

CDBG Permission for Waiver of Calculating the Public Services Limitation

January 24, 1991

MEMORANDUM FOR: Sam R. Moseley, Regional Administrator-
Regional Housing Commissioner, 6S

ATTENTION: R. D. Smith, Director
Community Planning and Development, 6C

FROM: Anna Kondratas, Assistant Secretary for Community Planning and Development, C

SUBJECT: Community Development Block Grant (CDBG) Permission for Waiver of the Method of Calculating the Public Services Limitation, City of Fort Worth, Texas

This is in response to your October 11, 1990, memorandum requesting a waiver of the method of calculating the public services limitation at 24 CFR 570.201(e)(2) to enable the City of Fort Worth to continue its rental assistance demonstration program in its 1990 program year. A waiver was granted March 12, 1990, to permit the City to carry out this activity during the 1989 program year.

The Rental Assistance Demonstration (RAD) program provides rental assistance payments for eligible households in conjunction with other services designed to help participants to become self-sufficient over a two-year period. This activity is carried out under ½570.204 by an eligible subrecipient as part of a neighborhood revitalization project.

If the waiver is granted, the City will be able to assist an additional 20 families in its 1990 program year. The goal of the RAD program, to provide affordable housing and an opportunity for economic stability to low- and moderate-income persons, clearly furthers the purposes of the Housing and Community Development Act of 1974. The application of the requirement would cause undue hardship by preventing the City from providing assistance to some of its most needy citizens.

The fifteen percent limitation is statutory and may not be waived. However, the method of calculating the limitation is regulatory, and may be waived. 24 CFR 570.201(e)(2) is hereby waived to allow the City of Fort Worth to make the following change in calculating the public services limitation. The public services limitation for the 1990 program year may be calculated by taking 15 percent of the 1990 entitlement amount plus program income received during the 1989 program year. We understand that the amount of such program income is approximately \$395,567 and that using 15 percent of this amount will permit approximately 20 additional families to be served.

Future grant years will be governed by a statutory change, effective November 28, 1990, that permits inclusion of program income in the calculation of the public services limitation.

cc: Edwin Gardner

cc:

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