GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 27, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR Section 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on May 12, 1995. Refunding bonds have been priced to an average yield of 5.94%. The tax-exempt refunding bond issue of \$3,055,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 9.4% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 9.5% to 6.375%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for lowincome families after subsidies expire, a priority HUD objective.

¹8. ŘEGULATĬON: 24 CFR 811.107(a)(2), 811.107(b), 811.108(a), 811.108(a)(1), 811.108(a)(3), 811.114(b)(3), 811.114(d), and 811.115(b).

PROJECT/ACTIVITY: The Ohio Capital Corporation for Housing refunding of bonds which financed two Section 8 assisted projects, Harrisburg Station Project FHA No. 043–35267 and Murray Commons Project, FHA No. 043–35258.

NATURE OF REQUIREMENT: The Regulations set conditions under which HUD may grant a Section 11(b) letter of exemption of multifamily housing revenue bonds from Federal income taxation and authorize call of debentures prior to maturity.

GRANTED BY: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

DATE GRANTED: June 29, 1995.

REASONS WAIVED: The Part 811 regulations cited above were intended for original bond financing transactions and do not fit the terms of refunding transactions. To credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD also agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on June 27, 1995. Refunding bonds have been priced to an average yield of 6.07%. The tax-exempt refunding bond issue of \$3,350,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons of 10.4% at the call date in 1995 with tax-exempt bonds at a substantially lower interest rate. The refunding will also substantially reduce the FHA mortgage interest rates at expiration of

the HAP contract, from 10.72% to 6.4%, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues, (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for lowincome families after subsidies expire, a priority HUD objective.

Note to Reader: The person to be contacted for additional information about these waiver-grant items in this listing is:

Debbie Ann Wills, Field Management Officer, U.S. Department of Housing & Urban Development, Office of Community Planning and Development, 451 7th Street, S.W., Washington, D.C. 20410–7000, Telephone: (202) 708–2565.

19. REGULATION: 24 CFR 92.2. PROJECT/ACTIVITY: The City and County of Honolulu, Hawaii requested a waiver of the definition of commitment of HOME program funds to recognize, for one time only, the reservation of \$1.2 million for the purchase of rental housing.

NATURE OF REQUIREMENT: The HOME regulation at 92.2 defines commitment as the jurisdiction having entered into a legally binding agreement with a recipient to use a specific amount of HOME funds to produce affordable housing.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 26, 1995. REASONS WAIVED: The application of section 92.2 of the HOME regulations would create an undue hardship for the low income plantation workers who would have to vacate their housing and thus adversely effect the purposes of the Act.

20. REGULATION: 24 CFR 92.2. PROJECT/ACTIVITY: The City Los Angeles, California requested a waiver of the HOME program regulation that requires a community development housing organization (CHDO) to have a tax exempt ruling from the IRS. The waiver was requested for a specific non-profit organization and it will allow the City to meet the requirement that 15 percent of its FY 1992 HOME funds be reserved for CHDOs within 24 months after being awarded.

NATURE OF REQUIREMENT: One of the HOME definitions at 92.2 defines of a community development housing organization (CHDO) as an organization that has a tax exempt ruling from the IRS.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995. REASONS WAIVED: It was determined that the application for tax exempt status was either not processed by the IRS or lost in transit. It was determined that there was good cause not to take away the HOME funds

unless the organization did not receive tax exempt status by June of 1996. 21. REGULATION: 24 CFR 92.220(a)(6)(ii).

PROJECT/ACTIVITY: The State of Indiana Housing Finance Authority requested a waiver of the HOME program regulations at 24 CFR 92.220(a)(6)(ii) to allow as eligible forms of matching contribution certain project specific legal, architectural and engineering fees that are waived or foregone.

ŇATURĚ OF REQUIREMENT: The HŎME regulation at 92.220 (a)(6) provides the basis for allowing project-specific legal, architectural and engineering labor costs that are waived or foregone to be counted as match. However, Section 92.220(a)(6)(ii) requires that the fees be the same as the single rate published annually in the Federal Register.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: April 8, 1995. REASONS WAIVED: The application of section 92.220(a)(6)(ii) of the HOME regulations would create an undue hardship for the State by limiting its ability to participate in the HOME program.

22. REGULATION: 24 CFR 92.222(b). PROJECT/ACTIVITY: The City of St. Louis, Missouri requested that the match reduction made because the area was declared a natural disaster area be extended for Fiscal 1995.

NATURE OF REQUIREMENT: Under the HOME Program, each participating jurisdiction must match its allocation of HOME Program funds. Jurisdictions designated federal "natural disaster areas" are given relief from the match requirements for one year.

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995. REASONS WAIVED: To relieve the jurisdiction of coming up with matching funds that would delay the use of HOME funds in an emergency situation.

23. REGULATION: 24 CFR 92.252(a)(2)(i). PROJECT/ACTIVITY: The State of Arizona, on behalf of a State HOME recipient Nogales Arizona, requested a waiver of the HOME program regulations at 24 CFR 92.252(a)(2)(i) to permit Section 202 project rents, which exceed the low HOME rents to prevail for the project.

NATURE OF REQUIREMENT: The regulations at 24 CFR 92.252(a)(2)(i) state, "to obtain the maximum monthly rent that may be charged for a unit that is subject to this limitation, the owner or participating jurisdiction multiplies the annual adjusted income of the tenant family by 30 percent and divides by 12, and if applicable, subtracts a monthly allowance for any utilities and services to be paid by the tenant."

GRANTED BY: Andrew Cuomo, Assistant Secretary for Community Planning & Development.

DATE GRANTED: May 8, 1995. REASONS WAIVED: The application of section 92.252(a)(2)(i) of the HOME regulations for the section 202 project would create an undue hardship for the City because an elderly project would not be developed in the jurisdiction, and thus adversely affect the purposes of the Housing and Community Development Act.

24. REGULATION: 24 CFR 92.254(a)(4)(ii). PROJECT/ACTIVITY: State of California, Napa County requested a waiver of 24 CFR 92.254(a)(4)(ii) which limits the value of homes purchased using HOME funds.