§ 570.601 [Amended]

48. In § 570.601, paragraph (b) is amended by adding the following sentence to the end of the paragraph, to read as follows:

§ 570.601 Public Law 88–352 and Public Law 90–284; affirmatively furthering fair housing; Executive Order 11063.

* * * * *

(b) * * * For each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

§ 570.605 [Amended]

49. Section 570.605 is amended by removing the phrase, "final statement pursuant to § 570.302", and by adding, in its place, the phrase, "consolidated plan, in accordance with 24 CFR part 91"

§ 570.606 [Amended]

50. In § 570.606, paragraph (c)(3)(iv) is amended by removing the term "Comprehensive Housing Affordability Strategy", and adding in its place the term "consolidated plan".

§ 570.704 [Amended]

- 51. Section 570.704 is amended as follows:
- a. In paragraph (a)(1)(v), the phrase, "statements of community development objectives and projected use of funds prepared for its annual grant pursuant to § 570.301" is removed, and the phrase, "consolidated plan" is added in its place; and the phrase, "include in these statements", is removed and the phrase, "include in the consolidated plan", is added in its place.
- b. In paragraph (b) introductory text, the phrase "final statement" is removed and the phrase "consolidated plan" is added in its place.
- c. In paragraph (a)(2), the third and fourth sentences are revised to read as follows:

§ 570.704 Application requirements.

(a) * * *

(2) Citizen participation plan. * * *
The plan may be the citizen plan required for the consolidated plan, modified to include guaranteed loan funds. The public entity is not required to hold a separate public hearing for its

consolidated plan and for the guaranteed loan funds to obtain citizens' views on community development and housing needs. * * *

* * * * *

§ 570.901 [Amended]

52. Section 570.901 is amended by removing from paragraph (d) the phrase, "presubmission requirements at § 570.301, the amendment requirements at § 570.305", and adding in its place the phrase, "submission requirements of 24 CFR part 91".

53. In § 570.904, paragraph (c) is revised to read as follows:

§ 570.904 Equal Opportunity and Fair Housing Review Criteria.

* * * * *

(c) Fair housing review criteria. Section 570.601(b) sets forth the general requirements for the Fair Housing Act (42 U.S.C. 3601–3620) and the grantee's certification that it will affirmatively further fair housing.

§570.910 [Amended]

54. Section 570.910 is amended by removing from paragraph (b)(2)(iii) the phrase, "subpart D", and adding in its place the phrase, "24 CFR part 91".

PART 574—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

55. The authority citation for part 574 continues to read as follows:

Authority: 42 U.S.C. 3535(d) and 12901–

56. Section 574.2 is revised to read as follows:

§ 574.2 Overview.

(a) Available funds. The Department awards funds appropriated for any fiscal year for the program through a formula allocation and a competitive grant process. Ninety percent of funds appropriated for this program are distributed by formula entitlement. The remaining ten percent is awarded through the competitive process.

(b) Formula entitlements. The formula grants are awarded upon submission and approval of a consolidated plan, pursuant to 24 CFR part 91, that covers the assistance to be provided under this part. Certain States and cities that are the most populous unit of general local government in eligible metropolitan statistical areas will receive formula allocations based on their State or metropolitan population and proportionate number of cases of persons with AIDS. They will receive funds under this part (providing they

comply with 24 CFR part 91) for eligible activities that address the housing needs of persons with AIDS or related diseases and their families (see § 574.130(b)).

(c) Competitive grants. The competitive grants are awarded based on applications, as described in subpart C of this part, submitted in response to a Notice of Funds Availability published in the **Federal Register**. All States and units of general local government and nonprofit organizations are eligible to apply for competitive grants to fund projects of national significance. Only those States and units of general local government that do not qualify for formula allocations are eligible to apply for competitive grants to fund other projects.

57. In § 574.3, the definitions for "Eligible State" and "Qualifying city" are revised to read as follows:

§ 574.3 Definitions.

* * * * *

Eligible State means a State that has: (1) More than 1,500 cumulative cases of AIDS in those areas of the State outside of eligible metropolitan statistical areas that are eligible to be funded through a qualifying city; and

(2) A consolidated plan prepared, submitted, and approved in accordance with 24 CFR part 91 that covers the assistance to be provided under this part. (A State may carry out activities anywhere in the State, including within an EMSA.)

* * * * *

Qualifying city means a city that is the most populous unit of general local government in an eligible metropolitan statistical area (EMSA) and that has a consolidated plan prepared, submitted, and approved in accordance with 24 CFR part 91 that covers the assistance to be provided under this part.

58. In § 574.100, the existing text is designated as paragraph (a), and a new paragraph (b) is added, to read as follows:

§ 574.100 Eligible applicants.

* * * * *

(b) HUD will notify eligible States and qualifying cities of their formula eligibility and allocation amounts and EMSA service areas annually.

59. Section 574.120 is revised to read as follows:

§ 574.120 Responsibility of applicant to serve EMSA.

The EMSA's applicant shall serve eligible persons who live anywhere within the EMSA, except that housing assistance shall be provided only in localities within the EMSA that have a