

Contact: Gerald Benoit, Director, Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 4210, Washington, DC 20410-5000; telephone: (202) 708-0477.

- *Regulation:* 24 CFR 983.51 and Section II subpart E of the January 16, 2001, **Federal Register** Notice, Revisions to PHA Project-Based Assistance (PBA) Program; Initial Guidance.

Project/Activity: Cuyahoga Metropolitan Housing Authority (CMHA), Cleveland, OH. The CMHA requested a waiver of competitive selection of owner proposals and an exception to the initial guidance to permit it to attach PBA to Cleveland New Construction III in census tracts with poverty rates that range from 30.5 to 54.2 percent.

Nature of Requirement: Section 983.51 requires competitive selection of owner proposals in accordance with a housing authority's HUD-approved advertisement and unit selection policy. Section II subpart E of the initial guidance requires that in order to meet the Department's goal of deconcentration and expanding housing and economic opportunities, the projects must be in census tracts with poverty rates of less than 20 percent.

Granted By: Michael Liu, Assistant Secretary for Public and Indian Housing.

Date Granted: March 18, 2003.

Reason Waived: The CMHA was awarded funds by the Department to provide housing to replace approximately 350 units of obsolete multifamily housing that were demolished in the neighborhoods of Hough and Glenville. Cleveland New Construction (CNC) III is one of the projects designed to replace 234 of the 350 units demolished. Competitive selection was waived since the CMHA's partner in the development of CNC III was competitively selected in September 2000. Approval of the exception for deconcentration was granted since 40 units of the CNC III project, in which the CMHA plans to attach PBA will be located in Cleveland's HUD-designated Empowerment Zone, the purpose of which is to open new businesses, and create jobs, housing, and new educational and healthcare opportunities. These goals are consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.

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- *Regulation:* Section II subpart E of the January 16, 2001, **Federal Register** Notice, Revisions to PHA Project-Based Assistance (PBA) Program; Initial Guidance.

Project/Activity: Housing Authority of New Orleans (HANO), New Orleans, LA. The HANO requested an exception to the Initial Guidance for three developments that are located in census tracts with poverty rates greater than 20 percent. The HANO's request for an exemption for the following three

projects was based upon a need for decent and affordable housing in the city and continued improvement in areas where millions of dollars have been spent to rehabilitate blighted housing in a city where one third of the housing stock was built prior to 1940.

Nature of Requirement: Section II subpart E of the initial guidance requires that in order to meet the Department's goal of deconcentration and expanding housing and economic opportunities, the projects must be in census tracts with poverty rates of less than 20 percent.

Granted By: Michael Liu, Assistant Secretary for Public and Indian Housing.

Date Granted: January 6, 2003.

Reason Waived: The City of New Orleans developed an Impact Neighborhood Strategy (INS) that promotes rehabilitating projects in cluster areas, bringing together public and private sector resources. The focus of this initiative is the establishment of partnerships between the city, financial institutions, neighborhood churches, and community-based organizations. By pooling public and private funds, these partnerships create a variety of housing programs targeting homeownership, owner-occupied rehabilitation, and investor-owned rehabilitation. The City of New Orleans identified six INS areas. The goals of the INS areas are consistent with the goals of deconcentrating poverty.

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- *Regulation:* Section II subpart F and subpart E of the January 16, 2001, **Federal Register** Notice, Revisions to PHA Project-Based Assistance (PBA) Program; Initial Guidance.

Project/Activity: Manchester Housing and Redevelopment Authority (MHRA), Manchester, NH. The MHRA requested an exception to the Initial Guidance on revisions to the project-based assistance (PBA) program published in the **Federal Register** on January 16, 2001, regarding the 25 percent cap on the number of units in a building to which PBA can be attached. This exception was requested for four sites owned and managed by Families in Transition (FIT), to which the MHRA intends to attach such assistance. The MHRA also requested an exception in regard to deconcentration for a project owned by the Neighborhood Housing Service (NHS).

Nature of Requirement: Section II subpart F of the Initial Guidance, states that a PHA may not enter into an agreement or housing assistance payments (HAP) contract to provide project-based voucher assistance for more than 25 percent of the units in any one building, except for dwelling units that are specifically made available for elderly families, disabled families, and families receiving supportive services. Section II subpart E of the Initial Guidance requires that all new PBA agreements or HAP contracts be for units in census tracts with poverty rates of less than 20 percent, unless HUD

specifically approves an exception. The aforementioned Initial Guidance requires that a PBA contract may only be approved if it is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

Granted By: Michael Liu, Assistant Secretary for Public and Indian Housing.

Date Granted: March 4, 2003.

Reason Waived: Approval of the exception regarding the 25 percent cap was granted because all four of the sites owned and managed by FIT will be leased to families receiving supportive services. FIT provides a considerable array of services, including case management, therapeutic services, community meetings, educational workshops, employment and advanced computer training program, childcare, transportation, and linkages to numerous other service providers. In regards to deconcentration, the NHS proposes to provide PBA for six units at 25 Brook Street/15-19 Temple Court. There are several housing and economic development activities going on in the census tract where these projects are located. The Verizon Wireless Arena opened one year ago and is bringing numerous sporting and entertainment venues to Manchester that stimulate restaurant, hotel, and retail activity; a sizeable residential development is planned for the block at the corner of Bridge and Elm Street that will include 210 units that are to be "upscale and costly" thereby reducing the concentration of low-income households in the census tract; renovations are underway to the offices at Hampshire Plaza at 1000 Elm Street as well as to the retail and office space at the Chase Building at 1037-1043 Elm Street. The Smith Dow Block at 1382-1480 Elm Street was also renovated a couple of years ago considerably upgrading the 68 residential units there. Additional planned improvements include streetscape improvements at Lowell and Elm Streets and the widening of Granite Street.

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- *Regulation:* Section II subpart F of the January 16, 2001, **Federal Register** Notice, Revisions to PHA Project-Based Assistance (PBA) Program; Initial Guidance.

Project/Activity: Vermont State Housing Authority (VSHA), Montpelier, VT. The VSHA requested an exception to the Initial Guidance on revisions to the project-based assistance program published in the **Federal Register** on January 16, 2001, regarding the 25 percent cap on the number of units in a building to which PBA can be attached. This exception was requested by the Housing Foundation, Inc. on behalf of Templeton Court Apartments, to which VSHA intends to attach such assistance.

Nature of Requirement: Section II subpart F of the Initial Guidance states that a PHA may not enter into an agreement or housing assistance payments contract to provide project-based voucher assistance for more