

# Public Service Cap

January 23, 1985

MEMORANDUM FOR: Judith Y. Brachman, Acting Regional Administrator, Regional Housing Commissioner, Region V, 5S

FROM: Alfred C. Moran, Special Assistant to the Secretary, C

**SUBJECT: City of Chicago Public Service Cap for 1985**

This is in response to your memorandum of December 6, 1984, requesting a determination of what level of public service expenditure in 1982 or 1983 the City of Chicago may use in establishing the maximum amount for public services in the 1985 Program Year (Year XI), pursuant to the Technical Amendments Act of 1984.

Before addressing that question, I would like to point out that the public services cap for Entitlement communities is based on public service obligations during a program year rather than on public service expenditures.

We believe it is appropriate to interpret section 105(a)(8) of the statute, as amended, as referring to the eligible use of grant funds for public services in 1982 or 1983. Therefore, the \$15.6 million the City ineligibly obligated in excess of the \$36.8 million authorized by a waiver granted by the Assistant Secretary may not be credited toward the amount obligated in the 1982 program. The \$36.8 million should be the public services cap for the 1985 program year.

With respect to the use of Jobs Bill funds for public services, section 105(a)(8) specifically excluded the use of those funds for public services from the calculation of the public services cap. Therefore, the City should not count the \$19.9 million of Jobs Bill funds used in 1983 for public services.