

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

**Office of the Assistant Secretary for
Community Planning and
Development**

24 CFR Part 585

[Docket No. R-95-1675; FR-3450-F-02]

RIN 2506-AB52

**Opportunities for Youth: Youthbuild
Program**

AGENCY: Office of the Assistant
Secretary for Community Planning and
Development, HUD.

ACTION: Final rule.

SUMMARY: This is the final rule for the Youthbuild Program. The Youthbuild Program provides funding assistance for a wide range of multi-disciplinary activities and services to assist economically disadvantaged young adults. The opportunities are designed to help disadvantaged young adults who have dropped out of high school to obtain the education and employment skills necessary to achieve economic self-sufficiency and develop leadership skills and a commitment to community development in low-income communities. Implementation grant funds can be used to fund eligible educational and supportive services and activities composed of basic skills instruction and remedial education, employment skills and leadership development, and counseling, referral and support services. Planning grant funds can be used to develop a Youthbuild program that includes the activities of an implementation grant.

Another important objective of the Youthbuild program is to expand the supply of permanent affordable housing for homeless persons and members of low- and very low-income families. By giving disadvantaged young adults participating in the program meaningful on-site training experiences constructing or rehabilitating housing as a community service, they are helping to meet the housing needs of homeless and low-income families in their community.

EFFECTIVE DATE: March 23, 1995.

FOR FURTHER INFORMATION CONTACT: The Office of Economic Development, Department of Housing and Urban Development, Room 7136, 451 Seventh Street, SW, Washington, DC 20410. Telephone (202) 708-2035; TDD (202) 708-1455. (These telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION:

I. Information Collection Requirements

The information collection requirements contained in this rule have been approved under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520) by the Office of Management and Budget (OMB) and have been assigned OMB control number 2506-0142; expiration date August 31, 1996.

II. Background

Section 164 of the Housing and Community Development Act of 1992 (Pub.L. 102-550) authorized the Youthbuild program under subtitle D of title IV of the National Affordable Housing Act (42 U.S.C. 8011). On September 23, 1993, the Department published a proposed rule (58 FR 49830) and a Notice of Funds Availability (NOFA) (58 FR 49849) for this program.

The Department is now publishing the final rule to be effective 30 days from the date of publication. This final rule does not contain the detailed selection criteria and application processing steps contained in the NOFA for Fiscal Year 1993. Information appropriate for a specific funding competition will now be contained in the NOFA published for the current competition and will not be part of the final rule. The final rule published here is presented in its entirety to reflect the addition of section numbers and all modifications made as a result of public comments and as a result of the Department's experience in running the first competition for Youthbuild grant fund.

**III. Discussion of Public Comments on
Proposed Rule**

The Department received public comments from seven organizations (one state agency, one local government agency, two housing authorities and three nonprofit organizations) in response to the proposed rule published on September 23, 1993, at 58 FR 49830. The following discussion summarizes the comments and provides HUD's responses to those comments.

Comment: Participant eligibility should be extended to include juvenile offenders held in custody at state-operated training facilities. These juveniles meet the qualifications of economically disadvantaged young adults who have dropped out of high school and are in need of assistance to obtain education and employment skills. [one state agency]

Response: Such juvenile offenders would be eligible for a Youthbuild

program without any changes to the regulations.

Comment: The paragraph entitled "Lease" included in the provisions on tenant protections under "Project-related restrictions applicable to Youthbuild residential rental housing" [§ 585.309 (b)(1)] calls for a model lease to become an addendum to the grant agreement, remaining in force for ten years. Housing authorities and other owners may have to make changes in lease provisions as required by HUD and state statutes. Provisions must be made to amend leases. [one housing authority]

Response: For grants covered by the requirements of section 585.309(b)(1), if the provisions of the model lease change, such changes will require approval by HUD. No change to the regulations is needed.

Comment: There is a conflict between § 585.309(b)(2) and 24 CFR 966.4(a)(1) and (3) relating to the rules to be followed by a Public Housing Authority for termination of tenancy. [one housing authority]

Response: The provisions of 24 CFR part 966 take precedence for public housing authorities.

Comment: Does the Youthbuild program require a justification of new construction through market and/or feasibility studies? [one nonprofit organization]

Response: No.

Comment: Is a mixed use project an eligible Youthbuild activity and, if so, are there specific criteria involved? [one nonprofit organization]

Response: Mixed-use projects are eligible as long as the Youthbuild dollars are only used in conjunction with the housing and housing related facilities. See definition of "related facilities" in § 585.4.

Comment: Does the Youthbuild program require that one-third of the housing units assisted be accessible to handicapped people? [one nonprofit organization]

Response: Youthbuild applicants are required to certify that they will comply with the requirements of Section 504 of the Rehabilitation Act of 1973, which specifies the handicapped accessibility standards for housing created with Federal funds.

Comment: Several sources questioned HUD's use of 10 years to define "the remaining useful life" of a Youthbuild assisted property. One commenter thought that 10 years was too long and two thought it was too short. [one housing authority and two nonprofit organizations.]

Response: HUD considered a longer period, but found that a 10-year period