8	39.1	29.3	30.1	23.3	17.5	5.4
Clearance	2.4	2.4	2.4	4.1	26	3.4	.8
Relocation	19.9	22.9	14.0	15.6	9.7	11.0	1.8
<u>Public Services</u> (percent)	<u>\$ 3.0</u> (.4)	<u>\$ 1.5</u> (.2)	<u>\$ 3.8</u> (.4)	<u>\$ 4.3</u> (.5)	<u>\$ 2.9</u> (.4)	<u>\$ 2.1</u> (.3)	<u>\$.8</u> (.4)
<u>Economic Development</u> (percent)	<u>\$ 72.0</u> (9.7)	<u>\$102.1</u> 11.0)	<u>\$166.5</u> (18.3)	<u>\$164.5</u> (17.5)	<u>\$130.0</u> (17.7)	<u>\$125.5</u> (16.9)	<u>\$ 17.4</u> (8.6)
Assistance to For-Profits	57.2	91.2	154.3	152.8	104.3	118.1	14.6
Assistance to Non-Profit8	.7	.7	2.3	2.9	16.8	31	2.7
Unspecified Economic Development	14.1	10.2	9.9	88	8.9	h.3	.1
<u>Interim Assistance/Code Enforcement</u> (percent)	<u>\$ 12</u> (.2)	<u>\$ 9.3</u> (1.0)	<u>\$ 1.1</u> (.2)	<u>\$ 1.0</u> (.2)	<u>\$ 1.1</u> (.2)	<u>\$ 2.8</u> (.4)	<u>0</u> (*)
<u>Contingencies</u> (percent)	<u>\$ 1.1</u> (.1)	<u>\$ 7.5</u> (.8)	<u>\$ 3.6</u> (.4)	<u>3 2.5</u> (.3)	<u>\$.6</u> (.1)	<u>\$ 1.9</u> (.3)	<u>\$ 1.7</u> (.8)
<u>Administration and Planning</u> (percent)	<u>\$ 60.5</u> (8.1)	<u>\$ 76.4</u> (8.2)	<u>\$ 65.2</u> (7.2)	<u>\$ 74.0</u> (7.9)	<u>\$ 54.2</u> (7.4)	<u>\$ 55.8</u> (7.5)	<u>\$ 12.7</u> (6.2)
Administration	53.7	64.7	58.5	67.1	49.3	49.9	11.5
Planning	6.8	11.7	6.7	6.9	4.9	5.9	1.2
<u>Total Obligation6 Reported</u>	<u>\$764.6</u>	<u>\$929.1</u>	<u>\$910.3</u>	<u>\$940.6</u>	<u>\$736.4</u>	<u>\$742.2</u>	<u>\$203.5</u>
<u>Percent of Allocations Accounted for</u>	<u>98%</u>	<u>98%</u>	<u>94%</u>	<u>97%</u>	<u>88%</u>	<u>88%</u>	<u>25%</u>

*Less than \$100,000

+Reporting on Water, Sewer, and Flood and Drainage projects was contra listed in the first Performance and Evaluation Report and separated out subsequently. Thus, the Water categories includes significant amounts of funding for Sewer and Flood and Drainage projects.

TABLE A3-3

STATE CDBG FUNDING BY PURPOSE OF GRANT,
FYs 1982-1988[†]
(Dollars in Thousands)

Purpose	Funds						
	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988
Public Facilities	\$352,828	\$443,539	\$450,608	\$469,802	\$387,955	\$383,384	\$98,120
Housing	252,805	292,366	215,283	221,641	159,415	182,648	72,185
Economic Development	124,967	175,780	230,084	230,782	181,285	165,517	28,349
Planning	8,198	11,466	6,748	10,987	3,725	5,782	1,197
Public Services	4,661	4,589	6,008	4,029	2,373	2,155	1,028
No Information	1,159	1,314	1,535	3,451	1,666	2,666	2,660
Total	\$744,618	\$929,054	\$910,266	\$940,693	\$736,418	\$742,153	\$203,539

[†] As of June 30, 1988

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

TABLE A4-1

ESG PROGRAM PLANNED EXPENDITURES,
1986 - 1987
(Dollars in Thousands)

Activity	1986 ESG Program		1987 ESG Program		Total 1986 - 87	
	Amount	Percent	Amount	Percent	Amount	Percent
State Program:						
Rehabilitation	\$4,005	57	\$11,776	56	\$15,781	56
Services	361	5	1,195	6	1,556	6
Operations	2,676	30	7,983	38	10,659	38
Total	\$7,042	100	\$20,954	100	\$27,996	100
Entitlement Program:						
Rehabilitation	\$7,404	48	\$16,760	58	\$18,164	57
Services	304	10	2,266	8	2,570	8
Operations	1,249	42	10,020	35	11,269	35
Total	\$2,957	100	\$29,046	100	\$32,003	100
ESGP Total:						
Rehabilitation	\$5,409	54	\$28,536	57	\$33,945	57
Services	665	7	3,461	7	4,126	7
operations	3,925	39	18,003	36	21,928	37
Total	\$10,000	100	\$50,000	100	\$60,000	100

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

TABLE Ak-2
ESG GRANT ALLOCATIONS (1986-1988)
(Dollars in Thousands)

STATE NAME	1986 ESG PROGRAM YEAR			1986 TOTAL	1981 ESG PROGRAM YEAR			1981 TOTAL	1988 ESG PROGRAM YEAR			1988 TOTAL	GRAND TOTAL
	State	Cities	Number		State	Cities	Number		State	Cities	Number		
ALABAMA	\$159	\$		\$159	\$511	\$283	5	\$194	\$81	\$46	5	\$121	\$1,080
ALASKA	11	-		11	26	28	1	54	5	4	1	9	74
ARIZONA	66	31	1	97	138	344	5	482	22	55	5	77	656
ARKANSAS	83	-		83	380	33	1	413	61	5	1	66	562
CALIFORNIA	638	387	4	1025	1445	3669	31	5114	216	603	35	819	6958
COLORADO	88	-		88	244	194	3	438	40	30	3	70	596
CONNECTICUT	115	-		115	324	252	5	516	51	41	5	92	783
DISTRICT OF COLUMBIA	-	57	1	51	0	287	1	287	0	46	1	46	783
DELAWARE	22	-		22	24	86	2	110	4	14	2	18	150
FLORIDA	308	92	2	400	596	1399	20	1995	97	222	20	319	2714
GEORGIA	174	33	1	201	582	449	9	1031	94	71	9	165	1403
HAWAII	8	39	1	41	39	194	1	233	6	31	1	37	311
IDAHO	25	-		25	124	-	-	124	20	0	12	20	169
ILLINOIS	222	323	2	545	128	1989	13	2111	122	313	8	435	3691
INDIANA	191	-		191	534	450	9	904	90	67	2	151	1338
IOWA	113	-		113	410	94	2	564	75	15	3	90	161
KANSAS	78	-		78	283	107	3	390	46	17	4	63	531
KENTUCKY	114	31	1	145	451	268	4	125	73	43	4	116	986
LOUISIANA	143	47	1	190	522	426	4	948	84	68	4	152	1290
MAINE	48	-		48	209	32	1	241	34	5	1	39	328
MARYLAND	84	78	1	162	163	646	5	809	25	105	5	130	1101
MASSACHUSETTS	239	64	1	303	678	834	13	1512	108	134	13	242	2057
MICHIGAN	260	147	1	407	868	1164	11	2032	145	180	10	325	2164
MINNESOTA	120	43	1	163	396	419	4	815	64	66	4	130	1108
MISSOURI	109	105	2	214	429	641	4	1070	68	103	4	171	1455
MISSISSIPPI	109	-		109	492	53	1	545	79	8	1	81	141
MONTANA	23	-		23	114	-	-	114	18	0	-	18	155
NEBRASKA	55	-		55	203	69	1	212	33	11	1	44	311
NEVADA	25	-		25	42	82	2	124	7	13	2	20	169
NEW HAMPSHIRE	31	-		31	126	21	1	153	20	4	1	24	208
NEW JERSEY	287	36	1	323	391	1215	20	1612	63	195	20	258	2193
NEW MEXICO	46	-		46	163	64	1	221	26	10	1	36	309
NEW YORK	361	700	3	1067	860	4464	23	5324	131	715	23	852	1243
NORTH CAROLINA	182	-		182	766	142	4	908	123	22	4	145	1235
NORTH DAKOTA	20	-		20	101	-	-	101	16	0	-	16	131
OHIO	347	126	2	473	935	1425	14	2360	151	221	14	378	3211
OKLAHOMA	85	-		85	291	131	2	422	41	21	2	68	575
OREGON	83	-		83	200	216	4	416	34	31	3	65	564
PENNSYLVANIA	311	279	3	650	860	2385	26	3245	140	380	26	520	4415
PUERTO RICO	305	45	1	350	837	911	12	1148	134	146	12	280	2318
RHODE ISLAND	49	-		49	95	150	3	245	15	24	3	39	333
SOUTH CAROLINA	110	-		110	510	39	1	549	81	6	1	87	146
SOUTH DAKOTA	24	-		24	122	-	-	122	20	0	-	20	166
TENNESSEE	123	37	1	160	454	346	4	800	14	54	4	128	1088
TEXAS	421	165	3	592	1366	1590	17	2956	219	254	17	413	4021
UTAH	53	-		53	126	139	3	265	20	22	3	42	360
VERMONT	19	-		19	95	-	-	95	15	0	-	15	129
VIRGINIA	164	-		164	458	359	8	817	14	57	8	131	1112
VIRGIN ISLANDS	-	-		-	0	-	-	-	6	0	-	6	6
WASHINGTON	103	39	1	142	231	471	7	108	37	16	7	113	963
WEST VIRGINIA	74	-		74	14	301	2	369	48	11	2	59	502
WISCONSIN	121	52	1	179	517	316	3	893	91	52	3	143	1215
WYOMING	11	-		11	52	-	-	52	8	0	-	8	71
TERRITORIES	-	-		-	100	-	-	100	10	0	-	10	110
TOTALS	\$7,044	\$2,956	36	\$10,000	\$21,014	928,956	322	\$50,000	\$3,377	\$4,623	320	\$8,000	\$88,000

APP-22

TABLE A4-3
1986 ESG FUNDED SHELTERS AND CAPACITIES BY STATE
(Dollars in Thousands)

STATE	ESG 1986 FUNDING	NO. OF COMMUNITIES FUNDED	NUMBER SHELTERS FUNDED	SHELTER BEDS ADDED	TOTAL FUNDED SHELTERS
ALABAMA	\$159	4	5	30	130
ALASKA	11	2	4	0	84
ARIZONA	97	6	10	0	585
ARKANSAS	83	11	17	0	326
CALIFORNIA	1025	9	23	297	1003
COLORADO	88	3	10	0	706
CONNECTICUT	115	3	11	55	347
DELAWARE	22	1	1	5	14
DISTRICT OF COLUMBIA	57	1	1	50	50
FLORIDA	400	7	9	150	213
GEORGIA	207	11	16	41	435
HAWAII	47	2	2	8	26
IDAEO	25	1	1	20	20
ILLINOIS	545	10	40	28	1642
INDIANA	197	17	28	0	629
IOWA	113	6	6	0	167
KANSAS	78	7	9	14	218
KENTUCKY	145	3	5	50	95
LOUISIANA	190	4	7	96	436
MAINE	48	15	16	0	224
MARYLAND	162	9	13	0	226
MASSACHUSETTS	303	20	31	0	793
MICHIGAN	407	10	13	52	688
MINNESOTA	163	7	15	68	398
MISSISSIPPI	109	6	9	0	183
MISSOURI	214	6	29	154	1000
MONTANA	23	3	5	0	97
NEBRASKA	55	5	6	0	100
NEVADA	25	3	3	0	377
NEW HAMPSHIRE	31	4	4	42	75
NEW JERSEY	323	11	13	97	538
NEW MEXICO	46	3	3	0	121
NEW YORK	1067	17	25	422	1048
NORTH CAROLINA	182	30	35	21	841
NORTH DAKOTA	20	1	2	0	146
OHIO	473	14	24	303	1225
OKLAHOMA	85	4	8	10	311
OREGON	83	8	14	14	477
PENNSYLVANIA	650	5	8	0	422
REODE ISLAND	49	8	10	3	189
SOUTH CAROLINA	110	4	4	0	17
SOUTH DAKOTA	24	4	5	10	75
TENNESSEE	160	5	8	45	275
TEXAS	592	9	20	153	997
UTAH	53	1	1	350	350
VERMONT	19	1	1	0	12
VIRGINIA	164	11	12	0	255
WASHINGTON	142	6	7	28	166
WEST VIRGINIA	74	3	3	20	47
WISCONSIN	179	7	14	22	437
WYOMING	11	2	2	0	38
PUERTO RICO	350	6	6	30	237
TOTAL	\$10,000	356	574	2688	19571

TABLE AS-1

URBAN DEVELOPMENT ACTION GRANT PROGRAM
 PLANNED INVESTMENT IN FUNDED PROJECTS, FYs 1978-1988
 (Dollars in Millions)*

ITEM	FY 1978-1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	TOTAL
Number of Projects	665	351	288	452	375	281	226	178	160	2976
Large (#)	357	209	178	243	182	146	140	107	84	1646
Small (#)	308	142	110	209	193	135	86	71	76	1330
Large (%)	54%	60%	62%	54%	49%	52%	62%	60%	53%	55%
Small (%)	46%	40%	38%	46%	51%	48%	38%	40%	48%	45%
UDAG Dollars	\$1,234	\$602	\$345	\$629	\$511	\$365	\$371	\$310	\$279**	\$4,646
Large (\$)	964	457	283	478	327	259	275	235	211	3,489
Small (\$)	270	145	62	151	184	106	96	75	68	1,157
Large (%)	78%	76%	82%	76%	64%	71%	74%	76%	76%	75%
small (%)	22%	24%	18%	24%	36%	29%	26%	24%	24%	25%
private Investment	7,186	4,411	2,345	3,374	2,816	3,136	3,137	2,200	3,355	31,960
Ratio to UDAG Dollars	5.8	7.3	6.8	5.4	5.5	8.6	8.5	7.1	12.0	6.9
State & Local (\$)	523	171	101	83	104	51	298	130	174	1,635
Other Federal (\$)	105	56	7	14	20	8	33	5	48	296
Total Investment (\$)	9,048	5,240	2,798	4,100	3,451	3,560	3,839	2,645	3,856	38,537

* Totals are adjusted to account for project terminations.

** Includes a repayment to St. Paul under anti-relocation provisions of Section 119(h) of the Housing Act of 1974

SOURCE: U.S. 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 AS-2

URBAN DEVELOPMENT ACTION GRANT PROGRAM
PLANNED BENEFITS IN FUNDED PROJECTS

ITEM	FY 1978-1980	FISCAL YEAR OF AWARD*								TOTAL
		FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	
New Permanent Jobs	176,576	83,861	40,879	63,327	57,652	43,551	41,995	41,284	46,688	595,813
UDAG Dollars/Job	\$6,994	\$7,173	\$8,444	\$9,928	\$8,866	\$8,397	\$8,834	\$7,526	\$5,964	\$7,799
Low/Moderate Income Jobs (%)	57x	58x	61%	55%	62%	58%	57%	57%	57%	54%
Construction Jobs	128,713	62,393	32,212	47,157	35,424	29,895	38,372	23,693	38,533	436,392
Housing (Units)	38,907	20,046	13,898	15,127	5,198	6,216	7,839	3,612	2,981	113,824
New Construction (%)	43%	25%	25%	74%	77%	65%	87%	91%	81%	50%
Low/Moderate Income Housing (%)	57%	28%	29%	53%	59%	48%	59%	41%	19%	46%
Total New Revenue	187M	129M	33M	72M	57M	44M	58M	32M	70M	683M

* 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 A 5-3

DISTRIBUTION OF UDAG FUNDS BY INITIAL USE BY GRANTEES FOR
PROJECTS WITH SIGNED GRANT AGREEMENTS, FYs 1978-88*

<u>Year</u>	<u>Loans</u>	<u>Rehab Rebates</u>	<u>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	-	-	12	100
1986	81	4	-	15	100
1987	90	0	0	10	100
<u>1988(part)</u>	<u>98</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>100</u>
total	70%	2%	1%	28%	100%

*Totals may not add due to rounding

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

Table 7A - 1
 Rental Rehabilitation Program Funds Deobligated
 and Reallocated During FY 1988 by Region

HUD Region	Deobligation Transactions*	Amount Deobligated	Reobligation Transactions*	Amount Reobligated
Boston	9	\$2,684,210	22	\$2,485,640
New York	9	1,101,594	4	1,087,594
Philadelphia	6	466,486	5	434,842
Atlanta	11	780,400	11	780,400
Chicago	14	2,795,472	26	3,595,451
Ft. Worth	10	2,560,160	17	3,579,700
Kansas City	2	248,841	6	486,000
Denver	2	39,000	5	222,000
San Francisco	31	1,416,683	30	2,926,173
Seattle	1	106,141	4	158,141
Totals	95	\$12,198,988	130	\$15,755,941

* Generally, a "transaction" is equivalent to a city, county, or State that loses or gains funds. However, where a jurisdiction lost or gained funds from more than one grant during FY 1988, it may represent more than one transaction.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Table 7A - 2
 Type of Subsidy Furnished to Owners
 of Rental Rehab Properties by
 Fiscal Year Project was Completed, FYs 1984-88

<u>Subsidy Type</u>	<u>FY 1984- 87</u>		<u>FY 1988</u>		<u>Cumulative</u>	
	<u>Projects</u>	<u>Percent</u>	<u>Projects</u>	<u>Percent</u>	<u>Projects</u>	<u>Percent</u>
Deferred Payment						
Loan	6,466	63%	3,933	61%	10,399	62%
Grant	1,923	19	1,362	21	3,285	20
Direct Loan	1,187	12	785	12	1,972	12
Grant and Loan	253	2	118	2	371	2
Other	366	4	257	4	623	4
<u>Totals</u>	<u>10,195</u>	<u>100%</u>	<u>6,455</u>	<u>100%</u>	<u>16,650</u>	<u>100%</u>

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Table 7A - 3
 Occupancy Status in Rental Rehabilitation Projects
 Before and After Rehabilitation by Period of Completion,
 FYs 1984-88

<u>Period of Completion</u>	<u>Total Number of Units</u>	<u>Number of Units Occupied</u>	<u>Percent of Units Occupied</u>
FY 1984-87			
Before Rehabilitation	35,664	20,274	57%
After Rehabilitation	35,779	32,544	91%
N 1988			
Before Rehabilitation	30,461	17,741	58%
After Rehabilitation	31,631	27,534	87%
Cumulative			
Before Rehabilitation	66,125	38,015	57%
After Rehabilitation	67,410	60,078	89%

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Table 7A - 4
Sources of Project Financing for Completed
Rental Rehabilitation Projects by Completion Date,
FYs 1984-88

<u>Sources of Funding</u>	<u>FY 1984-87</u>	<u>FY 1988</u>	<u>Cumulative</u>
Public Funding:	49%	49%	49%
Rental Rehab Program	(32)	(31)	(31)
CDBG	(9)	(11)	(10)
Tax-Exempt Financing	(6)	(3)	(5)
Other Public Funds	(2)	(4)	(3)
Private Funding:	51%	51%	51%
Private Loan Funds	(27)	(29)	(29)
Other Private Funds	(24)	(22)	(23)
Total Percent	100%	100%	100%
Total Dollars (000)	\$375,085	\$340,875	\$715,960

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Table 7A - 5
 Percent of Occupants of Rental Rehabilitation Projects
 with Selected Characteristics Before and After Rehabilitation
 by Completion Period, FY 1984-88

<u>Characteristic</u>	Completion Period					
	FY 1984-87		FY 1988		Cumulative	
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
Total Number of Occupied Units	20,274	32,544	17,741	27,534	38,015	60,078
<u>Household Income</u>						
50% of Median or Below	69%	74%	62%	67%	66%	71%
51-80% of median	23	19	26	23	24	21
80%+ of median	8	7	12	10	10	8
Number of Cases	18,510	30,458	16,269	26,200	34,779	56,658
<u>Race/Ethnicity of Head of Household</u>						
White	51%	47%	47%	42%	49%	45%
Black	34	38	34	41	34	40
Hispanic	11	11	14	12	12	11
Other	4	4	5	5	5	4
Number of Cases	19,396	31,910	16,900	26,199	36,296	58,109
<u>Gender of Head of Household</u>						
Female	49%	59%	48%	56%	48%	58%
Male	51	41	52	44	52	42
Number of Cases	19,424	31,831	17,052	26,568	36,476	58,399
<u>Household Size</u>						
Elderly	13%	11%	15%	12%	14%	11%
Single, non-elderly	14	12	14	13	14	12
Two - four persons	64	68	62	67	63	68
Five or more persons	9	9	9	8	9	9
Number of Cases	19,621	31,856	16,979	26,906	36,600	58,762

Percentages are based on known characteristics only. The "Number of Cases" lines indicate the number of case for which the information is known.

SOURCE: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

Table 7A - 6
Number of Section 810 Properties and Acquisition Cost
By HUD Region, FY 1988

Region	Properties Acquired		Total Funds	Average Cost per Property
	Number	Percent		
I Boston*	*	*	*	*
II New York	28	3%	\$ 469,714	\$16,776
III Philadelphia	50	6	751,534	15,031
IV Atlanta	123	15	2,671,171	21,717
V Chicago	319	39	5,287,050	16,574
VI Fort Worth	99	12	1,595,247	16,114
VII Kansas City	94	12	1,728,028	18,383
VIII Denver	31	4	744,233	24,008
IX San Francisco	5	1	136,934	27,387
X Seattle	69	8	1,374,978	19,927
Totals	818	100%	\$14,758,889	\$18,043

* Region I does not participate due to lack of eligible properties in this region.

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

Table 7A - 7
Historical Use of Section 312 Program Funds
For Rehabilitating Urban Homesteading Properties

Fiscal Year	Percent of Rehab From 312 Funds	Percent of Properties Using Only 312
1988*	54%	35%
1987	61	42
1986	56	37
1985	75	41
1984	66	49
1983	49	N/A
1982	61	N/A

* FY 1988 figures based on a database being used for the first time. Several LUHA's did not provide updated or complete data.

Source: U.S. Department of Housing and Urban Development, Office of Program Analysis and Evaluation, Consolidated Annual Report to Congress on Community Development Programs, 1983 to 1988.

Table 7A - 8
Urban Homesteading Acquisitions by LUHA, FY 1988

LUHA	State	Acquired	810 Funds	Average
Allentown	PA	7	\$141,550	\$20,221
Anderson	SC	5	\$49,760	\$9,952
Anoka Co	MN	2	\$55,500	\$27,750
Atlanta	GA	5	\$146,500	\$29,300
Aurora	IL	1	\$25,000	\$25,000
Berkeley	MO	3	\$89,400	\$29,800
Birmingham	AL	9	\$163,019	\$18,113
Boise	ID	13	\$262,900	\$20,223
Broward Co	FL	3	\$74,000	\$24,667
Camden	NJ	13	\$198,786	\$15,291
Canton	OH	14	\$190,392	\$13,599
Ceiba	PR	10	\$210,250	\$21,025
Chattanooga	IN	4	\$60,300	\$15,075
Chester	PA	13	\$160,071	\$12,313
Chicago	IL	24	\$465,400	\$19,392
Cincinnati	OH	21	\$315,039	\$15,002
Cleveland	OH	6	\$90,500	\$15,083
Columbia	SC	10	\$186,485	\$18,649
Columbus	OH	12	\$216,554	\$18,046
Cuyahoga Co	OH	2	\$49,703	\$24,852
Dade Co	FL	9	\$250,941	\$27,882
Dakota Co	MN	1	\$23,165	\$23,165
Davenport	IA	4	\$52,990	\$13,248
Dayton	OH	5	\$80,252	\$16,050
Decatur	IL	12	\$160,000	\$13,333
Delaware Co	PA	6	\$93,600	\$15,600
Denver	CO	12	\$333,352	\$27,779
Des Moines	IA	12	\$200,882	\$16,740
Duluth	MN	12	\$162,599	\$13,550
Eldora	IA	2	\$46,610	\$23,305
Enid	OK	8	\$85,690	\$10,711
Ferguson	MO	2	\$46,900	\$23,450
Flint	MI	8	\$159,475	\$19,934
Franklin Co	OH	1	\$15,145	\$15,145
Ft Lauderdale	FL	6	\$179,000	\$29,833
Ft Worth	TX	19	\$319,600	\$16,821
Gary	IN	11	\$138,223	\$12,566
Genesee Co	MI	4	\$73,243	\$18,311
Grand Rapids	MI	6	\$97,100	\$16,183
Greenville Co	SC	2	\$29,835	\$14,918
Harvey	IL	12	\$176,800	\$14,733
Hillsborough Co	FL	8	\$196,600	\$24,575
Houston	TX	21	\$328,900	\$15,662
Indianapolis	IN	18	\$256,125	\$14,229
Inkster	MI	7	\$72,400	\$10,343
Jackson	MI	2	\$47,400	\$8,700
Jacksonville	FL	13	\$257,831	\$19,833
Jefferson Co	KY	3	\$64,250	\$21,417
Jennings	MO	5	\$107,500	\$21,500
Joliet	IL	5	\$106,200	\$21,240
Kalamazoo	MI	4	\$49,500	\$12,375
Kansas City	KS	7	\$78,070	\$11,153
Kansas City	MO	9	\$212,315	\$23,591
Kenosha	WI	5	\$95,561	\$19,112

Table 7A - 8 (continued)
Urban Homesteading Acquisitions by LUHA, FY 1988

LUHA	State	Acquired	810 Funds	Average
Lake Co	IN	12	\$254,270	\$21,189
Lansing	MI	4	\$73,300	\$18,325
Lawton	OK	5	\$94,905	\$18,981
Lee Co	FL	5	\$116,000	\$23,200
Lima	OH	2	\$24,655	\$12,328
Longview	WA	3	\$87,391	\$29,130
Louisville	KY	4	\$55,350	\$13,838
Malheur Co	OR	4	\$87,900	\$21,975
McKeesport	PA	6	\$106,663	\$17,777
Milwaukee	WI	33	\$678,505	\$20,561
Minneapolis	MN	1	\$31,000	\$31,000
Montgomery Co	OH	6	\$71,676	\$11,946
New Orleans	LA	7	\$110,000	\$15,714
Niagara Falls	NY	3	\$34,700	\$11,567
Ohio, State of	OH	3	\$64,657	\$21,552
Oklahoma City	OK	10	\$190,822	\$19,082
Omaha	NE	25	\$461,850	\$18,474
Palm Beach Co	FL	6	\$178,900	\$29,817
Philadelphia	PA	12	\$92,550	\$7,713
Phoenix	AZ	5	\$136,934	\$27,387
Pompano Beach	FL	4	\$90,000	\$22,500
Portland	OR	22	\$445,624	\$20,256
Pr Geo Co	DC	6	\$157,100	\$26,183
Randolph	NE	1	\$3,100	\$3,100
Rochester	MN	4	\$131,832	\$32,958
Rock Island	IL	7	\$97,520	\$13,931
Rockford	IL	19	\$288,200	\$15,168
Saginaw	MI	2	\$29,500	\$14,750
Salt Lake Co	UT	5	\$94,185	\$18,837
San Antonio	TX	8	\$107,170	\$13,396
Shawnee	OK	8	\$96,660	\$12,083
Shelby Co	IN	14	\$295,600	\$21,114
Shreveport	LA	5	\$110,000	\$22,000
Sioux City	IA	9	\$180,266	\$20,030
South Bend	IN	6	\$66,900	\$11,150
Spokane	WA	19	\$345,413	\$18,180
St Cloud	MN	1	\$33,185	\$33,185
St Joseph	MO	8	\$95,645	\$11,956
St Paul	MN	6	\$185,398	\$30,900
St Petersburg	FL	1	\$24,000	\$24,000
Tampa	FL	12	\$252,800	\$21,067
Terre Haute	IN	2	\$12,900	\$6,450
Toledo	OH	9	\$79,741	\$8,860
Topeka	KS	7	\$152,500	\$21,786
Trenton	NJ	2	\$25,978	\$12,989
Tulsa	OK	8	\$151,500	\$18,938
Wyoming, state of	WY	14	\$316,696	\$22,621
Yakima	WA	8	\$145,750	\$18,219
Youngstown	OH	7	\$72,535	\$10,362
TOTAL		818	\$14,758,889	\$18,043

Table 7A - 9
Interest Rates Charged on FY 1988
Section 312 Loans by Property Type

<u>Interest Rate</u>	<u>Single Family</u>		<u>Multi-Family</u>		<u>Other#</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
3.0%	1,463	81%	3	7%	0	0%
8.1 - 9.0%	239	13	28	68	39	85
9.1 - 10.5%	112	6	10	25*	7	15
<u>Not Available</u>	<u>154</u>		<u>21</u>		<u>62</u>	
Totals	1,968	100%	62	100%	108	100%

"Other" includes mixed-use and nonresidential properties.

* Percents calculated on known characteristics only.

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

Table 7A - 10
Characteristics of Recipients of FY 1988
Section 312 Single-Family Residential Loans+

<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	152	11%	One	366	26%				
\$20,001 - \$30,000	356	26	Two	347	25				
\$10,001 - \$20,000	726	52	Three	231	17				
\$10,000 or less	158	11*	Four or More	442	32				
<u>Not Available</u>	<u>576</u>		<u>Not Available</u>	<u>582</u>	<u>*</u>				
Totals	1,968	100%	Totals	1,968	100%				

<u>Race/Ethnicity</u>	<u>Number</u>		<u>Percent</u>		<u>Age</u>	<u>Number</u>		<u>Percent</u>	
White	634	51%	Under age 30	241	17%				
Black	471	38	30-40 yrs old	428	31				
Hispanic	126	10	40-60 yrs old	415	30				
Other	17	1*	Over age 60	309	22*				
<u>Not Available</u>	<u>720</u>		<u>Not Available</u>	<u>572</u>					
Totals	1,968	100%	Totals	1,968	100%				

* Percents based on known characteristics only.

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

Table 7A - 11
Summary of Section 312 Program Obligations
and Collections, FYs 1979 - 1988

<u>Fiscal Year</u>	<u>Amount of Funds Obligated</u>	<u>Number of Loans Made</u>	<u>Amount of Loan Repayments Collected</u>
1988	\$101,925,000	2,216	\$101,313,807
1987	63,691,896	1,700	105,650,000
1986	40,271,000	1,180	89,426,225
1985	75,007,000	4,368	85,666,135
1984	86,119,000	3,095	77,401,824
1983	44,684,300	811	N/A
1982	49,446,320	751	N/A
1981	83,500,279	3,324	N/A
1980	213,969,040	10,091	N/A
1979	227,025,120	11,538	N/A

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

Table 7A - 12
Status of Section 312 Loan Portfolio
for FYs 1986 - 88.
(Dollars in Thousands)

<u>Status</u>	<u>Loans</u>					
	<u>FY 1986</u>		<u>FY 1987</u>		<u>N 1988</u>	
	<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>
Current	47,192	83%	43,713	83%	41,413	84%
Delinquent:	6,586	12	5,865	11	4,787	10
3 mos. or less	(5,194)	(9)	(4,789)	(9)	(4,174)	(9)
More than 3 mos.	(1,392)	(3)	(1,067)	(2)	(613)	(1)
<u>In Legal Action</u>	<u>3,042</u>	<u>5</u>	<u>3,076</u>	<u>6</u>	<u>2,875</u>	<u>6</u>
Totals	56,820	100%	52,654	100%	49,075	100%

<u>Status</u>	<u>Unpaid Balances</u>					
	<u>N 1986</u>		<u>N 1987</u>		<u>FY 1988</u>	
	<u>Amount</u>	<u>Pct.</u>	<u>Amount</u>	<u>Pct.</u>	<u>Amount</u>	<u>Pct.</u>
Current	\$529,524	77%	\$497,195	78%	\$488,264	80%
Delinquent:	111,890	16	91,266	14	74,622	12
3 mos. or less	(89,043)	(13)	(71,857)	(11)	(64,058)	(10)
More than 3 mos.	(22,847)	(3)	(19,409)	(3)	(10,564)	(2)
<u>In Legal Action.</u>	<u>49,886</u>	<u>7</u>	<u>49,923</u>	<u>8</u>	<u>50,948</u>	<u>8</u>
Totals	\$691,300	100%	\$638,384	100%	\$613,834	100%

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

Table A8 - 1

Number of Grants Monitored by Monitoring Area and Program, FY 1988

Monitoring Areas		Action Grants	Entitlement CDBG	Rental Rehabilitation	Small Cities	State CDBG	Other	Total
ACT	Accountability	369	156	10	60	3	48	646
ALL	Allowable Costs	25	260	32	20	5	103	445
AQL	Acquisition, Limited		58	1		6	1	66
ACQ	Acquisition, In-Depth	15	250	31	7	33	2	338
AMI	Acquisition, Mail-In	1	6	1	2	1	1	12
CPA	Citizen Participation	9	193	65	32	5	45	349
ECO	Economic Development Set-Aside		6			47		53
ELI	Eligibility of Activities	12	435	40	21	1	22	531
ENV	Environment, Field Rep.	17	91	20	36		95	259
EVR	Environment, Specialist	113	514	211	43	49	68	998
HEO	Fair Housing/Equal Opportunity	39	93	26	8	20	1	187
FIN	Financial Management, Specialist	36	242	40	24	40	33	415
HMG	Financial Management, Field Rep	113	130	94	57	2	199	595
HAP	Housing Assistance Plan	1	113	3				117
LAB	Labor Standards	69	113	12	1	32	10	237
MGT	Management System	150	253	39	41	5	83	571
MBE	Minority Business Enterprise	38	320	37	11	9	35	450
PPM	Personal Property Management	6	145	8		1	28	188
PRC	Procurement	15	205	10	30	2	120	382
PRP	Program Progress	590	591	304	162	1	450	2098
MFP	Program Benefit	37	639	233	125	3	57	1094
REH	Rehabilitation, Specialist		366	654	24	9	68	1121
RHB	Rehabilitation, Field Rep	3	150	86	58		33	330
RLC	Relocation, In-Depth	22	200	121	6	27		376
REL	Relocation, Limited	5	68	75	1	10	4	163
RMI	Relocation, Mail-In	1	4	1			2	8
SUB	Subrecipients	18	324	15	9	1	16	383
URR	Urban Renewal		5				1	6
108		4	102	4				110
312		1	169	16	9	2	23	220
xxx	Other Areas	8	95	57	5	3	19	187
								3
State Programs Only								0
								C
								0
AUM	Audits Management		1			38	1	40
BUY	Buy-In Provisions					3		3
CON						1		1
DIS	Distribution		1	21		48	1	71
FUN	Fundability of Activities					48	2	50
GCS	Grant Closeout System					48	1	49
TIM	Timeliness		2	1		50	12	65
MON	Monitoring		1	18		49	2	70
YYY	Other Areas					3		3
								0
UDAG Program Only								C
								0
PER	Performance	603	1		7			611
								C
Totals		2320	6302	2286	799	605	1586	13898

1989 CONSOLIDATED ANNUAL REPORT TO CONGRESS
ON COMMUNITY DEVELOPMENT PROGRAMS :

UDAG APPENDIX



Fiscal Year 1988 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>							
Auburn	Loan to developer to help renovate 8,670 square foot Tiger Theater into commercial and office space.	\$88,000	\$440,873	\$0	24	0	\$25,325
Autaugaville	Financial assistance to Huntsville, Alabama Company to help construct 100,000 square foot manufacturing facility on 92-acre site and provide machinery and equipment for automated production of missile guidance and control systems.	1,040,000	19,392,000	0	300	0	5,860
Birmingham	Financial assistance to steel company to help expand existing operation. Project will include purchase of equipment for new 21,000 square foot steel processing plant.	255,000	5,057,889	0	52	0	958,701
Prichard	Second mortgage financing to builder to help construct single-family homes in the Parkwood subdivision.	535,462	2,978,417	0	0	60	16,866
Selma	Loan to lock company to assist in acquisition of vacant, 89,000 square foot building, renovation, and purchase, plus installation of new capital equipment for expansion of production facilities to manufacture locks for the automotive industry.	465,000	4,439,433	0	200	0	23,670

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ARIZONA</u>							
Phoenix	Financial assistance to partnership to help construct 72,000 square foot retail center in "pocket of poverty" area consisting of restaurants, cafes, and a specialty retail store. Project will include 45,338 square feet of office space, and 10,000 square foot Hispanic Cultural Center.	\$2,700,000	\$12,125,288	\$1,610,000	235	0	\$406,903
<u>CALIFORNIA</u>							
Fresno	Construction/permanent mortgage loan to corporation to help install public improvements for two newly constructed 40,000 square foot office buildings and 20,000 square feet of office space.	708,317	14,181,681	464,848	205	0	212,671
Los Angeles	Construction/permanent mortgage loan to development company to help construct 574,000 square foot major promotional shopping center on 45-acres in Northeast section of City.	4,250,000	75,268,566	10,480,000	959	0	1,418,040
Los Angeles County	Financial assistance to developer to help construct 511,360 square foot shopping center at Blairson Avenue and Atlantic Boulevard intersection.	1,000,000	6,950,000	3,884,091	110	0	90,856
Riverside	Financial assistance to general partner to help with land assembly and construction of 6-building, 175,000 square foot project on 7.1 acres in blighted portion of City near I-95 intersection and Highway 60 freeways. Project to provide two office buildings, retail space, restaurants, visitors' center and historic renovation of vacant railroad terminal and former packing house.	2,500,000	15,962,634	4,300,000	383	0	204,946

Fiscal Year 1988 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 Pablo	Financial assistance to developer to help construct 194,000 square foot shopping center on 21 acres at San Pablo Dam Road and San Pablo Avenue. Lucky Stores, Inc., a major anchor for the center, will purchase their site, and in conjunction with developer, construct 49,000 square foot store.	\$1,600,000	\$20,783,317	\$4,675,000	390	0	\$669,515
South Gate	Financial assistance to oil company to help construct mixed-use project in City's redevelopment area. Project to include construction of 301,000 square foot retail commercial shopping center with two anchor tenants, new office/industrial complex, and consolidation of oil manufacturing building with six tanks, a new distribution and shipping facility.	2,000,000	36,652,152	1,362,926	689	0	1,128,160
<u>COLORADO</u>							
Denver	Loan to developer to help construct 750,000 square foot shopping Center downtown. Retail space will consist of new anchor department store, renovated department store, 150 specialty stores totalling 260,000 square feet, new restaurant and entertainment facilities, plus 1,630 below-grade parking spaces.	5,000,000	114,837,567	41,200,000	1,422	0	6,277,609

Fiscal Year 1988 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>DISTRICT OF COLUMBIA</u>							
Washington	Construction/permanent mortgage loan to limited partnership to acquire land to assist in renovation of historic Warner Theatre and construction of 43,000 square feet of office space, 40,000 square feet of retail space and 350 parking spaces.	\$4,000,000	\$144,786,301	\$200,000	1,034	0	\$5,199,967
<u>FLORIDA</u>							
Delray Beach	Financial assistance to developer to help construct rental housing units on 38 acres of land within City's "pocket of poverty."	5,048,860	13,216,648	1,009,772	40	368	158,590
Orlando	Financial assistance to developer to help construct apartment complex units in Washington Shores neighborhood. The Palm Spring Garden apartments will include 1, 2- and 3-bedroom units, with 40% reserved for lower-income residents.	1,700,000	5,857,571	340,000	3	216	104,975
<u>GEORGIA</u>							
Crawfordville	Loan to farm corporation of Rayle, Georgia to help construct 56,000 square foot turkey processing facility and purchase capital equipment. Project includes feed mill, supporting site improvements and waste water treatment facilities on 300-acre site near City.	3,281,942	12,078,721	273,200	332	0	54,524

Fiscal Year 1988 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>							
Thomaston	Financial assistance to company, which sells fire-retardant materials and netting worldwide, to help build 90,000 square foot finishing plant. The project, using water from nearby Thundering Springs, will provide an abundant water source and allow for disposal of wastewater through percolation system recommended by State authorities.	\$1,515,000	\$10,666,839	\$0	109	0	\$45,551
<u>IDAHO</u>							
Wallace	Financial assistance to joint venture to help purchase capital equipment and construct 62-unit motel. Project will include 8,000 square foot restaurant/gift shop at the West Wallace Interchangeto 1-90.	464,143	2,206,105	0	50	0	230,171
<u>ILLINOIS</u>							
Chicago	Financial assistance to property company to help construct 42,000 square Foot light manufacturing center that will become competitive with other suburban facilities, targeting tenants who need 2,500 to 15,000 square feet of leasable space.	250,000	2,504,746	0	74	0	60,252
Chicago	Financial assistance to development corporation to help finance renovation of downtown Union Station.	1,656,117	13,793,586	6,000,000	405	0	203,460
Chicago	Loan to beauty products corporation to partially finance construction of 450,000 square foot warehouse and installation of capital equipment on the West side of the City.	2,643,000	15,409,584	0	311	0	843,038

UDAG-5

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>ILLINOIS (Continued)</u>							
Cicero	Financial assistance to developer to help construct 24,600 square foot industrial building to house an expanded electrical manufacturing plant; purchase and install new equipment.	\$295,000	\$1,660,786	\$100,000	35	0	\$62,528
Cicero	Financial assistance to developer to help construct 5-story, 250-bed nursing center.	800,000	9,160,616	0	165	0	317,000
Dixon	Financial assistance to partnership, comprised of six local business persons, to help construct 40,000 square foot office building and 130-space parking garage in central business district.	295,200	2,187,166	1,288,000	65	0	66,710
East St. Louis	Loan to developer to assist in construction of multifamily rental housing units for low- and moderate-income households.	250,000	735,041	0	0	20	37,800
Greenville	Financial assistance to major national stationery and office-supply firm to help construct 100,000 square foot distribution facility in new industrial park.	535,439	8,453,500	3,155,493	220	0	199,735
Peoria	Financial assistance to joint venture to help construct mixed-use, 730,000 square foot, retail-office project downtown to include three major department stores, 200,000 square feet of office space, and 2,800 parking spaces.	7,000,000	110,297,354	27,800,000	1,566	0	6,503,944

Fiscal Year 1988 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>INDIANA</u>							
Fort Wayne	Financial assistance to developer to help acquire and renovate 656,000 square foot industrial building and purchase capital equipment.	\$735,735	\$16,431,076	\$236,000	290	0	\$47,466
Garrett	Financial assistance to Indiana corporation to help construct 62,200 square foot expansion in adjacent community of Auburn to manufacture metal stampings and welded assemblies for automobiles.	650,000	12,566,824	292,500	80	0	1,600
<u>IOWA</u>							
Albia	Financial assistance to major manufacturer of high pressure gas valves, brass water fittings and valves to help purchase capital equipment for newly renovated facility.	820,000	3,630,752	471,323	130	0	11,281
Sac & Fox Tribe	Financial assistance to Mesquaki Committee, comprised of tribal members, to help construct 30,000 square foot tribal center near Tama, Iowa.	525,000	1,816,448	0	22	0	0
<u>KENTUCKY</u>							
Lexington-Fayette County	Loan to developer to help acquire five parcels of land and four-story, 54,000 square foot building downtown. Project will include rehabilitation of retail space, apartment units and development of 110 parking spaces.	1,200,000	5,418,873	240,000	125	10	57,315
Middlesboro	Financial assistance to developer to help acquire land and rehabilitate three historic buildings for medical offices and a pharmacy.	377,500	1,134,342	375,000	60	0	15,214

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MAINE</u>							
Madawaska	Financial assistance to paper company to help purchase and install machinery and equipment to produce fine book paper.	\$2,500,000	\$48,359,137	\$0	30	0	\$1,064,466
Pleasant Pt. Reservation	Financial assistance to Passamaquoddy Tribe to help acquire and install capital equipment in 50,000 square foot manufacturing building in Eastport. Tribe will lease facility to Gates, Inc., of Auburn, Maine for initial 12-year period.	954,000	6,336,637	446,000	38	0	0
<u>MARYLAND</u>							
Baltimore	Construction/permanent mortgage loan to developer to assist in renovation of nine industrial structures in Fairfield section. Completed project will be marketed as condominium parcels for light industrial and warehousing uses.	1,050,000	10,887,924	500,000	350	0	249,913
Baltimore	Construction/permanent loan to minority manufacturer to help expand and remain in the City. Project includes construction of 75,000 square foot meat processing plant on 7.9 acre site.	2,000,000	12,411,403	316,000	106	0	138,800
Capitol Heights	Construction/permanent mortgage loan to Maryland joint venture to help construct 250,000 square foot commercial retail center on 30 acres at Walker Mill and Silver Hill Roads intersection.	2,000,000	16,820,833	0	1,014	0	94,108

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MASSACHUSETTS</u>							
Fall River	Loan to corporation to purchase capital equipment for newly constructed facility in Fall River Industrial Park. New plant will enable firm to manufacture specialized aircraft and aerospace engine parts.	\$600,000	\$8,005,822	\$400,000	198	0	\$67,000
Lawrence	Financial assistance to company to help relocate within City and acquire 54,226 square foot building plus install capital equipment for bottling and packaging of fruit salad product.	750,000	4,652,395	0	199	0	46,910
New Bedford	Financial assistance to hotel company to help rehabilitate the Star store building at the corner of Spring and Purchase Streets into 110-room hotel, with 125-seat restaurant, and meeting place.	517,514	9,256,330	0	110	0	265,258
Taunton	Loan to corporation to help acquire site in the Myles Standish Industrial Park, construct 34,900 square foot facility, plus purchase machinery and equipment for manufacture of costume jewelry and giftware.	250,000	1,972,079	550,000	46	0	29,080
<u>MICHIGAN</u>							
Baraga	Financial assistance to local businessman to help construct 10,000 square foot supermarket to replace existing, smaller store and provide new services.	165,000	865,026	0	14	0	20,300
Detroit	Financial assistance to partnership to help construct 70,000 square foot shopping center at intersection of Gratiot Street and Seven Mile Avenue.	905,830	4,704,045	100,000	151	0	64,401

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MICHIGAN (Continued)</u>							
Detroit	Financial assistance to partnership to help construct apartment building and 22,000 square foot restaurant on 65-acre parcel between Jefferson and the Detroit River at Fairview Street.	\$1,900,000	\$36,680,670	\$0	180	220	\$437,250
Detroit	Financial assistance to limited partnership to help rehabilitate Stearns Building into apartment units and attendant parking.	2,670,000	13,933,331	0	13	178	158,675
Detroit	Financial assistance to developer for construction of structured parking for 2,100 cars in newly built major, mixed-use project in central business district. Project will include 50,000 square feet of retail space, and 840,000 square feet of office space.	7,000,000	191,934,609	16,000,000	840	0	2,452,457
Hazel Park	Financial assistance to Troy, Michigan company to help with additional site assembly, relocation and clearance to make acquired 5-acre site suitable for redevelopment. Project to provide 40,000 square feet of industrial and commercial space.	387,522	2,390,000	273,225	65	0	73,692
Houghton	Financial assistance to engineering and architectural corporation to help renovate the Historic 181 building downtown. Project will provide additional 5,000 square feet of office space.	105,000	258,047	105,000	15	0	5,152
Ishpeming	Financial assistance to help construct 50-room motel and 30,000 square foot restaurant north of downtown on U. S. 41.	600,000	1,650,918	25,000	60	0	25,815

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MICHIGAN (Continued)</u>							
Marquette	Financial assistance to corporation to help renovate downtown Heritage Hotel to contain 108-seat restaurant, 50-seat banquet facility and 52 hotel rooms.	\$725,000	\$3,506,355	\$1,050,000	67	0	\$55,905
Muskegon *	Financial assistance to wire manufacturing company to purchase capital equipment for newly constructed 85,000 square foot expansion to its existing factory.	920,000	18,040,000	0	52	0	306,847
Muskegon Hghts.	Financial assistance to local development corporation to help construct office and retail space for major renovation effort in central business district. Project will include acquisition, demolition and infrastructure improvements.	800,000	2,136,934	305,000	80	0	66,819
St. Clair	Financial assistance to plastic injection molding firm to help construct 100,000 square foot building in industrial park being developed at Northwest edge of the City.	710,000	14,506,236	655,300	80	0	126,086
<u>MINNESOTA</u>							
Faribault	Financial assistance to Wisconsin food corporation to help install public improvements to support expansion of existing turkey processing plant. Project will include construction of 40,000 square foot addition and purchase of capital equipment.	440,000	4,954,000	302,394	240	0	44,500

* - Project Terminated

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MINNESOTA (Continued)</u>							
Montevideo	Financial assistance to developer to purchase capital equipment for newly constructed 100,000 square foot manufacturing facility to produce polyethylene film (weed block) for agricultural use.	\$765,000	\$6,865,390	\$1,188,495	103	0	\$61,230
St. Paul ¹	Financial assistance to developer to help provide job training program.	4,000,000	0	0	0	0	0
Warroad	Financial assistance to developers to help with residential infrastructure for expansion of window company. Project will provide second mortgages for houses sold to company employees through reuse of Action Grant payments.	2,200,000	23,596,917	183,000	1,000	175	391,364
<u>MISSISSIPPI</u>							
Itta Bena	Construction and permanent financing loan to a developer to help construct and equip a catfish processing plant.	580,000	1,735,149	0	200	0	10,291
Meridian	Loan to developer to help finance construction of 630,000 square foot regional shopping mall in the central business district.	4,000,000	48,639,531	2,042,020	1,344	0	2,582,982

¹ This grant was made in accordance with Section 119(h)(5) of the Housing and Community Development Act of 1974, as amended. Under this law, if a community's UDAG project results in relocation of jobs from another UDAG-eligible community, that community may be eligible for compensation to pay for job retraining and placement. However, since this grant was not subject to competition, it is not included in the total figures for FY 1988 UDAG awards in Chapter 5.

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>MISSOURI</u>							
Kansas City	Financial assistance to partnership to help rehabilitate existing City Market and provide public improvements throughout project area. This mixed-use project will include housing, retail and office space plus newly structured parking facilities.	\$3,007,772	\$31,835,485	\$6,475,000	832	151	\$416,737
<u>NEW JERSEY</u>							
Camden	Financial assistance to corporation to help rehabilitate former Elks Building downtown into 50,000 square foot office building.	1,000,000	3,523,218	0	120	0	60,927
Hoboken	Financial assistance to corporation to help construct apartment development consisting of one 8-story and one 12-story tower and 10,000 square feet of commercial space on vacant urban renewal land on River Street.	2,000,000	27,739,535	3,142,000	29	300	312,000
Lambertville	Second mortgage loan during construction and permanent financing to general partnership to help renovate historic Lambertville Inn and its barn, and carriage house, into 41-room hotel. Facility will include meeting rooms, 200-seat restaurant and retail space (942,360 total square feet).	744,800	3,910,061	0	90	0	47,370
Newark	Construction/permanent finance loan to two affiliated private, not-for-profit organizations to help construct 56,000 square foot shopping center with 46,000 square foot anchor store in central ward.	1,530,000	8,297,608	1,680,000	158	0	202,778

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW JERSEY (Continued)</u>							
Newark	Financial assistance to urban renewal corporation to help construct 142,150 square foot shopping center on 12-acre site in urban renewal area. Project will include 60,000 square foot Shop-Rite supermarket, and two major stores, 18,000 and 17,425 square feet each. Balance of retail space will comprise 46,725 square feet.	\$2,500,000	\$15,429,932	\$1,000,000	400	0	\$311,250
Newark	Financial assistance to developer to help rehabilitate unoccupied 580,000 square foot office building downtown.	3,000,000	32,969,429	0	1,248	0	703,000
Newark	Second mortgage funds to urban renewal company to help construct 23-story, 670,000 square foot office building, 100,000 square feet of plaza area and a covered arcade, plus improve a subterranean parking garage.	5,000,000	92,077,443	254,720	1,536	0	2,300,000
Passaic	Financial assistance to corporation to help rehabilitate vacant former paper company factory in Clifton. Facility to be used to manufacture recycled chip and fiberboards from office trash.	700,000	14,000,000	0	225	0	35,000
<u>NEW MEXICO</u>							
Taos	Construction/permanent mortgage loan to developer to help construct 126-room hotel on State Highway #68, near historic Taos Square.	300,000	5,738,536	420,000	71	0	107,334

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK</u>							
Auburn	Second mortgage financing to developer to help construct two buildings, totaling 13,000 square feet, for office and retail uses, and eight apartments along Owasco River outlet downtown.	\$128,500	\$712,355	\$40,000	17	8	\$25,119
Auburn	Financial assistance to developer to help reduce debt service for construction of 14,000 square foot prefabricated steel manufacturing facility on 2-acre City industrial park site.	186,787	513,010	116,000	20	0	22,281
Batavia	Financial assistance to mining equipment manufacturing company to help with expansion. Project includes new state-of-the-art machinery and equipment purchase for production of four new lines of front-end loaders previously imported to United States from company's West German operations.	820,000	5,885,000	750,000	146	0	35,667
Binghamton	Financial assistance to developer to help acquire 15 acres downtown and construct 2,200-space, 2-level parking garage, and 680,000 square foot regional shopping mall over garage. Mall will include two anchor tenants, specialty shops, movie theatres, and food court.	1,099,001	89,580,000	8,410,000	2,475	0	930,694
Buffalo	Financial assistance to stainless steel food-service and medical equipment manufacturing facility to help expand its physical plant and renovate a portion of existing warehouse. Project includes purchase of new state-of-the-art machinery and equipment to expand company's dealer network.	500,000	2,710,739	822,000	85	0	14,887

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK</u> (Continued)							
Buffalo	Financial assistance to screw corporation to help acquire three industrial buildings consisting of 155,000 square feet of space, and provide 200 parking spaces in Worthington Business Park.	\$1,050,000	\$9,065,803	\$7,370,360	185	0	\$3,414
Buffalo	Financial assistance to Toronto, Canada Corporation to help construct 459,000 square foot, twin-tower office complex. The 11- and 15-story office towers will be constructed over 51,900 square foot central retail/mezzanine and 307-space parking garage.	6,000,000	58,969,307	350,000	1,306	0	789,813
Cortland	Financial assistance to rubber company to help construct 200,000 square foot manufacturing, warehousing, receiving and shipping facility; renovate existing office space; and acquire capital equipment.	1,925,000	9,721,000	400,000	150	0	49,000
Dunkirk	Financial assistance to limited partnership to help construct 130-room hotel with restaurant, banquet, and conference facilities. Project will enable contingent development of second transaction consisting of residential condominiums and 70,000 net leasable square feet of office/retail space.	2,770,000	16,871,553	140,000	270	35	209,843
Fallsburg	Financial assistance to realty company to help renovate existing 8,100 square foot facility, construct 16,500 square foot addition and purchase capital equipment for candy and cigar company*	108,000	742,058	555,000	17	0	10,880

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Gloversville	Financial assistance to developer to help purchase machinery and equipment for newly leased 10,000 square feet of space in Crossroads Incubator Building. Project will enable small start-up company to manufacture full line of sweaters for young men and boys.	\$68,000	\$320,343	\$136,000	40	0	\$5,033
Gloversville	Financial assistance to Fulton County Economic Development Corporation to help acquire seven acres of land and construct 57,000 square foot manufacturing building to be leased to gloves manufacturing company for use as warehouse and distribution center.	385,000	1,649,219	0	31	0	30,988
Gloversville	Financial assistance to developer to help acquire and construct 52,500 square foot manufacturing building. Project will provide incubator space for new and expanding small businesses.	390,000	1,009,173	308,000	45	0	28,733
Gloversville	Financial assistance to company to help acquire five acres of land in Industrial Park. Through lease arrangements, Crossroads Incubator, Inc. will construct 34,400 square foot facility on the site to manufacture company's line of golf balls.	1,510,000	14,255,914	4,438,240	150	0	5,033
Hudson	Financial assistance to furniture manufacturing corporation to help construct 100,000 square foot manufacturing facility to add new product lines and expand current operations.	556,000	2,592,700	1,100,000	115	0	35,585

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Lockport	Financial assistance to New York general partnership to help renovate vacant radiator plant. The 4-building site on eleven acres will provide 445,189 square feet of leasable office and industrial space with parking facilities.	\$592,000	\$2,093,634	\$300,000	150	0	\$7,675
New Paltz	Financial assistance to American designer and women's clothes manufacturer to help acquire and renovate 25,000 square foot building on 6.5 acres, construct 15,000 square feet of additional space, and purchase capital equipment for production.	425,000	2,594,548	775,000	186	0	12,849
New York	Loan to developers to help construct 970,000 square foot office building downtown as part of Metrotech Complex. Brooklyn Union Gas Company will lease 485,000 square feet and back-office space will total 360,000 square feet. Project includes 25,000 square feet of retail space with two levels of underground parking for 270 vehicles, plus site improvements.	8,000,000	187,141,901	16,641,000	1,058	0	1,755,564
Newburgh	Loan to developer to help renovate former Costa bottling plant building into 30,000 square foot retail market known as Factory Marketplace. Project to attract new small retailers for rental of small start-up sized space.	405,000	1,898,506	0	67	0	36,040

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Peekskill	Loan to industrial company to assist in expansion of existing recycling plant. Project will include construction of 24,600 square foot enclosed facility plus purchase and installation of machinery and equipment for separating, crushing and bailing of refuse items to be collected from participating municipalities.	\$377,000	\$3,299,375	\$0	90	0	\$11,082
Sackets Harbor	Financial assistance to developer to help construct rental housing units in abandoned military post in Fort Pike Commons area.	1,225,000	4,324,443	0	5	120	70,772
Saranac Lake	Second mortgage financing to partnership to help construct 100-room hotel with conference facilities, dining and recreational amenities along McKlensie Brook.	535,000	4,300,369	0	100	0	118,518
Schroon Lake	Financial assistance to developer to help construct 250-room hotel, 2- and 3-bedroom condominiums and a conference sports center.	3,320,000	32,633,380	4,000,000	235	124	555,903
Troy	Financial assistance to food produce distributor to help acquire two acres of land for construction of 20,000 square foot refrigerated wholesale and distribution facility to expand existing business.	75,000	846,939	53,411	15	0	26,511
Troy	Financial assistance to partnership to help renovate historic River Triangle project with 73,593 square feet of gross building area, including 1,800 square feet of retail space and 523,000 square feet of office space.	1,372,000	4,581,673	225,000	140	0	82,916

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>NEW YORK (Continued)</u>							
Utica	Financial assistance to Urban Renewal Agency to help construct 80,000 square foot facility to house General Electric Aerospace Division Material Acquisition Center (MAC) in Business Park to include 36,800 square feet of offices and 43,200 square feet of space for component parts manufacturing.	\$750,000	\$8,557,093	\$3,035,000	300	0	\$53,400
<u>NORTH CAROLINA</u>							
Belhaven	Loan to developer to help acquire 9.18 acres of land and construct 50,600 square foot shopping center. Project will include Lion Food and Maxway as major tenants.	447,500	2,659,009	92,240	50	0	105,950
St. Pauls	Financial assistance to developer to help construct turkey processing plant.	905,700	17,107,255	750,000	297	0	41,285
<u>NORTH DAKOTA</u>							
Lehr	Financial assistance to City to construct water and sewer lines and roads on 30-acre site, and help build 23,200 square foot building. A Glenwood, Minnesota corporation will lease 10 acres to operate a printing plant.	410,000	2,066,739	1,000,000	60	0	10,212
<u>OHIO</u>							
Alliance	Financial assistance to small business corporation to help construct 87,500 square foot shopping center to include expansion of existing Buckeye Village Market, drug store and variety of small retail stores.	650,000	4,951,845	0	139	0	98,795

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Cleveland	Financial assistance to developer to help with historic renovation of vacant 30,000 square foot Forest City Bank building and conversion to office and retail space.	\$350,000	\$1,242,485	\$0	80	0	\$48,529
Cleveland	Financial assistance to development corporation to help construct rental townhomes in the Lee-Miles area.	480,000	1,386,916	0	3	32	24,165
Cleveland	Financial assistance to local real estate development and management firm to help construct 60,000 square foot super-market, 6,000 square foot office and retail building, plus rehabilitation of existing 16,000 square foot convenience store at corner of Lee and Harvard Streets into other retail stores.	1,200,000	5,492,000	0	311	0	135,200
Cleveland	Financial assistance to private college in the City to help construct a podiatric clinic to provide better care.	1,225,000	3,842,412	0	10	0	61,541
Cleveland	Financial assistance to limited partnership to help rehabilitate three historic buildings in the warehouse district into apartment units, plus office and retail space.	1,433,833	5,125,688	0	105	56	106,256
Cleveland	Financial assistance to limited partnership to help rehabilitate the Powerhouse, a downtown historical building. Project will include construction of restaurants, 19,500 square feet of other retail space and 19,500 square feet of office space.	4,244,024	13,132,467	0	357	0	234,071

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Cleveland	Financial assistance to limited partnership to help with historic preservation of two buildings at West 9th Street and Main Avenue in Warehouse District. Project will convert vacant warehouses into apartment units and 110,500 square feet of commercial space with separate parking for residential and commercial facilities.	\$4,425,000	\$23,299,172	\$0	356	231	\$321,749
Cleveland	Financial assistance to limited partnership to help construct 192-room hotel and 8 restaurant in Playhouse Square District.	5,500,000	26,934,806	0	288	0	1,128,997
Cleveland	Financial assistance to partnership to help construct 108,000 square feet of office space, 16,475 square feet of retail space, and 207-room hotel.	7,900,000	45,932,788	0	571	0	500,860
Cleveland	Financial assistance to developer to help construct 400-room hotel downtown near the convention center to include restaurants, conference rooms, a ballroom, and other related facilities.	7,900,000	56,033,509	0	490	0	682,849
Cleveland	Financial assistance to limited partnership to help acquire and renovate 175,000 square foot historic bank building into office space, and construct 1,250,000 square foot office building in Public Square section.	10,000,000	220,430,920	0	480	0	3,330,103
Dayton	Financial assistance to limited partnership to help renovate historic, 13-story YMCA building downtown into apartments. Project includes construction of new apartments on adjacent three acres along the Great Miami River.	1,600,000	14,109,679	2,550,000	216	123	380,982

UDAG-22

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>OHIO (Continued)</u>							
Lorain	Financial assistance to joint venture to help convert historic downtown office building near City's port into 63-room hotel. Project will include 7,500 square feet of conference space and 175 parking spaces.	\$550,000	\$4,469,005	\$2,287,500	104	0	\$152,103
Middleport	Financial assistance to two local business persons to acquire land in central business district or construction of 6,000 square foot retail building for lease to Family Dollar Stores company.	65,000	168,500	0	9	0	27,701
Norwood	Financial assistance to newly formed local partnership to help acquire current LeBlond manufacturing facilities plus additional half-acre of land. Project includes clearing several existing structures, rehabilitating an existing office building into 80,000 square feet of new office space, and constructing 150,000 square feet of retail space.	3,421,000	27,142,264	0	462	0	526,491
Warren	Financial assistance to plumbing wholesale and supply business to help expand to vacant 450,000 square foot industrial building. Project includes renovation and installation of capital equipment.	300,000	2,781,670	900,000	100	0	100,522
Youngstown	Financial assistance to developer to help construct 7,800 square foot medical center within blocks of St. Elizabeth Medical Center.	100,000	699,224	0	8	0	16,530
Youngstown	Financial assistance to company to help construct a warehousing distribution center serving midwestern grocery and drug stores.	1,500,000	9,553,929	2,000,000	434	0	90,272

Fiscal Year 1988 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>OKLAHOMA</u>							
Tulsa	Financial assistance to general partners to help renovate historically significant, and vacant 18-story Mayo Hotel downtown.	\$4,800,000	\$15,117,670	\$9,200,000	250	0	\$293,606
<u>OREGON</u>							
Redmond	Financial assistance to general partnership to help construct &-service truck stop on U. S. Highway 97 to include 100-room motel, restaurant, convenience store, gas station and service facilities for both trucks and cars.	730,433	8,493,015	0	152	0	96,210
<u>PENNSYLVANIA</u>							
Bradford	Construction and permanent mortgage loan financing to developer to help build a 100-bed intermediate care nursing home. Facility to house patients from Home destroyed by fire and one operating in outdated facility.	513,320	2,403,731	2,081,900	43	100	8,267
Carbondale	Mortgage loan to local businessman to help rehabilitate newly acquired, three-story downtown commercial building.	79,000	340,000	0	21	0	4,107
Clarks Summit	Mortgage loan to developer to help make improvements to existing 8,000 square foot strip of retail stores and adjacent 25,000 square foot, former A & P store downtown. Project will anchor one end of Borough's main shopping district with optical store and supermarket.	100,000	1,230,515	0	47	0	4,090

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Conshohocken	Loan to joint venture to help construct 220,000 square foot office building and 770-car parking structure.	\$5,010,000	\$31,991,630	\$0	515	0	\$443,535
Donora	Construction/permanent loan to private developer to help build new 6,000 square foot retail store in Donora Southgate urban renewal area. General merchandise retailer will lease the improved facility upon completion.	95,000	320,860	10,300	5	0	6,931
Greensburg	Loan to developer to help construct 77,500 square foot office/retail building with 500-space parking garage. Among the tenants will be the Old Republic Insurance Companies and Westmoreland County offices.	1,052,361	9,099,793	605,000	159	0	194,994
Harrisburg	Construction/permanent loan to developer to help construct Capitol Tower, a 12-story, 180,000 square foot office building downtown.	2,500,000	17,577,153	0	405	0	89,530
Johnstown	Loan to company to help improve its existing manufacturing facility and acquire production equipment; namely, copper and hot-dip galvanized rods that are used to ground building electrical systems.	270,000	1,10 ,204	100,000	39	0	0
Mansfield	Constructiodpermanent mortgage loan to developer to help acquire downtown site and construct 6,550 square foot commercial building with retail shops on first floor and office space on second floor.	73,000	386,945	0	9	0	6,834

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Norristown	Loan to developer to help construct 100,000 square foot, 5-story, office building with surface parking in the central business district adjacent to new consolidated transportation center.	\$500,000	\$10,185,402	\$1,000,000	240	0	\$216,955
Philadelphia	Second mortgage loan to partnership to help construct 14-story, 143-room Omni Hotel with restaurants, meeting rooms, swimming pool and suites in historic downtown district.	3,000,000	18,129,255	0	177	0	584,076
Philadelphia	Loan to developer to help construct 860,000 square foot, 39-story office building downtown at 13th and Market Streets.	6,500,000	160,996,103	0	1,754	0	3,566,000
Philadelphia	Construction/permanent mortgage loan to limited partnership to help rehabilitate historic buildings providing new rental apartments and townhouses, 82,700 square feet of retail/commercial space, and parking.	7,000,000	48,261,881	0	88	328	313,372
Philadelphia	Loan to insurance company to help with tenant improvements in newly constructed 1,257,000 square foot building. Project will consolidate fire and casualty operations in several places in the City.	8,000,000	216,119,012	0	1,132	0	3,367,709
Pittsburgh	Construction/permanent loan to joint venture to help build 350,000 square foot specialty retail space over Steel Plaza subway station downtown with adjacent 1,000-space parking structure connected by pedestrian bridge. Plans include leasing 58,000 square feet of space to new anchor department store.	5,000,000	74,742,273	0	764	0	2,123,363

Fiscal Year 1988 Urban Development Action Grant Awards

<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PENNSYLVANIA (Continued)</u>							
Scranton	Financial assistance to corporation to help renovate the Casey Hotel, an attendant parking facility, and retail space in the central business district.	\$2,471,000	\$13,513,893	\$4,350,000	172	0	\$301,572
Sharpsville	Construction/permanent mortgage loan to Pennsylvania corporation that manufactures and wholesales ice cream cones to purchase capital equipment for newly constructed 50,000 square foot addition to its existing plant.	775,000	5,974,825	794,550	110	0	9,820
<u>PUERTO RICO</u>							
Caguas	Financial assistance to cardboard manufacturing company to help construct 737,200 square foot industrial building in Caguas West Industrial Park. Project will provide facility for manufacture of non-corrugated, pressed, glazed and folding cardboard to lessen need for importing.	400,000	3,553,571	0	64	0	62,410
Caguas	Financial assistance to developer to help construct 82,680 square foot medical office building complex. Ground floor will be commercial space to include drug store, newsstand and food vendors with remaining six floors providing office space for 50 physicians.	750,000	4,495,523	0	312	0	0
Canovanas	Second mortgages directly to purchasers of Villa Doradas townhouses to help them become affordable.	435,000	1,659,160	0	0	42	11,496

Fiscal Year 1988 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>PUERTO RICO (Continued)</u>							
Canovanas	Financial assistance to developer to help construct detached, single-family housing units consisting of 3 bedrooms, 2 bathrooms, living and dining area, kitchen and carport. The size of each unit will be 989 square feet on lots of 275 square feet.	\$1,710,000	\$7,081,623	\$0	0	171	\$60,276
Carolina	Loan to developer to help construct Puerto Rico's first World Trade Center, a 123,000 square foot, 8-story building, a one-stop trade facility that will house government trade offices, custom brokers and international trade companies.	972,993	9,285,023	0	328	0	58,397
Catano	Financial assistance to partnership, formed for this project, to help construct 10,000 square feet of office space and 30,000 square feet of leasable warehouse space.	340,000	1,602,894	0	45	0	49,148
Gurabo	Loan to manufacturer of aluminum security doors and windows to help construct 87,000 square foot building as well as purchase and install new machinery and equipment for expansion project.	770,000	4,595,172	0	122	0	59,193
Loiza	Financial assistance to developer to help construct 50-room hotel to include restaurant, pool and other related activities, on 37,975 square foot site located on Route 187, approximately 19 miles east of San Juan.	440,000	1,552,500	0	31	0	10,663

Fiscal Year 1988 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>PUERTO RICO (Continued)</u>							
Manati	Financial assistance to limited partnership to help construct 77,000 square foot neighborhood shopping center at State Road P. R. No. 2. Anchor tenants will be Pueblo X-tra Supermarket and Walgreen's, and fast-food outlets.	\$1,010,000	\$7,101,963	\$0	192	0	\$86,299
Ponce	Second mortgage loan to developer to help construct 615,231 square foot regional shopping center on Road 2 and provide permanent financing.	4,757,068	36,584,227	0	809	0	480,093
San Juan	Loan to developer to help rehabilitate and restore vacant El Mundo historic building in Old San Juan. Project will provide 4,000 square feet of for-lease commercial space on ground floor and 25,000 square feet of for-sale office space on upper six floors.	380,000	1,844,000	0	85	0	25,100
San Juan	Financial assistance to development group to help with Phase I of office complex in Hato Rey Ward of New San Juan Center. Project includes 124,000 gross square foot office tower, to be sold as office condominiums, and 381-vehicle parking space, 16,000 square feet of net leasable commercial space, plus related on and off improvements.	800,000	10,343,974	0	400	0	119,300
San Juan	Loan to development corporation to help acquire, renovate and provide additional space in vacant El Imparcial building in Old San Juan.	1,465,000	7,431,800	0	150	93	85,650

Fiscal Year 1988 Urban Development Action Grant Awards

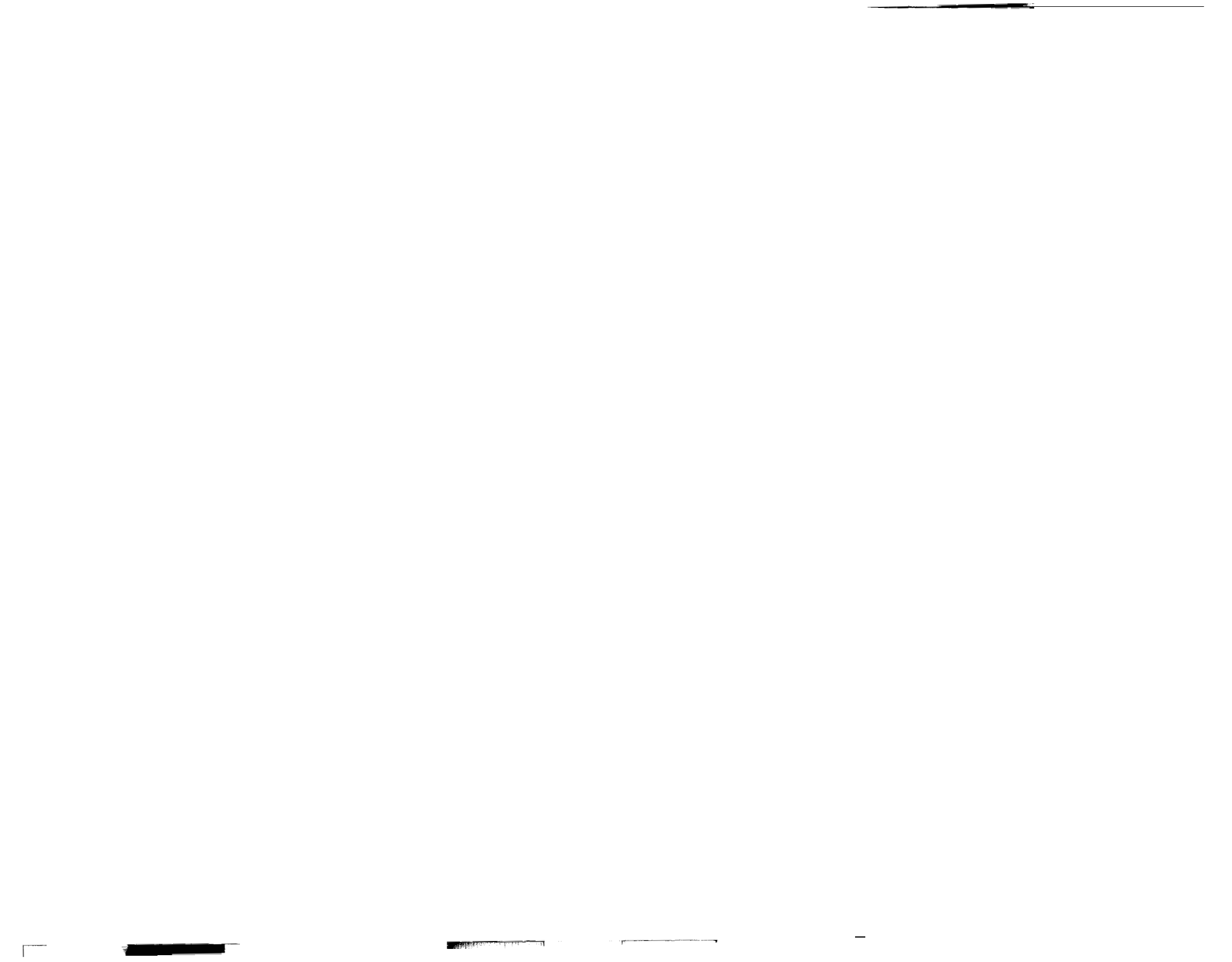
<u>State and City</u>	<u>Project Description</u>	<u>UDAG Dollars</u>	<u>Private Investment</u>	<u>Other Public Dollars</u>	<u>Estimated Total New Jobs</u>	<u>Estimated Housing Units</u>	<u>Estimated Local Tax Revenue</u>
<u>PUERTO RICO (Continued)</u>							
San Juan	Financial assistance to developer to help construct a two-transaction project in Santurce area. The first is development of the Europa building, a 419,960 square foot, 9-story office structure, with retail space on the first two floors and 614 parking spaces. The second is rehabilitation of its vacant 92,500 square foot building, adjacent to the Europa building.	\$2,000,000	\$29,501,973	\$0	803	0	\$448,161
Yabucoa	Financial assistance to development corporation to help build single-family , detached housing units to include three bedrooms, one bathroom, living room, dining room, kitchen, laundry area, w-p ort and covered porch in 1,225 square foot area on 325 square meter lot.	925,000	3,360,000	0	0	120	39,285
<u>RHODE ISLAND</u>							
Providence	Financial assistance to developer to help construct 140-room budget hotel in India Point section.	915,000	7,223,155	1,125,000	118	0	219,178
<u>SOUTH DAKOTA</u>							
Huron	Construction/permanent mortgage loan to developer to help renovate newly acquired 143,000 square foot hog slaughtering and processing plant with capital equipment on 114-acre tract.	375,000	6,464,146	650,000	116	0	244,016

Fiscal Year 1988 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>TENNESSEE</u>							
Iron City	Loan to metal casket manufacturing company to purchase capital equipment for newly acquired and rehabilitated facility.	\$52,000	\$175,584	\$0	34	0	\$0
Memphis	Loan to developer to help construct Phase Two of Peabody Place, a downtown office and retail development. Project consists of 291,250 square foot office tower, 89,725 square foot mall, and retail spaces, two department stores totalling 186,000 square feet and a 1,300-space parking structure.	5,250,000	105,385,245	3,000,000	1,625	0	5,282,184
Oneida	Financial assistance to Scott County Industrial Development Board to help construct 175,000 square foot, flatbed trailer, manufacturing plant for lease to corporation.	562,500	8,782,500	1,000,000	250	0	88,256
<u>VIRGINIA</u>							
South Boston	Loan to developer to purchase capital equipment for newly constructed 325,000 square foot facility for manufacture of furniture for electronic equipment such as television cabinets and computer desks.	800,000	14,889,059	490,000	400	0	36,082
<u>WASHINGTON</u>							
Colville Tribes	Financial assistance to Tribe-operated enterprise on Lake Roosevelt in Coulee National Recreation Area to help construct support facilities and purchase capital equipment.	387,625	1,428,171	0	7	0	0

Fiscal Year 1988 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>WISCONSIN</u>							
Prentice	Financial assistance to lumber company to purchase capital equipment for newly constructed state-of-the-art saw mill and lumber treatment facility.	\$765,000	\$14,880,339	\$608,784	130	0	\$83,887



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Office of Program Analysis and Evaluation
Washington, D.C. 20410-3000
Official Business

Special
Fourth-Class Mail
Postage and Fees Paid
HUD
Permit No. G-51



1214 - CPD
March 1989