

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Statement of Regulatory Priorities

A New Direction for a New HUD

The regulatory plan of the Department of Housing and Urban Development (HUD) for fiscal year 1997 reflects the new direction that HUD is taking under the leadership of Secretary Henry Cisneros. As the Department concludes its fourth year under the administration of Secretary Cisneros, there is much to be proud of in the regulatory changes that have been achieved to date, and there is much to look forward to in the regulatory changes contemplated for the future.

At the outset of his administration, Secretary Cisneros recognized that, all too frequently, regulations served as impediments rather than roadmaps to achieving successful results in Government programs, and he challenged HUD staff to look beyond tedious rules and eliminate those which are clearly useless and outdated.

The Secretary's regulatory challenge to HUD staff not only reflected President Clinton's regulatory philosophy, as outlined in Executive Order 12866, which holds that agencies should only issue regulations where necessary, but also complemented President Clinton's Governmentwide regulatory challenge announced in March 1995. In March 1995, President Clinton directed all Government agencies to conduct a page-by-page review of all regulations and to eliminate obsolete and unnecessary regulations and reinvent existing regulations.

In response to the Secretary's challenge and the President's directive to cut obsolete and unnecessary regulations, HUD, to date, has cut approximately 2,000 pages out of a total of 4,300 pages of regulations. The regulations that were eliminated represent obsolete or unnecessary regulations or repetitive and duplicative provisions, whose presence in the Code of Federal Regulations, in many cases, simply "cluttered" HUD's regulations, made them confusing, and lent the appearance of over-regulation by HUD. Removal of approximately 800 additional CFR pages is planned in the next several months, which will result in an over 60 percent reduction in HUD regulations. The new streamlined regulations will focus on requirements that must be maintained in the CFR.

In reviewing its existing regulations to determine which regulations could be removed, consolidated, and

streamlined, HUD recognized that situations and activities related to housing and community planning and development change rapidly and outpace the revision of regulations. Using the Code of Federal Regulations as a self-contained, comprehensive source of all HUD statutory and regulatory requirements, policies and guidance for each program is of limited value.

The Code of Federal Regulations for each agency is revised only once each calendar year. Given statutory changes to programs, administrative changes to programs, and the changes in the housing market and in communities throughout the Nation, this once-a-year revision means that often the new CFR is already outdated when issued. To keep pace with the changes, to ensure that HUD's housing partners and clients have the most up-to-date information, HUD will use sources other than the CFR to relay program information, policies, and guidance and use sources that can be updated quickly and easily and that can better reach HUD's targeted audience.

HUD is already making use of the Internet to provide widespread immediate dissemination of information about HUD, its housing programs, and the related information HUD gathers. For example, on August 1, 1996, Secretary Cisneros announced the new homeownership initiative, called "Democratizing Data." The Democratizing Data initiative collects detailed information on home loan applications, approvals, and denials from 9,500 lending institutions and makes it widely accessible to lenders, community groups, and others on the Internet's World Wide Web. The data show where loans were made in particular geographic areas by individual lenders and to different population groups identified by race, national origin, sex, and annual income. Community groups will be able to use the information to work with lenders on outreach programs to increase home loans to under-served groups and areas. The media can use the data to learn more about local lending practices. Lenders can use the data to assess their performance in meeting lending goals.

For those regulations that are determined necessary and remain in the CFR, HUD has undertaken significant consolidation and streamlining. HUD has consolidated definitions and requirements used in more than one program in a single regulatory part. Placing all common definitions and requirements in one part simplifies the structure of HUD's regulations and saves

time for the user searching for definitions or requirements and trying to determine the programs to which the definitions or requirements apply. This consolidation also minimizes confusion resulting from duplicative or conflicting definitions of the same terms.

HUD has achieved significant regulatory streamlining through consolidation of overlapping and repetitious program requirements. Two decades of experience with HUD's Section 8 certificate and voucher programs have shown that tenant-based housing assistance is an extremely effective mechanism for meeting the urgent needs of low-income renters. One of the weaknesses of the certificate and voucher programs, however, was the division of these two closely related programs into two separate tenant-based programs with two separate sets of regulations and procedures. To correct this weakness, HUD published a final rule that presents a unified statement of program requirements for the tenant-based certificate and voucher programs and eliminates all nonstatutory differences between the two programs. The rule further eliminated requirements that have impeded public housing agency administration of the program and landlord participation in the program. HUD also consolidated the three separate regulations for the supportive housing programs for the elderly and persons with disabilities, which were largely duplicative of each other with only minor differences. In addition, HUD consolidated into one part the separate regulations for the restrictions on assistance governing noncitizens. Again, the requirements were virtually identical for the programs subject to these restrictions with the exception of certain differences, which were maintained in the consolidated regulations.

These are only some examples of the improvements made to HUD's regulations. HUD is currently reviewing recommendations for further streamlining that have emerged from the empowerment zone experience as well as customer surveys. Depending on this review, HUD may recommend a series of statutory revisions that would augment the regulatory streamlining effort.

On February 1, 1996, Secretary Cisneros released a report detailing HUD's continued reinvention. The report has four core elements:

- Give Power to Communities by:
 - Merging over 20 duplicative programs into three funds;

- Providing flexibility to local leaders and organizations;
- Rewarding the best local performers; and
- Planting the seeds to grow private-sector jobs and business in distressed communities.

• Transform All Federal Housing Assistance by:

- Demolishing the worst public housing and replacing it with livable apartments;
- Changing the incentives so people are encouraged to work;
- Cracking down hard on gangs and drug dealers;
- Evicting irresponsible tenants, suing corrupt owners, and seizing mismanaged public housing authorities; and
- Expanding the supply of affordable housing.

• Ensure Homeownership Opportunities for All Americans by:

- Setting a goal of reaching the highest homeownership rate in U.S. history;
- Bringing down barriers to homeownership by lowering downpayments and closing costs;
- Cutting the time it takes to serve our customers;
- Fighting rental and ownership discrimination;
- Giving public housing and Section 8 residents the chance to buy their own homes; and
- Creating homeownership zones in inner cities;

• Build a Community-First, Right-Side-Up Cabinet Agency by:

- Moving staff out of Washington and into communities;
- Establishing local HUD Service Centers to trouble-shoot and solve problems for local customers;
- Retraining staff to meet new community challenges; and
- Using technology to create a paperless HUD.

Much of this agenda is already underway—in administrative actions already taken or ongoing and in legislation now under consideration. HUD's regulations will support rather than impede this agenda for the future.

Regulatory Priorities

For fiscal year 1997, HUD will focus its resources on continued reinvention and streamlining in accordance with President Clinton's regulatory reform initiative and on the core principles enunciated by the Secretary on February 1, 1996. Although the following rules reflect essential elements of HUD's reinvention effort, other regulations

described in HUD's semiannual agenda of regulations also reflect these efforts.

Priority: Giving Power to Communities

- By providing flexibility to local leaders and organizations.

Regulatory Action: Public Housing Development Regulations, Including Mixed-Finance Development

This rule finalizes a comprehensive revision of the public housing development and acquisition program regulation at 24 CFR 941. One of the two interim rules merged in this final rule redesigned the public housing development process to give housing authorities and localities maximum flexibility in developing public housing in their communities. The revised procedures shift responsibilities to public housing agencies (PHAs) wherever possible; reduce the number and depth of HUD reviews; and, in the case of "high performing" PHAs, eliminate most HUD reviews of development activities. HUD anticipates that these changes will reduce average development times by 6 to 9 months.

Priority: Transform All Federal Housing Assistance

- By ensuring proper management of federally subsidized housing by cracking down hard on gangs and drug dealers, evicting irresponsible tenants, suing corrupt owners, and seizing mismanaged housing.

Regulatory Action: Reform of Public Housing Management

This rule proposes an extensive revision of the Public Housing Management Assessment Program (PHMAP), which contains the policies and procedures used by the Department of Housing and Urban Development to identify public housing authority (PHA) management capabilities and deficiencies; to designate high performing and troubled PHAs; and to enter into agreements and formulate plans to improve PHA management. Additionally, this rule adds a new security indicator which covers the provisions of the "One Strike and You're Out" policy for public housing residents and other anti-drug and/or anti-crime security initiatives for public housing.

On March 28, 1996, President Clinton announced a "One Strike and You're Out" policy for public housing residents and signed into law the "Housing Opportunity Program Extension Act of 1996," providing additional authority to PHAs in the areas of screening, lease enforcement,

and eviction in order to help PHAs fight crime and drug-related crime in public housing communities. The policy will enhance the ability and related efforts of PHAs to develop and enforce stricter screening and eviction policies as a part of their anti-drug and/or anti-crime initiatives. Under the rule, PHAs will be assessed under this new security indicator, which measures PHA performance in implementing effective screening and eviction policies and other anti-crime strategies.

- By expanding the supply of affordable housing.

Regulatory Action: Public Housing Development Regulations, Including Mixed-Finance Development

This rule finalizes a comprehensive revision of the public housing development and acquisition program regulation at 24 CFR 941. One of the two interim rules merged in this final rule provides procedures to permit PHAs to enter a partnership with an entity to develop and own public housing properties in mixed-income developments using a combination of public and private financing mechanisms, which may include borrowing public housing development funds from the PHA and/or the sale of low-income housing tax credits. The rule includes requirements that 1) must be met by the proposed partnership before HUD will approve a mixed-finance proposal and 2) govern the development and operation of a project by the partnership.

Priority: Ensure Homeownership Opportunities for all Americans

- By cutting the time it takes to serve our customers.

Regulatory Action: Consolidation of Title I and Title II Regulations

This rule represents an important component of FHA's risk management effort to minimize loss to the insurance funds while giving lenders and mortgagees more flexibility to provide increased homeownership opportunities to low- and moderate-income homebuyers. The regulations provide consistent standards that are less subject to interpretation and that are understood by all approved lenders and the general public. The regulations also provide a strong enforceable basis for evaluating the financial and operational soundness of lenders.

This rule will serve to eliminate the differences which presently exist between the title I and the title II lender approval requirements. With many lending institutions seeking to

participate in both programs, these differences have caused confusion and, in some instances, additional reporting burdens. Additionally, the rule seeks to secure added protection to the title I insurance fund by assuring that those lenders actively participating in the program have the increased financial capacity necessary to maintain a trained, competent staff; implement an adequate quality control plan; and reimburse the Department in the event fraudulent loan origination activities are detected.

- By fighting rental and ownership discrimination.

Regulatory Action: Fair Housing Planning Performance Standard

This rule will assist communities in complying with the legal requirement to certify that they are affirmatively furthering fair housing. It will provide a performance standard rather than prescribing precisely what a community should do. Thus, communities will have a clear idea of what is expected of them and the standards HUD will use in reviewing their certification.

Other Priority Regulations

The following rule supports a specific legislative initiative.

Regulatory Action: Homeless Assistance Fund Regulation

This rule would implement legislation that consolidates McKinney Act homeless assistance funding into a formula-based flexible program as proposed in the President's FY 1997 Budget. The proposed legislation would totally reorganize the currently fragmented approach to HUD's homeless assistance efforts by streamlining program requirements and application processes. Cities and States, in partnership with non-profit homeless providers and others, would be empowered to design and implement community-based continuum of care systems in their jurisdictions.

HUD—Office of Housing (OH)

PROPOSED RULE STAGE

41. • APPROVAL OF LENDING INSTITUTIONS AND MORTGAGEES (FR-4132)

Priority:

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

12 USC 1703(a); 12 USC 1709(b)(1); 12 USC 1715b

CFR Citation:

24 CFR 202

Legal Deadline:

None

Abstract:

Part 202 sets forth the requirements lending institutions must meet, to originate, service, hold or sell HUD insured Title I loans and Title II mortgages. This proposed rule will eliminate the differences between the Title I and Title II lender approval requirements and allow lending institutions to more easily participate in both programs.

Statement of Need:

This rule represents an important component of FHA's risk management effort to minimize loss to the insurance funds while giving lenders and mortgagees more flexibility to provide increased homeownership opportunities to low- and moderate-income homebuyers. The regulations provide consistent standards that are less subject to interpretation and that are understood by all approved lenders and the general public. The regulations also provide a strong enforceable basis for evaluating the financial and operational soundness of lenders.

This proposed rule will serve to eliminate the differences which presently exist between the Title I and the Title II lender approval requirements. With many lending institutions seeking to participate in both programs, these differences have caused confusion, and in some instances, additional reporting burdens. Additionally this proposed rule seeks to secure added protection to Title I insurance fund by assuring that those lenders actively participating in the program, have the increased financial capacity necessary to maintain a trained, competent staff, implement an adequate quality control plan, and reimburse the Department in the event fraudulent loan origination activities are detected.

Summary of the Legal Basis:

12 U.S.C. section 1709(b)(1) and section 203(b)(1) of the National Housing act requires that for a loan to be eligible for insurance, the mortgage shall, "(h)ave been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage property."

Alternatives:

Alternatives have been considered, but in order to effect FHA's risk management program, assure program enforceability and consistency of program participants, those alternatives are not recommended.

Anticipated Costs and Benefits:

This rule will eliminate the variations in approval requirements for lenders participating in both the Title I and Title II programs. Thus, confusion over certain reporting requirements will be eliminated. The Department will benefit by increasing the approved lender base, thereby making homeownership and property improvement more readily available. Additionally, the increased adjusted net worth and liquid asset requirements for Title I lenders will provide added protection to the insurance fund by providing assurance of participants with sufficient capital and resources.

The elimination of the internal control and compliance reports from the required annual audited financial statement, submitted by Title I Loan Correspondent lenders, will reduce the cost of the audit by approximately 40%, for those lenders.

Risks:

A primary goal of this proposed rule is to reduce the risk to the FHA insurance fund, consequently, no additional risk is perceived.

Timetable:

Action	Date	FR Cite
NPRM	02/00/97	

Small Entities Affected:

Businesses

Government Levels Affected:

None

Agency Contact:

Lynn Herbert
Acting Director, Lender Approval & Recertification Div.
Department of Housing and Urban Development
Office of Housing
Phone: 202 708-3976

RIN: 2502-AG82

HUD—Office of Community Planning and Development (CPD)

PROPOSED RULE STAGE

42. • HOMELESS ASSISTANCE FUND REGULATION (FR-4130)

Priority:

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 3535(d)

CFR Citation:

24 CFR 000

Legal Deadline:

None

Abstract:

The proposed Homeless Assistance Fund legislation will reorganize six separate Stewart B. McKinney Homeless Assistance Act grant programs into a single program that will be formula-based, flexible, and designed to help States and cities develop and implement community-devised continuum of care systems. The specific details and timing of the regulations required to support the new Homeless Assistance Fund will be determined after enactment.

Statement of Need:

The Homeless Assistance Fund will address several key problems that plague community efforts to address homelessness. The current separate grant programs require providers of housing and services to apply discrete programs for particular needs. Each categorical program has its own funding cycle, application process, and program and reporting requirements, thereby increasing paperwork and hampering project development and implementation.

Summary of the Legal Basis:

Legislation to create the Homeless Assistance Fund is currently pending before Congress.

Alternatives:

There is no alternative. If the legislation is passed, a rule must be issued in order to implement the program and

continue to provide communities with funding for homeless assistance.

Anticipated Costs and Benefits:

Combining six separate categorical programs into one formula-based grant program will result in a significant reduction in paperwork for both grantees and HUD. Specific estimates of the cost savings involved cannot be determined until the details of the legislation become clear.

Risks:

This rule poses no threat to public safety, health, or the environment.

Timetable:

Action	Date	FR Cite
NPRM	09/00/97	

Small Entities Affected:

Governmental Jurisdictions, Organizations

Government Levels Affected:

State, Local, Federal

Agency Contact:

Maggie H. Taylor
 Director, Office of Special Needs Assistance Programs
 Department of Housing and Urban Development
 Office of Community Planning and Development
 Phone: 202 708-4300

RIN: 2506-AB88

HUD—Office of Fair Housing and Equal Opportunity (FHEO)

PROPOSED RULE STAGE

43. • FAIR HOUSING PLANNING PERFORMANCE STANDARD (FR-4133)

Priority:

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 3535(d); 42 USC 3600 to 3620

CFR Citation:

24 CFR 570.904(c); 24 CFR 570.900, subpart O Performance Review

Legal Deadline:

None

Abstract:

This rule will assist communities in complying with the legal requirement to certify that they are affirmatively furthering fair housing. It will provide a performance (for accepting a certification) standard rather than prescribing precisely what a community should do. Thus, communities will have a clear idea of what is expected of them and the standards HUD will use in reviewing their certifications.

Statement of Need:

Currently, the CDBG regulation provides for HUD review and oversight. However, the regulation does not contain a performance standard for grantee actions to affirmatively further fair housing. Without such a performance standard, HUD cannot determine the acceptability of the affirmatively furthering fair housing (AFFH) certification.

This revision to the existing CDBG regulation would provide a performance review for grantee actions to affirmatively further fair housing.

Summary of the Legal Basis:

24 CFR 570.900, subpart O - Performance Reviews.

Alternatives:

None.

Anticipated Costs and Benefits:

Costs: None.

Benefit: The benefit is that there will be more certainty for grantees about the standards that HUD will use to review their certifications.

Risks:

None

Timetable:

Action	Date	FR Cite
NPRM	12/00/96	

Small Entities Affected:

None

Government Levels Affected:

State, Local

Agency Contact:

Deirdre Maguire-Zinni
 Director
 Entitlement Communities Division
 Department of Housing and Urban Development
 Office of Fair Housing and Equal Opportunity
 Phone: 202 708-1577

RIN: 2529-AA81

HUD—Office of Public and Indian Housing (PIH)

PROPOSED RULE STAGE

44. • REPLACEMENT HOUSING FACTOR IN MODERNIZATION FUNDING (FR-4125)

Priority:

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 14371(k)(2)(B); 42 USC 3535(d)

CFR Citation:

24 CFR 968

Legal Deadline:

None

Abstract:

The replacement housing factor would offset for five years the loss of formula share funding due to the reduction of units as a result of demolition, disposition, or conversion from October 1, 1996, as long as the reduced units are not in developments receiving MROP or HOPE IV implementation funding and as long as the funds conserved by the offset are used for approved replacement housing.

Statement of Need:

Drafters of the 1990 statutory requirement of a three year phase-down of funding for units reduced as a result of demolition, disposition, or conversion did not envision the drastic reduction in non-viable units that HUD and Congress are now implementing or the drastic reduction in new development funding that could be used to strategically restructure the public housing inventory. By allowing a Housing Authority with reduced units to stabilize its funding if it uses the offset portion of funding for replacement housing, the proposed rule will make more acceptable the reduction of non-viable units in downsizing Housing Authorities and their communities.

Summary of the Legal Basis:

The enabling statute allows a proposed rule process for changes in the formula. The drafters of the statute realized that

formulas have to adapt to changing conditions. The proposed rule process allows for comment.

Alternatives:

Legislation to authorize preservation of funding for housing authorities with significant demolition of units, or decreased production of replacement units for those now being demolished.

Anticipated Costs and Benefits:

The proposed rule would have the benefit of speeding and making more rational the reduction and restructuring of the public housing inventory. Additional costs to PHA or to HUD would be negligible.

Risks:

The proposed rule poses no risk to public health, safety, or the environment. To the extent the new rule hastened the reduction of non-viable units, it would improve public health and safety.

Timetable:

Action	Date	FR Cite
NPRM	01/00/97	

Small Entities Affected:

None

Government Levels Affected:

State, Local

Agency Contact:

Rod J. Solomon
 Director, Special Actions, Office of Policy Program & Legislative Initiatives
 Department of Housing and Urban Development
 Office of Public and Indian Housing
 Phone: 202 708-0713

RIN: 2577-AB71

HUD—PIH

45. SECTION 8 RENTAL VOUCHER AND CERTIFICATE PROGRAMS—SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) (FR-3986)

Priority:

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 1437f; 42 USC 3535(d); 42 USC 1437a; 42 USC 1437c

CFR Citation:

24 CFR 985; 24 CFR 000

Legal Deadline:

None

Abstract:

Under the section 8 Management Assessment Program established by the rule, HUD assesses whether the Section 8 tenant-based assistance programs operate effectively to achieve the intended result of helping eligible families afford decent rental units at a reasonable subsidy cost. SEMAP establishes an objective system for HUD to measure HA performance in key Section 8 program areas to enable the Department to ensure program integrity and accountability. SEMAP provides procedures for HUD to identify housing agency management capabilities and deficiencies in order to target monitoring and program assistance more effectively. Housing agencies can use the SEMAP performance analysis to assess and improve their own program operations.

Statement of Need:

At a time of diminishing HUD staffing resources, use of SEMAP will enable the Department to improve its risk assessment and to effectively target monitoring and program assistance to housing agency programs needing most improvement and posing the greatest risk.

Summary of the Legal Basis:

The Department of Housing and Urban Development Act charges HUD with achieving the best administration of the principal programs of the Federal Government which provide assistance for housing.

Alternatives:

None considered.

Anticipated Costs and Benefits:

Costs: The SEMAP rule implementation will be minimal, as the Department has sought to assess performance using readily available data, without imposing substantial new or undue recordkeeping burdens on housing agencies. The systematic assessment of housing agency performance under the rule is expected to substantially improve HUD oversight of the Section 8 tenant-based programs and to help HUD target monitoring and assistance to programs that pose the greatest risk and to housing agencies needing most improvement.

Risks:

This rule does not address a risk to public health, safety, or the environment.

Timetable:

Action	Date	FR Cite
NPRM	11/00/96	
NPRM Comment Period End	01/00/97	
Final Action	05/00/97	

Small Entities Affected:

Governmental Jurisdictions

Government Levels Affected:

State, Local

Agency Contact:

Gerald Benoit
Director, Operations Div.
Department of Housing and Urban
Development
Office of Public and Indian Housing
Phone: 202 708-0477

RIN: 2577-AB60

HUD—PIH

FINAL RULE STAGE

46. REFORM OF PUBLIC HOUSING MANAGEMENT (FR-3447)**Priority:**

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 3535(d); 42 USC 1437d(j)

CFR Citation:

24 CFR 901

Legal Deadline:

None

Abstract:

This rule proposes an extensive revision of the Public Housing Management Authority Program, (PHMAP), which contains the policies and procedures used by the Department of Housing and Urban Development (HUD) to identify public housing authority (PHA) management capabilities and deficiencies; to designate high performing and troubled PHAs; and to enter into agreements and

formulate plans to improve PHA management.

Statement of Need:

A new, revised rule is needed to address the following issues concerning the current PHMAP regulation: PHMAP reporting and processing are time-consuming; information required from PHAs is not always available by HUD's deadline; PHA appeals of HUD decisions can extend the PHMAP process for months; the system should be a better measure of actual performance rather than "paper" performance; redundant and unnecessary procedures and paperwork need to be eliminated, and the volume of PHMAP-related correspondence needs to be reduced.

Summary of the Legal Basis:

PHMAP was promulgated under section 502 of the National Affordable Housing Act (NAHA) (approved November 28, 1990, Pub. L. 101-625), which requires HUD to establish, by rulemaking under 5 USC 553, indicators to evaluate the management performance of PHAs and procedures for designating troubled PHAs.

Alternatives:

In developing a new proposed rule, HUD considered adding or eliminating indicators, combining indicators and/or components, assigning different weights to existing indicators, varying the applicability of indicators by PHA size, and changing the reporting period for assessments.

Anticipated Costs and Benefits:

Costs: Because the revised regulation would be a refinement or improvement of existing procedures, and should result in no additional, or a decrease in, monitoring or reporting burdens, additional costs to PHAs or to HUD are negligible.

Benefits: Increasing the objectivity of the assessment program, making the assessment program more performance-oriented rather than simply compliance-oriented, and reducing redundant and unnecessary procedures and paperwork requirements will make the assessment process itself less expensive, and result in the more efficient use of public housing funds.

Risks:

This rule does not address a risk to public health, safety, or the environment.

Timetable:

Action	Date	FR Cite
NPRM	05/06/96	61 FR 20358
NPRM Comment Period End	07/05/96	
Interim Final Rule	11/00/96	
Final Action	05/00/97	

Small Entities Affected:

None

Government Levels Affected:

State, Local

Agency Contact:

MaryAnn Russ
Deputy Assistant Secretary for Public & Assisted Housing Operations
Department of Housing and Urban
Development
Office of Public and Indian Housing
Phone: 202 708-1380

RIN: 2577-AB30

HUD—PIH**47. PUBLIC HOUSING DEVELOPMENT REGULATIONS (FR-3569)****Priority:**

Other Significant

Reinventing Government:

This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority:

42 USC 1437c

CFR Citation:

24 CFR 941

Legal Deadline:

None

Abstract:

This rule finalizes a comprehensive revision of the public housing development and acquisition program regulation at 24 CFR 941. This rule responds to comments received on two interim rules. The first of those rules redesigned the public housing development process to give housing authorities and localities maximum flexibility in developing public housing in their communities. The second of those rules (FR-3919, RIN 2577-AB54) provided procedures to permit housing agencies to enter a partnership with an entity to develop and own public housing properties in mixed-income developments using a mixed-financed development method.

Statement of Need:

This action is necessary to respond to public comments, assuring that the development process is expedited, to save on financing and construction costs with the funds available for developing public housing units. An effective process is needed to respond to increased shortages of decent, safe, and sanitary housing for low-income persons.

Summary of the Legal Basis:

The public housing development program is authorized by the U.S. Housing Act of 1937, and was the subject of substantive amendments and updates made in annual appropriations bills.

Alternatives:

HUD has considered amending its handbooks to address the many changes to the public housing development program before issuing revised regulations, but the type of comprehensive revision needed requires notice and comment rulemaking.

Anticipated Costs and Benefits:

Costs: Because the revised regulations would streamline existing procedures, they result in few or no additional monitoring or reporting burdens. Additional costs to PHAs or to HUD are negligible.

Benefits: A complete revision of the 1980 regulation will provide PHAs and HUD Field Offices with the maximum flexibility to develop public housing that is oriented more to the needs of the community, and will eliminate much of the "red tape" currently associated with the development process. The reduction of burdensome requirements will result in an increased supply of public housing units for low-income persons.

Risks:

This rule poses no risk to public health, safety, or the environment.

Timetable:

Action	Date	FR Cite
Interim Final Rule (FR-3919)	05/02/96	61 FR 19708

Action	Date	FR Cite
Interim Final Rule Effective (FR 3919)	07/01/96	
Interim Final Rule Effective	07/22/96	61 FR 38014
Interim Final Rule Effective	08/21/96	
Interim Final Rule Comment Period End	09/20/96	
Final Action	03/00/97	

Small Entities Affected:

Businesses

Government Levels Affected:

State, Local

Agency Contact:

William Flood
 Director, Office of Capital Improvements
 Department of Housing and Urban
 Development
 Office of Public and Indian Housing
 Phone: 202 708-1640

RIN: 2577-AB37

BILLING CODE 4210-01-F