Section 91.315 Strategy, Priority Needs, and Objectives

Two States stated that the requirement for a statement of the reasons for the State's choice of priority needs is too detailed a requirement for States, since they respond to priorities established by localities and to their requests for funding. Low-income advocates, on the other hand, argued that States should be required to describe the basis for assigning the relative priority to a category of needs since the CHAS statute requires it. The language of this provision has been revised to refer to each category of priority needs since that is the most flexibility the Department can give to States under the statute.

The priority needs table that the rule requires States to complete was criticized as being too detailed. The table is less detailed than the table that was required for the State CHAS. However, HUD recognizes that the States have less control over fulfillment of this section than do local jurisdictions.

Several States objected to the requirement that the States include a target date for completion of specific objectives. The final rule indicates that the State must identify the proposed accomplishments that the State hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the State.

A number of States objected to the requirement that the State furnish a projection of its resource allocation geographically within the State, since often the funds are awarded on the basis of competitive selection rather than on some geographic distribution plan. The rule has been revised to reflect that a State must describe how the State's method of distribution contributes to its general priorities for allocating investment geographically within the State.

Three commenters recommended that the only non-Federal funds that be included in the resource description be those that are "available for use in conjunction with Federal funds to address needs identified." We decline to make this change, since the CHAS statute does not so limit the language.

## Section 91.325 Certifications

One commenter pointed out that the certification concerning excessive force was not applicable to States. That provision has been modified to clarify that the States must require the localities to make this certification.

Sections 91.400-91.435 Consortia

Several local governments complained that the proposed rule was confusing about which units of general local government are directed to participate in the development of a consolidated plan of the consortium as well as submit their own consolidated plan to cover all programs other than HOME. They suggested that § 91.400 should be revised to clarify that units of local government that participate in a consortium must participate in submission of a consolidated plan for the consortium, prepared in accordance with subpart E, as well as submitting for their own jurisdiction the following components of subpart C: § 91.215(e) (CD plan), § 91.220 (Action Plan) and § 91.225 (Certifications). The preparation and submission of a separate housing and homeless needs assessment (§ 91.205), housing market analysis (§ 91.210) and strategies, priority needs and objectives (§ 91.215) for the entitlement jurisdictions should be optional not a requirement. We agree, and the rule has been modified accordingly.

The majority of the commenters on this issue raised the problems presented by the same program year for all consortium members; suggesting this will cause consortia to break up. One suggested solution was to eliminate the requirement. Instead the consortium would develop its housing and homeless needs, housing market analysis and strategy on a planning year that coincides with the program year of the earliest entitlement jurisdiction in the consortium. Individual action plans would be submitted on individual entitlement members' program year cycle. Individual CD plans would be submitted at the same time as the strategic plan or with the individual entitlement submissions. The lead agency's action plan and program year would control the timing of the HOME program year. The rule has not been changed; however, we will develop waiver policies to handle this issue with consortia.

Local governments urged that §§ 91.105 and 91.430 be clarified to explain what citizen participation requirements apply to entitlement jurisdictions that are part of a consortium. Such clarification is now provided in § 91.401.

Section 91.500 HUD Approval Action

Low-income advocacy groups argued that the standards for review of the consolidated plan do not provide adequate guidance to participating jurisdictions, citizens, and HUD field offices about what would constitute an acceptable plan. They suggest that a consolidated plan should be approved by HUD only if it "demonstrates integrity when read as a whole." They suggest that the needs assessment, priority assignments, and action plan must be sound and consistent with each other and with the purposes of the statute. For example, they state that a housing strategy that failed to seriously address "worst case" needs would lack the logical link between needs and action required by section 105(b)(8) of the CHAS statute.

We agree that the current regulations provide few guidelines on the standards for approval. We have modified the proposed regulations to make them more similar to the existing CHAS rule. While we agree with the desirability of internal consistency and require a certification that housing activities undertaken under CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan, we feel that the provision recommended by the advocacy groups is needlessly directive.

Section 91.505 Amendments to Consolidated Plan

Several government interest groups, citing HUD's proposed CDBG rule published on August 10, 1994, suggest that jurisdiction be allowed to notify HUD after adoption of amendments to the consolidated plan. The majority of the commenters were concerned that the specificity of the action plan will trigger a number of amendments that will need to undergo citizen participation and submission to the Department. The preference was to list major activities under which projects could fall without creating the need for amendments. One community suggested if the jurisdiction deemed a change consistent with its need section it could be done without citizen participation or HUD review. An alternate suggestion was to consider an increase or decrease in the original allocation mix over 35 percent as a substantial change.

Jurisdictions are free to determine and describe in the citizen participation plan what constitutes a "substantial amendment," upon which public comment is required. The suggestions offered by these commenters may be good options for defining when a change requires a "substantial amendment."

Section 91.510 Consistency Determinations

One commenter suggested that HUD clarify the meaning of this section by stating that it only applies to sources of funds that are *not* applied for through