

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## 24 CFR Part 968

[Docket No. FR-4125-F-02]

RIN 2577-AB71

### Replacement Housing Factor in Modernization Funding

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Final rule.

**SUMMARY:** This rule revises the regulations that govern the formula allocation of modernization funding under the Comprehensive Grant Program (CGP) to add to the formula a replacement housing factor that would maintain, for five years, a portion of funding that otherwise would be lost by a CGP housing agency when the number of its public housing units are reduced as a result of demolition, disposition, or conversion. The preserved funding must be used for accelerated renovation and reoccupancy of vacant, viable units, or for construction or acquisition of replacement housing units—to the extent that the funds are authorized for such use. The rule takes effect in Federal Fiscal Year (FY) 1998, based on demolition, disposition and conversion of units between October 1, 1996 and September 30, 1997.

This rule is needed to encourage public housing agencies (PHAs) to demolish, dispose of, or convert units that are not providing decent, safe, and sanitary housing and either develop replacement units or accelerate renovation of the existing units.

**DATES:** *Effective date.* September 28, 1998.

**FOR FURTHER INFORMATION CONTACT:** William Flood, Director, Office of Capital Improvements, Office of Public Housing Investments, Room 4134, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410, telephone number (202) 708-1640, extension 4185. (This telephone number is not toll-free.) For hearing-and speech-impaired persons, this number may be accessed via text telephone by dialing the Federal Information Relay Service at 1-800-877-8339.

#### SUPPLEMENTARY INFORMATION:

#### I. Changes From Proposed Rule

The proposed rule in this proceeding was published on September 10, 1997 (62 FR 47740). This final rule includes several changes from the proposed rule. Most are being made in response to

public comments, as discussed in greater detail below. Changes made in response to comments are to clarify that a PHA must request application of the replacement housing factor in order for it to be applied; to clarify that replacement housing must be produced in accordance with the Department's development regulations (24 CFR part 941); and to specify additional procedures applicable to PHAs that are troubled or mod-troubled that want to have this factor applied—either to rehabilitate vacant but viable units or to develop new replacement units. In addition, the rule clarifies that replacement housing may be undertaken with funding from fiscal years in which it is an authorized use of modernization funds. Also, the rule provides that use of replacement reserve is not required for emergencies if the amount that otherwise would be used from that reserve is an accumulation from application of the replacement housing factor that is necessary so that replacement housing can be provided efficiently and effectively.

#### II. Discussion of Public Comments

There were seven public comments received on the proposed rule. Three of the comments were from organizations representing PHAs and four were from PHAs. Two of the three organizations were opposed to the rule, while all four PHAs were supportive.

##### A. Need for the Rule

##### 1. Comments on Who Benefits

Some commenters believed the rule is very much needed to help PHAs cope with the sudden losses in funding they would otherwise experience when demolishing large numbers of units. One organization stated that it is "an important first step in addressing the lack of resources available for much-needed replacement housing." However, a few commenters stated that the change is not justified and that the rule does not promote equity and fairness in the CGP distribution but favors large city PHAs, including those who have already benefited from special funding under HOPE VI and MROP. One organization also challenged HUD's statement that "replacement vouchers do not meet some local needs as well as hard replacement units do." It argued that HUD has touted the relative value of tenant-based over project-based assistance.

According to one PHA, the replacement housing factor will disproportionately benefit a relatively few, large housing authorities, which already have received yearly CGP

allocations based on large numbers of units that have not been housing anyone. An organization stated that the Department has not demonstrated that "central cities have tight housing markets." It contended that the National Housing Survey "consistently demonstrates that the highest vacancy rates and lowest rents are in the central cities." It stated that the rule will result in less funding for housing in areas outside the central cities, and stated that this is not justified.

This same organization also criticized the rule as continuing to "reward failure" by giving additional funding to agencies regardless of their capacity to use the funds well. It claimed that of the 40 agencies that would benefit from the factor, the majority are either troubled or mod-troubled and that the rule provides no measures to assure adequate performance. The recommendation made was that HUD should consider adding a replacement factor only for those agencies that are neither troubled nor mod-troubled.

##### 2. HUD Response

With respect to the creation of "hard replacement units" as opposed to tenant based assistance, the Department believes both approaches should be used to replace demolished public housing. The approach taken in this rule provides funding for replacement of about 20 percent of the units. The Department also is asking for additional funding for the HOPE VI program, which will provide more hard units, and for new Section 8 certificates and vouchers to support tenant-based assistance for many families.

The reference to "tight housing markets" in the proposed rule was found only in the introductory summary at the beginning of the rule. The Department does not place primary reliance on the existence of a tight housing market in any particular city for this factor to be applicable. A primary purpose of the rule is to provide an incentive to PHAs that have units in extremely poor condition to demolish or dispose of or convert the units, supporting revitalization activity in the areas where such housing is now a blight. In fact, to the extent that the rule increases demolition, there may be an overall decrease in units in a particular market, since there is insufficient funding for 100 percent replacement of the reduced number of public housing units. In view of the large proportion of eligible low income households not living in affordable housing, virtually all communities can use either vacancy renovation funds or the relatively small amount of replacement housing made

possible by this rule to provide more housing opportunities.

It is true that this rule benefits primarily large cities, although all city housing agencies with at least 250 units that are demolishing or disposing of public housing are eligible. That result is appropriate, because that is where there is the largest number of units to be demolished and replaced. This rule does not affect the modernization rule that governs small PHAs—those with fewer than 250 units—generally in smaller localities, which are subject to the Comprehensive Improvement Assistance Program instead of the CGP. Some of the PHAs that will benefit from this rule have received HOPE VI and MROP funding, but not all of them. In any case, such funds are offset before this rule is applied, so that there is no double benefit.

With respect to receipt of funds by a troubled or mod-troubled PHA that is not already under the direction of HUD or a court-appointed receiver, the Department is requiring (in §§ 968.103 (e)(3)(ii)(D) and (f)(4)(ii)(D)) that such a PHA use an Alternative Management Entity (as described in 24 CFR 901.5) for oversight of replacement housing development. In addition, in all efforts to carry out activities funded by the replacement housing factor, including accelerated renovation of vacant and viable units, a troubled or mod-troubled PHA is required to comply with the Memorandum of Agreement (MOA) that was executed with HUD in connection with the finding that it is troubled, under the Public Housing Management Assessment Program (24 CFR 901.135), and any corrective actions required by HUD in accordance with this part's performance review section (§ 968.335).

### 3. Comment on How to Calculate the Benefit

One PHA stated an example of how it thought the changes to the formula to account for additional backlog need and accrual need would apply to its circumstances, based on the example given in the preamble of the proposed rule, and asked whether its estimate was accurate.

### 4. HUD Response

The estimate was not accurate, but when the rule is implemented, HUD will provide each authority with a description of the method and its application to the data of that housing authority. In the meantime, a PHA may develop its own estimate by starting with the number of units subject to the replacement factor formula in a year, and multiplying that number by the average funding received per

comprehensive grant unit in the most current year. (To obtain this average, divide total funding for the Comprehensive Grant program by the total units funded under the program.) In the first year, one-third of the product will be the replacement factor funding. In the second year, two-thirds of the product will be the replacement factor funding. In years three through five, the entire product will be the replacement factor funding. Thereafter, the units will have no replacement factor funding. Of course, the process is a rolling one, so that additional units may be demolished, converted, or disposed of in more than one year of a five-year period, adding to the backlog and accrual needs in later years.

### B. Adequacy and Timing of Funding

#### 1. Comments on Timing

Among those who supported the idea of providing a replacement housing factor, a recommendation was made that HUD permit one of three options to facilitate financing of replacement housing: (a) permit the PHA to "bank" the funds until all replacement housing factor funds are received; (b) advance the five years of funding in the first year; or (c) allow the PHA to use other resources in the early years and repay itself for its contribution as the replacement housing factor funds are received. These options would respond to a concern about the difficulty of funding replacement construction with funding that would not be fully available for five years.

The length of time over which the replacement housing factor would apply also was an issue. Some commenters felt the period was too short, while others felt that it was too long. One commenter stated that because the phase-out is most drastic after the fifth year, there would be an outcry for slower decreases after that year, extending the factor even longer. Another PHA stated that the period should be longer, so that the effect felt would be more gradual.

#### 2. HUD Response

Large PHAs may be able to phase construction in such a way as to have adequate funding available in any given year. Of the three options specified by one commenter and outlined above, the first and third are acceptable, under appropriate circumstances.

If a PHA wants to build up reserves in a particular year to spend in a following year for replacement housing, it could establish a reserve under the current § 968.112(f)(1)(ii) for such a purpose if its annual replacement housing funding would be inadequate to

cover its replacement housing needs in an efficient and effective manner. The rule is being modified to assure that this policy can be carried out.

Ordinarily, under § 968.112(f)(4), the PHA would be required to use the funds in the replacement reserve to cover emergency modernization needs—to the extent that adequate funds otherwise were not available—if the PHA had an emergency need during the period when it is building up the replacement reserve. (The CGP is flexible enough to permit a PHA to reorder its priorities when it encounters an emergency modernization need, so that the PHA could then use funds otherwise earmarked for a particular modernization use for the emergency and fund the original priority in a later year.) The availability of the replacement reserve for replacement housing is central to the purposes of this rule: to encourage demolition, disposition, and conversion of units that are not viable and to provide an additional resource for replacement housing and for the accelerated renovation of units that can be renovated and reoccupied. Therefore, to assure that an emergency modernization would not undermine these purposes, this rule adds a sentence to § 968.112(f) to provide that use of the replacement reserve is not required for emergencies if the amount that otherwise would be used from that reserve is an accumulation from application of the replacement housing factor.

With respect to a loan repayment option, HUD has no authority to advance the five years of funding made available under the application of this factor in the first year.

When considering what year's funding to use for various purposes, PHAs must be conscious of permissible uses under the appropriation act for the various years. For example, FY 1997 and FY 1996 Comp Grant funds may be used for replacement housing purposes. Fiscal Year 1998 funds are not yet authorized for such use, although they may be used for accelerated renovation and reoccupancy of vacant, viable units. A reference to this variation in authority for different years' funds is added to §§ 968.103(e)(3)(ii)(B) and (f)(4)(ii)(B).

HUD will not consider changing the period over which this replacement housing factor is used. Five years was chosen because it is a short enough time so that PHAs that are not significantly decreasing their number of units would see increases in their allocations within a reasonable period, but PHAs that are significantly decreasing their number of units would see enough of an impact from the factor to be motivated to

pursue the much-needed demolition and replacement of those units and would have a significant additional resource for this purpose.

### 3. Comments on Other Funding for Replacement Housing

An organization stated that section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 required PHAs to identify certain distressed public housing developments to be removed from the public housing inventory within five years, after relocation of the tenants with tenant-based or project-based assistance. The rule provides that the replacement housing factor applies only if "the reduced units are not *otherwise receiving funding for replacement housing or vacancy renovation*." The organization asked whether "funding for replacement housing" includes existing vouchers, new vouchers, or relocation to other public housing.

### 4. HUD Response

PHAs that have received tenant-based assistance or have relocated households to other public housing are eligible for application of the replacement housing factor. If a PHA already has received vouchers, it remains eligible for this factor. If a PHA has not received vouchers and it applies for application of this factor first, then it will not be eligible for vouchers to replace the units involved. Relocation of tenants to other public housing does not disqualify a PHA from application of this factor to replace those hard units. The units renovated or replaced with funds received under the replacement housing factor may not have received funding, however, under the public housing development program, Major Reconstruction of Obsolete Public Housing (MROP), or HOPE VI program for the purpose of replacement housing or accelerated renovation. They may not receive future HOPE VI funds for this purpose, either.

### 5. Comments on Amount of Funding

One PHA expressed reservations about the adequacy of the funding resulting from the replacement housing factor as described to support replacement of twenty percent of the units demolished, disposed of, or converted. It proposed an alternative for determining the amount of funding to be preserved: not using the amount that a particular PHA would have received if it had not reduced its number of units, but on the aggregate amount of funding that is subject to reduction as a result of demolition, disposition, or conversion—allocated among only the PHAs that do

propose replacement housing. This PHA also stated that it is unclear whether the funds resulting from the current three-year phase-out will continue to be received in addition to the replacement housing factor funds, or whether the current phase-out funds become the replacement housing factor funds (at least in part).

Concerned about adequate funding levels for construction of replacement housing, one organization suggested that HUD continue to seek other sources of funding, as well. A PHA recommended that HUD consider funding for a higher percentage of replacement units for PHAs with a high demand for housing that are located in cities with tight affordable housing markets.

### 6. HUD Response

It is not the intent of this rule to provide an increase above the amount of modernization funding to which the PHA would have been entitled if there had been no demolition, disposition, or conversion. If a community does not need the funds that would be restored by the replacement housing factor, they should remain available for general distribution under the formula. With respect to the adequacy of funding, that issue is discussed above in section A2.

The funding now available under the three-year phase-out will not become a portion of the replacement housing factor funds but instead will continue to be available for all modernization needs.

### C. Procedures

#### 1. Comments on Universal Applicability

In the preamble to the proposed rule, it was stated that a PHA must request use of the replacement housing factor when updating its annual formula characteristics report. The rule text, at § 968.103(e)(3) and (f)(4), did not repeat the requirement that a PHA request use of the factor. Commenters differed on the preferred resolution of this difference. One PHA preferred that the replacement housing factor only be applied to those PHAs that specifically request it, while an organization recommended that the factor be applied automatically to every PHA that would be eligible.

This element is particularly important to the first year of its applicability, since some PHAs may already have returned the information for the period ending on September 30, 1997, and therefore may not have requested use of the factor for which they will be eligible under a final rule.

#### 2. HUD Response

The rule text has been revised to correspond to what was described in the

preamble of the proposed rule (see §§ 968.103(e)(3)(ii)(C) and (f)(4)(ii)(C)). Since the time has already passed for PHAs to indicate whether they wanted this factor applied for the demolitions, dispositions, and conversions that took place between October 1, 1996 and September 30, 1997, the Department has asked all qualified PHAs whether they want to have the factor applied in the letter transmitting the annual formula amount which is already calculated using the formula characteristics for the same period of time. For the purpose of funding such requests, the Department has held back a very limited amount of funds during the current funding cycle. In future years, such a request may be handled in a different fashion.

### 3. Comments on Determination of Units Covered

PHAs asked what procedures are to be used when disclosing the units that are the subject of demolition, disposition, or conversion. They also asked which happens first—approval of a demolition, disposition, or conversion application, or identification in the Formula Characteristics Report of units to be demolished, disposed of, or converted.

### 4. HUD Response

The approval process is that HUD approves an application for demolition, disposition, or conversion in order for the housing authority to be eligible for the replacement housing factor. In the case of developments that are the subject of mandatory conversion (under Section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996), HUD approves a conversion plan before the PHA is eligible.

In the annual letter transmitting to PHAs the annual formula amount for the period from October 1, 1996 through September 30, 1997, the Department has already asked PHAs that had demolitions, dispositions, and conversions during that period whether they want to have the factor applied. The data used to determine the applicability of the factor to a particular PHA is found in HUD's own systems, including information garnered from plans for demolition, disposition, and conversion approved by HUD and validated by the PHA.

### D. Additional constraints

#### 1. Comments

Improvements suggested to the proposed rule were to require a feasible, reasonably specific replacement plan that includes milestones to be met to avoid recapture of the funds, and to

limit the funds made available under the factor so that the primary purpose of modernization funds can still be realized.

## 2. HUD Response

As clarified in this final rule (§§ 968.103(e)(3)(ii)(E) and (f)(4)(ii)(E)), the replacement units must be constructed in accordance with the Public Housing Development regulations, 24 CFR 941 (including the sanctions under § 941.501), which require submission of a project development schedule. The appropriateness of the amount of funds subject to this rule has been discussed above.

## E. Additional flexibility

### 1. Comments

If a PHA is state-wide, it may prefer the flexibility of being able to provide replacement units in a different community within its jurisdiction than the one in which units are being demolished, disposed of, or converted. Suggesting that this be permitted, the PHA asked what area's Total Development Cost (TDC) limit would be used to establish the replacement housing factor funding level.

### 2. HUD Response

HUD agrees that a multi-jurisdictional PHA should be able to replace housing where it is most needed within its territory, using the TDC for the area where the replacement housing is being built.

## III. Findings and Certifications

### A. Public Reporting Burden

This final rule contains no new information collection requirements that would require review by the Office of Management and Budget under the Paperwork Reduction Act of 1995 (42 U.S.C. 3501–3520). *An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.*

### B. Impact on Small Entities

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this final rule, and in so doing certifies that this rule will not have a significant economic impact on a substantial number of small entities. This final rule only affects PHAs with 250 or more units, eligible for formula funding under the CGP and primarily affects larger PHAs, which have experienced the greatest unit reduction.

## C. Environmental Impact

A Finding of No Significant Impact with respect to the environment was made in connection with development of a proposed rule on this subject, in accordance with HUD regulations at 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). That Finding of No Significant Impact is applicable to this final rule as well, and it is available for public inspection and copying during regular business hours (7:30 a.m. to 5:30 p.m.) in the Regulations Division of the Office of General Counsel, Room 10276, 451 Seventh Street, SW, Washington, DC 20410–0500.

## D. Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this rule do not have significant impact on States or their political subdivisions, or the relationship between the Federal Government and State and local governments, or on the distribution of power and responsibilities among the various levels of government. As a result, the rule is not subject to review under the Order. The rule merely preserves funding that otherwise would be lost to local housing agencies that have experienced significant loss of units.

## E. Unfunded Mandates Reform Act

The Secretary, in accordance with the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1532, has reviewed this rule before publication and by approving it certifies that this rule does not impose a Federal mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

## F. Regulatory Review

The Office of Management and Budget (OMB) reviewed this rule under Executive Order 12866, *Regulatory Planning and Review*. OMB determined that this rule is a "significant regulatory action," as defined in section 3(f) of the Order. Any changes made to this rule as a result of that review are clearly identified in the docket file. The docket file is available for public inspection between 7:30 a.m. and 5:30 p.m. in the Regulations Division of the Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410–0500.

## G. Catalog

The Catalog of Federal Domestic Assistance number for the program affected by this final rule is 14.850.

## List of Subjects in 24 CFR 968

Grant programs—housing and community development, Indians, Loan programs—housing and community development, Public housing, Reporting and recordkeeping requirements.

Accordingly, part 968 of title 24 of the Code of Federal Regulations is amended as follows:

## PART 968—PUBLIC HOUSING MODERNIZATION

The authority citation for part 968 continues to read as follows:

**Authority:** 42 U.S.C. 1437d, 1437l, and 3535(d).

Section 968.103 is amended as follows:

a. Paragraphs (e)(3) and (e)(4) are redesignated as paragraphs (e)(4) and (e)(5), respectively;

b. New paragraphs (e)(3) and (f)(4) are added, to read as follows:

### § 968.103 Allocation of funds under section 14.

\* \* \* \* \*

(e) \* \* \*

(3) Replacement factor to reflect backlog need for developments with demolition, disposition, or conversion occurring on or after October 1, 1996.

(i) PHAs that have a reduction in units attributable to demolition, disposition, or conversion of units during the period (reflected in data maintained by HUD) that lowers the formula unit count for the Comprehensive Grant formula calculations qualify for application of a replacement housing factor, subject to satisfaction of criteria stated in paragraph (e)(3)(ii) of this section. The factor will be added, where applicable, for the first five years after such reduction, and consists of 50 percent of the published Total Development Cost for a two-bedroom unit in a walkup type structure for the period April 3, 1996 through April 30, 1997, multiplied times the number of units to be demolished, disposed of, or converted. The total relative backlog need of the PHA resulting from application of this replacement factor cannot exceed the share it would have had if the demolition, disposition, or conversion had not taken place.

(ii) A PHA is eligible for application of this factor only if the PHA satisfies the following criteria:

(A) The PHA requests the application of the replacement factor;

(B) The restored funding that results from the use of the replacement factor is used to provide replacement housing (in any year in which replacement housing is an eligible activity) or accelerated renovation of vacant but viable units, in accordance with the PHA's five-year action plan, approved by HUD (see § 968.315);

(C) The PHA does not receive funding under the public housing development; Major Reconstruction of Obsolete Public Housing, or HOPE VI programs for the units developed or modernized with funds received under this replacement housing factor;

(D) A PHA that has been determined by HUD to be troubled or mod-troubled that is not already under the direction of HUD or a court-appointed receiver, in accordance with part 901 of this chapter, must use an Alternative Management Entity as defined in § 901.5 of this chapter for development of replacement housing and must comply with any applicable provisions of its Memorandum of Agreement executed with HUD under that part; and

(E) Any development of replacement housing by any PHA must be done in accordance with part 941 of this chapter.

(iii) If the PHA does not use the restored funding that results from the use of the replacement factor to provide replacement housing or renovate vacant units in a timely fashion, in accordance with § 968.125 and § 941.501 of this chapter, and make reasonable progress on such use of the funding, in accordance with § 968.335(a)(3) and § 941.501, HUD may require appropriate corrective action under § 968.335 and § 941.501; may recapture and reallocate the funds; or may use other remedies available to HUD.

\* \* \* \* \*

(f) \* \* \*

(4) *Replacement factor to reflect accrual need for developments with demolition, disposition, or conversion*

occurring on or after October 1, 1996. (i) PHAs that have a reduction in units attributable to demolition, disposition, or conversion of units during the period (reflected in data maintained by HUD) that lowers the formula unit count for the Comprehensive Grant formula calculations qualify for application of a replacement housing factor, subject to satisfaction of criteria stated in paragraph (f)(4)(ii) of this section. The factor will be added, where applicable, for the first five years after such reduction, and consists of two percent of the published Total Development Cost for a two-bedroom unit in a walkup type structure for the period April 3, 1996 through April 30, 1997, multiplied times the number of units to be demolished, disposed of, or converted. The total relative accrual need of the PHA resulting from application of this replacement factor cannot exceed the share it would have had if the demolition, disposition, or conversion had not taken place.

(ii) A PHA is eligible for application of this factor only if the PHA satisfies the following criteria:

(A) The PHA requests the application of the replacement factor;

(B) The restored funding that results from the use of the replacement factor is used to provide replacement housing (in any year in which replacement housing is an eligible activity) or accelerated renovation of vacant but viable units, in accordance with the PHA's five-year action plan, approved by HUD (see § 968.315);

(C) The PHA does not receive funding under the public housing development, Major Reconstruction of Obsolete Public Housing, or HOPE VI programs for the units developed or modernized with funding received under this replacement housing factor;

(D) A PHA that has been determined by HUD to be troubled or mod-troubled, in accordance with part 901 of this chapter that is not already under the

direction of HUD or a court-appointed receiver, must use an Alternative Management Entity as defined in § 901.5 of this chapter for development of replacement housing and must comply with any applicable provisions of its Memorandum of Agreement executed with HUD under that part; and

(E) Any development of replacement housing by any PHA must be done in accordance with part 941 of this chapter.

(iii) If the PHA does not use the restored funding that results from the use of the replacement factor to provide replacement housing or renovate vacant units in a timely fashion, in accordance with § 968.125 and § 941.501 of this chapter, and make reasonable progress on such use of the funding, in accordance with § 968.335(a)(3) and § 941.501, HUD may require appropriate corrective action under § 968.335 and § 941.501; may recapture and reallocate the funds; or may use other remedies available to HUD.

\* \* \* \* \*

3. Section 968.112 is amended by adding a new sentence to the end of paragraph (f)(4), to read as follows:

**§ 968.112 Eligible costs.**

\* \* \* \* \*

(f) \* \* \*

(4) \* \* \* Use of the replacement reserve is not required for emergencies if the amount that otherwise would be used from that reserve is an accumulation from application of the replacement housing factor (§ 968.103(e)(3) and (f)(4)) that is necessary so that replacement housing can be provided efficiently and effectively.

\* \* \* \* \*

Dated: August 25, 1998.

**Deborah Vincent,**

*General Deputy Assistant Secretary for Public and Indian Housing.*

[FR Doc. 98-23144 Filed 8-27-98; 8:45 am]

BILLING CODE 4210-33-P