

federal register

TUESDAY, FEBRUARY 1, 1977

PART V



**DEPARTMENT OF
HOUSING AND
URBAN
DEVELOPMENT**

**Office of Assistant Secretary
for Community Planning and
Development**

■

HOUSING

Comprehensive Planning Assistance

Title 24—Housing and Urban Development
CHAPTER VI—OFFICE OF ASSISTANT
SECRETARY FOR COMMUNITY PLAN-
NING AND DEVELOPMENT, DEPART-
MENT OF HOUSING AND URBAN
DEVELOPMENT

[Docket No. R-77-310]

PART 600—COMPREHENSIVE
PLANNING ASSISTANCE

General Applicability

Notice was given on October 6, 1976 at 41 FR 44122 that the Department was amending chapter VI of Title 24 by revising §§ 600.7(c), 600.65(a) and (b) and 600.67(c) and adding a new § 600.73 to Part 600.

Section 701(c) of the Housing Act of 1954 as amended by the Housing and Community Development Act of 1974 provides that a recipient of 701 assistance must carry out an ongoing comprehensive planning process which includes the development of a comprehensive plan which shall include, as a minimum, a housing element and a land use element. Section 701(d) provides that HUD shall make no 701 grant after August 22, 1977, unless HUD is satisfied that an applicant's comprehensive plan includes the housing and land use elements required by section 701(c). Part 600.24 CFR was published on August 22, 1975, at 40 FR 36856.

The purpose of amending Part 600 is to establish a process whereby an applicant may request approval of the land use and housing elements in its comprehensive plan.

HUD received 42 responses to the October 6, 1976 publication. All of these comments were seriously considered and as a result several changes have been incorporated in these regulations. The major comments and changes are noted below.

1. *Section 600.73(a)*. Comments were received critical of the requirement for chief executive endorsement since in many cases it may be beyond the authority of the chief executive to make such an endorsement (§ 600.73(e) in the proposed regulations dated October 6, 1976). Accordingly, if the chief executive does not have such authority, the regulation will now permit the chief executive to describe the measures being undertaken to achieve endorsement or adoption.

2. *Section 600.65(a)(5)*. Comments were received critical of the reference to HUD environmental policies "established from time to time". This reference has been deleted and only existing policies are now included.

3. *Section 600.65(b)(vii)*, § 600.65(b)(viii) of the proposed regulations has been deleted and its contents have been incorporated into this existing section of the regulations to avoid the requirement of a separate statement.

4. *Section 600.73(c)*. Comments were received indicating that the requirement for consistency and coordination with respect to Federal programs administered by other Federal agencies or Departments, with which HUD has ex-

ecuted interagency agreements, were unclear as to their application. The regulations have been revised to make clear that the requirement is applicable to those grantees receiving funds from both HUD 701 and one or more of other identified Federal programs.

5. *Section 600.73(c)(6)*. Comments were received recommending that consistency also be required with EPA supported State Implementation Plans developed under the Clean Air Act, State Comprehensive Outdoor Recreation Plans and other Federal program plans (§ 600.73(f) in the proposed regulations). Consistency requirements have been added for the State Implementation Plan and the Comprehensive Outdoor Recreation Plan since HUD has entered into formal agreements with the administering agencies. It is expected that coordination with other related programs will be carried out as provided in § 600.72(a), (b)(4) and (c)(4).

6. *Section 600.73(d)*. Numerous comments were received regarding the lack of clarity with respect to the required documentation and questioning the need for such documentation. The regulation has been revised to indicate that the documentation required includes all the documents which collectively comprise the land use and housing elements, i.e., all materials cited in the summary report that are necessary to satisfy the land use and housing element requirements. Where no report or document is available, the summary statement should be of sufficient detail to enable HUD to make a determination of compliance with the appropriate requirement. The submission requirement has been maintained since it is also necessary for HUD to have such materials in carrying out its urban program coordination, community development and housing responsibilities.

7. *Section 600.73(e)*. Several comments were received critical (a) of the legislative notification requirement and (b) of the submission of all documentation by areawide planning organizations to member jurisdictions as overly cumbersome (§ 600.73(h) in the proposed regulations). The legislative submission has been made optional; and the areawide submission to member jurisdictions has been limited to the summary statement except where requests for specific documents have been made by member jurisdictions.

8. *Section 600.73(e)*. Comments were received regarding the need for submission of all documentation to the clearinghouses. This paragraph has been changed to provide for the submission of the summary statement only to the clearinghouses. Clearinghouses may request any of the cited documentation that it deems necessary for its review.

9. *Section 600.73(e)(2) and (h)*. Numerous comments were received concerning the timing of the submission of the request for approval and subsequent action by HUD or the State. The major concern expressed was the shortened work year resulting from A-95 submission (45 days) and subsequent HUD submission (90 days) prior to the end of the

project year for maintenance of continuing programs. The time for A-95 and HUD submission have been made simultaneous and the HUD review period has been shortened to 75 days. This adds 60 days to the recipients work year. In addition, recipients need not observe the 75 day period; however, they run the risk of a break in their grant cycle should HUD not be able to complete its actions in the time available to the end of the current grant period. Furthermore, HUD will accept and process applications up to the point of application approval from applicants prior to approval of their elements provided the applicant intends to submit the elements for approval.

10. *Section 600.73(g)*. Numerous comments were received suggesting that the "review and approval process" by HUD and the State be dropped in favor of a "self-certification" so as not to give the impression of Federal or State approval of the substance of local policies and plans. Since "self-certification" is not an accurate description of the process because the process includes HUD and/or State review, a determination has been made that the suggested change is inappropriate. However, the regulations have been revised to indicate that the approval applies only to the satisfaction of the land use and housing element requirements and not to the appropriateness of the policies and plans submitted for the jurisdiction with respect to such elements.

11. *Section 600.73(k)*. Numerous comments were received concerning the State-HUD relationship in the approval of the land use and housing elements of applicants applying to the State. Some changes have been made to clarify the intent, but the basic relationship has been maintained. Since applicants applying to the State on a voluntary basis may subsequently decide to apply to HUD, it was considered important that HUD be in agreement with the States' findings on such applicants. Thus, HUD has retained final responsibility for such applicants. To facilitate the review and approval process for voluntary applicants, HUD intends to encourage States to work with HUD Regional Offices in the development of joint review systems. The State will have final responsibility for review and approval of land use and housing elements submitted by applicants required to apply to the State. HUD will monitor such actions on a selective basis, as it does all State administrative practices regarding locality and nonmetropolitan funding, and may find State actions inappropriate. In such an event, corrective action would need to be taken. In matter of judgment the State determination will stand.

12. *Section 600.73(l)*. Comments were received criticizing the biennial review requirement as duplicative of the annual reports submitted by grantees. The annual reports submitted by grantees describes its progress in achieving the past years' objectives as contained in the overall program design. The biennial review describes a grantee's progress in achieving (a) The goals and objectives contained in its land use and housing

elements and (b) Any changes in such goals and objectives. While it is possible for some overlap to occur, it is unlikely that it will be significant. Where duplication does occur, the applicable portions of the annual program report may be included in the biennial submission.

13. Several comments criticized the regulations for not providing guidance with respect to the substance of the land use and housing elements. In recognition of the need to give applicants some guidance HUD is publishing a companion Notice entitled Land Use and Housing Element Guidelines (see § 600.73(b)). It is not HUD's intention to limit the flexibility of applicants in the manner of meeting the land use and housing element requirements. Thus, the guidelines are not an exclusive listing of possible approaches to meet the requirements, but simply examples of some techniques that may be used.

14. Comments were received expressing confusion about the relationship of the proposed amendment to the total regulations. For example, questions were raised regarding the extent of coordination required since the amendment dealt only with CZM and EPA. The amendment is an addition to the already existing coordination requirements in the regulations and is not in lieu of such existing requirements. Similarly, existing equal opportunity, staff competency and all other existing regulatory requirements are fully applicable to each recipient's program.

15. Several comments were received concerning the hardship imposed on localities that are funded intermittently by States and that have not received funding since the enactment of the statutory land use and housing element requirements would not be eligible for assistance after August 22, 1977, unless they have completed land use and housing elements. While HUD recognizes the problem it does not have the authority to waive the requirement since it is required by the 701 statute.

16. Comments questioning the applicability of the August 22, 1977 deadline to funds awarded by HUD to the States for subsequent pass-through were received. A clarification has been made in § 600.67(c) to indicate that the deadline does not apply to funds awarded by HUD to the State prior to August 22, 1977. Thus, States, using funds granted to them by HUD prior to the deadline, may fund sub-state applicants after August 22, 1977 although the sub-state applicants' land use and housing elements have not been approved.

17. *Redesignation of paragraphs.* The following structural changes have been made to improve the clarity of the regulations.

Proposed Regulations (section)	Final Regulations (section)
600.73(e) Endorsement	600.73(a)
600.73(f) Interagency Coordination.	600.73(c)(6)
600.73(g) Land use and Housing Element Consistency.	600.73(c)(1)

Proposed Regulations (section)	Final Regulations (section)
600.73(h) Notifications	600.73(e)
600.73(i) Review Criteria	600.73(f)
600.73(j) Approval and Disapproval.	600.73(g)
600.73(k) Timing of Approvals.	600.73(h)
600.73(l) Certification by new applicants.	600.73(i)
600.73(m) State Review and Approval Process.	600.73(j)
600.73(n) HUD Review of State Approvals of Required Elements.	600.73(k)
600.73(o) Biennial Review	600.73(l)

A finding of Inapplicability respecting the National Environmental Policy Act of 1969 was made on the proposed rule in accordance with HUD procedures. The changes made as a result of the comments received do not have a major impact on the environment, thus a second finding has not been made. A finding that this regulation is not subject to inflation impact statement requirements was also made on the proposed rule in accordance with HUD procedure. The changes made as a result of the comments received do not effect the economic and inflationary impact of the rule, thus, a second finding has not been made. A copy of the original findings will be available for public inspection during regular business hours in the Office of the Rules Docket Clerk, Room 10141, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, D.C. Accordingly, 24 CFR Part 600 is amended as follows:

1. The table of contents is amended by adding a new § 600.73 as follows:

Sec. 600.73 Land use and housing elements: Review and approval process.

2. In § 600.7, paragraph (c) is revised as follows:

§ 600.7 Definitions.

(c) "Chief Executive Officer" means the elected official, or the legally designated official, who has the primary responsibility for the conduct of the governmental affairs of a state, unit of general local government or areawide planning organization. Examples of the "Chief Executive Officer" of a state, unit of general local government or an areawide planning organization may be: The governor of a state; the elected mayor of a municipality; the elected county executive of a county; the chairman of a county commission or board in a county that has no elected county executive; the official designated pursuant to law by the governing body of the unit of general local government (e.g., City Manager or City Administrator); the chairman, governor, chief, or president (as the case may be) of an Indian tribe or Alaskan native village; and the highest policy officer (president or chairman) of an areawide planning organization.

3. In § 600.65, paragraph (a)(5) is added and paragraph (b)(1)(vii) is amended as follows:

§ 600.65 Environmental requirements.

(a)
 (5) Incorporate HUD environmental policies and standards for flood plain management (24 CFR Part 1910) and noise abatement and control (Circular 1390.2).

(b)
 (1)

(vii) A statement setting forth applicable Federal, State and local environmental controls. Any proposed deviations from the HUD environmental policies and standards cited in paragraph (a) (5) of this section shall be identified and discussed with regard to measures to achieve conformity and mitigation.

4. In § 600.67, paragraph (c) is amended as follows:

§ 600.67 Comprehensive planning requirements.

(c) *Limitations.* No grant shall be made to any applicant identified in § 600.25 (a) through (f) after August 22, 1977, unless the applicant has satisfied the requirements of the housing and land use elements in § 600.70 and 600.72, except that this prohibition shall not be applicable in the following cases: (1) The applicant has never been a prior recipient of a comprehensive planning grant (other than a special needs grant pursuant to § 600.50); or

(2) For Fiscal Year 1977, if the applicant is funded by the State pursuant to § 600.25(b) from a grant awarded to the State by HUD prior to August 22, 1977. For the purpose of making the determination whether an applicant has received a prior 701 grant, a 701 grant is defined as (i) The use of 701 funds by or on behalf of a recipient who provides all or a portion of the non-Federal match. or (ii) The use of 701 funds to support a recipient's staff regardless of who provides the non-Federal match. Services, financed in whole or in part with 701 funds, provided at no cost to recipients are not considered grants.

5. A new § 600.73 is added to read as follows:

§ 600.73 Land use and housing elements; Review and approval process.

Compliance by applicants, identified in § 600.25(a) through (f), with the housing and land use elements required by § 600.67(b), and more particularly described in §§ 600.70 and 600.72 will be determined in accordance with the following:

(a) *Request for approval.* The request for approval shall be transmitted by letter from the applicant's chief executive officer and shall consist of a summary statement and documentation as identified in paragraphs (b), (c) and (d) of this section. The letter shall indicate that the summary statement and documents submitted in support of the applicant's request for approval have been endorsed or adopted by the chief executive for the jurisdiction with respect to

RULES AND REGULATIONS

the element in question. In cases where the chief executive officer indicates in the letter that he or she lacks the authority to endorse or adopt, the letter shall indicate what measures are being undertaken to achieve endorsement and/or adoption by the legislature or other agencies or officials authorized by State or local law to endorse and/or adopt the land use and housing elements for the jurisdiction.

(b) *Summary statement.* Each applicant shall submit a summary statement, prepared in accordance with paragraph (c) of this section. This summary statement will serve as the primary basis for review by HUD or by the State (in the case of applicants applying to the state for grant assistance) to determine the acceptability of the housing and land use elements. To facilitate review, HUD or the state may also require an oral presentation of data relating to the elements. Applicants may initiate informal consultation with HUD or the state prior to formal submission. As an advisory service, HUD is publishing a companion Notice in the FEDERAL REGISTER entitled Guidelines for Compliance with Land Use and Housing Element Requirements.

(c) *Summary statement contents.* The summary statement shall contain a brief description of how each requirement of the land use and housing elements has been satisfied with citations to the supporting reports and documents. Each of the following requirements must be addressed, including descriptions and citations of other Federally supported plans and program documents which are used to satisfy all or a portion of the 701 land use and housing element requirements. Where no report or document exists to evidence compliance with a requirement, the summary statement should be of sufficient detail to enable HUD to make a determination of compliance with the requirement.

(1) *Land use and housing elements.* All applicants. Section 600.67(b): consistency of the two elements, broad goals, annual objectives, programs designed to accomplish the objectives and procedures and criteria to be used in evaluating programs and activities to determine whether the objectives are being met.

(2) *Land use element—(i) States and areawides.* Section 600.72(b) (1) through (4).

(ii) *Large cities, urban counties and localities.* Section 600.72(c) (1) through (4).

(3) *Housing element—(i) All applicants.* Section 600.70(a) (1) through (4).

(ii) *States.* Section 600.70(b) (1).

(iii) *Areawide planning organizations.* Section 600.70(b) (2) (i) and (ii).

(iv) *Large cities, urban counties and localities.* Section 600.70(b) (3) (i) through (iii).

(4) *Environmental assessment: All applicants.* Section 600.65(b) (1) (i) through (vii).

(5) *Historic preservation assessment. All applicants.* Section 600.66(d) (1) (i) through (vi).

(6) *Consistency assurances: Comprehensive planning assistance recipients*

who have completed one or more of the plans required under the Federal planning programs included below shall assure that the land use related provisions of such plans and the land use and/or housing elements prepared to fulfill the requirements of the 701 program are consistent with one another. If such assurance cannot be made because there are inconsistencies, the summary statement shall identify the inconsistencies and the steps that will be taken to make them consistent. Recipients that are preparing, but have not completed plans required under the Federal planning programs included below shall assure that such plans and the 701 land use and/or housing elements will be made consistent with each other.

(i) *Comprehensive Management Program of the Coastal Zone Management Act of 1972, as amended.*

(ii) *Areawide Waste Treatment Management Planning Assistance Program (208) of the Federal Water Pollution Control Act Amendments of 1972.*

(iii) *State Implementation Plan (SIP) Program of the Clean Air Act, as amended.*

(iv) *Outdoor Recreation Program, Land and Water Conservation Fund Act of 1965, as amended.*

(d) *Documentation.* Applicants shall submit all documents which in their judgment are necessary to satisfy the requirements of §§ 600.65, 600.66, 600.67, 600.70, 600.72 and this section. Such documents may consist of policy plans, statements, texts, maps or other means of policy expression, and capital improvement programs, regulatory programs and other means of implementation. In cases where such documents have been previously submitted to HUD, they need only be cited.

(e) *Notifications.* The notifications provided below shall be carried out by all applicants:

(1) *Legislative notification.* Where a state or local government chief executive officer or other designated official or agency intends to submit proposals to implement the land use and/or housing elements to the legislative body, such intentions should be indicated in the summary statement. In the case of areawide planning organizations, the summary statement shall be officially transmitted to member jurisdictions and shall cite all documents which constitute the 701 land use and/or housing elements. Member jurisdictions shall have all documents cited in the summary statement available to them upon request to the areawide planning organization. The transmittal letter shall identify areas of potential municipal or county legislative or other action and indicate that the summary statement and documents are being submitted to HUD in satisfaction of HUD's land use and/or housing element requirements.

(2) *Clearinghouse notification.* The summary statement shall be submitted for review and comment to the state and regional or metropolitan clearinghouses having jurisdiction simultaneously with submittal to HUD. Each clearinghouse

has a maximum of 45 days to provide HUD with comments. Such comments shall take into account the subject matter of clearinghouse comments and recommendations as discussed in paragraph 5, Part I, Attachment A of OMB Circular No. A-95 (41 FR 2052). The clearinghouse may request any documents cited by the applicant in the summary statement that the clearinghouse deems necessary to complete its review.

(f) *Review Criteria.* HUD review shall be based on whether the applicant has met the requirements applicable to the land use and housing element, as found in:

(1) *Section 600.67(b)*—Comprehensive plan requirements establishing general requirements applicable to the requisite elements;

(2) *Section 600.70*—Required housing element describing the components of the housing element;

(3) *Section 600.72*—Required land use element describing the components of the land use element;

(4) *Section 600.65*—Environmental requirements describing the environmental assessment required for development plans or policies including land use and housing plans and policies. The assessment must encompass the entire element including any portions developed with other Federal or local funds.

(5) *Section 600.66*—Historic preservation requirements describing the historic preservation assessment required for plans or policies for development which may impact National Register properties including land use and housing plans and policies. The assessments must encompass the entire element including any portions developed with other Federal or local funds.

(g) *Approval and Disapproval.* Approvals and disapprovals shall be made by the Regional Administrator or the Assistant Regional Administrator for Community Planning and Development.

(1) *Approvals.* Approvals shall be made in writing and be based upon a finding that all of the requirements applicable to the land use and housing elements required of recipients have been met. Such approval extends only to compliance with the land use and/or housing element requirements and not to the appropriateness of the policies and plans submitted for the jurisdiction.

(2) *Disapprovals.* A disapproval action shall be made in writing and clearly delineate the reasons for disapproval and specify what corrective actions shall be necessary to obtain approval.

(h) *Timing of Approvals.* Requests for approval may be submitted at the convenience of the applicant. In order to insure continuity in on-going programs, requests for approval after August 22, 1977 should be submitted to HUD at least 75 days prior to the expected date of the beginning of the recipient's next project period.

(i) *Certification by new applicants.* Applicants which have never been a recipient of a comprehensive planning grant applying directly to HUD or to the State after August 22, 1977 shall indicate

in writing that they have never received a grant.

(j) *State review and approval process.* Pursuant to § 600.115(c), the State overall program design (OPD) shall describe the review and approval process to be used in determining substate compliance by applicants applying to the State with the requirements identified in § 600.73(f). Approvals and disapprovals shall be made by the official designated by law or by the governor for approving substate grants. Such approval shall extend only to compliance with the land use and/or housing element requirements and not to the appropriateness of the policies and plans submitted for the jurisdiction. At a minimum the State process shall include:

(1) Request for approval by the applicant's chief executive officer in accordance with the general provisions of § 600.73(a);

(2) Clearinghouse review and comment;

(3) Interagency coordination pursuant to § 600.73(c) (6);

(4) Compliance with all applicable requirements of this part;

(5) A clear statement of the reasons for any disapprovals; and

(6) An adequate record of all actions taken.

(k) *HUD review of State approvals of required elements.* (1) HUD shall review and concur in all State actions on land use and housing elements for an applicant applying to the State on a voluntary basis pursuant to § 600.120(j): A state may not award any grants to such an applicant after August 22, 1977, except as provided in § 600.67(c) (1) and (2), until HUD concurrence has been obtained on the State approval of the applicant's land use and housing element. When mutually agreeable between HUD and the State, a joint review and approval process may be established to facilitate the review of land use and housing elements for applicants applying to the State on a voluntary basis.

(2) For monitoring purposes HUD will also selectively review State actions on

applicants required to apply to the State.

(1) *Biennial review.* Each applicant whose land use and housing elements are approved pursuant to this section shall submit biennially to HUD or the State beginning no later than two years from the date that the last element was approved:

(1) An evaluation of the progress made by it during the previous two years in meeting objectives set forth in its plan, and

(2) A description of any changes in the goals or objectives of the plan.

Effective date: This rule becomes effective February 28, 1977.

Issued at Washington, D.C., January 19, 1977.

WARREN H. BUTLER,
Acting Assistant Secretary for
Community Planning and
Development.

[FR Doc. 77-2701 Filed 1-31-77; 8:45 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for
Community Planning and Development

[Docket No. N-77-698]

LAND USE AND HOUSING ELEMENT GUIDELINES

Guidelines for Compliance With Land Use and Housing Element Planning Requirements Under the Comprehensive Planning Assistance Program

I. Introduction. This notice provides examples of activities that States, areawide organizations, cities and counties may conduct in satisfaction of the land use and housing element requirements of the Comprehensive Planning Assistance program, pursuant to sec. 701 of the Housing Act of 1954, as amended, 42 U.S.C. 5301 et seq.

Congress amended the Comprehensive Planning Assistance program, through Title IV of the Housing and Community Development Act of 1974, to facilitate comprehensive planning for urban and rural development, on a continuing basis, by State and local governments, and to encourage such governments to establish and improve planning on an areawide basis. Extending previous requirements for comprehensive planning assistance, the Congress specified a basic planning system for those States, local governments and areawide organizations which utilize section 701 assistance. Each grantee must have a comprehensive planning process which over time leads to the preparation of a comprehensive plan. This plan must include at least a land use and a housing element. Citizens within the grantee's jurisdiction must be involved in the preparation of the comprehensive plan. On a two year cycle, each grantee is to review and update its comprehensive plan and evaluate progress in meeting the planning objectives set for itself. Planning and implementation activities undertaken by the grantee must be coordinated so that the land use and housing elements are (1) internally consistent, (2) coordinated with other functional elements of the comprehensive plan, and (3) consistent with functional and land use plans of other jurisdictions. After August 22, 1977 (three years from enactment of the Title IV Amendments), the Department may make comprehensive planning assistance grants only to those applicants who have completed a land use and housing element.

In order to assist both applicants for section 701 assistance and HUD Regional Offices in determining whether the applicants have completed both elements, the Department issues this notice and a companion regulation (FR Doc. 77-2701) Review and Approval Process (24 CFR 600.73). The regulation specifies both the administrative procedures the Department will utilize to review and approve the housing and land use elements and the submission requirements for applicants requesting such approval. This notice provides examples of the types of activities which applicants may undertake in order to satisfy the statu-

tory requirements for both elements. States may elect to use this notice, and add to it, to review and approve the elements of substate grantees.

The examples do not change nor add to the requirements of any program regulations in 24 CFR Part 600 and should not be interpreted to do so. The listing of examples is illustrative only, and not inclusive. An applicant may propose other planning and implementation activities not included in this notice as evidence of completion of one or both of the elements.

HUD Regional Office decisions to approve or disapprove land use and housing elements will be based on applicable requirements in 24 CFR Part 600 and not these guidelines.

Nothing in this Notice should be viewed as limiting, waiving or otherwise lessening requirements of 24 CFR Part 600. Such requirements, e.g., citizen participation, equal opportunity, which are not discussed in this Notice, are as fully applicable to planning for land use and housing as they are for any other planning undertaken with Comprehensive Planning Assistance.

In developing this review and approval system, the Department has considered the following factors:

A. The intent of Congress is to assist each grantee to establish or improve a process of comprehensive planning which leads to the formulation, implementation and periodic updating of substantive policies for the use and conservation of land and for the provision of housing (both conventional and subsidized) within the grantee's jurisdiction.

B. There is a great diversity of planning practices and traditions in the United States. State constitutions and laws vary with respect to (a) the mandatory or permissive authority conferred upon State agencies and political subdivisions to plan for land development, including housing, and (b) the roles and powers of States, substate districts and local general and special purpose governments to implement and coordinate land use and housing policy. The operational capacity to formulate and implement plans for housing and land development also varies greatly among States, areawide agencies, local governments and among regions of the United States. Operational capacity depends upon factors such as the extent to which planning for land development and housing is an active concern of chief executive officers and legislative bodies, the extent of citizen involvement, the availability of an adequate and competent staff, and length of time an agency has been operating. Planning problems and opportunities also vary from State to State and community to community. They range from rapidly growing towns (resulting from economic change, population migration, or energy impaction) to stable areas (such as represented by many suburban commercial centers) and to declining business and residential areas (such as some older central cities contain).

C. Given this diversity, a rigid listing of review criteria or minimum requirements for housing and land use elements for all States, areawide organizations or local governments to meet would impose arbitrary and inflexible requirements on many of these grantees.

D. The Department has elected, therefore, to suggest through this Notice examples of planning activities which grantees can provide to HUD Regional Offices as evidence that the statutory requirements for housing and land use elements have been satisfied, given the particular State and local legal framework, administrative capacity, citizen involvement and planning capability represented by each grantee. The use of this Notice in lieu of a rigid set of minimum guidelines also allows grantees to satisfy the land use and housing element requirements either through conventional planning practices or more experimental and innovative techniques they may elect to use. Grantees may elect to use any of these examples, as well as other activities not contained in this notice. Pursuant to 24 CFR 600.67(d), grantees may utilize land use and housing elements regardless of when they were developed, as long as they represent current policy for land use and housing in the grantee's jurisdiction.

E. The Review and Approval Process (24 CFR 600.73) and this Notice provide the system for HUD's initial review of housing and land use elements. Pursuant to the Review and Approval Process, HUD will judge whether a grantee has complied with program regulations and statutory intent, but will not judge the appropriateness of policies for land use and housing which a grantee establishes for itself.

F. In accord with section 701(d), grantees must biennially evaluate progress toward implementing their land use and housing policies. HUD will formulate and issue for comment regulations regarding the Department's subsequent review of each grantee's self assessment and any changes in its comprehensive plan.

II. Examples of Land Use Elements. Pursuant to section 701(d) and 24 CFR 600.67, the Department must determine that grantees have formulated a substantive policy for land development, are conducting a program to implement such policy, and have established the means by which the policy will be coordinated with land use and functional policies and plans of other jurisdictions.

The following examples are grouped by requirements for policy development, policy implementation, and coordination, by States and areawide planning organizations and by cities and counties.

A. REQUIREMENTS FOR POLICY DEVELOPMENT: STATES AND AREAWIDE ORGANIZATIONS

1. Broad goals and annual objectives (in measurable terms whenever possible) (24 CFR 600.67(b)).

2. Long and short term policies, (and where appropriate administrative procedures and legislative proposals), with

regard to where growth should and should not take place (24 CFR 600.72(b)(1)).

3. Type, intensity and timing of growth (24 CFR 600.72(b)(2)).

These requirements in combination provide that each grantee formulate and state public policy for the short and long term use of all land within its jurisdiction (whether publicly or privately owned; for urban or non-urban purposes; or for development, redevelopment, or preservation in current uses). Grantees may determine their own classification system for types and intensities of land use and the phases or time periods comprising the short and long terms. The grantee's broad goals for land use should be translatable into annual objectives covering at a minimum, the biennial period specified in section 701(d). Classification schemes may include such broad categories as "urban reserve" or "rural preserve" for lands which the grantee considers it premature to plan in greater detail. (If the grantee deems it appropriate, administrative procedures and legislative proposals related to its land use policy may be included in the policy statement; otherwise such implementation activities will normally be part of the grantee's implementation program pursuant to 24 CFR 600.67(b) and 600.72(b)(3).

Examples: Any one of these (or similar ones devised by the grantee) would satisfy the policy development requirements for States or areawide organizations.

(a) A policy plan, strategy or framework for urban growth and development and for utilization of land in non-urban areas.

(b) A set of standards and/or criteria for determining land to be developed for urban and non-urban uses and to be conserved for future development or in pristine condition.

(c) A statewide policy or set of standards/criteria which is a synthesis of similar policies or standards/criteria of substate districts.

(d) A statewide policy or set of standards/criteria which is a synthesis of state policies for housing, community development, transportation, economic development, or other functional areas.

(e) An areawide policy or set of standards/criteria which is a synthesis of similar policies or standards/criteria for cities, counties, and/or other geographic subareas.

(f) A general or master plan for physical development.

B. REQUIREMENTS FOR POLICY DEVELOPMENT: CITIES AND COUNTIES

1. Broad goals and annual objectives (in measurable terms where possible) (24 CFR 600.67(b)).

2. Long and short term policies and plans with respect to the physical development of the large city, urban county or locality, considering the social, economic and environmental impacts (24 CFR 600.72(c)(1)).

3. The pattern, intensity and timing of land use for residential, commercial, industrial and other uses (24 CFR 600.72(c)(3)).

These requirements in combination provide that each grantee formulate and state public policy and prepare plans for the short and long term use of all land

within its jurisdiction, (whether publicly or privately owned, for urban or non-urban purposes, or for development, redevelopment or preservation in current uses). Grantees may determine their own classification system for types of uses (including at a minimum: "residential, commercial, industrial and other"); levels of intensity; and the phases or time periods comprising the long and short terms. The grantee's broad goals for land use should be translatable into annual objectives covering at a minimum, the biennial period specified in section 701(d). Classification schemes may include "reserved" categories for land which the applicant deems it premature to plan in greater detail. In accord both with the intent of Congress that the land use element be part of a comprehensive plan and with conventional planning practice, each grantee may take into account how implementation of its land use policy will affect the population, local economy, and environmental quality in its jurisdiction.

Examples: Any one of these (or similar ones) would satisfy the policy development requirements for cities or counties.

(a) A general or master plan for physical development.

(b) A policy framework or strategy for land to be developed, redeveloped, and/or preserved in current use.

(c) A redevelopment, rehabilitation or conservation plan for neighborhoods or other subcity or subcounty areas (if coupled with other land use policies or plans for any other areas within grantee's jurisdiction).

(d) A growth management policy.

C. REQUIREMENTS FOR IMPLEMENTATION OF LAND USE POLICY: ALL GRANTEEES

1. Studies, criteria and implementing procedures necessary for effectively guiding and controlling major decisions as to where growth shall and shall not take place. (24 CFR 600.72 (b)(3) and (c)).

2. Programs designed to accomplish the objectives and procedures, including criteria set forth in advance for evaluating programs and activities to determine whether the objectives are being met. (24 CFR 600.67(b)).

These requirements in combination provide that each grantee formulate and carry out a program of activities to implement its stated land use policy and to evaluate progress toward the achievement of that policy. Grantees may determine what legislative, administrative, or judicial activities (or combinations thereof) it considers will be effective and which of its taxing, spending, development, or regulatory powers it wishes to exercise. Among these options, capital improvement programming is strongly encouraged, pursuant to the specific directive of the Conference Report on Title IV of the HUD Act of 1974 (Report No. 93-1279 pg. 156). Each grantee may also decide what studies and criteria it needs in order to carry out and evaluate its program for implementation of land use policy, and for determining what public and private sector decisions are of major significance and impact within the planning jurisdiction. Grantees may elect to formulate and carry out implementation

activities which affect not only the use of land within but also outside of their jurisdictions in cooperation with other cities, counties, areawide organizations, or the State.

Examples: A combination of these activities (or others devised by the grantee) may be used to carry out the grantee's land use policy.

STATES

(a) Proposal or enactment of state zoning or other land development ordinances for areas not covered by local general governments and for state-designated areas of critical environmental concern.

(b) Proposal or enactment of model zoning or other land development ordinances for use by local general governments.

(c) Formulation and/or use of regulatory systems for rangeland and forest protection, agricultural production, power plant siting, strip mining, and other forms of energy extraction and production, and for environmental protection.

(d) Preferential allocation of state subsidies for schools, roads, park and recreation facilities, social services, and housing in accord with state policies for location, extent of, and phasing of urban development.

(e) Proposal and/or use of administrative procedures and criteria for assuring that state land use policy will be implemented by key decisions on investment, land acquisition, construction or service allocation of such State agencies as: transportation, economic development, water management, air quality, coastal zone management, flood plain and wetland management, and housing and community development.

(f) Establishment of state enabling legislation and assistance programs for new communities or large scale industrial developments.

(g) Startup of an evaluation program, including criteria as developed by the grantee, for measuring progress toward achievement of the annual objectives.

AREAWIDE ORGANIZATIONS

(a) Endorsement or adoption by member governments of the land use policy and implementation program of the areawide organization.

(b) Preparation, dissemination to member local governments and promotion of the use of uniform land development codes and ordinances.

(c) Preparation as a guide for member local governments of areawide capital improvement programs for region-serving facilities.

(d) If authorized by state law or inter-local agreement, operation of such areawide public functions such as a housing authority, industrial or economic development program, air quality control program, surface transportation systems, or residential and/or business relocation service.

(e) Technical assistance program for member local governments to build capacity to implement land use policy through regulatory, capital improvement programming, or other measures.

(f) Startup of an evaluation program, including criteria as developed by the grantee, for measuring progress toward achievement of the annual objectives.

CITIES AND COUNTIES

(a) Proposal or enactment of conventional zoning ordinances and map systems, large lot or open space zoning, down zoning, zoning to conserve areas for future development, planned unit development or density zoning, conditional or contract zoning, or bonus zoning for phased development.

(b) Proposal or enactment of official maps and planline systems.

(c) Proposal or enactment of subdivision ordinances.

(d) Proposal or enactment of permit systems for land development, construction, or utility hookups tied to quotas or goals, e.g., population or housing unit ceilings, employment targets, fair share allocations for people or housing units, or operating capacities of public services and facilities.

(e) Designation of critical areas for conservation or preservation, e.g., wetlands, marshlands, unique or ecologically fragile zones, areas of scenic or historic value, or to protect health and welfare, e.g., flood plains and natural hazard zones.

(f) Proposal or enactment of regulatory measures necessary to maintain air and water quality or to abate noise.

(g) Proposal or enactment of building and occupancy codes regulating structural types and building uses so as to affect rehabilitation and redevelopment of built-up areas.

(h) Programming capital expenditures for new or rehabilitated public facilities, as to location, type of facility and scale of service area.

(i) Proposal or enactment of a program to provide government services only in designated urban or rural service areas.

(j) Proposal or enactment of programs to acquire/hold lands needed to guide growth, such as eminent domain, fee simple acquisition, land banking, or less than fee acquisition.

(k) Proposal or enactment of tax programs such as: tax incentives/abatements to induce development as to location and type; preferential taxation to preserve designated areas for future development; or user and benefit fee systems or marginal cost pricing to discourage development in designated areas.

(l) Startup of an evaluation program, including criteria as developed by the grantee, for measuring progress toward achievement of the annual objectives.

D. REQUIREMENT FOR COORDINATION OF LAND USE POLICY AND IMPLEMENTATION PROGRAMS: STATES AND AREAWIDE ORGANIZATIONS

1. Policies, procedures and mechanisms necessary for coordination of local, areawide, and State land use policies with functional planning and capital investment strategies, when available, and improvements in governmental structures, systems and procedures that will facilitate the achievement of land use objectives (24 CFR 600.72(b)(4)).

One of the national program purposes stated in section 701(a) is to facilitate comprehensive planning for urban and rural development. A major objective of 24 CFR 600.72, Required Land Use Element, is the formulation of land use policy which will serve (i) as a guide for each grantee to coordinate functional plans of other jurisdictions, (Federal, State or local) which affect the use of land within its jurisdiction, and (ii) as a guide for private sector decisions on development, redevelopment, or abandonment of a land use within the jurisdiction. Each grantee may determine what organizational or administrative activities it needs in order to coordinate its land use policies with other plans, and which public sector functional plans and public and private sector investment programs must be coordinated. The intent of such coordination activities is to promote greater consistency (with respect to data, assumptions about land development, economic change, and future population,

broad goals and annual objectives, and land use policies) in the implementation decisions made by the grantee, its functional agencies, and other State or local governments, or areawide organizations.

Examples: A combination of these (or other activities devised by the grantee) would satisfy the coordination requirement.

(a) Proposal or establishment of planning-programming-budgeting systems specifically intended, among other purposes, to coordinate grantee activities affecting land use.

(b) Proposal or enactment of an administrative review and/or approval system to ensure that key budgeting, construction, or regulatory decisions of state functional agencies are consistent with state land use policy, through such means as interagency committees, mandatory referral, or environmental impact review systems.

(c) For areawide organizations, a similar system for member local governments.

(d) Designation of a specific state body, such as the Governor's policy planning agency, a land use commission or a resource management commission, with similar review and/or approval powers.

(e) For areawide organizations, a similar designation by member local governments.

(f) Expansion of a state or areawide A-95 system to include non-Federal programs and activities of State agencies, areawide organizations and local general or special purpose governments.

(g) Variations of the above options to provide vertical intergovernmental coordination as well as horizontal intra- and intergovernmental coordination.

(h) Proposed or actual use of numerical targets or quotas for population, housing or economic activity as a guide for consistent programming/budgeting by state agencies and between states and local governments.

E. REQUIREMENT FOR COORDINATION OF LAND USE POLICY AND IMPLEMENTATION PROGRAMS: CITIES AND COUNTIES

1. Policies, procedures and mechanisms necessary for coordination of land use planning for community development strategies, capital improvement programs, transportation, open space, public utilities and facilities planning, and State and areawide land use plans (24 CFR 600.62(c)(4)).

One of the national program purposes stated in section 701(a) is to facilitate comprehensive planning for urban and rural development. A major objective of 24 CFR 600.72, Required Land Use Element, is the formulation of land use policy which will serve (i) as a guide for each grantee to coordinate functional plans of other jurisdictions, (Federal, State or local) which affect the use of land within its jurisdiction, and (ii) as a guide for private sector decisions on development, redevelopment, or abandonment of a land use within the jurisdiction. Each grantee may determine what organizational or administrative activities it needs in order to coordinate its land use policies with other plans, and which public sector functional plans and public and private sector investment programs must be coordinated. Each grantee must, at a minimum, coordinate its land use plan with such capital improvement programs and community development programs as it may have and with such transportation, open space, public utility and public facility plans affecting its jurisdiction as have been

adopted, endorsed, or otherwise validated pursuant to applicable State or local law. The intent of such coordination activities is to promote greater consistency, (with respect to data, assumptions about land development, economic change, and future population, broad goals and annual objectives, and land use policies), in the implementation decisions made by the grantee, its functional agencies, and other State or local governments, or areawide organizations.

Examples: A combination of these (or other activities devised by the grantee) would satisfy the coordination requirement.

(a) Proposal or establishment of planning-programming-budgeting systems specifically intended, among other purposes, to coordinate grantee activities affecting land use.

(b) Proposal or enactment of an administrative review and/or approval systems to ensure that key budgeting, construction, or regulatory decisions of city or county functional agencies are consistent with city or county land use policy, through such means as interagency committees, mandatory referral, or environmental impact review systems.

(c) Designation of a specific city or county body, such as the chief executive's policy planning agency, a land use commission, or a resource management commission, with similar review and/or approval powers.

(d) Proposed or actual use of numerical targets or quotas for population, housing, or economic activity as a guide for consistent programming/budgeting by city or county agencies.

III. Examples of Housing Elements.

The housing element is intended to be the major policy document for identifying and meeting the housing needs of the current and prospective population in a given jurisdiction. It should serve as a guide for governmental decisionmaking for all matters related to housing.

The housing element also serves as the vehicle for ensuring consistency between housing policies developed among the various levels of government as well as to ensure consistency in housing policies within a government. The three key factors in the housing element are housing policy development, housing programs and implementation tools, and coordination mechanisms.

The following examples are grouped by requirements for all grantees and then additional requirements for States, areawides and local governments. The grouping in this section is slightly different from the one in the land use section because it tracks the housing element requirement in 24 CFR 600.70, which differs in structure from the land use element requirements in 24 CFR 600.72. The terms "Housing Assistance Plan (HAP)" and "Housing Opportunity Plan (HOP)" refer to programs operated in accordance with 24 CFR 570.303(c) and 24 CFR Part 891 Subpart E, respectively.

A. DATA REQUIREMENT: ALL GRANTEEES

1. Take into account all available evidence of the assumptions and statistical bases upon which the projection of zoning, community facilities and population growth are based (24 CFR 600.70(a)(1)).

This requirement is intended to have each grantee assess available data which is current and useful for the purpose of

making projections upon which housing policy and programs will be based. These policies and programs must deal with all aspects of housing, not just assisted housing. Each grantee may determine what data is needed to develop meaningful policies and programs.

Examples: A combination of these (or other data useful to the grantee) may be used to satisfy this requirement.

- (a) Census data and updated projections, (done by census, grantee or another level of government).
- (b) Data used for development of growth policies.
- (c) Data used for zoning decisions, community development block grant decisions and other community facilities.
- (d) Data used for Housing Assistance Plan (HAP) preparation.
- (e) Data used for formulating capital improvement plans, community renewal projects and workable programs.
- (f) Data used for preparation of functional plans such as transportation, water and sewer, open space, and education.
- (g) Data developed by States or areawides.

B. Non-Discrimination Requirement: All grantees

1. Provide for the elimination of the effects of discrimination in housing based on race, color, religion, sex or national origin and provide safeguards for the future (24 CFR 600.70(a)(2)).

Pursuant to the requirements of Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968 (24 CFR 600.75), each grantee is required to review the proposed housing strategies and their effect on its jurisdiction to assure that it is carried out in a non-discriminatory manner and develop its housing plan in a way to assure that no future discrimination will result from the proposed housing policies and the anticipated implementation program. Where specific evidence of the effects of housing discrimination has been identified by Federal, State or local officials (such as court actions, State or local Equal Opportunity Commissions, or HUD Equal Opportunity findings), then the housing element must contain specific plans, policies and procedures to eliminate such discrimination.

Examples of methods of reviewing plans and programs for non-discrimination purposes include:

- (a) Study of settlement patterns and school enrollment statistics.
- (b) Review of disparities in neighborhood housing conditions and supportive services.
- (c) Review of zoning ordinances for possible discriminatory provisions (such as exclusionary zoning or limitations on multi-unit housing).
- (d) Review of housing implications of major relocations or new locations of Federal, State or local governmental facilities or business enterprises.

Examples of methods of developing plans, policies and procedures for elimination of discrimination and providing safeguards for the future include: (one or more of these may be used as appropriate to the proposed strategies.)

- (a) Fair share plans or housing allocation systems.
- (b) Affirmative marketing programs.
- (c) Open occupancy laws.
- (d) Fair housing ordinances.
- (e) Equitable code enforcement.

(f) Redistribution of capital improvement funds and/or service delivery programs to redress disparities.

- (g) Anti-redeveling programs.
- (h) Revisions in tax codes.
- (i) Revised zoning ordinances.
- (j) A-95 review of proposed projects for impacts on equal opportunity.

C. CONSERVATION REQUIREMENT: ALL GRANTEES

1. Take into account the need to preserve existing housing and neighborhoods through such measures as housing preservation, rehabilitation, changes in taxing policies and building codes, improvements in housing management and maintenance, and the provision of adequate municipal services (24 CFR 600.70(a)(3)).

Each grantee is to review the need for developing programs to conserve existing housing and neighborhoods. If a grantee determines that such programs are not needed in the jurisdiction, then the housing element should indicate what steps will be taken to assure the maintenance of high quality housing and neighborhoods. A grantee may use one or more of the following examples which are appropriate to its conservation strategies.

STATES

- (a) Revisions of tax policies.
- (b) Enactment of statewide codes.
- (c) Rehabilitation grant and loan programs.
- (d) Provide assistance to areawides and local governments through such devices as development of model codes, information on rehabilitation programs and development of improved housing management techniques.

AREAWIDE PLANNING ORGANIZATIONS

- (a) Develop areawide housing and/or neighborhood conservation plan.
- (b) Development of model codes and/or tax policies.
- (c) Use A-95 review to test impact of functional plans on existing housing and neighborhoods.
- (d) Provide assistance to local governments through housing and neighborhood data collection and analysis, development of improved code enforcement and housing management techniques and provide information on rehabilitation programs.
- (e) Fringe development controls.

LOCAL GOVERNMENTS

- (a) Identification of areas and housing in need of conservation actions and development of plan and program to carry out such actions.
- (b) Code enforcement and tax policies.
- (c) Appropriate building and/or rehabilitation codes.
- (d) Service delivery programs designed to aid conservation programs.
- (e) Rehabilitation grant and loan programs.
- (f) Self-help rehabilitation programs.
- (g) Programs for redevelopment of abandoned or about to be abandoned areas.
- (h) Urban homesteading programs.

D. COORDINATION REQUIREMENT: ALL GRANTEES

1. Develop and carry out policies, procedures and mechanisms necessary for coordinating local, areawide and State housing policies with functional planning and capital investment strategies, when available (24 CFR 600.70(a)(4)).

This requirement mandates that all grantees include in their housing element policies and mechanisms to coordinate their housing policies with other levels of government and with functional plans and capital investment strategies. These coordination mechanisms should be such so that they assure the compatibility of other plans and activities and housing policies and programs. The appropriate mechanism or mechanisms will depend on the type of housing policies being developed and the availability of other functional plans and activities.

Examples: (a) If only Federal activities are involved, use of the housing plans and policies for reviewing project proposals under the A-95 process (States and areawides) or establishment of Chief Executive Review and Comment procedures (local governments).

(b) If non-Federally supported activities are also involved, expansion of the A-95 process (or a Chief Executive Review and Comment process) to cover these activities.

(c) Devising a system for testing compatibility of relevant activities with housing policies and designing procedures which will use this system in review of plans and project proposals.

(d) Vesting an official, board or agency with authority to review and/or approve actions impacting on housing policies.

E. EVALUATION REQUIREMENT: ALL GRANTEES

Procedures, including criteria set forth in advance, for evaluating programs and activities to determine whether the objectives are being met (24 CFR 600.67(b)).

Each grantee must design an evaluation program to obtain information on the effective implementation of programs. The procedures and criteria for evaluation are to be determined by the applicant. They are to be developed in a way that will provide viable evaluation results in accordance with the grantee's housing policies and implementation programs. The nature of the tools used will depend on the type of policies and programs developed by the grantee.

Examples: (a) Startup of an evaluation program, including criteria as developed by the grantee, for measuring progress toward achievement of the annual objectives.

(b) Formal systems that provide information on the results of actions to implement plans and programs.

(c) Use of available data (such as occupancy rates, new construction starts, building permits, loans, use of subsidized housing) to review achievement of objectives.

F. ADDITIONAL STATE REQUIREMENTS FOR HOUSING POLICY DEVELOPMENT AND IMPLEMENTATION

1. Develop policies, strategies, legislative and administrative proposals and evaluation techniques necessary to accomplish State housing goals and objectives (24 CFR 600.70(b)(1)).

2. Specify broad goals and annual objectives (in measurable terms wherever possible); Programs designed to accomplish the objectives (24 CFR 600.67(b)).

The development of a State housing policy can be accomplished by direct

State action and/or providing a framework and needed legislation for areawide and local activity. The kind of policies developed and the programs to implement the policies will depend on the nature of State activities impacting on housing. The implementation program and appropriate activities will depend on the types of policies proposed. The development of State housing goals and programs will, in most cases, be a collaborative effort between agencies responsible for planning, housing, and other functions impacting on housing policies. The grantee's goals for housing should be translatable into annual objectives, covering at a minimum, the biennial period specified in section 701(d).

Examples of a State housing plan include:

(a) A Statewide housing plan covering the total state which delineates State actions and those reserved for lower levels of government.

(b) A housing policy that provides a State framework for housing policies and actions by lower levels of government, with appropriate mechanisms to insure that State actions are in conformance with these housing policies and actions.

Examples of State implementation activities include:

(a) Establishing a State housing finance agency with appropriate program responsibilities.

b. Development of Statewide building, housing, plumbing and electrical codes.

c. Development of housing loan and grant programs.

d. Revisions of tax policies.

e. Capital investment programs which respond to the stated housing policies.

3. Where applicable, develop a policy or plan for the geographic allocation of State controlled housing assistance (24 CFR 600.70(b)(1)).

Where a State controls housing assistance programs (either State or Federally financed) it must develop a policy or plan for distributing the housing to its political jurisdictions. The geographic area to be covered can be municipalities, counties or substate districts. Where the allocation areas are larger than municipalities then a policy should be developed for how the county or substate district will reallocate the assistance to municipalities. The allocation system should be quantifiable and may be based on amounts or percentages.

Examples: (a) A map or other depiction showing the number of units or dollars to be allocated to the geographic areas chosen.

(b) A state designed formula that will be used to allocate available assistance to the geographic areas chosen.

(c) A method that will allocate state housing assistance based on need and demand shown in areawide and/or local plans (i.e., State response to lower level plans).

(d) A State framework for development of allocation systems by areawides and a mechanism to assure state use of these systems in the allocation of state controlled housing resources.

G. ADDITIONAL AREAWIDE REQUIREMENTS FOR HOUSING POLICY DEVELOPMENT AND IMPLEMENTATION

1. Identify the housing needs of current and prospective population in the areawide jurisdiction by appropriate geo-

graphic sectors and provide for the distribution of housing resources (including assisted housing) to meet the needs of all citizens in order to provide for a choice of housing types and locations (24 CFR 600.70(b)(2)(1)).

2. Specify broad goals and annual objectives (in measurable terms whenever possible) (24 CFR 600.67(b)).

Each areawide must develop a housing needs analysis and a housing policy, including a housing allocation system which is appropriate to the identified needs. The analysis must include current and prospective population (based on such factors as projected growth, planned development, expected to reside criteria and/or others deemed appropriate by the grantee). The appropriate geographic sectors will be determined by each grantee and will vary with the complexity and size of area of the grantee's jurisdiction. The distribution of housing resources can be undertaken by county, sub-county area or municipality level. When the distribution is done by county level and there exist municipalities which are responsible for implementing housing programs, then the county should provide for a mechanism to reallocate the resources to the municipal level. The allocation system should be based on appropriate factors such as housing need, resources, available sites, physical conditions and equal opportunity concerns and should be quantifiable in either specific amounts or percentages. The needs analysis, policies and allocation system must cover all income segments of the population and at least provide data on assisted and non-assisted housing. Areawide organizations may wish to further delineate their needs analysis and allocation system by additional population segments such as family size, elderly, handicapped, race, etc. The grantee's broad goals for housing should be translatable into annual objectives covering at a minimum, the biennial period specified in section 701(d).

Examples of areawide allocation systems include:

(a) A fair share plan for all income segments by local political jurisdictions.

(b) An areawide Housing Opportunity Plan (HOP) or Housing Assistance Plan (HAP) with the addition of an appropriate system for allocation of non-assisted housing for all income segments.

(c) An appropriate formula for distribution of housing resources for all income segments by local political jurisdictions.

(d) An allocation formula on a county basis with a mechanism for county reallocation to local political jurisdictions.

3. Develop policies, strategies and legislative and administrative proposals necessary to accomplish areawide housing goals and objectives (24 CFR 600.70(b)(2)(ii)).

4. Programs designed to accomplish the objectives (24 CFR 600.67(b)).

Each areawide must develop an implementation program appropriate to its housing policies and its authorities, and can use an appropriate combination of the examples listed below or similar ones. It is recognized that most areawides will develop implementation programs that can only be implemented by State or

local governments. Thus, an areawide implementation program will generally involve proposals for State and/or local actions that will be necessary to carry out the proposed policies. One major area which is under the control of areawides, and must be part of each implementation program, is the use of the proposed policies as a basis for review and comment under the A-95 process.

Examples of areawide implementation programs include:

(a) Development of a regional housing authority (governmental or non-profit).

(b) Proposals for State and/or local actions in such areas as building and housing codes, tax policies, and loan and grant programs.

(c) Assistance to developers and local governments through such devices as referral and information services, site selection information and mortgage pooling.

(d) Development of model codes and ordinances.

(e) Aid in development of local HAP's.

(f) Obtaining local government approval for areawide HOP's and HAP's.

(g) Programming facilities and services for housing.

(h) Assistance to local governments in such areas as identification of areas suitable for assisted housing or rehabilitation, procedures to reduce housing production costs, training in code enforcement or housing management.

H. ADDITIONAL LOCAL GOVERNMENT REQUIREMENTS FOR HOUSING POLICY DEVELOPMENT AND IMPLEMENTATION

1. Identify the housing needs of the current and prospective population by appropriate geographic sectors and identifiable segments of the population and provide for the distribution of housing resources (including assisted housing) to meet the needs of all citizens in order to provide a choice of housing type and location (24 CFR 600.70(b)(3)(1)).

2. Specify broad goals and annual objectives (in measurable terms wherever possible) (24 CFR 600.67(b)).

Each local government (large cities, urban counties and localities) must analyze housing needs and develop a housing policy, including a housing allocation system which is appropriate to the identified needs. The analysis must include current and prospective population (based on such factors as projected growth, planned development, expected to reside criteria and/or other factors deemed appropriate by the grantee). The appropriate geographic sectors are determined by the grantee and may be neighborhoods, census tracts, blocks, wards, or other, etc. The grantee also determines the appropriate population segments to use. These may include income level, family size, elderly, handicapped, ethnic group, race, etc. Regardless of the population segments chosen, both conventional and subsidized housing must be covered in the needs analysis, policies, and allocation system and at least provide data on assisted and nonassisted housing. The grantee also chooses the appropriate allocation system to be used. It should be based on such factors as housing need, resources, available sites, physical conditions, and equal opportunity concerns; be presented by appropriate geographic sectors and

should be quantifiable in either specific amounts or percentages. The grantee's broad goals for housing should be translatable into annual objectives covering at a minimum, the biennial period specified in section 701(d).

Examples of local government allocation systems include:

(a) A housing plan and map specifically distributing housing resources.

(b) A Housing Assistance Plan with the addition of an appropriate system for allocation of non-assisted housing for all income segments.

(c) A set of policies related to housing assistance, capital investments, services supporting housing and other housing resources which can be used to quantifiably allocate housing by appropriate geographic sectors and population segments.

3. Develop public-private policies, strategies and implementation activities necessary to accomplish housing goals and objectives, including the provision

of essential public facilities and services (24 CFR 600.70(b)(3)(ii)).

4. Programs designed to accomplish the objectives (24 CFR 600.67(b)).

This requirement mandates that local governments develop implementation programs that are appropriate to the policies and allocation systems developed. The implementation programs should cover those activities and actions directly dealing with housing and those impacting on the success of the housing policies (such as essential public facilities and services). The grantee may choose the appropriate combination of programs from those listed below or develop others.

Examples of implementation programs include:

(a) Participation in an areawide Housing Opportunity Plan (HOP).

(b) Housing production cost-saving measures such as streamlining permit procedures, removal of unnecessary development ordinances and standards and providing a den-

sity bonus for development of low-income housing.

(c) Rehabilitation loans and grants.

(d) Building, plumbing, electrical or housing codes.

(e) Creation or designation of a housing agency or authority with responsibility for working with other public agencies and private organizations to accomplish housing goals.

(f) Housing information services such as counseling, locator services, and homeowner training.

(g) Revised tax policies (e.g., property tax exemptions for elderly or low-income).

(h) Flexible zoning such as P.U.D. and odd lot zoning.

(i) Provision of supportive services such as street repair, garbage collection and street lighting.

(j) Code enforcement program.

WARREN H. BUTLER,
Acting Assistant Secretary for
Community Planning and
Development.

[FR Doc.77-2702 Filed 1-31-77;8:45 am]