

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5089-N-03]

### Additional Waivers Granted to and Alternative Requirements for the State of Louisiana Under Public Laws 109-148 and 109-234

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Notice of waivers and alternative requirements.

**SUMMARY:** As described in the **SUPPLEMENTARY INFORMATION** section of this Notice, HUD is authorized by statute to waive statutory and regulatory requirements and specify alternative requirements for this grant, upon the request of the state grantee. This Notice describes the additional waivers for the disaster recovery grants made to the state of Louisiana under the subject appropriations acts.

**DATES:** *Effective Date:* March 12, 2007.

**FOR FURTHER INFORMATION CONTACT:** Clifford Taffet, Acting Director, Disaster Recovery and Special Issues Division, Office of Block Grant Assistance, Department of Housing and Urban Development, Room 7286, 451 Seventh Street, SW., Washington, DC 20410, telephone number (202) 708-2684. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339. FAX inquiries may be sent to Mr. Taffet at (202) 708-1744. (Except for the "800" number, these telephone numbers are not toll-free.)

#### **SUPPLEMENTARY INFORMATION:**

##### **Authority To Grant Waivers**

The first federal fiscal year 2006 supplemental appropriation for the Community Development Block Grant (CDBG) program was the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Pub. L. 109-148, approved December 30, 2005). The second 2006 supplemental appropriation was Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Pub. L. 109-234, approved June 15, 2006) which appropriates \$5.2 billion in Community Development Block Grant funds for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure directly related to the consequences of the covered disasters. The 2006 Acts authorize the Secretary to waive, or

specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or use by the recipient of these funds and guarantees, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a request by the State and a finding by the Secretary that such a waiver would not be inconsistent with the overall purpose of the statute. The following waivers and alternative requirements for funds provided under either 2006 Act are in response to requests from the State of Louisiana. A waiver or alternative requirement will apply to assistance provided under either Act unless otherwise specified in this Notice.

The Secretary finds that the following waivers and alternative requirements, as described below, are not inconsistent with the overall purpose of Title I of the Housing and Community Development Act of 1974, as amended, or the Cranston-Gonzalez National Affordable Housing Act, as amended.

Under the requirements of the Department of Housing and Urban Development Act, as amended (42 U.S.C. 3535(q)), regulatory waivers must be published in the **Federal Register**.

Except as described in this and other notices applicable to this grant, statutory and regulatory provisions governing the Community Development Block Grant program for states, including those at 24 CFR part 570, shall apply to the use of these funds. In accordance with the appropriations acts, HUD will reconsider every waiver in this Notice on the two-year anniversary of the day this Notice is published.

##### **Waiver Justification**

In general, waivers already granted to the state of Louisiana and alternative requirements already specified for CDBG disaster recovery grant funds provided under Public Law 109-148 and Public Law 109-234 apply. The notices in which these prior waivers and alternative requirements applicable to Louisiana appear are 71 FR 7666, published February 13, 2006; 71 FR 34451, published June 14, 2006; and 71 FR 63337, published October 30, 2006.

The provisions of this Notice do not apply to funds provided under the regular CDBG program. The provisions provide additional flexibility in program design and implementation and implement statutory requirements unique to these appropriations.

*Eligibility—buildings for the general conduct of government.* The state requested additional flexibility in the previously granted alternative

requirement that permitted funding the cost share for the FEMA Public Assistance or Hazard Mitigation Grant Program when disaster recovery CDBG funds assist buildings for the general conduct of government. The requested change will allow the state to fund more than just the amount of the FEMA cost share for a project in this activity category. The change will also permit use of grant funds for allowable rehabilitation, construction, or reconstruction costs in otherwise FEMA eligible projects when these costs are ineligible for FEMA assistance, such as the costs to assist rehabilitation or reconstruction of qualifying buildings that were underinsured or uninsured, and to allow funding to bring a selected building up to code or to allow it to receive a certificate of occupancy and be put into service. HUD considered the state's request and agreed that it is consistent with the overall purposes of the 1974 Act for the state to be allowed to use the grant funds under this notice to fund critical projects involving repair of buildings for the general conduct of government that the state has selected in accordance with the method described in its HUD-approved Action Plan for Disaster Recovery and that the state has determined have substantial value in promoting disaster recovery, even if the funding provided under this notice assists some costs that do not qualify as cost share for the FEMA Public Assistance or Mitigation programs.

*Eligibility—Research Commercialization and Educational Enhancement.* According to the state's proposed Action Plan amendment, the Research Commercialization and Educational Enhancement (RCCE) Program is "intended to restore the economic impact of scientific and technology research facilities within higher education institutions in the most severely affected areas." Activities under this program may include, but are not limited to, stipends for students, related training, purchase of critical equipment, stipends for research professionals, and development of a master strategic plan for meeting the program's intent.

Normally, HUD provides funds to a research institution or a university either to increase its capacity to carry out a CDBG activity such as rehabilitation of housing, to carry out specific research, or to provide training. By contrast, the RCCE program is directed at stabilizing and increasing research and education sector employment and functions themselves. The state has stated that this sector was a significant regional job generator before the covered disasters, that

Hurricane Katrina and its aftermath critically damaged many aspects of the research sector, and that the RCEE program is a critical component of the state's long-term economic recovery.

To accomplish its stated intention, the State is funding strategic planning followed by a pilot assistance program for research institutions located in the most impacted areas. At HUD's request, the state has agreed that this planning process will identify critical performance measures for this program so that all parties involved can assess the usefulness of the RCEE model as part of overall disaster recovery.

The RCEE program design does not break down neatly into CDBG eligibility categories. Portions of the RCEE program are eligible CDBG activities, such as training (public services) and strategic planning. Other portions, especially the stipends and other direct support for retaining key faculty researchers, are outside the usual CDBG realm, although modeled on other government research and endowment grant programs. Program staff will be coordinating the various types of assistance into a coherent whole, moving between supporting eligible and currently ineligible activities.

To avoid bureaucratic hair-splitting that does not advance long-term disaster recovery or protect against fraud, waste, or abuse of funds, HUD is providing a waiver and alternative requirement to create the eligible activity called Louisiana Research Commercialization and Educational Enhancement to include all activities carried out in accordance with the RCEE program described in the HUD-approved Action Plan, beginning with the amendment introducing this program, approved January 3, 2007. (The allowable cost provisions of applicable OMB Circulars still apply, as do statutory prohibitions on duplications of benefit with other forms of assistance, such as Federal programs.)

*Documentation of low- and moderate-income household benefit for multi-unit housing projects.* Rehabilitation and reconstruction of housing is an eligible CDBG activity. HUD has already granted the state an eligibility waiver to allow new construction of housing. Now the state has requested a related waiver to allow it to fund multi-unit projects and to measure benefit to low- and moderate-income households in such projects in a manner more supportive of mixed income housing than the structure basis required by 24 CFR 570.483(b)(3). (Under the cited regulation, the general rule is that at least 51 percent of the residents of an

assisted structure must be income eligible.)

HUD has reviewed other housing assistance programs that measure benefit differently: By the housing unit. Under the unit approach, one or more of the units in a structure must house income-eligible families, but the remainder of the units may be market rate, so long as the proportion of assistance provided compared to the overall project budget is no more than the proportion of units that will be occupied by income-eligible households compared to the number of units in the overall project. In other words, the rule under the structure approach is that a dollar of CDBG assistance to a structure means that 51 percent of the units must meet income requirements. Under the proportional units approach, the number of income-eligible units is proportional to the amount of assistance provided. Based on HUD experience, the second approach is generally more compatible with large-scale development of mixed-income housing.

There is HUD precedent for using the proportional unit basis in two programs familiar to the state: (1) The CDBG program rule has a built-in exception that allows limited use of the unit basis for multi-unit non-elderly new construction structures with between 20 and 50 percent low- and moderate-income occupancy, and (2) the HOME Investment Partnerships program, HUD's primary housing production program, successfully uses its own variation on the proportional unit approach. After review of the state's Action Plan for Disaster Recovery and learning more about the state's intention to encourage mixed-income housing development, HUD has determined that it is consistent with the overall purposes of the 1974 Act to provide the state the requested additional flexibility in measuring program benefit.

Therefore, the waiver and alternative requirements allow the state a choice. The state may measure benefit within a housing development project (1) according to the existing CDBG requirements, (2) according to the HOME program requirements at 24 CFR 92.205(d) or (3) according to the modified CDBG alternative requirements specified in this notice, which extend the CDBG exception noted above. The state must select and use just one method for each project.

For these purposes, the term "project" will have the same meaning as in the HOME program at 24 CFR 92.2. Unlike the HOME program, the CDBG program does not regulate the maximum amount of assistance per unit, require unit and income reviews in the years following

initial occupancy, require a specific form of subsidy layering review, or define affordability. The state is reminded, however, that CDBG does require that costs be necessary and reasonable and that the state must develop procedures and documentation to ensure that its housing investments meet this requirement. The state must also meet all civil rights and fair housing requirements.

*Eligibility—Operating Subsidy for Affordable Rental Housing.* The State requested a waiver to allow a Project-Based Rental Subsidy (PBRA) and assistance to establish operating reserves to encourage developers to rebuild rental and mixed-income housing in the areas that suffered the greatest disaster impact. The subsidy funding, which is "Piggyback" funding generally designed to be linked to the use of housing tax credits or funding under another of the rental programs delineated in the State's HUD approved Action Plan for Disaster Recovery, targets housing for low-income and very-low-income families and is limited in amount to the difference between the rents that a project is projected to need to sustain itself, and a specified lower level that can be reasonably afforded by the tenants. With its affordable rental programs, the State proposes to address specific barriers unique to the affordable rental programs outlined by the State's Action Plan (see The Road Home Housing Programs described in the State's Action Plan for Disaster Recovery) such as the lack of affordability in the most heavily damaged areas, the lack of permanent financing for mixed-income rentals, and the need for more risk-tolerant pre-development capital.

In its Road Home programs, the State has set a high priority on deep affordability for some rental units and on placing these units within mixed-income communities wherever feasible. The state has included new scoring factors in the Piggyback tax credit selection process that reflect these priorities and that emphasize long-term viability and reduce operating costs. According to the state, the biggest remaining challenge in providing rental units affordable to very low-income households is the difference between what tenants can afford to pay and the projected cost of operating the units.

The state has researched existing housing models, and concluded that the Piggyback model and the small rental and homeless programs described in the Road Home are needed to ensure production of affordable units. The state believes it has a critical need for income-targeted rental housing

production programs. Although the state has made financing available for rental housing construction, it believes that it will need also to provide operating subsidy options for some projects to ensure they are affordable to very low-income households.

HUD agrees that keeping housing affordable to very low-income households over time may require additional operating subsidy after construction is complete. To allow the state flexible options, HUD will allow CDBG assistance for subsidizing operating costs using PBRA and funding initial operating reserves in the context of the Road Home rental programs as described in the Action Plan. The Department encourages the State to avoid using CDBG for operating subsidies if other financing is available or if the project can reasonably be structured to achieve and maintain its target affordability without the operating subsidy.

HUD recommends that the State establish written requirements for income eligibility, maximum rents, utility allowances, structure quality, and affirmative marketing of projects. HUD also recommends that inflation adjustments set by the State generally not exceed the Section 8 allowable adjustments.

HUD recommends that, in implementing PBRA funding, the State acquire and maintain the expertise equivalent to the role of a tax credit administrator whose responsibilities will include, but not be limited to, making PBRA payments to procured developers and compliance control of eligibility determinations. Due to the distinctive and potentially high-risk nature of this eligibility waiver, HUD recommends that such expertise be maintained throughout the life of the program to ensure the prevention of fraud, abuse of funds, and duplication of benefits. HUD reminds the state of the regulatory requirement for annual financial audits of its programs, and of the **Federal Register** Notice 71 FR 7666 and 71 FR 73337 requirements that its entire program be under the purview of an internal auditor.

*Eligibility—Homeless Prevention and Rapid Rehousing.* The State has requested an eligibility waiver to allow it to implement a Homeless Prevention and Rapid Rehousing Program using funds designated for homeless activities in its Action Plan. The principle of this program model is to minimize the time a family is homeless by providing rehousing assistance, rental assistance, and linking the family to services designed to help it become stable and self-sufficient. The State's request notes

that it has modeled its program on the rapid rehousing program approach that the National Alliance to End Homelessness has endorsed as a national best practice. The State also notes that as a consequence of Hurricanes Katrina and Rita: "Thousands of families today are doubled up with family and friends, facing eviction, in temporary housing conditions affordable only with time limited FEMA rental assistance, or living in FEMA trailer villages—unsure what they are going to do when assistance runs out."

The State needs an eligibility waiver for the rental assistance and utility payments that are paid for up to two years on behalf of homeless and at-risk households. The proposed program also includes rental and utility deposits and back payments for housing when the State determines that such payments are necessary to help prevent a family from becoming homeless. To the extent the existing CDBG program rules explicitly allow payments for these purposes, the program establishes a shorter time limitation (three months) and generally discourages or disallows back payments.

The State's proposed program will measurably advance the Department's priority on supporting forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness because of the effects of Hurricanes Katrina and Rita. Therefore, this Notice grants the eligibility waiver as requested.

*Documentation of low- and moderate-income benefit and public benefit for certain economic development activities.* For some of its economic development programs, the state has requested one waiver to allow it to provide alternate documentation of low- and moderate-income benefit, and another waiver to extend the public benefit standard waiver granted in **Federal Register** Notice 71 FR 7666 for the Bridge Loan Program to the economic development activities from Action Plan Amendments 2 and 8 and to FEMA public assistance cost share infrastructure projects carried out for the purpose of creating or retaining jobs.

For the national objective documentation for the business assistance activities, the state has asked to be able to apply individual salaries or wages per job and the income limits for a household of one, rather than the usual CDBG standard of total household income and the limits by total household size. The state asserts that its proposed documentation will be simpler and quicker for its participating lenders to administer, easier to verify,

and will not misrepresent the amount of low- and moderate-income benefit provided.

Further, for the Bridge Loan Program and for infrastructure projects carried out to create or retain jobs or businesses, the state argues for this approach because it considers these critical recovery activities that need the most streamlined approach to documentation that is consistent with prudent management. On review and following several discussions with state staff, HUD accepts the state's arguments for the activities and programs cited above, and is granting the waiver as requested.

HUD is granting this waiver because of the magnitude of the disaster. However, because the validity of this approach has not been verified systematically, HUD may not grant similar waivers in the future.

The public benefit provisions set standards for individual economic development activities (such as a single loan to a business) and for economic development activities in the annual aggregate. Currently, public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low- and moderate-income person to which goods or services are provided by the activity. Essentially, the public benefit standards are a proxy for all the other possible public benefits provided by an assisted activity. These dollar thresholds were set more than a decade ago and under disaster recovery conditions (which often require a larger investment to achieve a given result), can be too low and thus impede recovery by limiting the amount of assistance the grantee may provide to a critical activity. The State has made public in its Action Plan the disaster recovery needs each activity is addressing and the public benefits expected.

After consideration, this Notice waives the public benefit standards for the cited activities, except that the State shall report and maintain documentation on the creation and retention of (a) total jobs, (b) number of jobs within certain salary ranges, (c) the average amount of assistance per job and activity or program, and (c) the types of jobs. As a conforming change for the same activities or programs, HUD is also waiving paragraph (g) of 24 CFR 570.482 to the extent its provisions are related to public benefit.

*Voluntary acquisition under the Piggyback Program.* In connection with the State's Low Income Housing Tax Credit Piggyback Program, various developers obtained options for the acquisition of specific properties to

create mixed income rental housing and workforce housing projects to replace rental housing lost during the hurricanes. The options were obtained on a voluntary basis by developers without the use or threat of eminent domain and prior to the availability of federal funding. However, since these projects will now be receiving CDBG disaster funding assistance, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 *et seq.*) (the URA) will apply where the property acquisition has not been completed. The state has requested a waiver related to acquisition requirements under the URA for specific projects with existing options. The state has asked that HUD permit the waivers to help complete the acquisition of property and promote the replacement of housing in a timely and efficient manner. The state believes that these waivers will have little impact on those persons who voluntarily entered into these option agreements prior to the availability of federal funding.

CDBG funds are federal financial assistance so their use in projects that involve acquisition of property for a federally assisted project, or that involve acquisition, demolition, or rehabilitation that force a person to move permanently, are subject to the URA and the government-wide implementing regulations found at 49 CFR part 24. The URA provides assistance and protections to individuals and businesses affected by federal or federally assisted projects. HUD is waiving the following URA requirements to help promote accessibility to suitable decent, safe, and sanitary housing for victims of Hurricanes Katrina and Rita:

The acquisition requirements of the URA and implementing regulations so that they do not apply to an arm's length voluntary purchase carried out by a person that does not have the power of eminent domain, in connection with the purchase of properties for the projects listed in the waiver below. According to the state, the failure to suspend these requirements would impede disaster recovery. This waiver would not affect any lawful occupants of the affected projects, in terms of relocation assistance and payments, and would only waive certain transaction-related requirements vis a vis the project owners.

#### **Applicable Rules, Statutes, Waivers, and Alternative Requirements**

1. *General note.* Except as described in this Notice, the statutory, regulatory, and notice provisions that shall apply to the use of these funds are:

a. those governing the funds appropriated under Public Law 109–148

and Public Law 109–234 and already published in the **Federal Register**, including those in Notices 71 FR 7666, published February 13, 2006; 71 FR 34451, published June 14, 2006; and 71 FR 63337, published October 30, 2006.

b. those governing the Community Development Block Grant program for states, including those at 42 U.S.C. 5301 *et seq.* and 24 CFR part 570.

2. *Buildings for the general conduct of government.* Waiver 11 of notice 71 FR 34451 is replaced with the following: 42 U.S.C. 5305(a) and 24 CFR 507.207(a)(1) are waived to the extent necessary to allow the state to use the grant funds under this notice to fund the rehabilitation or reconstruction of public buildings that are otherwise ineligible and that the state selects in accordance with its approved Action Plan for Disaster Recovery and that the State has determined have substantial value in promoting disaster recovery.

3. *Eligibility—Louisiana Research Commercialization and Educational Enhancement program (RCEE).* Activities carried out in accordance with the HUD approved Action Plan for the RCEE program approved January 3, 2007, are eligible.

4. *Documentation of low- and moderate-income benefit for multi-unit housing projects.* HUD will consider assistance for a multi-unit housing project involving new construction, acquisition, reconstruction, or rehabilitation to benefit low- and moderate-income households in the following circumstances:

(a)(i) The CDBG assistance defrays the development costs of a housing project providing eligible permanent residential units that, upon completion, will be occupied by low- and moderate-income households; and

(ii) if the project is rental, the units occupied by low and moderate income households will be leased at affordable rents. The grantee or unit of general local government shall adopt and make public its standards for determining “affordable rents” for this purpose; and

(iii) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low- and moderate-income households; or

(b) When CDBG funds defray the development costs of eligible permanent residential units, such funds shall be considered to benefit low and moderate income persons if the grantee follows the provisions of 24 CFR 92.205(d); or

(c) The requirements of 24 CFR 570.483(b)(3) are met.

(d) The state must select and use just one method for each project.

(e) The term “project” will be defined as in the HOME program at 24 CFR 92.2.

(f) If the state applies option (a) or (b) above to a housing project, 24 CFR 570.483(b)(3) is waived for that project.

5. *Waiver to permit operating subsidies for affordable rental housing.* 42 U.S.C. 5305(a) is waived to the extent necessary to make eligible the Road Home project-based rental assistance program included in the state's HUD-approved Action Plan for Disaster Recovery provided that the assisted activities are designed to ensure that CDBG funds will be invested only to the extent of reasonably anticipated need. Also in conjunction with the Road Home rental program, the grantee may provide assistance to establish an initial operating reserve account for a project receiving other Road Home assistance.

6. *National objective documentation for certain economic development activities.* 24 CFR 570.483(b)(4)(i) is waived to allow the grantee to establish low- and moderate-income jobs benefit by documenting for each person employed the name of the business, type of job, and the annual wages or salary of the job. HUD will consider the person income-qualified if the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family.

7. *Eligibility of certain activities to support homeless prevention and rapid rehousing programs.* 42 U.S.C. 5305(a) is waived to the extent necessary to make eligible rental assistance and utility payments paid for up to two years on behalf of homeless and at-risk households when such assistance or payments are part of a homeless prevention or rapid rehousing program. Eligible assistance in these programs may also include rental and utility deposits and back payments for housing when the State determines that such payments are necessary to help prevent a family from being homeless.

8. *Public benefit standards for economic development activities.* For economic development activities designed to create or retain jobs or businesses (including but not limited to BRIDGE, Short term, Long term, infrastructure projects), the public benefit standards at 42 U.S.C. 5305(e)(3) and 24 CFR 570.482(f)(1), (2), (3), (4)(i), (5), and (6) are waived, except that the grantee shall report and maintain documentation on the creation and retention of (a) total jobs, (b) number of jobs within certain salary ranges, (c) average amount of assistance provided per job by activity or program, and (c) types of jobs. Paragraph (g) of 24 CFR 570.482 is also waived to the extent its provisions are related to public benefit.

9. *Voluntary acquisition under the Piggyback program.* The requirements at 49 CFR 24.101(b)(2)(i)–(ii) are waived to the extent that they apply to an existing option for the arm’s length voluntary purchase carried out by a person that does not have the power of eminent domain, in connection with the purchase of property for the projects listed below, so long as the initial option pre-dates December 22, 2006.

LHFA project ID	Project name	Parish	Est. total units
0708FA37	The Meadows	Calcasieu	180
0708FA43	Renoir Acres Estates II	Calcasieu	60
0708FA44	Monet Acres Estates II	Calcasieu	60
0708FA48	Sulphur Retirement Community	Calcasieu	60
0708FA52	Grand Lake Elderly	Cameron	30
0708FA01	Timberlane Apartments	Jefferson	164
0708FA22	Beechgrove Homes	Jefferson	100
0708FA28	Wellswood Manor	Jefferson	84
08FA49	Oak Villa	Jefferson	80
0708FA30	Lafitte Redevelopment	Orleans	568
0708FA26	St Bernard I	Orleans	465
0708FA24	BW Cooper I	Orleans	410
0708FA25	CJ Peete III	Orleans	410
0708FA42	Rivergarden CSII	Orleans	310
0708FA57	Canterbury House Apts-New Orleans East	Orleans	276
0708FA47	The Marquis Apartments	Orleans	250
0708FA08	The Villas at Lake Forest	Orleans	230
0708FA11	The Crescent Club	Orleans	226
0708FA41	Walnut Square Apartments	Orleans	209
0708FA13	200 Carondelet	Orleans	190
0708FA10	The Preserve	Orleans	183
0708FA38	Crescent Garden Homes	Orleans	143
0708FA36	Levey Gardens	Orleans	100
0708FA40	Nine 27	Orleans	76
0708FA09	Jefferson Davis Apartments	Orleans	72
0708FA61	Indiana Homes	Orleans	60
0708FA64	Orleans Place	Orleans	60
0708FA27	Classic Construction of New Orleans Venture II	Orleans	56
0708FA29	Constance Lofts	Orleans	47
0708FA23	Delta Oaks Homes	Orleans	40
0708FA63	Old Morrison Homes	Orleans	38
0708FA07	Lakeside Apartments	St. Tammany	250
0708FA06	Tiffany Apartments	Vermilion	250
Totals			5737

10. *Information collection approval note.* HUD has approval for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) under OMB control number 2506–0165, which expires August 31, 2007. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, nor is a person required to respond to, a collection of information unless the collection displays a valid control number.

**Catalog of Federal Domestic Assistance**

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice are as follows: 14.219; 14.228.

**Finding of No Significant Impact**

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The

FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Office of the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, SW., Washington, DC 20410–0500.

Dated: February 27, 2007.

**Pamela H. Patenaude,**

*Assistant Secretary for Community Planning and Development.*

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