

the call date in 1994 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 11.78% to 6.75%, thus reducing FHA mortgage insurance risk, and will provide funds of \$435,000 for project repairs. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for lower-income families after subsidies expire, a priority HUD objective.

30. Regulation: 24 CFR 811.114(d)

Project/Activity: Cranbrook HC of Ann Arbor, Michigan refunding of bonds which financed a Section 8 assisted project, the Cranbrook Apartments, HUD No. MI-28-0013-032.

Nature of Requirement: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Date Granted: June 29, 1994.

Reasons Waived: The part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding bonds to be issued as taxable obligations. Refunding bonds will be issued in an amount sufficient to transfer ownership of the project to a non-profit entity which agrees to extend low-income occupancy for ten years after expiration of the Section 8 Housing Assistance Payments Contract. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt bonds with taxable debt. The refunding serves the important public purposes of improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

**Note to Readers:** The person to be contacted for additional information about the waiver-grant items in this listing is: Mr. William O. Maynard, Field Coordination Officer, U.S. Department of Housing and Urban Development, Office of Community Planning and Development, 451 7th Street, SW, Washington, DC 20410-7000, Telephone: (202) 708-2565 (This is not a toll-free number).

31. Regulation: 24 CFR 570.200(a)(3)

Project/activity: Waiver of requirements that 70 percent of funds, over a period not to exceed three years, are for activities that benefit low and moderate income persons at 42 U.S.C. 5304(b)(3)(A) and 24 CFR 570.200(a)(3) for CDBG entitlement grantees receiving funding under the Emergency Supplemental Appropriations Act of 1994 (Pub. L. 103-211) for emergency expenses resulting from the January 1994 earthquake in Southern California or the Midwest floods of 1993.

Nature of Requirement: 24 CFR 570.200(a)(3) requires that, over a period not to exceed three years, 70 percent of the aggregate of CDBG expenditures be for activities meeting the criteria at 24 CFR 570.208(a) of benefiting low- and moderate-income persons.

Granted by: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

Dated Granted: April 1, 1994; April 22, 1994.

Reasons Waived: Because the damage to community development and housing was so extensive, without regard to income, it is important to give grantees maximum flexibility to carry out activities within the confines of the CDBG program national objectives. The Department does not intend to waive the requirements that activities meet one of the national objectives at 42 U.S.C. 5304(b)(3) and 24 CFR 570.200(a)(2).

32. Regulation: 24 CFR 570.200(a)(5) and (h)

Project/Activity: Waiver of restrictions on the use of CDBG funds to reimburse local funds used to pay for pre-agreement costs at 24 CFR 570.200(a)(5) and (h), for the CDBG Entitlement program, from the incident date of the earthquake, January 17, 1994, and from the beginning of the "Incident Period" for the Midwest floods, for costs incurred on or after that date, for CDBG entitlement grantees receiving funding under the Emergency Supplemental Appropriations Act of 1994 (Pub. L. 103-211) for emergency expenses resulting from the January 1994 earthquake in Southern California or the Midwest floods of 1993.

Nature of Requirement: 24 CFR 570.200(h) permits reimbursement of certain eligible costs incurred prior to the date of the grant agreement. 24 CFR 570.200(a)(5) limits pre-agreement costs to those described in subparagraph 570.200(h), e.g., for environmental assessments, planning and capacity building, engineering and design costs, pre-acquisition costs.

Granted by: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

Date Granted: April 1, 1994; April 22, 1994.

Reasons Waived: The urgency of the need to begin recovery may require that grantees spend local funds on CDBG eligible activities before the CDBG funds are awarded. Waiver of these provisions would permit reimbursement of local funds used from the date of the earthquake and the Midwest floods.

33. Regulation: 24 CFR 570.201(e)(1) or (2)

Project/Activity: Waiver of the limitation on the amount of funds used for public services at 42 USC 5305(a)(8) and 24 CFR 570.201(e)(1) or (2), as applicable to the affected grantee, to hereby modify those provisions to allow an increase of 10 percent above the previous limitation, for CDBG entitlement grantees receiving funding under the Emergency Supplemental Appropriations Act of 1994 (Pub. L. 103-211) for emergency expenses resulting from the January 1994 earthquake in Southern California or the Midwest floods of 1993.

Nature of Requirement: 24 CFR 570.201(e)(1) and (2) set the limitations for use of CDBG funds for public services at 15 percent of each grant plus program income or a higher percentage, in the case of Los Angeles and Los Angeles County, as provided in the 1982 and 1983 appropriations acts.

Granted by: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

Date Granted: April 1, 1994; April 22, 1994.

Reasons Waived: Disaster response may require additional level of public services and public services not previously provided by grantees during emergency and recovery periods, e.g., day care, housing counseling, legal services, health services, safety services.

34. Regulation: 24 CFR 570.204(c)(1)

Project/Activity: Waiver of requirements at 24 CFR 570.204(c)(1) for the CDBG entitlement program, as necessary, to authorize a Community Housing Development Organization (CHDO), as defined at 24 CFR 92.2, that has been designated to receive HOME Investment Partnership funds to carry out activities under 24 CFR 570.204(a), for CDBG entitlement grantees receiving funding under the Emergency Supplemental Appropriations Act of 1994 (Pub. L. 103-211) for emergency expenses resulting from the January 1994 earthquake in Southern California or the Midwest floods of 1993.