

Federal Register

Wednesday
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Part V

**Department of
Housing and Urban
Development**

**Public and Indian Housing/Section 8
Moving to Work Demonstration; Notice**

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

[Docket No. FR-4123-N-01]

**Notice of Public and Indian Housing/
Section 8 Moving to Work
Demonstration**

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice of demonstration program and invitation to apply.

SUMMARY: This notice invites applications for Public Housing Agencies and Indian Housing Agencies ("HAs") for participation in the Public and Indian Housing/Section 8 Moving to Work demonstration program. HUD is authorized to select up to 30 HAs that administer the public and Indian housing and Section 8 programs to participate in the demonstration. HUD will select HAs for the demonstration through a merit-based process using the evaluation criteria described in the notice.

The purpose of the demonstration is to give HAs the flexibility to design and test various approaches for providing and administering housing assistance that reduce cost and achieve greater cost effectiveness; provide work incentives to promote resident self-sufficiency; and increase housing choices for low-income families. To achieve these goals, each selected HA will have considerable flexibility in determining how to use Federal funds, as long as the HA meets specified criteria. Furthermore, the selected HAs will be permitted to combine funds from the public and Indian housing operating and modernization programs, and from the Section 8 tenant-based rental assistance program, for uses which meet the purposes of the demonstration. Funds used in the demonstration (whether combined or not) are generally not subject to statutory and regulatory requirements of the public and Indian housing and Section 8 programs.

DATES: Applications submitted in response to this notice must be received by 4:00 p.m., Eastern Time, on March 18, 1997. The submission deadline is firm as to date and time. Submissions will not be accepted by facsimile.

ADDRESSES: Applications submitted in response to this notice must be submitted to: Rod Solomon; Senior Director for Policy and Legislation; Public and Indian Housing; Room 4116; Department of Housing and Urban Development; 451 Seventh St., SW; Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Stephen I. Holmquist; Policy Development Advisor; Office of Policy, Program, and Legislative Initiatives; Department of Housing and Urban Development, 451 Seventh Street, S.W., Room 4116, Washington, D.C. 20410; telephone: (202) 708-0713. (This is not a toll-free number.) For hearing- and speech-impaired persons, this number may be accessed via TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Information Collection Requirements

The proposed information collection requirements contained in this notice have been submitted to the Office of Management and Budget (OMB) for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. The Department has requested emergency clearance of the collection of information described below:

(1) Title of the Information collection proposal: Public Housing/Section 8 Moving to Work Demonstration:

(2) Summary of the collection of information: Each respondent would be required to submit the following information:

1. MTW Plan.
2. Evidence that the HA has provided for citizen and public housing residents participation.
3. Assurances of an established reasonable rent policy.
4. Compliance with the Housing Quality Standards (HQS) (24 CFR 982.401) for housing assisted under MTW.

5. Compliance with reporting requirements.

(3) Description of the need for the information and its proposed use:

To determine that HAs meet the selection criteria required by the Notice, preliminary MTW plan, current PHMAP score, assurances, compliance with HQSs and reporting requirements.

(4) Description of the likely respondents, and proposed frequency of the response to the collection of information:

Respondents will be HAs. The estimated number of respondents is 50. The proposed frequency of the response to the collection of information is one-time.

(5) Estimate of the total reporting and recordkeeping burden that will result from the collection of information:

Reporting Burden:

Number of respondents: 50
Total burden hours: 4400
(@ 15 hours per response)
Total Estimated Burden Hours: 4400

In accordance with 5 CFR 1320.8(d)(1), the Department is soliciting comments from members of the public and affected agencies concerning the proposed collection of information to:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Interested persons are invited to submit comments regarding the information collection requirements in this proposal. Comments must be received within seven (7) days from the date of this proposal. Comments must refer to the proposal by name and docket number (FR-4123) and must be sent to: Joseph F. Lackey, Jr., HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

I. Introduction

This notice invites public housing agencies ("PHAs") and Indian housing agencies ("IHAs") to submit applications for the Public and Indian Housing/Section 8 Moving to Work demonstration program ("MTW"), which was authorized by section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134, 110 Stat. 1321) (the "1996 Appropriations Act"). MTW offers PHAs and IHAs (referred to collectively as "HAs") the opportunity to design and test innovative housing and self-sufficiency strategies for low-income families by permitting HAs to combine funds from several HUD programs into a single pool and by exempting HAs from existing public and Indian housing and Section 8 certificate and voucher program rules, as approved by HUD.

HUD is authorized to select up to 30 HAs that administer the public and Indian housing and Section 8 programs to participate in MTW. Under this

notice, HAs will be selected for MTW through a merit-based process using the evaluation criteria described in Section VII. Up to 10 of the 30 HAs will be selected for MTW through a separate competition under the Jobs-Plus initiative described in Section IV of this notice.

HAs may also form consortia of two or more HAs to apply for MTW under a common application and plan. If selected, a consortium will be considered a single MTW selection.

Following the selection of HAs for MTW, HUD will offer training and technical assistance to assist those HAs with further design and evaluation of their demonstration programs. HUD will issue additional guidance with respect to such assistance in the near future.

II. Purpose of the MTW Demonstration

As stated in the 1996 Appropriations Act, the purpose of MTW is to give HAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that:

- (1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- (2) Give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (3) Increase housing choices for low-income families.

To achieve these goals, the HAs selected for MTW will have considerable flexibility (outside the restrictions of the U.S. Housing Act of 1937, as described in Section III of this notice) in determining how to use program funds to most effectively provide housing and related services to low-income families. However, the 1996 Appropriations Act also requires each HA's MTW application to be developed with public input and to meet certain criteria, including:

- Providing that at least 75% of the families assisted by the HA under the demonstration will be very low-income families (i.e., families with incomes of less than 50% of area median income) at the time they initially receive housing assistance under the demonstration;
- Establishing a reasonable rent policy that is designed to encourage employment and self-sufficiency on the part of participating families;
- Continuing to assist substantially the same total number of low-income families under the demonstration as

would have been served had the HA not participated in MTW;

- Maintaining under the demonstration a comparable mix of families, by family size, as would have been assisted had the HA not participated in MTW; and
- Assuring that housing assisted under the demonstration meets housing quality standards established or approved by HUD.

MTW gives HAs and HUD the opportunity to test alternative, locally-designed housing and self-sufficiency strategies for low-income families. In keeping with the nature of MTW as a demonstration program, this notice does not attempt to create a new Federal program, to instruct HAs on how to use the increased flexibility that MTW allows, or to identify all of the potential obstacles that HAs might confront in attempting to exercise their new authority. On the contrary, HUD expects HAs to take the lead in meeting the opportunities and responsibilities presented by MTW to plan and implement innovative programs that effectively address locally identified needs. Further, the capability that an HA demonstrates in this regard will be considered in the evaluation process.

III. Expanded Program Authority Under MTW

The MTW demonstration presents an opportunity to design and implement innovative housing and self-sufficiency strategies by giving HAs and HUD expansive new authority to use HUD assistance flexibly and to design demonstration programs outside the restrictions of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (the "1937 Act"), as described below.

(1) *Combining HUD Assistance.* HAs participating in MTW may create a pool of fungible resources using funds from any of the following types of HUD assistance:

- (a) Operating subsidies provided under Section 9 of the 1937 Housing Act (42 U.S.C. 1437g);
- (b) Modernization funding provided under Section 14 of the 1937 Housing Act (42 U.S.C. 1437l); and
- (c) Assistance provided under Section 8 of the 1937 Housing Act for the certificate and voucher programs (42 U.S.C. 1437f).

However, notwithstanding this general authority to combine different types of HUD assistance, as described above, an HA may not so combine any HUD assistance which is required:

- (i) To meet existing contractual obligations of the HA to a third party (such as housing assistance payments contracts with owners

under the HA's Section 8 certificate or voucher program);

- (ii) For payments to other HAs under Section 8 portability billing procedures; or
- (iii) To meet particular purposes for which HUD has expressly committed the assistance to the HA (such as a grant under the HOPE VI program or, generally, any assistance under the Section 8 certificate or voucher program committed from appropriations for fiscal years 1996 and 1997).

An HA may not combine different types of HUD assistance prior to the execution of the agreement described in Section VIII of this notice. In addition, at all times during the demonstration, participating HAs must comply with any HUD requirements governing the use of HUD assistance in the demonstration, including management, financial, accounting, or other requirements designed to adequately track and monitor the HA's use of such HUD assistance.

The 1996 Appropriations Act provides that the amount of assistance that an HA receives for public and Indian housing operating subsidies, public and Indian housing modernization grants, and Section 8 assistance for certificates and vouchers will not be diminished by the HA's participation in MTW. This provision does not hold participating HAs harmless from any reductions in federal appropriations. However, given the wide range of approaches to providing housing that MTW allows, as well as its emphasis on HA efforts to promote resident self-sufficiency, HUD recognizes that in some cases an HA's proposal may have implications for the current methods of allocating HUD assistance to that HA. Therefore, HUD will consider reasonable proposals from HAs to modify the current methods for allocating HUD assistance to them where the result would clearly further the purposes of the demonstration without creating significant inequities within the public and Indian housing and Section 8 programs.

Any HUD assistance that an HA is authorized to use in the demonstration must be used in accordance with the HA's HUD-approved MTW plan.

(2) *Applicability of the 1937 Housing Act.* With certain exceptions described below, the 1937 Housing Act, and the regulations promulgated under it, do not apply to the MTW demonstration (whether an HA chooses to combine different types of HUD assistance or not). Rather, HUD assistance must be used by the HA for the purposes required by MTW on such terms and conditions as the HA proposes and HUD approves. Consequently, HUD may grant unprecedented authority to HAs under

MTW to design and implement demonstration programs that have not been possible under the existing public and Indian housing program or the Section 8 certificate and voucher programs.

HUD intends to be flexible and responsive to HA proposals in order to encourage creativity in program design. However, an HA will be authorized to combine assistance and to operate outside of the 1937 Housing Act (and regulations under it) only to the extent approved by HUD under an MTW plan.

Notwithstanding the regulatory flexibility described above, the 1937 Housing Act shall continue to apply to MTW as follows:

(a) The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Housing Act (42 U.S.C. 1437a(b)(2)).

(b) Section 18 of the 1937 Housing Act (42 U.S.C. 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), which governs demolition and disposition, shall continue to apply to public and Indian housing notwithstanding any use of the housing under MTW.

(c) Section 12 of the 1937 Housing Act (42 U.S.C. 1437j), governing wage rates, shall apply to housing assisted under MTW, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

IV. Relationship to Jobs-Plus Initiative

Currently, HUD is administering the Jobs-Plus Community Revitalization Initiative for Public Housing Families ("Jobs-Plus") demonstration in partnership with the Rockefeller Foundation and the Manpower Demonstration Research Corporation as a component of the MTW initiative. The purpose of Jobs-Plus is to develop, in up to 10 selected public housing developments, locally-based approaches to providing employment opportunities to residents in those public housing developments, concentrating the provision of employment opportunities and related services on a high percentage of residents in each of the housing developments. Significant research efforts are planned to be conducted through Jobs-Plus to identify and understand the most promising approaches to increasing employment among families in public housing.

As stated above, one purpose of MTW is to give HAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that gives employment

incentives to families; thus MTW and Jobs-Plus have a shared purpose. And, as with MTW, it is critical to the success of Jobs-Plus that HAs and HUD have the authority and flexibility to implement work incentives and training and employment programs (in conjunction with other local agencies) that are closely coordinated with housing programs. Therefore, to allow developments selected as Jobs-Plus sites to have this regulatory flexibility, HUD will consider housing developments selected as Jobs-Plus sites also to be MTW sites. As a result, of the 30 program slots available for MTW, up to 10 will be reserved for designation under the Jobs-Plus initiative. However, in cases where HUD determines, in its discretion, that the HA which owns a Jobs-Plus site does not have the management capability required by MTW, then HUD may place limits on the degree of regulatory flexibility that MTW would otherwise allow the HA to exercise with respect to that Jobs-Plus site.

Unlike Jobs-Plus, the MTW demonstration is not limited to only one of an HA's housing developments. Therefore, if an HA with a Jobs-Plus site wishes to bring its other housing developments into the MTW demonstration, it must first submit an application and be selected for MTW under this notice. When an HA with a Jobs-Plus site is also selected for MTW, it will be considered a single MTW selection.

V. Reporting Requirements

The 1996 Appropriations Act requires each HA participating in MTW to keep records and submit reports to HUD that document the HA's use of program funds, provide data to assist HUD in assessing the MTW demonstration, and describe and analyze the effect of the HA's activities in addressing the objectives of the HA's MTW plan. As a condition of MTW selection, an HA must provide assurance to HUD that it will comply with these reporting and recordkeeping requirements. Further, an HA's ongoing compliance with these requirements, and with any HUD accounting procedures and other management requirements necessary to adequately track and monitor the HA's use of Federal funds, will be a condition of continued participation in the demonstration.

VI. Application Submission

A. General

Given the wide scope of MTW, HUD recognizes that it may not be possible for HAs to resolve all outstanding issues

in their proposed plans by the application deadline. To the extent there are any such issues, an HA should specifically identify them and describe the process and schedule for resolving them.

B. Submission Requirements

Applications submitted in response to this notice must include each of the following items (except for item (6), which is discretionary):

(1) For PHAs only, the PHA's PHMAP score for the last three years.

(2) A request from the HA for authority to use funds from public and Indian housing operating, modernization, and Section 8 assistance (and to combine funds, to the extent necessary to implement the MTW plan).

(3) Evidence that the HA has provided for community and HA resident participation in developing its MTW proposal, including a public hearing.

(4) An MTW plan that fully describes the proposed demonstration and states and quantifies the HA's goals and objectives for the demonstration, addresses the evaluation criteria described in Section VII of this notice, and describes, among other things, the following: (a) whether and to what extent the HA proposes to combine funds from different types of HUD assistance, the particular program purposes for which all such funds were originally committed to the HA (and any specific restrictions on the use of such funds), and the purposes for which any combined funds will be used; (b) the sources and nature of any other private or public funds or other resources that the HA will use to implement the plan, and the specific purposes for which those funds or resources will be used; (c) the number and general characteristics of public or Indian housing units, or other housing units, involved in the plan; (d) demographic information, including income levels, of families currently assisted by the HA (both in the public housing program and in the Section 8 certificate and voucher programs), and of families to be assisted by the HA under the proposed MTW plan; (e) whether and how assistance will be targeted to families of different income levels by program and/or by site; (f) the HA's proposed rent and occupancy policies; (g) incentives proposed by the HA to encourage self-sufficiency and support and reward work; (h) any proposed homeownership activities; (i) the anticipated impact of state and local welfare reform and related initiatives on design and implementation of the HA's proposed demonstration program; (j) the potential impact of the HA's proposed plan on

current participants in the Section 8 certificate and voucher programs and on current public housing residents; (k) the anticipated impact of the plan on HA revenues and expenses; (l) any significant linkage between the plan and other state, local, or federal housing, self-sufficiency, supportive service, or community or economic development initiatives (such as the Federal Empowerment Zone/Enterprise Communities program); (m) any unresolved issues with respect to the plan, and the process and schedule for resolving them; and (n) how the HA has taken into account comments from the public hearing, other public comments, and comments from current and prospective public and Indian housing residents and recipients of Section 8 assistance who would be affected by the plan.

(5) Assurance that the HA will:

(a) Provide that at least 75% of the families initially assisted under MTW by the HA will be very low-income families (i.e., families with incomes of less than 50% of area median income);

(b) Establish a reasonable rent policy that is designed to encourage employment and self-sufficiency on the part of participating families, such as by excluding all or a portion of a family's earned (or newly earned) income for purposes of determining rent;

(c) Continue to assist substantially the same total number of low-income families under the demonstration as would have been served if HUD funding sources had not been combined;

(d) Maintain under the demonstration a comparable mix of families, by family size, as would have been assisted if HUD funding sources had not been combined;

(e) Ensure that housing assisted under MTW meets housing quality standards established or approved by HUD;

(f) Comply with the reporting requirements discussed in Section V of this notice;

(g) Comply with Fair Housing and Equal Opportunity Requirements as listed in 24 CFR Part 5, the Indian Civil Rights Act, pursuant to 24 CFR 950.115(b), and the Americans with Disabilities Act of 1990; and

(h) Provide HUD with any documentation that HUD needs to carry out its review under the National Environmental Policy Act (NEPA) and other related authorities and otherwise will assist HUD in complying with 24 CFR Part 50 environmental review procedures. The HA agrees (i) to carry out any mitigating measures required by HUD or select an alternate eligible property, if permitted by HUD, and (ii) not to acquire, rehabilitate, convert,

lease, repair, or construct property, or commit HUD or local funds to such program activities with respect to any eligible property until HUD approval under 24 CFR Part 50 is received.

(6) At the HA's option, a request for training and technical assistance to assist the HA with further design and evaluation of its demonstration program following selection.

(7) If the application is from a consortium of HAs, a statement of the goals and objectives of the consortium and of the nature of the relationship among the HAs (including a description of any other current or prior collaborations and of the proposed allocation of responsibilities between the HAs), and an explanation of why the consortium's participation in MTW would be more advantageous than that of a single HA.

(8) A description of any significant partnerships between the HA and other public agencies or private nonprofit or for-profit entities (particularly local welfare offices and local providers of job training and related services) that will help to achieve the objectives of the HA's demonstration.

(9) A summary of the relevant experience and skills of the personnel who would have primary responsibility for implementing the HA's demonstration.

(10) A general description of how the HA's proposed plan differs from the requirements of the 1937 Act and the regulations under it.

(11) A proposed schedule showing significant dates and milestones for implementation of the HA's MTW plan. (While the 1996 Appropriations Act does not explicitly address the term of the MTW demonstration, it does require that HUD submit an evaluation report to Congress within six months after the third year of the demonstration. Therefore, for purposes of this notice, HAs should assume a three-year term for their MTW plans.)

C. Corrections to Deficient Applications

Following the submission deadline, if HUD determines that an HA has failed to meet any of the submission requirements stated above, or that the application contains a technical mistake, or omits any other necessary information, then HUD may notify the HA in writing that the HA has 14 calendar days to submit or correct any of the specified items.

VII. Selection of MTW Participants

A. Application Evaluation Criteria

The 1996 Appropriations Act directs HUD to evaluate MTW applications on

the basis of an HA's relative public and Indian housing management performance; an HA's potential to plan and carry out a program under the demonstration; and other factors to be determined by HUD. Accordingly, HUD will evaluate applications based on the criteria described below. If the application is from a consortium of HAs, then HUD will apply the evaluation criteria to the entire application and to each HA, as appropriate.

1. HA Management Performance.

a. *PHAs.* A PHA's public housing management performance will be determined on the basis of its score under the Public Housing Management Assessment Program ("PHMAP"), as provided by the 1996 Appropriations Act. If a PHA does not have a current PHMAP score of at least "80" then its application will not be considered further. If a PHA has a current PHMAP score of at least "80", then HUD will award points based on the PHA's average PHMAP score over the last three years. A PHA will receive one point for each point by which its average PHMAP score exceeds a score of "80". [Up to 20 points.]

b. *IHAs.* The PHMAP system does not apply to IHAs. Therefore, to determine an IHA's score for this factor, HUD will use other objective criteria that assess IHA management capability based on the relative performance of IHAs in meeting the requirements of 24 CFR Part 950. [Up to 20 points.]

2. Capability

An HA's demonstrated capability to effectively plan, implement, and administer the MTW program it has proposed, as shown by the following: (a) relevant administrative capabilities not captured by PHMAP, such as performance in the Section 8 certificate and voucher programs (as measured by leasing rates and other performance criteria), or significant involvement in other affordable housing or community development activities; (b) the relevant experience and skills of the personnel of the HA, or its partners, who would have primary responsibility for the demonstration; and (c) specific examples of other HA experiences, activities, or accomplishments that demonstrate the HA's capability. [Up to 10 points]

3. Quality and Feasibility of MTW Plan

The quality and feasibility of the HA's MTW plan, including the extent to which the plan: (a) is likely to accomplish any or all of the statutory purposes of MTW, which are to reduce

cost and achieve greater cost effectiveness in Federal expenditures, to provide low-income families with incentives to work and achieve economic self-sufficiency, and to increase housing choices for low-income families; (b) is coherent, comprehensive, and integrated; (c) clearly specifies the objectives of the plan; (d) presents a feasible, cost-effective strategy that is likely to meet those objectives; and (e) demonstrates how the authority provided by MTW to diverge from existing requirements of the public and Indian housing and Section 8 programs would enable the HA to achieve the objectives of its plan. [Up to 40 points]

4. Self-Sufficiency

The extent to which the HA's plan is likely to promote resident self-sufficiency, support and reward work, increase actual employment levels among residents, and reduce the economic and social isolation of very low-income families, based on (a) the HA's experience and track record in encouraging and increasing resident self-sufficiency and employment, and (b) the self-sufficiency strategy in the HA's MTW plan, including, as required to implement the plan, evidence of partnerships with employers and local employment and training agencies that leverage tangible commitments of jobs, employment and training resources, and complementary services, such as child care and transportation. [Up to 20 points]

5. Resident and Community Support and Involvement

The degree to which public and Indian housing residents and the wider local community have been involved in developing the HA's application, including support and involvement: (a) by resident organizations, resident councils, or resident management corporations, and (b) by other local nonprofit, for-profit, and public entities (in addition to any involvement described in response to criterion 4, above) as shown by relevant documentation that demonstrates the nature and depth of such support and involvement. [Up to 10 points]

6. Local and National Impact

The potential local and national impact of the MTW plan if it were to be implemented, considering the degree of innovation proposed, the scale of the plan, and the extent to which implementation of the plan is likely to contribute significantly to HUD's efforts to identify replicable program models

promoting the purposes of the demonstration. [Up to 10 points]

B. Selection Process

HUD will evaluate, score, and rank all complete applications using the point values assigned to the evaluation criteria set forth above. In making selections, HUD reserves the right to select a lower-rated approvable application over a higher-rated application if doing so is in the best interests of the demonstration because it will promote diversity among MTW participants and plans in terms of size, geography, program design, or other appropriate factors, or because it will enhance the impact of the demonstration. HUD also reserves the right to limit the size or scope of an HA's proposed program if that is in the best interests of the demonstration and the public and Indian housing and Section 8 programs.

Further, in the interests of achieving the demonstration's goals, HUD may choose to identify as finalists those HAs whose applications are ranked above a certain base score. In that case, HUD would give those HAs the opportunity to further develop, revise, and resubmit their MTW plans. To assist in this process, HUD may provide a brief critique of each plan, identifying its strengths and weaknesses and any area where improvement, clarification, or additional information is needed. Application scores and rankings may be adjusted based on the resubmitted MTW plan. HUD would then make selections for MTW based on the adjusted scores and rankings.

HUD may make a selection subject to the HA's willingness to make certain revisions to the HA's MTW plan.

VIII. MTW Agreement

HUD's selection of an HA for MTW, and the HA's authority to implement an MTW demonstration program, shall be contingent on the execution of an agreement, in a form HUD determines to be appropriate, between the HA and HUD requiring the HA to comply with the MTW plan, as approved by HUD, and setting forth the other terms and conditions applicable to the HA's receipt and use of HUD assistance under the demonstration. The agreement shall identify the sources and uses of all HUD assistance which the HA will use during the demonstration, specifying the operating subsidy, modernization assistance, and Section 8 assistance, if any, that the HA may combine into a single fund. If appropriate, the agreement may also provide for further development, clarification, and revision of the HA's MTW plan in order to

maximize achievement of the demonstration's goals.

IX. Time Frames

Applications must be received by 4:00 p.m., Eastern Time, on March 18, 1997, by: Director of Special Actions; Office of Policy, Program, and Legislative Initiatives; Department of Housing and Urban Development; 451 Seventh St., SW; Room 4116; Washington, DC 20410.

HAs must submit five copies of their applications. The submission deadline is firm as to date and time. Submissions will not be accepted by facsimile.

X. Other Matters

A. Environmental Review

A Finding of No Significant Impact with respect to the environment was made in accordance with HUD regulations in 24 CFR part 50 that implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). This Finding is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC. Physical activities conducted at public housing properties under MTW will continue to be subject to environmental laws now applicable to public housing. To the extent necessary during implementation of MTW, HUD will carry out environmental review procedures under the provisions of 24 CFR Part 50 before HUD approves physical activities at specific properties.

B. Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that the policies contained in this notice will not have substantial direct effects on States or their political subdivisions, or on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. As a result, the notice is not subject to review under the Order. The notice merely announces the opportunity for participation in a demonstration program and the requirements applicable to HAs that elect to participate.

C. Executive Order 12606, The Family

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that this notice does not have potential for significant impact on

family formation, maintenance, and general well-being. No significant change in existing HUD policies or programs would result from promulgation of this notice. To the extent that this notice will affect families, the impact would be favorable, and, thus, the notice is not subject to further review under the Order.

Dated: December 2, 1996.

Kevin Emanuel Marchman,
*Acting Assistant Secretary for Public and
Indian Housing.*

[FR Doc. 96-32104 Filed 12-17-96; 8:45 am]

BILLING CODE 4210-33-P