

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4098-N-04]

Notice of Regulatory Waiver Requests Granted

AGENCY: Office of the Secretary, HUD.

ACTION: Public Notice of the Granting of Regulatory Waivers from October 1, 1996 through December 31, 1996.

SUMMARY: Under the Department of Housing and Urban Development Reform Act of 1989 (Reform Act), the Department (HUD) is required to make public all approval actions taken on waivers of regulations. This notice is the twenty-fourth in a series, being published on a quarterly basis, providing notification of waivers granted during the preceding reporting period. The purpose of this notice is to comply with the requirements of Section 106 of the Reform Act.

FOR FURTHER INFORMATION CONTACT: For general information about this notice, contact Camille E. Acevedo, Assistant General Counsel for Regulations, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410; telephone 202-708-3055. (This is not a toll-free number.); Hearing- and speech-impaired persons may call HUD's TTY toll-free number at 1-800-877-8391.

For information concerning a particular waiver action for which public notice is provided in this document, contact the person whose name and address is set out for the particular item, in the accompanying list of waiver-grant actions.

SUPPLEMENTARY INFORMATION: As part of the Housing and Urban Development Reform Act of 1989, the Congress adopted, at HUD's request, legislation to limit and control the granting of regulatory waivers by the Department. Section 106 of the Act (Section 7(q)(3)) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535(q)(3), provides that:

1. Any waiver of a regulation must be in writing and must specify the grounds for approving the waiver;

2. Authority to approve a waiver of a regulation may be delegated by the Secretary only to an individual of Assistant Secretary rank or equivalent rank, and the person to whom authority to waive is delegated must also have authority to *issue* the particular regulation to be waived;

3. Not less than quarterly, the Secretary must notify the public of all waivers of regulations that the Department has approved, by

publishing a notice in the **Federal Register**. These notices (each covering the period since the most recent previous notification) shall:

- a. Identify the project, activity, or undertaking involved;
- b. Describe the nature of the provision waived, and the designation of the provision;
- c. Indicate the name and title of the person who granted the waiver request;
- d. Describe briefly the grounds for approval of the request;
- e. State how additional information about a particular waiver grant action may be obtained.

Section 106 also contains requirements applicable to waivers of HUD handbook provisions that are not relevant to the purpose of today's document.

Today's document follows publication of HUD's Statement of Policy on Waiver of Regulations and Directives issued by HUD (56 FR 16337, April 22, 1991). This is the twenty-fourth notice of its kind to be published under Section 106. This notice updates HUD's waiver-grant activity from October 1, 1996 through December 31, 1996.

For ease of reference, waiver requests granted by departmental officials authorized to grant waivers are listed in a sequence keyed to the section number of the HUD regulation involved in the waiver action. For example, a waiver-grant action involving exercise of authority under 24 CFR 91.101 (involving the waiver of a provision in 24 CFR part 91) would come early in the sequence, while waivers of 24 CFR part 990 would be among the last matters listed. Where more than one regulatory provision is involved in the grant of a particular waiver request, the action is listed under the section number of the first regulatory requirement in title 24 that is being waived as part of the waiver-grant action. (For example, a waiver of both § 92.2 and § 92.220(a)(1)(iii) would appear sequentially in the listing under § 92.2.) Waiver-grant actions involving the same initial regulatory citation are in time sequence beginning with the earliest-dated waiver grant action.

Should the Department receive additional reports of waiver actions taken during the period covered by this report before the next report is published, the next updated report will include these earlier actions, as well as those that occur between January 1, 1997 through March 31, 1997.

Accordingly, information about approved waiver requests pertaining to regulations of the Department is

provided in the Appendix that follows this notice.

Dated: March 31, 1997.

Andrew Cuomo,
Secretary.

Appendix—Listing of Waivers of Regulatory Requirements Granted by Officers of the Department of Housing and Urban Development October 1, 1996 through December 31, 1996

Note to Reader: More information about the granting of these waivers, including a copy of the waiver request and approval, may be obtained by contacting the person whose name is listed as the contact person directly before each set of waivers granted.

For items 1 through 11, waivers granted for 24 CFR Parts 91, 92, 291, 576, and 582, CONTACT: Debbie Ann Wills, Field Management Officer, U.S. Department of Housing and Urban Development, Office of Community Planning and Development, 451 7th Street, SW., Room 7152, Washington, DC 20410-7000, Telephone: (202) 708-2565, Hearing- and speech-impaired persons may call HUD's TTY toll-free number at 1-800-877-8391.

1. Regulation: 24 CFR 91.101(c)

Project/Activity: The Carson, Nevada, Consortium requested a waiver of 24 CFR 91.101(c), of the HOME regulations, to allow for the creation of a newly configured consortium, which would be more likely to receive a HOME program formula allocation.

Nature of Requirement: The regulations, at 24 CFR 91.101(c), require a three-year qualification period for participation in a HOME consortium.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 31, 1996.

Reasons Waived: The Assistant Secretary found good cause to grant a waiver of the regulation that requires that all consortium have a three-year qualification period.

2. Regulation: 24 CFR 92.2

Project/Activity: The City of San Fernando, California, received an emergency supplemental appropriation for the fiscal year ending September 30, 1994, which could only be used in one qualifying census tract. The money could be used for acquisition, rehabilitation, or reconstruction of earthquake-damaged multifamily housing.

Nature of Requirement: The regulations, at 24 CFR 92.2, define "reconstruction" as rehabilitation on a structure standing at the time of project commitment.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: December 30, 1996.

Reasons Waived: The Assistant Secretary found good cause to grant a waiver of the regulations to facilitate the obligation and use of the emergency funds, because it was determined that the waiver would not be inconsistent with the overall purpose of the statute or regulation.

3. Regulation: 24 CFR 92.220(a)(1)(iii)

Project/Activity: The State of Idaho requested a waiver of 24 CFR 92.220(a)(1)(iii), to enable it to take credit for match on BMIR Title I FHA insured home improvement loans, which are being used in a State development program targeted to an urban renewal area.

Nature of Requirement: 24 CFR 92.220(a)(1)(iii), of the HOME regulations, recognizes, as a non-federal match contribution, the grant equivalent value of a below market interest rate (BMIR) loan based on the present discounted cash value of the yield foregone, provided the loan is made from funds other than funds borrowed by the jurisdiction or agency.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 16, 1996.

Reasons Waived: The waiver of § 92.220(a)(1)(iii) will enable the State to more effectively leverage its HOME funds. Conversely, the application of this section would adversely affect the purposes of the Act, therefore, the waiver was granted.

4. Regulation: 24 CFR 92.220(a)(3)(iii)

Project/Activity: Prince William County, Virginia, requested a waiver of § 92.220(a)(3)(iii) of the HOME regulations.

Nature of Requirement: 24 CFR 92.220(a)(3)(iii) of the HOME regulations requires that "the appraisal of land and structures must be performed by an independent, certified appraiser."

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: November 5, 1996.

Reasons Waived: Since County appraisers are required to use the same practices and procedures as an independent appraiser, requiring the County to use an independent appraiser would create an additional expense, and adversely affect the purposes of the Act.

5. Regulation: 24 CFR 92.251

Project/Activity: The State of North Dakota, requested a waiver to permit a rehabilitation project, which utilizes HOME funds, to use FHA Single Family Minimum Property Requirements, in lieu of HQS, for its HOME assisted homebuyer activities.

Nature of Requirement: 24 CFR 92.251 provides that housing assisted with HOME funds meet, at a minimum, HUD housing quality standards (HQS), and provides other minimum standards for substantial rehabilitation and new construction.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 1, 1996.

Reasons Waived: The waiver was granted because the State indicated that there was a significant duplication of effort by requiring both HQS's and FHA Minimum Property Requirements' inspections. The Assistant Secretary deemed that imposition of the requirement would adversely affect the purposes of the Act.

6. Regulation: 24 CFR 92.251

Project/Activity: The State of Georgia, requested a waiver to permit a rehabilitation project, which utilizes HOME funds, to use FHA Single Family Minimum Property Requirements, in lieu of HQS (24 CFR 882.109), for its HOME assisted homebuyer activities.

Nature of Requirement: 24 CFR 92.251, provides that housing assisted with HOME funds meet, at a minimum, HUD housing quality standards (HQS), and provides other minimum standards for substantial rehabilitation and new construction.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 17, 1996.

Reasons Waived: The waiver was granted because the State indicated that the costs associated with the HQS's inspections increases the purchase price for the prospective buyer. Also, the logistics for the duplicate inspections and reinspections present an unacceptable cost burden, therefore, HQS's inspections have placed an undue administrative and cost burden on the State's private partners. The waiver was granted because the Assistant Secretary deemed that imposition of the requirement would adversely affect the purposes of the Act.

7. Regulation: 24 CFR 291.400(a)

Project/Activity: The Anoka County Community Action Program, requested a waiver of the 24-month residency for a tenant in a single-family property leased under the single-family property disposition homeless program.

Nature of Requirement: The regulations, at 24 CFR 291.400(a), prohibit a non-profit organization, or a community participating in the Single-Family Property Disposition Leasing Program, from extending a lease to the same tenant for a period beyond 24 months.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: November 1, 1996.

Reasons Waived: The waiver will allow two formerly homeless families more time to find permanent housing.

8. Regulation: 24 CFR 576.21

Project/Activity: The City of Chicago, Illinois, requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

Nature of Requirement: The City requested a waiver of the ESG expenditure limitation on essential services.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 11, 1996.

Reasons Waived: Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act, the 30 percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried

out locally with other resources, therefore, it was determined that the waiver was appropriate.

9. Regulation: 24 CFR 576.21

Project/Activity: The City of Bridgeport, Connecticut, requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

Nature of Requirement: The City requested a waiver of the ESG expenditure limitation on essential services.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: October 17, 1996.

Reasons Waived: Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act, the 30 percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources, therefore, it was determined that the waiver was appropriate.

10. Regulation: 24 CFR 576.21

Project/Activity: The City of New York, New York, requested a waiver of the Emergency Shelter Grants regulations at 24 CFR 576.21.

Nature of Requirement: The City requested a waiver of the ESG expenditure limitation on essential services.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: December 31, 1996

Reasons Waived: Under the Stewart B. McKinney Homeless Assistance Act, amended by the National Affordable Housing Act, the 30 percent cap on essential services may be waived if the grantee "demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources". The City provided a letter that demonstrated that other categories of ESG activities will be carried out locally with other resources, therefore, it was determined that the waiver was appropriate.

11. Regulation: 24 CFR 582.100(b)

Project/Activity: The Columbus Metropolitan Housing Authority of Columbus, Ohio, requested a waiver of 24 CFR 582.100(b) because a necessary site change would keep the housing authority from meeting the regulatory deadline set for project completion.

Nature of Requirement: 24 CFR 582.100(b) of the Shelter Plus Care regulations state that rehabilitation under project-based rental assistance must be completed within twelve months from the date of the grant award.

Granted By: Andrew Cuomo, Assistant Secretary for Community Planning and Development.

Date Granted: November 26, 1996.

Reasons Waived: A determination was made that the deadline could be waived because of extenuating circumstances related

to zoning restrictions that were beyond the control of the grantee.

For items 12 and 13, waivers granted for 24 CFR part 761, contact: Gloria J. Cousar, Deputy Assistant Secretary, Office of Community Relations and Involvement, Department of Housing and Urban Development, 451 7th Street, SW, Room 4126 Washington, DC 20410-5000, (202) 619-8702 (this is not a toll-free number.), Hearing-and speech-impaired persons may call, HUD's TTY toll-free number at 1-800-877-8391.

12. Regulation: 24 CFR 761.30(b)

Project/Activity: Public Housing Drug Elimination Grant Program (PHDEP) grant #IL06DEP0040194.

Nature of Requirement: Waiver of 24 CFR 761.30(b) to extend a 1994 PHDEP grant for the Springfield (Ill) Housing Authority SHA.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 5, 1996.

Reason Waived: SHA has experienced significant administrative changes within the past year. HUD staff on-site recommended the submission, of a waiver request, to extend the remaining grant funds, in order to continue the PHA's community policing initiatives.

13. Regulation: 24 CFR 761.30(b)

Project/Activity: Public Housing Drug Elimination Grant Program (PHDEP) grant #NJ39DEP0430194.

Nature of Requirement: Waiver of 24 CFR 761.30(b) to extend a 1994 PHDEP grant for the Edison Housing and Redevelopment Authority (EHA).

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: December 12, 1996.

Reason Waived: EHA has experienced significant administrative changes. There have been 5 Executive Directors of the Authority from mid-1994 through April, 1995, which also caused staffing changes through this time period. PHA had requested extension of the term of the Drug Elimination Grant; regulatory waiver was necessary to avoid termination and recapture of grant funds. Waiver was justified on the basis of cited staffing changes, and incoming Executive Director's need to become familiar with the drug program and resources.

Grant Extension: The grant is extended to June 12, 1997.

For items 14 through 26, waivers granted for 24 CFR parts 813, 882, 901, 913, 982, and 990, contact: Mary Ann Russ, Deputy Assistant Secretary, Office of Public and Assisted Housing Operations, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4204, Washington, DC 20410, (202) 708-1380 (this is not a toll-free number), Hearing-and speech-impaired persons may call HUD's TTY toll-free number at 1-800-877-8391.

14. Regulation: 24 CFR 813.107(a)

Project/Activity: City of Scottsdale Housing Authority, Arizona, Section 8 Certificate Program.

Nature of Requirement: The regulation provides that the Total Tenant Payment for

families, whose initial lease is effective on or after August 1, 1982, shall be the highest of:

(1) 30 percent of Monthly Adjusted Income;

(2) 10 percent of Monthly Income; or

(3) The Welfare Rent.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: October 25, 1996.

Reason Waived: Approval of the waiver permitted the disabled program participant to pay more than 30 percent of her income, as permitted by the National Affordable Housing Act of 1990, to obtain a unit with special amenities. This kind of exception to the 30% of income rule is permitted in law, and makes the Section 8 certificate program consistent with the Section 8 voucher program, but the certificate/voucher conforming rule has not been completed, thus necessitating waiver of the certificate regulations for this case.

15. Regulation: 24 CFR 882.605(c)

Project/Activity: Housing Authority of the City of Salem, Oregon, Section 8 Certificate Program.

Nature of Requirement: The regulation caps the amount of rent that can be paid for a manufactured home pad space, at 110 percent of the applicable Fair Market Rent.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: December 24, 1996.

Reason Waived: The waiver protected the certificate-holder from the threat of displacement and possible homelessness. Certificate holder is a disabled elderly woman who owns her mobile home; owner of the mobile home park increased the pad rental, and waiver was necessary to permit the tenant to remain in place and retain ownership of her home.

16. Regulation: 24 CFR 901.120 (a) and (b)

Project/Activity: Public Housing Management Assessment Program, Mount Bayou Housing Authority (MBHA).

Nature of Requirement: The regulation requires Field Offices to assess and notify each PHA of its' PHMAP score, within 180 days after the beginning of a PHA's fiscal year.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: December 24, 1996.

Reason Waived: The MBHA's PHMAP certification contained numerous errors. A new Executive Director was appointed, who was unaware of the PHMAP program requirements. The initial assessment of the MBHA was 47, which results in a failing score. As a result, it is necessary for the Mississippi State Office to conduct a confirmatory review of the MBHA, for its' fiscal year ending June 30, 1996. Due to the need for a confirmatory review, a waiver was granted for an additional 60 days, to allow the Mississippi State Office to conduct the confirmatory review, provide technical assistance, and complete and notify the MBHA of its' PHMAP score for its' FY ending June 30, 1996.

17. Regulation: 24 CFR 901.120 (a) and (b)

Project/Activity: Atlanta Housing Authority (AHA)—Public Housing Management Assessment Program (PHMAP).

Nature of Requirement: The regulation requires Field Offices to assess and notify each PHA of its' PHMAP score, within 180 days after the beginning of a PHA's fiscal year.

Granted by: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date granted: December 30, 1996.

Reason waived: After the Headquarters' confirmatory review of the AHA, the AHA met with Headquarters and agreed to provide additional documentation to support its' score. Due to the time necessary to receive and evaluate this material, a waiver was granted for an additional 30 days to complete the assessment, and notify the AHA of its' PHMAP score for its' FYE June 30, 1996.

18. Regulation: 24 CFR Part 913.107(a)

Project/activity: A request was made by the Ballinger Housing Authority (BHA), of Ballinger, TX, to permit the establishment of ceiling rents for its' entire low-rent inventory.

Nature of requirement: The total tenant payment a public housing agency (PHA) must charge shall be the highest of the following, rounded to the nearest dollar:

(1) 30 percent of Monthly Adjusted Income;

(2) 10 percent of Monthly Income;

(3) If the Family receives Welfare Assistance from a public agency, and a part of such payments, adjusted in accordance with the Family's actual housing costs, is specifically designated by such agency to meet the Family's housing costs, the monthly portion of such payments, which is so designated; or

(4) The minimum rent set by the housing authority.

Granted by: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date granted: October 21, 1996.

Reason waived: BHA has a long history of vacancy problems. The establishment of ceiling rents will permit the BHA to attract and maintain more wage-earning, low-income applicants, thus improving its financial condition and allowing it to serve more people. This case is a request for waiver of the 30% rule for permanent installation of ceiling rents as provided in the HDC Amendments of 1987. PHAs seeking to establish permanent ceiling rents need a waiver of the cited regulation. PHAs can effect temporary ceiling rents under the 1996 Continuing Resolution, but many PHAs are electing to go for the permanent fix, rather than doing all the calculations and notices only to have to re-implement the old 30% rent rules at expiration of the temporary authority.

19. Regulation: 24 CFR Part 913.107(a)

Project/activity: A request was made by the Bassett Housing Authority (BHA) of Bassett, NE, to permit the establishment of ceiling rents for its' entire low-rent inventory.

Nature of requirement: The total tenant payment a public housing agency (PHA)

must charge shall be the highest of the following, rounded to the nearest dollar:

- (1) 30 percent of Monthly Adjusted Income;
- (2) 10 percent of Monthly Income;
- (3) If the Family receives Welfare Assistance from a public agency and a part of such payments, adjusted in accordance with the Family's actual housing costs, is specifically designated by such agency to meet the Family's housing costs, the monthly portion of such payments, which is so designated; or
- (4) The minimum rent set by the housing authority.

Granted by: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date granted: December 10, 1996.

Reason waived: The establishment of ceiling rents will permit the BHA to attract and maintain more wage-earning, low-income applicants, thus improving its financial condition and allowing it to serve more people. This case is a request for waiver of the 30% rule for permanent installation of ceiling rents as provided in the HDC Amendments of 1987. PHAs seeking to establish permanent ceiling rents need a waiver of the cited regulation. PHAs can effect temporary ceiling rents under the 1996 Continuing Resolution, but many PHAs are electing to go for the permanent fix, rather than doing all the calculations and notices only to have to re-implement the old 30% rent rules at expiration of the temporary authority.

20. Regulation: 24 CFR 982.201(b)

Project/Activity: North Bend/Coos-Curry Housing Authority, Section 8 Certificate Program.

Nature of Requirement: The regulation limits eligibility, for both the Section 8 certificate and voucher programs, to those specific exception categories permitted by the statute for the voucher program.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 23, 1996.

Reason Waived: The waiver will permit admissions of a family that is low-income, but not very low-income, enabling the severely ill applicant to move to an affordable unit with adequate ventilation.

21. Regulation: 24 CFR 982.303(b)

Project/Activity: Housing Authority of Washington County, Oregon; Section 8 Certificate Program.

Nature of Requirement: The regulation provides for a maximum certificate term of 120 days during which a certificate-holder may seek housing to be leased under the program.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: October 28, 1996.

Reason Waived: Approval of the waiver prevented hardship to the disabled certificate-holder, whose housing search was hampered by his illness and hospitalization.

22. Regulation: 24 CFR 982.303(b)

Project/Activity: Housing Authority of Washington County, Oregon; Section 8 Voucher Program.

Nature of Requirement: The regulation provides for a maximum voucher term of 120 days during which a voucher-holder may seek housing to be leased under the program.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 20, 1996.

Reason Waived: Approval of the waiver prevented hardship to the disabled voucher-holder, who faced special problems in locating a unit.

23. Regulation: 24 CFR 982.303(b)

Project/Activity: Commonwealth of Massachusetts, Division of Housing and Community Development; Section 8 Certificate Program.

Nature of Requirement: The regulation provides for a maximum term of 120 days during which a certificate-holder may seek housing to be leased under the program.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 21, 1996.

Reason Waived: Approval of the waiver prevented hardship to the disabled certificate-holder who faced special problems in locating a unit.

24. Regulation: 24 CFR 982.303(b)

Project/Activity: Commonwealth of Massachusetts, Division of Housing and Community Development; Section 8 Certificate Program.

Nature of Requirement: The regulation provides for a maximum certificate term of 120 days during which a certificate-holder may seek housing to be leased under the program.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: December 6, 1996.

Reason Waived: Approval of the waiver prevented hardship to a certificate-holder whose multiple disabilities severely limited his ability to seek housing.

25. Regulation: 24 CFR 990.109(b)(3)(iv)

Project/Activity: Chicago, IL, Housing Authority. A request was made to use an occupancy rate of 82%, and recalculate its PFS operating subsidy eligibility.

Nature of Requirement: The regulation requires a Low Occupancy PHA, without an approved Comprehensive Occupancy Plan, to

use a projected occupancy percentage of 97%.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 19, 1996.

Reason Waived: In order to support its current recovery efforts, the HA was allowed to use an occupancy rate of 82% for its fiscal year ending 12/31/96, to finance a special initiative for maintenance improvements subject to the following conditions:

(1) The funds generated, as a result of the waiver approval, are to be used to implement the CHA's special maintenance initiative. Prior to funds being scheduled for payment for the initiative, the Field Office and the CHA will update the Action Plan schedule.

(2) The updated Action Plan schedule will be incorporated as an addendum to the current Memorandum of Agreement, and the Field Office will monitor compliance with the Action Plan, and review progress made on a regularly scheduled basis.

The HA was also notified that for its subsequent budget years beginning January 1, 1997, it will be subject to the provisions of the new Vacancy Rule, dated 2/28/96. That rule permits operating subsidy to be paid to vacant units undergoing modernization, or units that are vacant, for reasons beyond the Authority's control, but sharply limits the operating subsidy that will be paid to long-term vacant units.

26. Regulation: 24 CFR 990.109(b)(3)(iv)

Project/Activity: Springfield, IL, Housing Authority. A request was made to use 75% for the HA's projected occupancy percentage, when calculating the PFS operating subsidy eligibility.

Nature of Requirement: The regulation requires a Low Occupancy PHA, without an approved Comprehensive Occupancy Plan, to use a projected occupancy percentage of 97%.

Granted By: Kevin Emanuel Marchman, Acting Assistant Secretary for Public and Indian Housing.

Date Granted: November 23, 1996.

Reason Waived: In order to be supportive of the current recovery efforts, the HA was allowed to use 75% occupancy percentage to prevent undue hardships while it continues its efforts to reduce vacancies. The HA was also notified that for its subsequent budget years beginning January 1, 1997, it will be subject to the provisions of the new Vacancy Rule, dated 2/28/96.

That rule permits operating subsidy to be paid to vacant units undergoing modernization, or units that are vacant, for reasons beyond the Authority's control, but sharply limits the operating subsidy that will be paid to long-term vacant units.

[FR Doc. 97-9548 Filed 4-11-97; 8:45 am]

BILLING CODE 4210-32-P