# Report to Congress on Community Development Programs

## 1989

Office of Community Planning and Development

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

April 4, 1989

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the provisions of Sections 113(a) and 810(e) of the Housing and Community Development Act of 1974, as amended, and Section 312(k) of the Housing Act of 1964, as amended, it is my pleasure to submit the Department's 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 (UDAG), Emergency Shelter Grant, Rental Rehabilitation, Section 312 Rehabilitation Loan, and Urban Homesteading programs.

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

# 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**

# 1989 Annual Report to Congress on Community Development Programs

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# 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 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 community 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:

- Indian Tribes and Alaskan Natives CDBG Grants: $25.5 million.
- Aid to Insular Areas: $5.5 million.
- Technical Assistance: $5.0 million.
- 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.

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

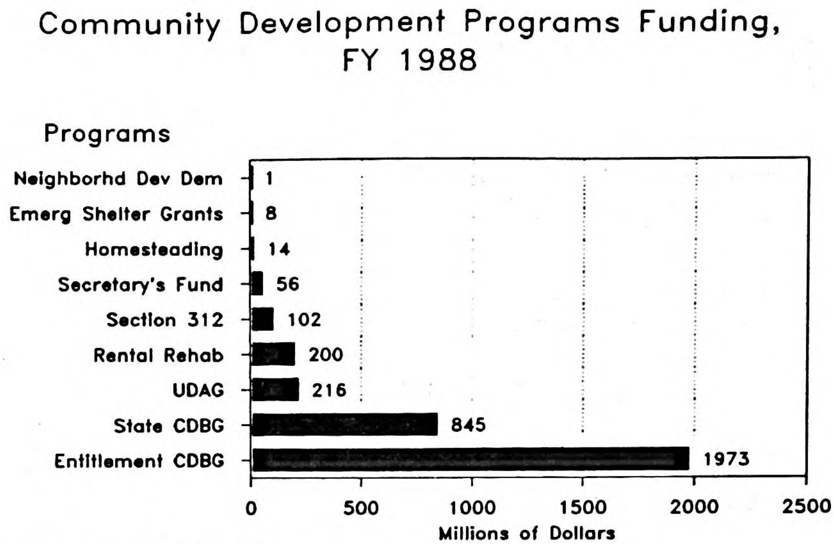
Through Urban Homesteading, properties whose owners have defaulted on Federally-insured loans are transferred to participating communities, who must then offer the properties at nominal cost to low-income "homesteaders." The "homesteaders" contract to repair, refurbish and then reside in them for at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




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.

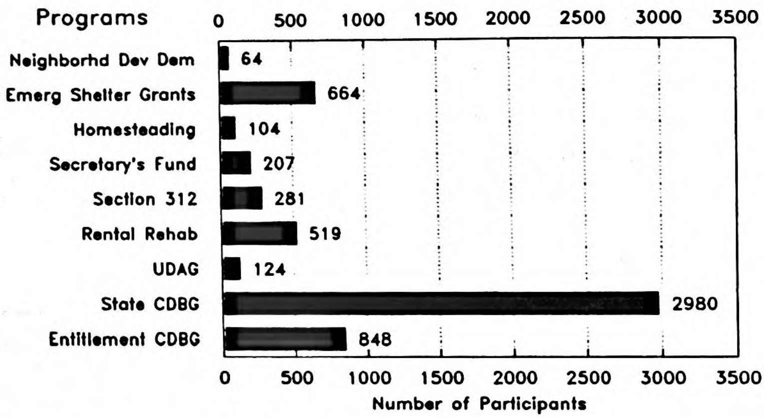
## Program Participation

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 Develoment, 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.

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:

- benefit to low- and moderate-income persons;
- eliminate or prevent slums and blight; or
- 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)**

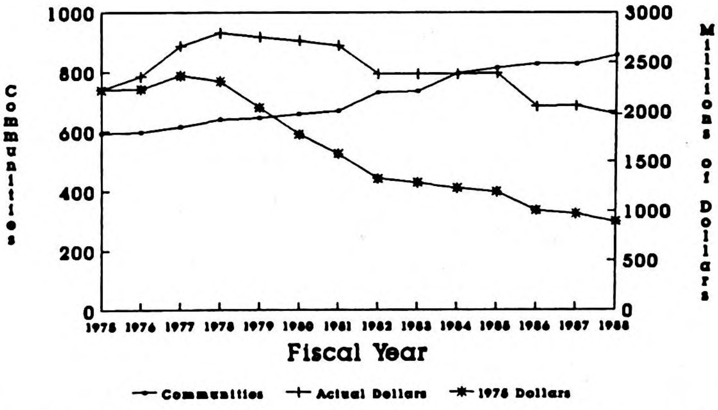
| Year | Amount | Year | Amount | Year | Amount |
|---|---|---|---|---|---|
| 1975 | $2,219 | 1980 | $2,715 | 1985 | $2,388 |
| 1976 | 2,353 | 1981 | 2,667 | 1986 | 2,053 |
| 1977 | 2,663 | 1982 | 2,380 | 1987 | 2,059 |
| 1978 | 2,794 | 1983 | 2,380 | 1988 | 1,973 |
| 1979 | 2,752 | 1984 | 2,380 | |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

## 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.

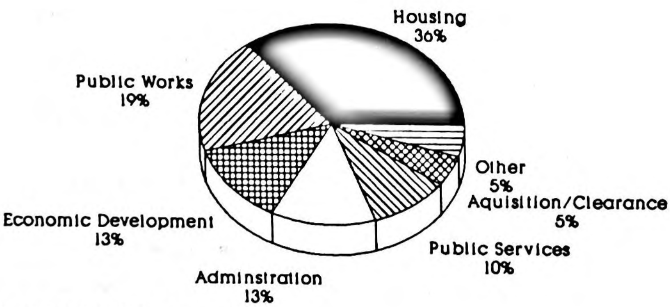
## Program Activities

### 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:

- Rehabilitation loans and grants for single family dwelling units: $503 million;
- Upgrades of multifamily and public housing: $224 million;
- 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;
- Administrative services such as loan processing, preparation of work specifications, and rehabilitation counseling: $114 million;
- Code enforcement: $38 million; and
- 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:

- Street and sidewalk improvements: $163 million;
- Construction or renovation of senior centers, facilities for the handicapped, neighborhood facilities, halfway houses, shelters, and other public buildings: $161 million;
- Water, sewer, flood control, and drainage systems: $85 million;
- Parks and recreation facilities: $46 million; and
- 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, 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**

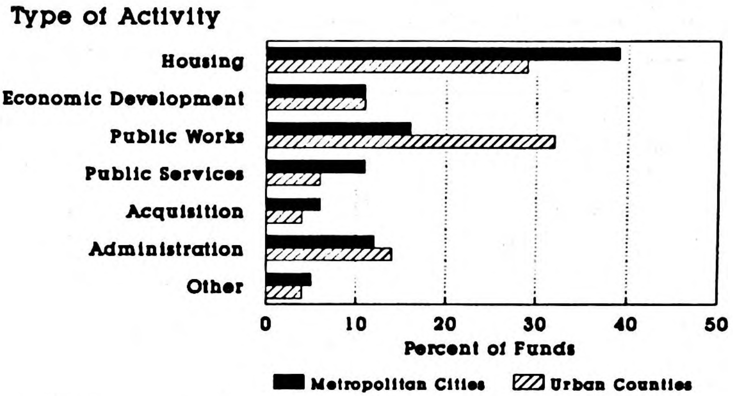
Administration and planning activities amounted to $325 million (13%) of planned spending. Entitlement communities programmed the remaining $129 million (5%) for repayment of Section 108 guaranteed loans, contingencies and completion of urban renewal programs.

## 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 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 Moderate-Income Benefit | 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 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)**

| Year | Amount | Year | Amount | Year | Amount |
|---|---|---|---|---|---|
| 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,

- 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;
- 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.

## Legislation

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

## Program 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 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. Almost 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.)

- Forty-nine States, including Puerto Rico, administer the State CDBG programs within their jurisdictions.
- 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.
- 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.
- 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 Number | Grants Percent* | Funds Dollars | Funds Percent* | Average Award |
|---|---|---|---|---|---|
| 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 |
| No Information | 37 | - | 14,825 | - | 401 |
| Total | 721 | 100% | $203,539 | 100% | $282 |
| Metropolitan Status | | | | | |
| In Metro Area | 101 | 16% | $ 27,579 | 15% | $276 |
| Outside of Metro Area | 544 | 84 | 150,892 | 85 | 277 |
| No Information | 76 | - | 25,068 | - | 330 |
| 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 | 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 |
| Five or more | 2 | 11 | 26 | 13 |
| Total | 100% | 100% | 100% | 100% |
| Number of Communities | 4,484 | 2,090 | 937 | 1,732 |

(Type of Recipient: Towns, Very Small Cities, Small Cities, Counties)

+ 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.

- 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.

- 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 Number | Activities Percent | Funds Amount | Funds 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 | 80 | 4 | 2,660 | 1 |
| 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.

- 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.
- 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.

- 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 | * | * | * | * | * |
| No Information | * | * | * | * | * | * | 1 | * |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Amount | $745 | $929 | $910 | $940 | $736 | $742 | $204 | $5,206 |

* Less than .5 percent

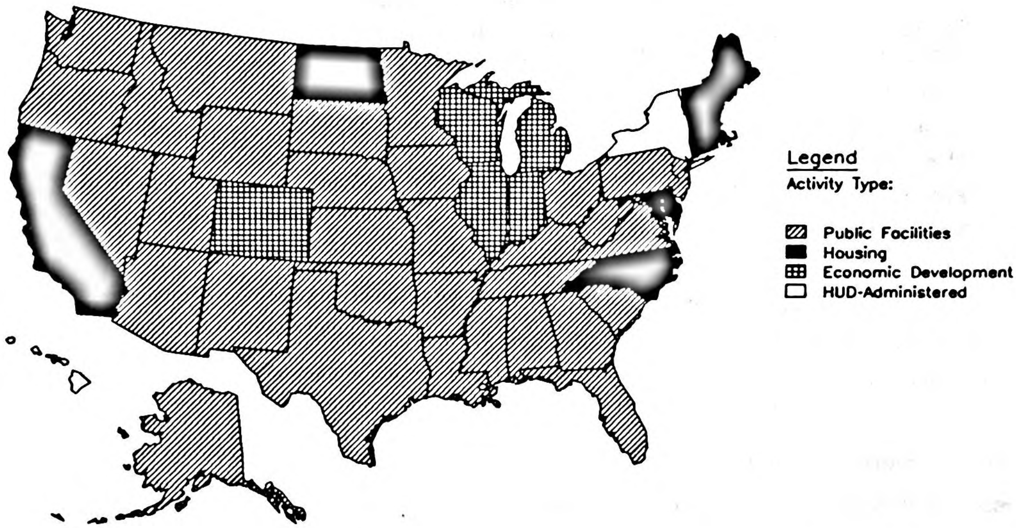
Note: Percentages may not add due to rounding.

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)

| | Type of Recipient | | | | |
|---|---|---|---|---|---|
| Purpose | Towns | Very Small Cities | Small Cities | Counties | Total |
| 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 |
| Not Reported** | 2 | 1 | 1 | 2 | 1 |
| Total | 100% | 100% | 100% | 100% | 100% |
| Amounts Awarded | $61,758 | $52,528 | $31,486 | $42,942 | $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.

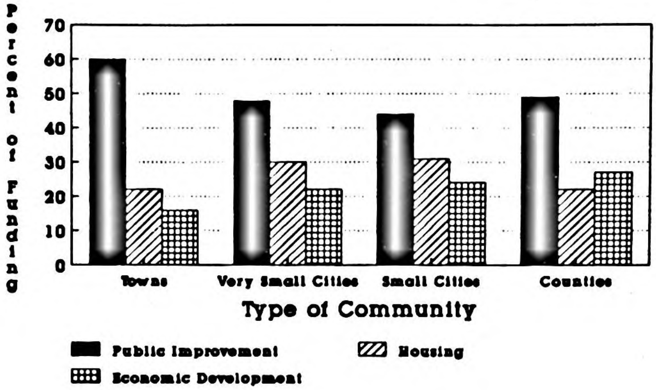
Note: Percentages may not add due to rounding.

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.

- 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)

| | National Objective | | |
|---|---|---|---|
| Purpose | Low- and Moderate-Income Benefit | 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 | 6 |
| 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- Income Benefit | States Number | Percent |
|---|---|---|
| 100% | 8 | 16% |
| 95-99 | 27 | 55 |
| 90-94 | 4 | 8 |
| 80-89 | 6 | 12 |
| Less than 80 | 4 | 8 |
| 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.

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 Contract | FY 1986+ 12 months after HUD Award States | FY 1986+ 12 months after HUD Award Pct. | FY 1987++ 12 months after HUD Award States | FY 1987++ 12 months after HUD Award Pct. | FY 1987 15 months after HUD Award States | FY 1987 15 months after HUD Award 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 |
| 0-39 | 2 | 4 | 0 | 0 | 0 | 0 |
| 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.

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 Year | Program Income Amount | Program Income Percent | Number of States Distributing Program Income |
|---|---|---|---|
| 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 |
| 1988** | 825 | 6 | 5 |
| 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.

- 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)

| | Applications* | | Total Grants** | | | |
|---|---|---|---|---|---|---|
| Activity | 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 |
| Comprehensive | 25 | 13 | 18 | 18 | 10,124 | 27 |
| 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)

| | Towns | | Very Small Cities | | Small Cities | | Counties | |
|---|---|---|---|---|---|---|---|---|
| Program | 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 | 1,349 | 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.

- The average grant size in the HUD-administered program for FY 1988 was $361,000.
- 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

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

(Dollars in Thousands)

| Year | Entitlement Allocation | | State Allocation | | Total Appropriation | |
|---|---|---|---|---|---|---|
| 1986* | $ 2,956 | (30%) | $ 7,044 | (69%) | $10,000 | (100%) |
| 1987 | 29,046 | (58%) | 20,954 | (42%) | 50,000 | (100%) |
| 1988 | 4,623 | (58%) | 3,377 | (42%) | 8,000 | (100%) |
| 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.

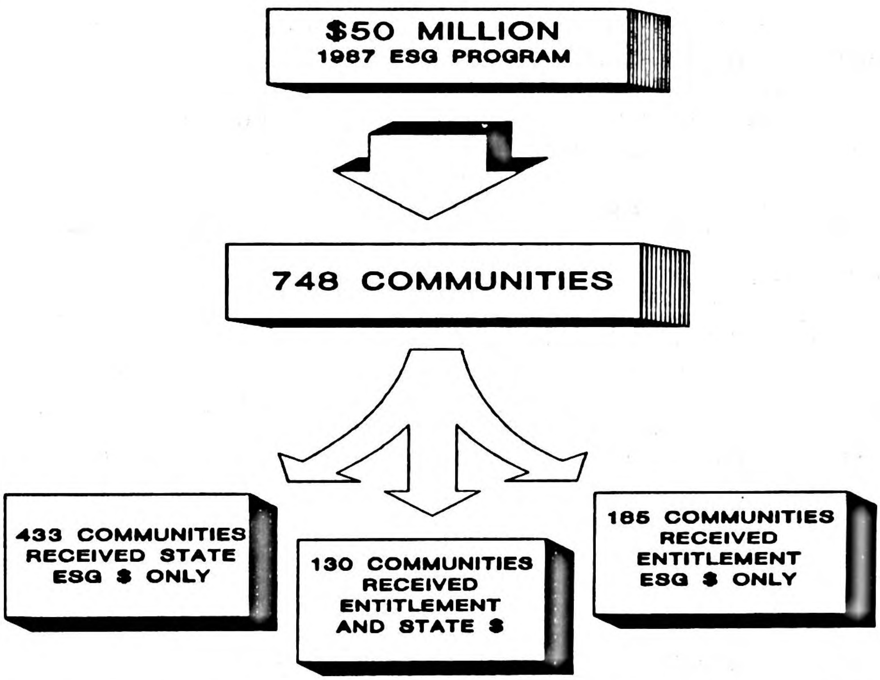
Nationally, 359 communities participated: 323 received grants through their States, and 36 were Entitlement communities.

## 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 110 percent 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.

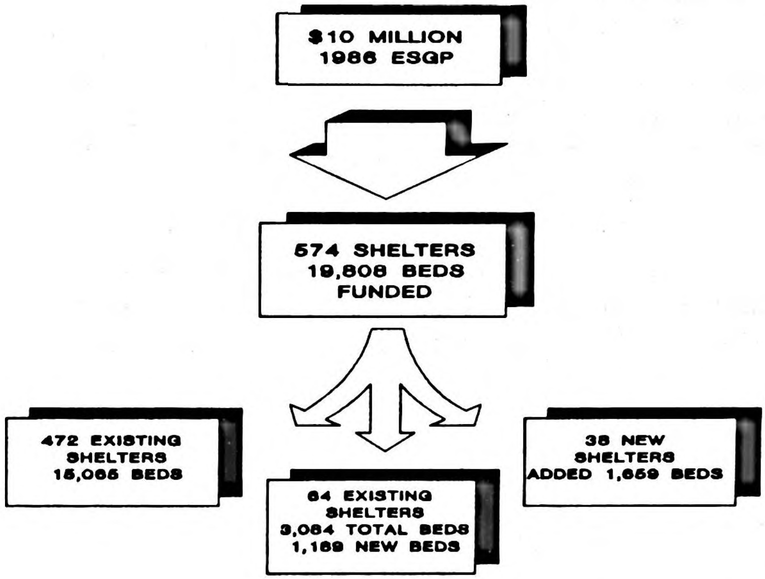
## Program Objectives and Progress

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.

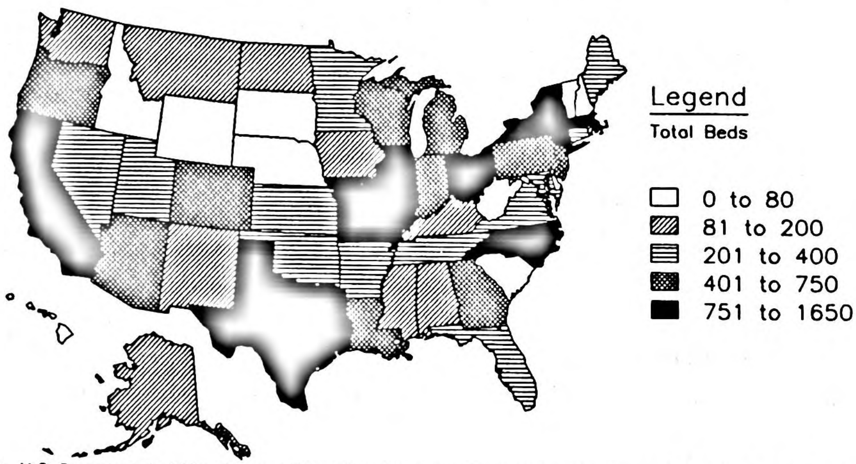
Source: Department of Housing and Urban Development, Community Planning and Development, Office of Program Analysis and Evaluation ESG Database.

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.

- 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.

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.

HUD 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.

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

UDAG Project Funding Activity by Source of Funds
FY 1988 and FYs 1978-1988
(Dollars in Millions)

| | FY 1988 | | FY 1978-1988 | |
|---|---|---|---|---|
| Source of Funds | 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.

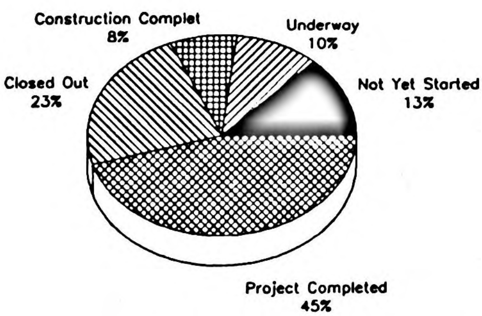
- Since FY 1978, $3.5 billion in 1,646 UDAG grants went to 331 large cities.
- In this same period, $1.2 billion in 1,330 grants went to 871 small cities. This was 25 percent of grant dollars and 45 percent of the grants.
- In FY 1988, large cities received $207.5 million and small cities, $67.8 million.

## 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 UDAG 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.

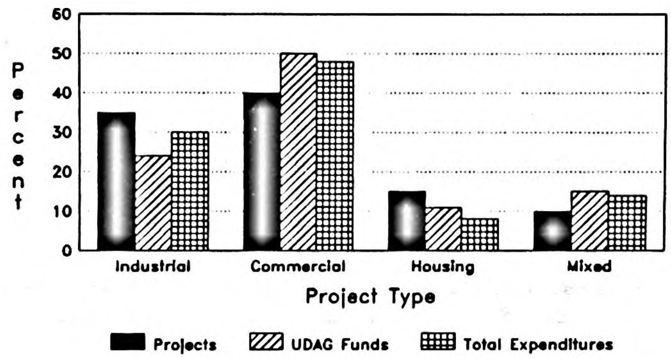
Since 1978, UDAG-supported commercial and housing projects have used most of the UDAG funds (76% and 71%) for on-site construction. In contrast, UDAG funds in industrial projects have been used more for acquiring capital equipment (48%) and for acquisition of land and relocation expenses (14%).

### 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.

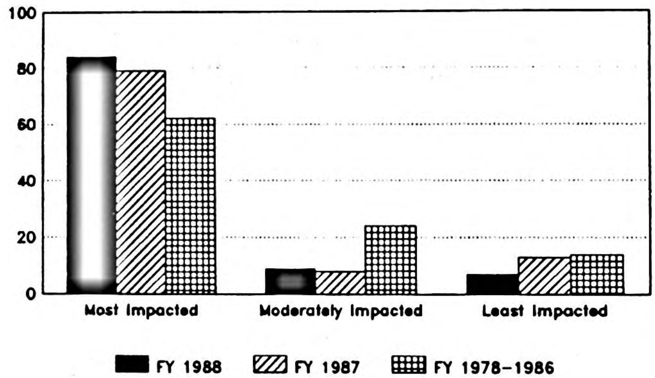
### Distribution by Degree of Economic Impaction

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.

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 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 |
|---|---|---|---|
| All Projects | 135,969 | 95,347 | 70% |
| City Size | | | |
| Large City | 103,906 | 69,185 | 67 |
| Small City | 32,063 | 26,162 | 82 |
| Project Type | | | |
| Industrial | 33,008 | 31,126 | 94 |
| Commercial | 90,622 | 53,312 | 59 |
| Neighborhood | 12,339 | 10,909 | 88 |
| Completion Status | | | |
| 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.

- 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.
- Over 52,400 low- and moderate-income units were planned and 30,257 were actually built.
- 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 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)

| Year | Amount | Year | Amount | Year | Amount |
|---|---|---|---|---|---|
| 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 entitles.)

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)

| Year | Amount | Year | Amount | Year | Amount |
|---|---|---|---|---|---|
| 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

Indian CDBG Program Activity Funding
By Type of Project, FY 1988
(Dollars in Thousands)

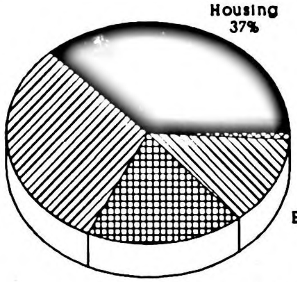
| | Awards | | Funding | | Average |
|---|---|---|---|---|---|
| Activity | Number | Percent | Amount | Percent | Amount |
| Housing | 41 | 37% | $9,439 | 37% | $230,214 |
| Rehabilitation | (34) | (31) | (7,706) | (30) | (226,657) |
| Construction | ( 7) | ( 6) | (1,733) | ( 7) | (247,486) |
| Public 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.

Indian CDBG program funds comprised 60 percent of the total project costs for all 110 projects. In addition to these Indian CDBG awards, additional sources of funding amounted to \$17,213,445. The largest single source of additional funding was other tribal funds (\$6.9 million). Other large amounts came from the Indian Health Service (\$4.2 million) and the Bureau of Indian Affairs (\$1.4 million). Other funds came from a variety of public and private sources. Seventy-two percent 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 infrastructure projects and 37 percent for community facilities projects.

In addition to funds from HUD, BIA, IHS, and Tribes, other funds came from other Federal sources, State governments, municipal governments, local Indian Housing Authorities, other nonprofit organizations, individuals, corporations, 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)

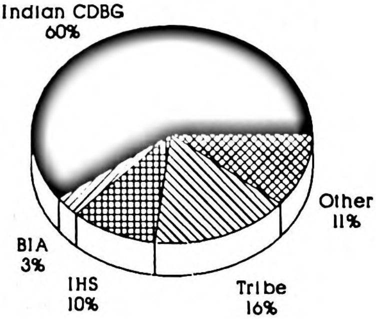
| | Public Housing | Housing Rehab. | Housing Const. | Infra-structure | Community Facilities | Economic Development |
|---|---|---|---|---|---|---|
| BIA | $946 | (945) | (1) | $0 | $251 | $250 |
| IHS | 831 | (529) | (302) | 1,830 | 1,592 | 0 |
| Tribe* | 438 | (408) | (30) | 1,028 | 458 | 4,948 |
| 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 | 201 | (201) | (0) | 0 | 78 | 1,391 |
| 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

| Activity | 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 |
| Land Acquisition | 27 | 21 | 78 |
| 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.

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

Table 6-5

Types of FY 1988 Technical Assistance Awards

| 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 Work Study Program | 30 | 3,000,000 | 32 |
| 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 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).

HUD 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.

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

Insular Areas FY 1988 CDBG Funding By Project Type
(Dollars in Thousands)

| Area | Housing Rehabilitation | Public Infrastructure | Community Facilities |
|---|---|---|---|
| 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 |
| Marshall Islands | 0 | 138 | 0 |
| Total | $2,409 | $2,769 | $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,

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:

- creating permanent jobs in the neighborhood;
- establishing or expanding businesses within the neighborhood;
- developing, rehabilitating, or managing the neighborhood housing stock;
- developing delivery mechanisms for essential services that have lasting benefits to the neighborhood; or
- 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 projects in each round that involved economic development has increased to 38 percent of third-round projects from 16 percent 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

| | FY 1984 | | FY 1987 | | FY 1988 | |
|---|---|---|---|---|---|---|
| | First Round | | Second Round | | Third Round | |
| Type of Project | 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 neighborhood 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**

| | First Round | | Second Round | |
|---|---|---|---|---|
| Percent Raised | 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 |
| 0 | 0 | 0 | 11 | 27 |
| 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.

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)

| HUD Region | Goal | Actual Dollars | Percent of Goal |
|---|---|---|---|
| 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 | 7.5 | 11.2 | 149 |
| 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

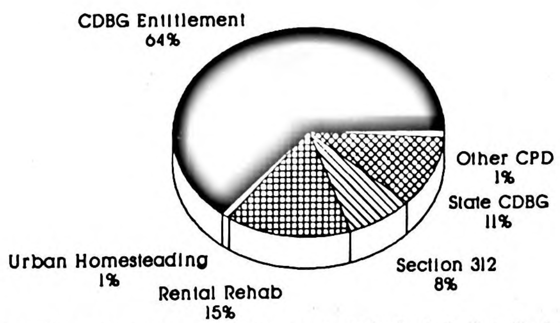
## Introduction

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 of funds 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.

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 Filed 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.

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 allocated 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.

## Funding 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

by Type of Grantee, FY 1988

| | City or County | | State | |
|---|---|---|---|---|
| Allocation Amount | Number | Percent | Number | Percent |
| $ 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 |
| $1,000,000 or more | 18 | 4 | 22 | 43 |
| 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

| | Committed | | | Completed | | |
|---|---|---|---|---|---|---|
| Period Covered | Projects | Units | 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 | 27,552 | 4.3 | 5,970 | 23,019 | 3.9 |
| FY 1988 | 7,627 | 34,088 | 4.7 | 6,455 | 31,631 | 4.9 |
| 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.

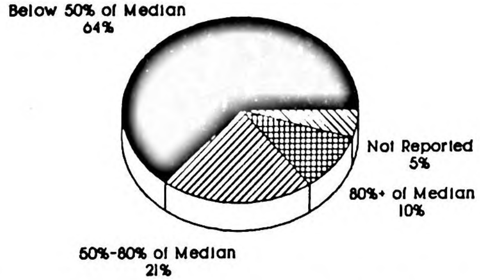
## Program Objectives and Progress

### 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.

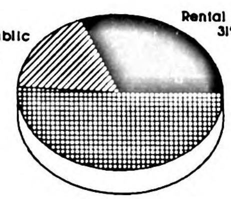
## Minimizing Rehabilitation Subsidy

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 $340.9 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

Rental Rehabilitation Program Subsidy as a Percent of Total Project Financing by Completion Date, FYs 1984-88

| RRP Financing as a Percent of Total Financing | Period of Completion FY 1984-87 Projects | FY 1984-87 Percent | FY 1988 Projects | FY 1988 Percent | Cumulative Projects | Cumulative 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 |
| 1-29 | 1,634 | 16 | 1,169 | 18 | 2,803 | 17 |
| 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.

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

| | Per Unit Project Cost was: $5,000 or Less | | More than $5,000 | |
|---|---|---|---|---|
| Period of Approval | 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 in Completed Rental Rehabilitation Projects, FYs 1984-88

| Number of Bedrooms | FY 1984-87 Number | FY 1984-87 Percent | FY 1988 Number | FY 1988 Percent | Cumulative Number | Cumulative Percent |
|---|---|---|---|---|---|---|
| Efficiency | 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 |
| Not Available | 1,310 | * |
| Total | 27,534 | 100% |

* Percentages calculated only on units with complete data.

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.

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 Bedrooms | Number of Units with Data Reported | Percent of Units with Affordable Rents |
|---|---|---|
| Efficiency | 134 | 76% |
| One | 1,340 | 78 |
| Two | 2,482 | 85 |
| Three | 721 | 88 |
| Four | 60 | 83 |
| 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 Rental Assistance | Below 50 Percent of Median | 51% - 80% of Median | Above 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 1986.

Figure 7-4

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

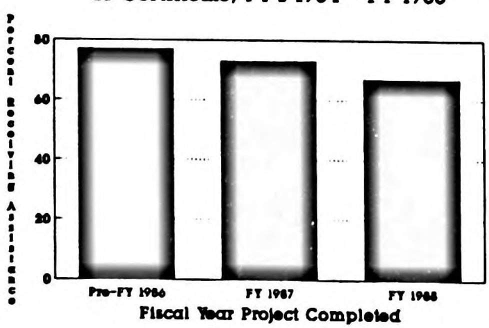



Figure 7-4 Source: U.S. Department of Housing and Urban Development, Rental Rehabilitation Cash Management and Information System. Compiled by the Office of Program Analysis and Evaluation.

# 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 HUD, 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.

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)

| Year | Amount | Year | Amount | Year | Amount |
|---|---|---|---|---|---|
| 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 | LUHAs Percent |
|---|---|---|
| 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.

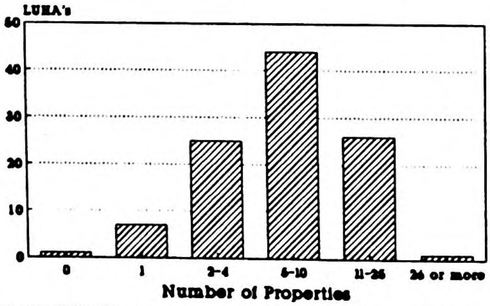
In FY 1988 Local Urban Homesteading Agencies acquired 818 properties for an average cost per property of $18,043.

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

By Source, FY 1988

| Source | Number | Percent | Total Section 810 Cost | Average Cost |
|---|---|---|---|---|
| HUD | 646 | 79% | $11,713,083 | $18,132 |
| FmHA | 17 | 2 | 354,850 | 20,874 |
| VA | 155 | 19 | 2,690,956 | 17,361 |
| 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.

Table 7-12

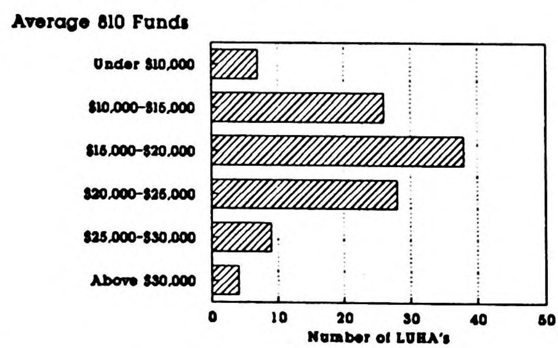
Average Section 810 Cost Per Property FY 1980 to FY 1988

| Fiscal Year | Average 810 Funds | Yearly Change |
|---|---|---|
| 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.

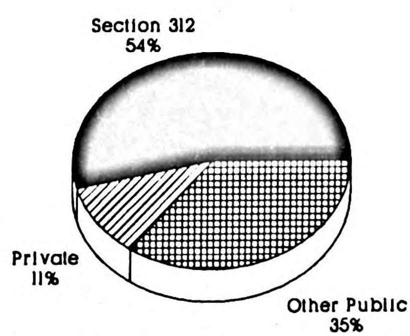
Based on available data reported by LUHAs regarding FY 1988 activity, $11.791 million in public and private funds were expended for the rehabilitation of 470 properties. (Note that these data underestimate activity because several LUHAs did not provide updated or complete reports in FY 1988.)

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.

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

| Source | 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 |
| d. Public & Private | (34) | ( 7) | 25,438 |
| 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 HUD 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.

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 disbursal 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 | |
|---|---|---|
| Number of Loans | Number | Percent |
| 1 | 84 | 30% |
| 2 - 5 | 97 | 34 |
| 6 - 10 | 40 | 14 |
| 11 - 15 | 22 | 8 |
| 16 - 20 | 11 | 4 |
| 21 - 30 | 14 | 5 |
| 31 - 50 | 10 | 4 |
| 51 or more | 3 | 1 |
| 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

| | --------------Property Type------------- | | |
|---|---|---|---|
| Characteristic | 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 CDBG 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

| Grantees with CPD Programs | Active Grantees | Grantees Monitored | Percent Monitored |
|---|---|---|---|
| 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 CDBG 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 reponsibilities.

- 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

HUD 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:

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

## Monitoring 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 Investigations

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 nonmetropolitan 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

| Type of Review | Reviews Conducted | Number of Deficiencies |
|---|---|---|
| Certification Review | 746 | 58 |
| Eligibility Review | 446 | 885 |
| Monitoring Review | 1,497 | 150 |
| Compliance Review | 0 | 0 |
| 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

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## 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 A1-2

## 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 | 1,557 | 1,510 | | 210 | 9 | 742 | | 2,580 | 6,608 |
| Arizona | 21,864 | 5,473 | 2,700 | 1,994 | 77 | 529 | 137 | 4,598 | 37,372 |
| Arkansas | 6,042 | 17,480 | | 1,333 | 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 | 2,578 | 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 | 2,311 | 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 | 62,007 | 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 | 1,245 | | 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 | 263,438 | 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 | 896 | 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 Number | Metro Cities Amount | Urban Counties Number | Urban Counties Amount | Total Number | Total 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: Central Cities Number | Central Cities Pct. | Metro Cities: Non-central Cities Number | Non-central Cities Pct. | Urban Counties Number | Urban Counties Pct. | All Grantees Number | All Grantees 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 | $970.3 | $996.7 | $858.9 | $876.1 | $923.2 | $10,446.4 |
| | (24.6) | (36.2) | (36.2) | (35.2) | (35.8) | (36.1) | (28.6) |
| PUBLIC FACILITIES AND IMPROVEMENTS | 7,007.9 | 586.5 | 599.9 | 505.7 | 534.4 | 476.4 | 9,710.8 |
| | (29.6) | (21.9) | (21.8) | (20.7) | (21.8) | (18.6) | (26.5) |
| ECONOMIC DEVELOPMENT | 814.9 | 355.3 | 305.5 | 304.3 | 254.7 | 322.7 | 2,357.4 |
| | (3.4) | (13.3) | (11.1) | (12.5) | (10.4) | (12.6) | (6.4) |
| PUBLIC SERVICES | 1,734.2 | 240.2 | 264.6 | 236.2 | 242.4 | 256.3 | 2,973.9 |
| | (7.3) | (9.0) | (9.6) | (9.7) | (9.9) | (10.0) | (8.1) |
| ACQUISITION, CLEARANCE RELATED | 3,244.3 | 90.8 | 112.1 | 150.9 | 140.4 | 127.9 | 3,866.4 |
| | (13.7) | (3.4) | (4.1) | (6.2) | (5.7) | (5.0) | (10.6) |
| OTHER | 2,015.7 | 81.1 | 91.1 | 78.9 | 93.2 | 129.3 | 2,489.3 |
| | (8.5) | (3.0) | (3.3) | (3.2) | (3.8) | (5.0) | (6.8) |
| ADMINISTRATION AND PLANNING | 3,066.0 | 355.9 | 380.7 | 303.7 | 307.4 | 325.0 | 4,738.7 |
| | (12.9) | (13.3) | (13.8) | (12.5) | (12.6) | (12.7) | (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-recip. | 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 Loans | 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) | (4.7) | (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 | $381.6 | $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 | 38.0 | 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 MAJOR ACTIVITIES BUDGETED,
FYs 1984 - 1988
(Dollars in Millions)

| | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|---|---|---|---|---|---|
| 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-recip. | 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 | 151.0 | 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 | 436.4 | 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-recip. | 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 | 0.9 | 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 | 47.8 |
| 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 | 5.8 |
| 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 Amt | FY 1982 Pct | FY 1983 Amt | FY 1983 Pct | FY 1984 Amt | FY 1984 Pct | FY 1985 Amt | FY 1985 Pct | FY 1986 Amt | FY 1986 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 | 144.8 | 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 Amount | Metro Cities Percent | Urban Counties Amount | Urban Counties Percent | All Grantees Amount | All Grantees Percent |
|---|---|---|---|---|---|---|
| Loan 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)

| | Applications Approved | | Guarantees Issued | | Funds | Funds |
|---|---|---|---|---|---|---|
| FY | Number | Amount | Number | Amount | Advanced | Repaid |
| 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 | $28,803 | $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 | 7,821 | 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 | 1,442 | 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 | 7,420 | 6,487 | 6,505 | 6,308 |
| Illnois | 33,713 | 33,485 | 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 | 28,764 | 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 | 5,528 | 5,341 | 5,407 | 4,690 | 4,703 | 4,518 |
| Ohio | 44,040 | 44,927 | 44,719 | 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 | 9,988 | 6,667 |
| Pennsylvania | 42,622 | 42,691 | 44,359 | 44,334 | 38,358 | 38,466 | 37,054 |
| Puerto Rico | 47,050 | 54,796 | 55,906 | 56,592 | 48,003 | 48,140 | 46,748 |
| 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 | 14,406 |
| 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 | $845,400 |
| State Admin.: | | | | | | | |
| Amount: | $762,715 | $952,840 | $966,900 | $971,353 | $834,464 | $844,193 | $808,500 |
| Number: | (37) | (47) | (48) | (48) | (48) | (49) | (49) |
| HUD Admin.: | | | | | | | |
| Amount: | $257,135 | $67,010 | $53,040 | $52,097 | 45,296 | $38,407 | $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)

| | FY 1982 | FY 1983 | FY 1984 | FY 1985 | FY 1986 | FY 1987 | FY 1988 |
|---|---|---|---|---|---|---|---|
| Public Facilities and Improvements | $367.7 | $454.6 | $454.2 | $463.5 | $384.9 | $374.5 | $102.0 |
| (percent) | (49.4) | (48.9) | (49.9) | (49.3) | (52.3) | (50.5) | (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 | 8.1 | 8.7 | 12.1 | 20.5 | 4.9 |
| Streets | 82.3 | 113.0 | 83.4 | 86.5 | 68.7 | 66.4 | 8.1 |
| Center/Facility | 23.2 | 27.6 | 39.8 | 48.6 | 28.4 | 23.1 | 14.1 |
| Removal of Architectural Barriers | 19.9 | .6 | 1.0 | 2.3 | 3.5 | 2.3 | .6 |
| Other Public Facilities | 66.4 | 60.6 | 45.1 | 53.8 | 47.5 | 42.5 | 10.0 |
| Housing-Related Activities | $180.5 | $208.4 | $168.8 | $177.9 | $125.3 | $144.4 | $ 59.9 |
| (percent) | (24.2) | (22.4) | (18.5) | (18.9) | (17.0) | (19.5) | (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 | 2.2 | 3.2 | 2.4 |
| Unspecified Housing | 12.1 | 12.6 | 8.9 | 10.0 | 5.7 | 5.6 | .2 |
| Public Housing Modernization | .8 | 1.1 | 3.6 | 5.7 | 1.5 | .7 | .3 |
| Acquisition and Clearance-Related | $ 57.1 | $ 64.4 | $ 45.7 | $ 49.8 | $ 35.6 | $ 31.9 | $ 8.0 |
| (percent) | ( 7.7) | (6.9) | (5.0) | (5.3) | (4.8) | (4.3) | (3.9) |
| Acquisition/Dispositon | 34.8 | 39.1 | 29.3 | 30.1 | 23.3 | 17.5 | 5.4 |
| Clearance | 2.4 | 2.4 | 2.4 | 4.1 | 2.6 | 3.4 | .8 |
| Relocation | 19.9 | 22.9 | 14.0 | 15.6 | 9.7 | 11.0 | 1.8 |
| Public Services | $ 3.0 | $ 1.5 | $ 3.8 | $ 4.3 | $ 2.9 | $ 2.1 | $ .8 |
| (percent) | (.4) | (.2) | (.4) | (.5) | (.4) | (.3) | (.4) |
| Economic Development | $ 72.0 | $102.1 | $166.5 | $164.5 | $130.0 | $125.5 | $ 17.4 |
| (percent) | (9.7) | 11.0) | (18.3) | (17.5) | (17.7) | (16.9) | (8.6 |
| Assistance to For-Profits | 57.2 | 91.2 | 154.3 | 152.8 | 104.3 | 118.1 | 14.6 |
| Assistance to Non-Profits | .7 | .7 | 2.3 | 2.9 | 16.8 | 3.1 | 2.7 |
| Unspecified Economic Development | 14.1 | 10.2 | 9.9 | 8.8 | 8.9 | 4.3 | .1 |
| Interim Assistance/ Code Enforcement | $ 1.2 | $ 9.3 | $ 1.1 | $ 1.0 | $ 1.1 | $ 2.8 | * |
| (percent) | (.2) | (1.0) | (.2) | (.2) | (.2) | (.4) | (*) |
| Contingencies | $ 1.1 | $ 7.5 | $ 3.6 | $ 2.5 | $ .6 | $ 1.9 | $ 1.7 |
| (percent) | (.1) | (.8) | (.4) | (.3) | (.1) | (.3) | (.8 |
| Administration and Planning | $ 60.5 | $ 76.4 | $ 65.2 | $ 74.0 | $ 54.2 | $ 55.8 | $ 12.7 |
| (percent) | (8.1) | (8.2) | (7.2) | (7.9) | (7.4) | (7.5) | (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 |
| Total Obligations Reported | $744.6 | $929.1 | $910.3 | $940.6 | $736.4 | $742.2 | $203.5 |
| Percent of Allocations Accounted for | 98% | 98% | 94% | 97% | 88% | 88% | 25% |

*Less than $100,000

+Reporting on Water, Seweer, and Flood and Drainage projects was consolidated 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: U.S. 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 | 38 | 7,983 | 38 | 10,659 | 38 |
| Total | $7,042 | 100 | $20,954 | 100 | $27,996 | 100 |
| Entitlement Program: | | | | | | |
| Rehabilitation | $1,404 | 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 A4-2**
**ESG GRANT ALLOCATIONS (1986-1988)**
**(Dollars in Thousands)**

| STATE NAME | 1986 ESG PROGRAM YEAR State | 1986 ESG PROGRAM YEAR Cities | 1986 ESG PROGRAM YEAR Number | 1986 TOTAL | 1987 ESG PROGRAM YEAR State | 1987 ESG PROGRAM YEAR Cities | 1987 ESG PROGRAM YEAR Number | 1987 TOTAL | 1988 ESG PROGRAM YEAR State | 1988 ESG PROGRAM YEAR Cities | 1988 ESG PROGRAM YEAR Number | 1988 TOTAL | GRAND TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ALABAMA | $159 | $_ | | $159 | $511 | $283 | 5 | $794 | $81 | $46 | 5 | $127 | $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 | 37 | 5114 | 216 | 603 | 35 | 819 | 6958 |
| COLORADO | 88 | - | | 88 | 244 | 194 | 3 | 438 | 40 | 30 | 3 | 70 | 596 |
| CONNECTICUT | 115 | - | | 115 | 324 | 252 | 5 | 576 | 51 | 41 | 5 | 92 | 783 |
| DISTRICT OF COLUMBIA | - | 57 | 1 | 57 | 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 | 207 | 582 | 449 | 9 | 1031 | 94 | 71 | 9 | 165 | 1403 |
| HAWAII | 8 | 39 | 1 | 47 | 39 | 194 | 1 | 233 | 6 | 31 | 1 | 37 | 317 |
| IDAHO | 25 | - | | 25 | 124 | - | - | 124 | 20 | 0 | 12 | 20 | 169 |
| ILLINOIS | 222 | 323 | 2 | 545 | 728 | 1989 | 13 | 2717 | 122 | 313 | 8 | 435 | 3697 |
| INDIANA | 197 | - | | 197 | 534 | 450 | 9 | 984 | 90 | 67 | 2 | 157 | 1338 |
| IOWA | 113 | - | | 113 | 470 | 94 | 2 | 564 | 75 | 15 | 3 | 90 | 767 |
| KANSAS | 78 | - | | 78 | 283 | 107 | 3 | 390 | 46 | 17 | 4 | 63 | 531 |
| KENTUCKY | 114 | 31 | 1 | 145 | 457 | 268 | 4 | 725 | 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 | 2764 |
| 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 | 87 | 741 |
| MONTANA | 23 | - | | 23 | 114 | - | - | 114 | 18 | 0 | - | 18 | 155 |
| NEBRASKA | 55 | - | | 55 | 203 | 69 | 1 | 272 | 33 | 11 | 1 | 44 | 371 |
| NEVADA | 25 | - | | 25 | 42 | 82 | 2 | 124 | 7 | 13 | 2 | 20 | 169 |
| NEW HAMPSHIRE | 31 | - | | 31 | 126 | 27 | 1 | 153 | 20 | 4 | 1 | 24 | 208 |
| NEW JERSEY | 287 | 36 | 1 | 323 | 397 | 1215 | 20 | 1612 | 63 | 195 | 20 | 258 | 2193 |
| NEW MEXICO | 46 | - | | 46 | 163 | 64 | 1 | 227 | 26 | 10 | 1 | 36 | 309 |
| NEW YORK | 367 | 700 | 3 | 1067 | 860 | 4464 | 23 | 5324 | 137 | 715 | 23 | 852 | 7243 |
| NORTH CAROLINA | 182 | - | | 182 | 766 | 142 | 4 | 908 | 123 | 22 | 4 | 145 | 1235 |
| NORTH DAKOTA | 20 | - | | 20 | 101 | - | - | 101 | 16 | 0 | - | 16 | 137 |
| OHIO | 347 | 126 | 2 | 473 | 935 | 1425 | 14 | 2360 | 151 | 227 | 14 | 378 | 3211 |
| OKLAHOMA | 85 | - | | 85 | 291 | 131 | 2 | 422 | 47 | 21 | 2 | 68 | 575 |
| OREGON | 83 | - | | 83 | 200 | 216 | 4 | 416 | 34 | 31 | 3 | 65 | 564 |
| PENNSYLVANIA | 371 | 279 | 3 | 650 | 860 | 2385 | 26 | 3245 | 140 | 380 | 26 | 520 | 4415 |
| PUERTO RICO | 305 | 45 | 1 | 350 | 837 | 911 | 12 | 1748 | 134 | 146 | 12 | 280 | 2378 |
| 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 | 746 |
| SOUTH DAKOTA | 24 | - | | 24 | 122 | - | - | 122 | 20 | 0 | - | 20 | 166 |
| TENNESSEE | 123 | 37 | 1 | 160 | 454 | 346 | 4 | 800 | 74 | 54 | 4 | 128 | 1088 |
| TEXAS | 427 | 165 | 3 | 592 | 1366 | 1590 | 17 | 2956 | 219 | 254 | 17 | 473 | 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 | 74 | 57 | 8 | 131 | 1112 |
| VIRGIN ISLANDS | - | - | | - | 0 | - | - | - | 6 | 0 | - | 6 | 6 |
| WASHINGTON | 103 | 39 | 1 | 142 | 231 | 477 | 7 | 708 | 37 | 76 | 7 | 113 | 963 |
| WEST VIRGINIA | 74 | - | | 74 | 301 | 68 | 2 | 369 | 48 | 11 | 2 | 59 | 502 |
| WISCONSIN | 127 | 52 | 1 | 179 | 577 | 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 | $21,044 | $28,956 | 322 | $50,000 | $3,377 | $4,623 | 320 | $8,000 | $68,000 |

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 |
| IDAHO | 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 |
| RHODE ISLAND | 49 | 8 | 10 | 3 | 189 |
| SOUTH CAROLINA | 110 | 4 | 4 | 0 | 77 |
| 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 A5-1

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 A5-2

URBAN DEVELOPMENT ACTION GRANT PROGRAM
PLANNED BENEFITS IN FUNDED PROJECTS

| ITEM | FY 1978-1980 | FISCAL YEAR OF AWARD* FY 1981 | FY 1982 | FY 1983 | FY 1984 | FY 1985 | FY 1986 | FY 1987 | FY 1988 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 (%) | 57% | 58% | 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*

| Year | Loans | Rehab Rebates | Grants | Other non-Paybacks | Total |
|---|---|---|---|---|---|
| 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 |
| 1988(part) | 98 | 0 | 0 | 2 | 100 |
| 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

| | FY 1984- 87 | | FY 1988 | | Cumulative | |
|---|---|---|---|---|---|---|
| Subsidy Type | Projects | Percent | Projects | Percent | Projects | Percent |
| 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 |
| Totals | 10,195 | 100% | 6,455 | 100% | 16,650 | 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.

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

| Period of Completion | Total Number of Units | Number of Units Occupied | Percent of Units Occupied |
|---|---|---|---|
| FY 1984-87 | | | |
| Before Rehabilitation | 35,664 | 20,274 | 57% |
| After Rehabilitation | 35,779 | 32,544 | 91% |
| FY 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

| Sources of Funding | FY 1984-87 | FY 1988 | Cumulative |
|---|---|---|---|
| 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

| | Completion Period | | | | | |
|---|---|---|---|---|---|---|
| | FY 1984-87 | | FY 1988 | | Cumulative | |
| Characteristic | Before | After | Before | After | Before | After |
| Total Number of Occupied Units | 20,274 | 32,544 | 17,741 | 27,534 | 38,015 | 60,078 |
| Household Income | | | | | | |
| 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 |
| Race/Ethnicity of Head of Household | | | | | | |
| 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 |
| Gender of Head of Household | | | | | | |
| 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 |
| Household Size | | | | | | |
| 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 Number | Properties Acquired Percent | Total Funds | Average Cost per Property |
|---|---|---|---|---|---|
| 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 | TN | 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 | $17,400 | $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

| Interest Rate | Single Family Number | Single Family Percent | Multi-Family Number | Multi-Family Percent | Other# Number | Other# Percent |
|---|---|---|---|---|---|---|
| 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 |
| Not Available | 154 | * | 21 | * | 62 | * |
| 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+

| Income Level | Number | Percent | Persons in Household | Number | Percent |
|---|---|---|---|---|---|
| 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 |
| Not Available | 576 | * | Not Available | 582 | * |
| Totals | 1,968 | 100% | Totals | 1,968 | 100% |

| Race/Ethnicity | Number | Percent | Age | Number | Percent |
|---|---|---|---|---|---|
| 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 |
| Not Available | 720 | * | Not Available | 572 | * |
| 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

| Fiscal Year | Amount of Funds Obligated | Number of Loans Made | Amount of Loan Repayments Collected |
|---|---|---|---|
| 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)

| | Loans | | | | | |
|---|---|---|---|---|---|---|
| | FY 1986 | | FY 1987 | | FY 1988 | |
| Status | Number | Pct. | Number | Pct. | Number | Pct. |
| 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) |
| In Legal Action | 3,042 | 5 | 3,076 | 6 | 2,875 | 6 |
| Totals | 56,820 | 100% | 52,654 | 100% | 49,075 | 100% |

| | Unpaid Balances | | | | | |
|---|---|---|---|---|---|---|
| | FY 1986 | | FY 1987 | | FY 1988 | |
| Status | Amount | Pct. | Amount | Pct. | Amount | Pct. |
| 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) |
| In Legal Action | 49,886 | 7 | 49,923 | 8 | 50,948 | 8 |
| 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 | Entitle- ment CDBG | Rental Rehabil- tation | 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 |
| FEO | Fair Housing/Equal Opportunity | 39 | 93 | 26 | 8 | 20 | 1 | 187 |
| FIN | Financial Management, Specialist | 36 | 242 | 40 | 24 | 40 | 33 | 415 |
| FMG | 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 |
| | | | | | | | | 0 |
| State Programs Only | | | | | | | | 0 |
| | | | | | | | | 0 |
| | | | | | | | | 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 | | | | | | | | 0 |
| | | | | | | | | 0 |
| PER | Performance | 603 | 1 | | 7 | | | 611 |
| | | | | | | | | 0 |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| ALABAMA | | | | | | | |
| Auburn | Loan to developer to help renovate 8,670 square foot Tiger Theater into commerical 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| ARIZONA | | | | | | | |
| 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 |
| CALIFORNIA | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| CALIFORNIA (Continued) | | | | | | | |
| 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 |
| COLORADO | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| **DISTRICT OF COLUMBIA** | | | | | | | |
| 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 |
| **FLORIDA** | | | | | | | |
| 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 |
| **GEORGIA** | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| GEORGIA (Continued) | | | | | | | |
| 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 |
| IDAHO | | | | | | | |
| 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 Interchange to I-90. | 464,143 | 2,206,105 | 0 | 50 | 0 | 230,171 |
| ILLINOIS | | | | | | | |
| 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 |

# Fiscal Year 1988 Urban Development Action Grant Awards

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| ILLINOIS (Continued) | | | | | | | |
| 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 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| INDIANA | | | | | | | |
| 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 |
| IOWA | | | | | | | |
| 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 |
| KENTUCKY | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| MAINE | | | | | | | |
| 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 |
| MARYLAND | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| **MASSACHUSETTS** | | | | | | | |
| 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 |
| **MICHIGAN** | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| MICHIGAN (Continued) | | | | | | | |
| 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 Hall 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| MICHIGAN (Continued) | | | | | | | |
| 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 |
| MINNESOTA | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| MINNESOTA (Continued) | | | | | | | |
| 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 infastructure 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 |
| MISSISSIPPI | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| MISSOURI | | | | | | | |
| 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 |
| NEW JERSEY | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW JERSEY (Continued) | | | | | | | |
| 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 |
| NEW MEXICO | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK (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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| NEW YORK (Continued) | | | | | | | |
| 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 |
| NORTH CAROLINA | | | | | | | |
| 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 |
| NORTH DAKOTA | | | | | | | |
| 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 |
| OHIO | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| OHIO (Continued) | | | | | | | |
| 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 | 24,765 |
| Cleveland | Financial assistance to local real estate development and management firm to help construct 60,000 square foot supermarket, 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 | 67,541 |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| OHIO (Continued) | | | | | | | |
| 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 facilitries. | $4,425,000 | $23,299,172 | $0 | 356 | 231 | $321,749 |
| Cleveland | Financial assistance to limited partnership to help construct 192-room hotel and 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 |

# Fiscal Year 1988 Urban Development Action Grant Awards

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| OHIO (Continued) | | | | | | | |
| 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 for 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| **OKLAHOMA** | | | | | | | |
| 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 |
| **OREGON** | | | | | | | |
| Redmond | Financial assistance to general partnership to help construct full-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 |
| **PENNSYLVANIA** | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PENNSYLVANIA (Continued) | | | | | | | |
| 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 | 1,102,204 | 100,000 | 39 | 0 | 0 |
| Mansfield | Construction/permanent 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PENNSYLVANIA (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PENNSYLVANIA (Continued) | | | | | | | |
| 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 |
| PUERTO RICO | | | | | | | |
| 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, newstand 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PUERTO RICO (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PUERTO RICO (Continued) | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| PUERTO RICO (Continued) | | | | | | | |
| 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, carport and covered porch in 1,225 square foot area on 325 square meter lot. | 925,000 | 3,360,000 | 0 | 0 | 120 | 39,285 |
| RHODE ISLAND | | | | | | | |
| 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 |
| SOUTH DAKOTA | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| TENNESSEE | | | | | | | |
| 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 |
| VIRGINIA | | | | | | | |
| 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 |
| WASHINGTON | | | | | | | |
| 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

| State and City | Project Description | UDAG Dollars | Private Investment | Other Public Dollars | Estimated Total New Jobs | Estimated Housing Units | Estimated Local Tax Revenue |
|---|---|---|---|---|---|---|---|
| WISCONSIN | | | | | | | |
| 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 |



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