

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5435-N-01]**

**Notice of Neighborhood Stabilization Program Reallocation Process Changes**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice.

**SUMMARY:** This Notice describes the applicable corrective actions, recapture process, the reallocation formula, and the waivers of regulations granted to grantees under Title III of Division B of the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes under the Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes heading. This notice affects grantees receiving grants under the first round of funding under the Neighborhood Stabilization Program, which is referred to throughout this notice as NSP1. As described in the Supplementary Information section of this notice, HUD is authorized by statute to specify alternative requirements and make regulatory waivers for this purpose. This notice advises the public that HUD is revising the recapture policy of the October 6, 2008, NSP1 Notice, as amended, in a manner that affects the consequences of failing to meet the 18-month deadline for using NSP1 funds.

**DATES:** Effective Date: August 23, 2010.

**FOR FURTHER INFORMATION CONTACT:** Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339. FAX inquiries may be sent to Mr. Gimont at 202-401-2044. (Except

for the "800" number, these telephone numbers are not toll-free.)

**SUPPLEMENTARY INFORMATION:**

Authority to Provide Alternative Requirements and Grant Regulatory Waivers

Title III of Division B of the Housing and Economic Recovery Act, 2008 (Public Law 110-289, approved July 30, 2008), as amended, (HERA) appropriated \$3.92 billion for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties, and provides under a rule of construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is commonly referred to as NSP, and the first round of NSP funding is referred to as NSP1. When referring to a provision of the appropriations statute itself, this notice will refer to HERA; when referring to the grants, grantees, assisted activities, and implementation rules affected by this notice, this notice will use the term NSP1.

HERA authorizes the Secretary to specify alternative requirements to any provision under Title I of the Housing and Community Development Act of 1974, as amended, (the HCD Act) except for requirements related to fair housing, nondiscrimination, labor standards, and the environment (including lead-based paint), in accordance with the terms of section 2301 of HERA and for the sole purpose of expediting the use of grant funds. The CDBG requirements will apply to NSP except where this notice supersedes or amends such requirements. This Notice does not specify any new alternative requirements to statutory requirements.

Except as described in this notice and previous notices governing the NSP, statutory and regulatory provisions governing the CDBG program, including those at 24 CFR part 570 subpart I for states or, for CDBG entitlement communities, including those at 24 CFR part 570 subparts A, C, D, J, K, and O, as appropriate, apply to the use of these funds. (The State of Hawaii was

allocated funds and will be subject to part 570, subpart I, as modified by this notice.)

### **Substantive Revisions**

NSP1 grantees are statutorily required to use NSP1 funds within 18 months from the date HUD signed their grant agreement. HUD has defined “use” to mean obligation of funds for approved activities. The primary purpose of this notice is to amend the reallocation provision of the October 6, 2008, Notice, 73 Fed. Reg. 58330 (NSP1 Notice), which noted that the ordinary CDBG reallocation statutory requirement would apply in the event of any recapture of NSP1 funds for noncompliance with program requirements. This Notice provides instead for a range of corrective actions, in accordance with 24 CFR 570.900(b)(5) and (6), for failure to meet the 18-month use requirements; and for any recaptured funds to remain in the NSP1 program and to be reallocated in accordance with the formula in Attachment A. The formula will reallocate funds to communities with the most current need for support in addressing neighborhoods destabilized by foreclosed and abandoned homes and may take into account prior allocations of NSP1 and NSP2 already serving those communities. This Notice further addresses how grantees who have funds recaptured will meet the requirement that 25 percent of NSP1 funds support units affordable to households whose incomes are 50 percent of area median income or less.

The substantive revisions made by this notice follow. The **Federal Register** page number identifies where the language to be revised can be found in the October 6, 2008, notice.

#### **A. Reallocation Process**

##### **Background**

In the NSP1 Notice, HUD noted in paragraph I.B. Formula Reallocation, that if a jurisdiction failed to meet the requirement to use its NSP1 funds in 18 months, HUD would recapture the funds and reallocate them in accordance with the CDBG reallocation provisions of

the HCD Act at 42 U.S.C. 5306(c)(4). This provision of the HCD Act specifically applies to funds recaptured under the authority of 42 U.S.C. 5304(e) and 5311 of the HCD Act. However, upon further reflection, HUD has determined that 42 U.S.C. 5306(c)(4) does not apply to recaptures under NSP1 and therefore NSP funds are not required to be reallocated to major disaster areas. As the 18-month deadline approaches, HUD is updating this provision to limit the negative effects on communities that, although they may not have had the capacity to meet the deadline, still have great need for neighborhood stabilization funding.

Therefore, HUD is revising the NSP1 Notice's provisions to provide a process for addressing a grantee's failure to meet the 18-month use requirement and to state that any recaptured funds will be reallocated to provide additional NSP grants on a formula basis. This Notice explains how HUD will proceed to restrict further obligation of NSP funds the day after the 18-month use deadline and provide grantees the opportunity to submit additional information regarding the NSP funds subject to a finding and potential corrective action or sanction. Following the review and before selecting a corrective or remedial action, HUD will, in accordance with 24 CFR 570.905 and 570.493, consider the grantee's continuing capacity to carry out the grant.

HUD has a range of possible corrective actions available in the regulations at 24 CFR 570.910 and 570.495. Additional guidance is provided in the Community Planning and Development Monitoring Handbook 6509.2, Rev-6. HUD may also provide targeted technical assistance when it determines that the grantee is in need of such assistance to complete its program successfully.

In many instances, HUD anticipates that NSP grantees failing to meet the use deadline will face a choice of a) entering into a memorandum of agreement with the Department or b)

recapturing of unobligated amounts. Based largely on the grantee's NSP1 performance and the amount of unobligated funds, HUD may enter into a memorandum of agreement designed to improve the grantee's performance and enable use of the funds for the purposes intended in the NSP1 Notice. A few very low capacity grantees may be required to demonstrate that they have acquired stronger program partners, such as proven nonprofit or for-profit developers, before HUD will allow further use of NSP1 funds. To ensure uniform national application of corrective actions, HUD will issue guidance to field offices regarding corrective actions for NSP1 grantees that fail to meet the deadline for use of funds, and corrective actions may be reviewed by headquarters staff. Failure on the grantee's part to achieve use of funds or to meet the terms of the memorandum of agreement may lead to recapture of funds.

States with unused funds will be subject to a recapture of unused amounts up to \$19.6 million. This is because the NSP1 allocation formula provided \$19.6 million to each state regardless of the state's relative need for funds. Local governments received funds strictly based on their formula need. States received the \$19.6 million base payment plus any need-based formula increment. Therefore, if a state has unused NSP1 funds up to \$19.6 million, HUD will recapture and reallocate those funds to a higher need location based on a strictly need-driven formula. After HUD determines the recapture amount, any remaining unused state grant funds in excess of \$19.6 million will be addressed under the additional corrective actions, as described above.

To address concerns that some grantees may inflate obligation amounts for projects before the deadline, then withdraw from or reduce these obligations after the deadline as a strategy for meeting the fund use requirement by the deadline, HUD staff will be reviewing a sample of obligation documents. (Note that HUD recognizes that grantees will not be able to

budget perfectly and has provided guidance allowing a reasonable contingency for each project.) HUD field staff may request removal of the obligation blocks in the reporting system after assessment of a grantee's performance, if the field staff determines the grantee is not high risk consistent with this notice.

Finally, the Notice addresses enforcement of the grantee's statutory obligation to spend at least 25 percent of NSP1 funds on housing for persons at or below 50 percent area median income.

### Revised Requirement

Section I.B.2. of the NSP1 Notice at page 58331 is amended to read as follows:

2. a. HUD will block each grantee's ability to obligate NSP1 grant funds in the Disaster Recovery Grant Reporting System (DRGR) on the first business day after the statutory 18-month deadline for use of funds. HUD will notify the grantee of this action by electronic mail. Grantees will not be able to obligate grant funds after the deadline without requesting and receiving permission from HUD, until HUD determines that the grantee is not high risk consistent with this notice. The grantee will still be able to expend grant funds obligated before the deadline. Receipt and use of any program income will also be unaffected.
- b. Any grantee that fails to obligate an amount equal to or greater than its initial grant amount may submit information to HUD, for up to 30 days following its 18-month deadline, documenting any additional obligation of funds not already recorded in the DRGR system and demonstrating to HUD that the obligation occurred on or before the 18-month deadline. Before the 18-month deadline, each grantee should also review its recorded obligations and notify HUD within 30 days following the deadline of any necessary adjustments to the amount and the reason for such an adjustment. For example, the grantee has become aware that an obligation amount

that was previously recorded for an acquisition will not proceed, therefore a downward adjustment is necessary.

c. After the deadline, if any grantee needs to decrease or increase the amount of grant funds obligated to an activity, it must first ask HUD to remove the DRGR block on changing the amount obligated. If the amount of decrease is more than 15 percent of the obligation for any activity, the grantee must submit to HUD a written request that clearly demonstrates with compelling information that factors beyond the grantee's reasonable control caused the need to withdraw or decrease after the deadline. If HUD agrees to grant the request, it will restore the grantee's ability to obligate grant funds in DRGR. If HUD does not grant the request, the grantee must either complete the activity as originally obligated or the amount previously obligated for that activity will be recaptured. HUD may also remove the obligations block following risk assessment of the grantee or a review of some or all of a grantee's obligation documentation.

d. Before HUD determines the appropriate corrective action or recaptures grant funds, HUD will review the submitted information, consider the grantee's capacity as described in 24 CFR 570.905 and 24 CFR 570.493, and the grantee's continuing need for the funds.

e. Following the review, HUD will proceed to notify the grantee of the selected corrective action it is required to undertake.

f. HUD will recapture and reallocate up to \$19.6 million from any state grantee with unused NSP grant funds. Additional corrective actions may be taken related to any amount of unused funds greater than \$19.6 million.

g. HUD will reallocate recaptured funds in accordance with the reallocation formula described in Attachment A. A grantee receiving a reallocation must apply for the grant in accordance with

the NSP1 Notice. A nonentitlement grant recipient that is not required to submit a consolidated plan to HUD under the CDBG program will prepare an abbreviated plan. The substance of an abbreviated plan must include all the required elements that entitlement communities provide as part of an NSP Action Plan substantial amendment as described under Section II.B.2.

h. Each grantee must meet the statutory requirement to expend 25 percent of its grant amount for activities that will provide housing for households whose income is at or under 50 percent of area median income. This cannot occur unless the funds are first obligated to activities for this purpose, or program income is received and used for eligible activities. Therefore, if a grantee fails to obligate or record program income use of at least 25 percent of its original grant amount for activities that will provide housing for households whose income is at or under 50 percent of area median income, HUD may issue a concern or a finding of noncompliance. HUD will require as a corrective action that the grantee either adjust its remaining NSP1 planned activities to ensure that 25% of the original NSP1 formula grant amount and program income supports activities providing housing to households with incomes at or under 50 percent of area median income, or make a firm commitment to provide such housing with nonfederal funds in an amount sufficient to offset any deficiency to comply with the requirement before the expenditure deadline for the NSP1 grant.

i. The NSP1 Notice allows each grantee to use up to ten percent of its NSP1 grant for general administration and planning activities. If HUD recaptures funds from a grant, this percentage limitation will still apply to the remaining grant funds, reducing the amount available for administration activities.

## **B. Changes to Pre-Grant Process**

### Background



With this notice, HUD is establishing the pre-grant process for the NSP reallocation grants. The formula is published in Attachment A. HUD will announce the reallocation amounts after completing the recapture process for all states that have failed to meet the 18-month use requirement. Additional reallocation announcements will be made only if HUD recaptures funds from grantees who fail to comply with any memorandum of agreement or grant conditions. At the time of each announcement, CDBG grantees receiving NSP1 reallocations may immediately begin to prepare and submit action plan substantial amendments or abbreviated plans for NSP1 funds, in accordance with this notice and the original NSP1 Notice. (Insular areas should follow the requirements for entitlement communities.)

To receive NSP1 reallocation funding, grantees must submit an action plan substantial amendment to HUD in accordance with this notice by no later than the deadline in the allocation announcement. Any unit of general local government in a nonentitlement area receiving an allocation must submit an abbreviated plan under 24 CFR 91.235 to HUD by the same deadline. An abbreviated plan will have essentially the same content as a NSP1 substantial amendment, although the certifications will be different.

In the October 6, 2008 NSP1 Notice, HUD encouraged each local jurisdiction receiving an allocation to carefully consider its administrative capacity to use the funds within the statutory deadline. HUD is encouraging each local jurisdiction receiving reallocated fund to consider its administrative capacity. To support this consideration, HUD is providing a self-assessment tool that grantees may find useful in better understanding their capacity to undertake and manage NSP1 activities. This is the same self-assessment tool that is used for NSP Technical Assistance (NSP-TA) purposes and it will allow HUD to more rapidly identify capacity gaps and technical assistance needs and to provide appropriate technical assistance. Although HUD suggests that

every grantee complete and submit the self-assessment with its substantial amendment, HUD will require some grantees to complete and submit such a self-assessment as a special condition of receiving funding.

HUD also provided regulatory waivers and alternative requirements to allow joint requests among contiguous entitlement communities and to allow joint requests between an entitlement community and a state. Any two or more contiguous units of general local government may make a joint request to HUD to implement a joint NSP1 program with reallocated funds. A jurisdiction need not have a joint agreement with an urban county under the regular CDBG entitlement program or have joint request with a local government or state for the original NSP1 allocation to request a joint program for NSP1 reallocation funding. . Potential requestors should contact HUD as soon as possible (as far as possible in advance of publishing a proposed substantial amendment or abbreviated plan) for technical guidance. The requestors will specify which jurisdiction will receive the funds and administer the combined grant on behalf of the requestors; in the case of a joint request between a local government jurisdiction and a state, the state will administer the combined grant. (Grantees choosing this option should consider the Consolidated Plan and citizen participation implications of this approach. The lead entity's substantial amendment will cover all participating members. The citizen participation process must include citizens of all jurisdictions participating in the joint program.)

Given the rule of construction in HERA that NSP funds generally are construed as CDBG program funds, subject to CDBG program requirements, HUD generally will treat reallocated NSP funds as a special allocation of Fiscal Year (FY) 2010 CDBG funding for grantees receiving an allocation for the first time. This has important consequences for local governments presently participating in an existing urban county program, and for metropolitan cities that have

joint agreements with urban counties. HUD will consider any existing cooperation agreements between a local government and an urban county governing FY2010 CDBG funding (for purposes of either an urban county or a joint program) to automatically cover NSP funding as well. These cooperation agreements will continue to apply to the use of NSP funds for the duration of the NSP grant, just as cooperation agreements covering regular CDBG Entitlement program funds continue to apply to any use of the funds appropriated during the 3-year period covered by the agreements. For example, a local government presently has a cooperation agreement covering a joint program or participation in an urban county for federal FYs 2009, 2010 and 2011. The local government may choose to discontinue its participation with the county at the end of the applicable qualification period for future CDBG entitlement funding. However, the existing cooperation agreement covers the NSP funding until expended and the county will still be responsible for any NSP projects funded in that community, and for any NSP funding the local government receives from the county, until those funds are expended and the funded activities are completed.

A third method of cooperating is also available, and may be required by HUD in some jurisdictions that HUD determines have high need for NSP funds and low capacity to implement some or all planned NSP activities in the required timeframes. HUD may condition some NSP reallocations on such cooperation being demonstrated to HUD's satisfaction before execution of a grant agreement. A jurisdiction may apply for its entire grant and immediately enter into a subrecipient agreement with another jurisdiction, an NSP2 grantee, or a nonprofit entity with capacity to administer the grant.

Finally, some communities with a great need for neighborhood stabilization support do not have the capacity to design and deliver a successful NSP program. HUD can identify these

communities before execution of a grant agreement based on NSP, CDBG, or HOME program performance or information from technical assistance providers. In these cases, HUD may reallocate funds to such communities but will take actions designed to ensure appropriate and timely use of grant funds. HUD will condition their grants on the grantee's acceptance of technical assistance, as evidenced by an executed technical assistance work plan or by a memorandum of agreement with HUD. In either such document, the responsibilities and roles of the grantee, HUD, and HUD's technical assistance providers will be described—including a specific scope of work and schedule—and duly executed before HUD signs the grant agreement for the reallocation award.

At the time HUD publishes the reallocation amounts, it will also publish a specific date for a recipient to complete and submit a substantial amendment to its annual action plan or an abbreviated plan. A grantee that wishes to initially submit its action plan amendment to HUD electronically in the DRGR system rather than via paper may do so by contacting its local field office for the DRGR submission directions. Paper submissions to HUD also will be allowed, although each grantee must set up its action plan in DRGR before the deadline for the first required performance report after receiving a grant.

HUD will review each grantee submission for completeness and consistency with the requirements of this notice and will disapprove incomplete and inconsistent action plan amendments and abbreviated plans. HUD will allow revision and resubmission of a disapproved amendment or abbreviated action plan in accordance with 24 CFR 91.500 so long as any such resubmission is received by HUD 45 days or less following the date of first disapproval.

In combination, these requirements provide the following expedited steps for NSP grants:

- Proposed action plan amendment or abbreviated plan published via the usual methods

and on the Internet for no less than 15 calendar days of public comment;

- Final action plan amendment or abbreviated plan posted on the Internet and submitted to HUD by the deadline indicated in the allocation announcement (grant application includes Standard Form 424 (SF-424) and certifications);
- HUD expedites review;
- HUD accepts the plan and prepares a cover letter, grant agreement, and grant conditions;
- Grantee meets any conditions required before HUD's execution of the grant agreement.
- Grant agreement signed by HUD and immediately transmitted to the grantee;
- Grantee signs and returns the grant agreements;
- HUD establishes the line of credit and the grantee requests and receives DRGR access;
- After completing the environmental review(s) pursuant to 24 CFR part 58 and, as applicable, receiving from HUD or the state an approved Request for Release of Funds and certification, the grantee may draw-down funds from the line of credit.

As with the initial allocation process, the action plan substantial amendment, abbreviated plan and citizen participation alternative requirements will permit an expedited grant-making process, but one that still provides for public notice, appraisal, examination, and comment on the activities proposed for the use of NSP grant funds.

#### Revised Requirements

Section II.B.4.a of the NSP1 Notice on page 58334 is amended to add the following at the end:

To receive an NSP reallocation, a grantee must submit to HUD for approval an NSP application by the deadline indicated in the allocation announcement. This submission will include a signed standard federal form SF-424, signed certifications, and a substantial action plan amendment or abbreviated plan meeting the requirements of paragraph b below. (24 CFR 91.505 is waived to

the extent necessary to require submission of the substantial amendment to HUD for approval in accordance with this Notice.)

Section II.B.5-6 of the NSP1 Notice on beginning on page 58334 is amended to add:

5.

c. Local jurisdictions receiving reallocation funds may enter into joint agreements in accordance with 5.a. or b., regardless of whether the local jurisdiction had a joint agreement for the original NSP allocation.

6. b. Any cooperation agreement between a unit of general local government and a county, concerning either a joint program or participation in an urban county under 24 CFR 570.307 or 570.308, and governing CDBG funds appropriated for federal FY 2010, will be considered to incorporate and apply to NSP reallocated funding. Any such cooperation agreements will continue to apply to the use of NSP funds until the NSP funds are expended and the NSP grant is closed out. Grantees should note that certain provisions in existing cooperation agreements that govern FY2010 CDBG funding may be inconsistent with parts of HERA and this notice. For instance, set minimum and/or maximum allocation amounts may conflict with priority distributions to areas of greatest need identified in the grantee's action plan substantial amendment. Conforming amendments should be made to existing cooperation agreements, as necessary, to comply with HERA and this notice.

### **C. Change to timeliness of use requirement**

The requirements of paragraph **M. Timeliness of use and expenditure of NSP funds** of the NSP1 Notice will apply to reallocation grants. Grantees are reminded that section of HERA 2301(c)(1) provides that any grantee receiving a grant:

“...shall, not later than 18 months after the receipt of such amounts, use such

amounts to purchase and redevelop abandoned and foreclosed homes and residential properties.”

HUD has defined the term “use” to include obligation of funds.

#### Revised Requirement

Section II.M. of the NSP1 Notice on page 58340 is amended to add paragraph 3 after paragraph

2:

3. Grantees receiving a reallocation of funds must comply with the 18-month use requirement.

#### **D. Certifications**

##### Background

HUD is substituting alternative certifications. The alternative certifications are tailored to NSP1 grants and remove certifications and references that are appropriate only to the annual CDBG formula program.

##### Requirements

Section II.T. of the NSP1 Notice starting on page 58342 is amended to read as follow:

Certifications for states and for entitlement communities, alternative requirement. Although the NSP is being implemented as a substantial amendment to the current annual action plan, HUD is requiring submission of this alternative set of certifications as a conforming change, reflecting alternative requirements and waivers under this notice. Each jurisdiction will submit the following certifications:

1. Affirmatively furthering fair housing. The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and

actions in this regard.

2. Anti-displacement and relocation plan. The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

3. Anti-lobbying. The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

4. Authority of jurisdiction. The jurisdiction certifies that the consolidated plan is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

5. Consistency with plan. The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan.

6. Acquisition and relocation. The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

7. Section 3. The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

8. Citizen participation. The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.



9. Following a plan. The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

10. Use of funds. The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as amended, by using all of its grant funds within 18 months of receipt of the grant.

11. The jurisdiction certifies:

a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and

b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

12. Excessive force. The jurisdiction certifies that it has adopted and is enforcing:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

13. Compliance with anti-discrimination laws. The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

14. Compliance with lead-based paint procedures. The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

15. Compliance with laws. The jurisdiction certifies that it will comply with applicable laws.

#### **Note on statutory limitation on distribution of funds**

Section 2304 of HERA states that none of the funds made available under this Title or title IV shall be distributed to an organization that has been indicted for a violation under federal law relating to an election for federal office; or an organization that employs applicable individuals. Section 2304 defines applicable individuals.

#### **Information collection approval**

HUD has approval from the Office of Management and Budget (OMB) for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). OMB approval is under OMB control number 2506–0165. In accordance with the Paperwork Reduction Act, HUD 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.

#### **Duration of funding**

The appropriation accounting provisions in 31 U.S.C. 1551–1557, added by section 1405 of the

National Defense Authorization Act for Fiscal Year 1991 (Pub. L. 101–510), limit the availability of certain appropriations for expenditure. Such a limitation may not be waived. The appropriations acts for NSP grants direct that these funds be available until expended. However, the Department is imposing a shorter deadline on the expenditure of NSP funds in this notice.

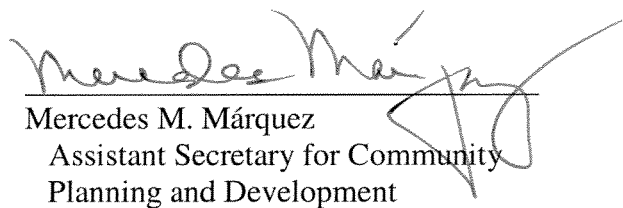
**Catalog of Federal Domestic Assistance**

The Catalog of Federal Domestic Assistance numbers for grants made under NSP1 are as follows: 14.218; 14.225; and 14.228.

**Finding of No Significant Impact**

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(C)(2)). The Finding of No Significant Impact is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Office of the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500.

Dated: August 23, 2010

  
Mercedes M. Márquez  
Assistant Secretary for Community  
Planning and Development

[FR-5435-N-01]