objectives that identify the number of extremely low-, low-, and moderateincome families (using the revised terminology) to whom the jurisdiction will provide affordable housing.

# c. Community Development

Several low-income advocates recommended that needs of extremely low-, very low- and low-income people be expressly addressed in the CD plan. One commenter suggested that this discussion of needs belongs in § 91.205 with the discussion of housing and homeless needs. Since there is a statutory requirement for a discussion of priority nonhousing community development needs, the Department is keeping the CD plan as a part of the strategy, and not part of the housing and homeless needs description. The Department agrees that the needs of these income groups need to be discussed in this plan, and language referring to the statutory goal of serving these income groups has been added to the paragraph on the CD plan.

In addition, language has been added indicating that jurisdictions may elect to develop a neighborhood revitalization strategy that includes the economic empowerment of area residents. HUD is willing to provide greater flexibility in program rules governing the use of CDBG funds for jurisdictions that develop such a strategy, in accordance with rule changes being made in another pending rulemaking. Approval of the consolidated plan does not imply approval of a neighborhood revitalization strategy proposal. A jurisdiction's neighborhood revitalization strategy must provide that the area selected is primarily residential and contains a percentage of lowincome and moderate-income residents that is no less than 51 percent. In addition, the jurisdiction should consider the following:

- (1) Developing the strategy in consultation with the area's stakeholders, including residents, owners/operators of businesses and financial institutions, non-profit organizations, and community groups that are in or serve the area(s);
- (2) Including an assessment of the economic situation in the area and examination of economic development improvement opportunities and problems;
- (3) Developing a realistic development strategy and implementation plan to promote the area's economic progress;
- (4) Focusing on activities to create meaningful jobs for the unemployed and low-income people in the area as well

as activities to promote the substantial revitalization of the area(s); and

(5) Identifying the results expected to be achieved, expressing them in terms that are readily measurable.

With respect to the proposed rule, local governments commented that the information required in the table prescribed by HUD to describe the jurisdiction's priority nonhousing community development needs eligible for assistance in dollar amounts is not very useful, only raises expectations concerning infrastructure needs that cannot be met, and is very difficult to cost out. Low-income advocates commented that there is too little information in this section compared to the housing section.

It is clear that Congress wanted data that could be aggregated nationally. The key to the table is "priority needs" and those covered in the table are to be those activities that are eligible for CDBG assistance. All needs do not have to be covered. Further, it is not difficult to estimate the dollar amounts when linear or square feet for facilities are known and the average cost per that unit of measure is known. The guidelines will be clarified on this point.

### d. Barriers to Affordable Housing

One commenter requested that the rule state that the plan cannot be rejected for the content of its regulatory barrier assessment. One commenter admonished HUD to put stronger teeth in the plan to make cities remove barriers. The CHAS statute does not permit HUD to reject a consolidated plan on the basis of the jurisdiction's inaction to remove identified barriers. The Department will comply with that requirement but sees no need to add a provision to the rule on the subject.

Another public interest group wanted jurisdictions to explain the purpose of the policy perceived as a barrier and offer alternative options. The Department declines to make this a more burdensome requirement.

# e. Anti-Poverty Strategy

Several public interest group and city commenters were critical of this paragraph, indicating that it was difficult to measure how HUD programs directly reduced the number of families with incomes below the poverty line. Of primary concern was describing their actions in terms of "factors over which the jurisdiction has control," language from the statute. They recommended that the requirement be restated for programs discussed in the housing component of the consolidated plan that the city directed to poverty families. The rule has been revised accordingly.

Section 91.220 Action Plan

### a. Linkage

The low-income and disability community advocates were critical of what they viewed as inadequate linkage in the action plan between the needs of the extremely low-income families and those in the worst housing conditions and the proposed activities to be undertaken by the jurisdiction under the draft language of this section.

In response to these concerns, the rule has been revised to require a clearer statement of priority needs and local objectives covered in the strategic plan, including the number and type of families to be benefitted from the activities proposed for the year, with a required a target date for completion of each activity. We also have required information on location of projects, to allow citizens to determine the degree to which they are affected.

#### b. Resources

With regard to describing resources, several commenters insisted that only those resources under the control of the jurisdiction should be listed. There was resistance to including private and nonfederal resources. The CHAS statute requires private and nonfederal resources that are reasonably expected to be available to be identified. The CHAS statute also requires the extent of leverage of Federal resources to be discussed. However, all discussion of resources has been moved from the strategic plan section of the rule to the action plan section, in response to commenters suggestions.

## c. CDBG Float-Funded Activities

The CDBG "miscellaneous amendments" rule included provisions governing float-funded activities that are perceived as providing some risk to the CDBG program. A "float-funded activity" is an activity that uses undisbursed funds in the line of credit or program account that have been previously budgeted in an action plan (formerly, the CDBG final statement) for one or more activities that do not need the funds immediately.

Ten comments were received with respect to these requirements.
Responses to these comments and the specific requirements for treatment of CDBG float-funded activities will be published in the final miscellaneous amendments rule. However, for purposes of this rule, the Department notes that there are two primary risks to the CDBG program inherent in the float funding process. First, the float-funded activity will not generate sufficient program income in a manner to allow