

Public Housing Program Recovery Action Plan

Amendment 1 – Technical Modification 1

Background and Scope

The Mississippi Development Authority (MDA) submits this Technical Modification 1 to the final Public Housing Program Recovery Action Plan Amendment 1 that was approved by HUD on August 31, 2006. The MDA has determined that this change does not represent a major modification to the plan requiring formal submission to HUD. The nature, purpose, scope and beneficiaries of the Partial Action Plan remain the same subsequent to the modification. Additionally, this technical modification will not negatively impact potential beneficiaries who have already applied for assistance under this program.

The modification involves a clarification of when access to funding will be provided to applicants for predevelopment work that is conducted prior to construction. This modification enables the disbursement of funds for predevelopment activity, which is considered exempt from environmental clearance. This modification provides clarification for the disbursement of up to 15% of the total allocation to applicants for an already approved activity.

Program Purpose

This modification defines the distribution of funds from the approved \$100 million to public housing authorities for specific activities prior to the application of a specified project and completion of environmental review. This funding must be used to pay expenditures incurred for predevelopment activity, as defined by 24 CFR 58.34. These activities are considered exempt from environmental review. This modification does not increase the \$100 million already allocated in the approved action plan.

In an effort to expedite repair and reconstruction of public housing facilities, public housing authorities have made significant progress toward or have completed the planning and design work necessary before construction of facilities can begin. As a result, public housing authorities have incurred significant expenses related to the planning and design of their facilities. Recognizing this, MDA's distribution of a portion of the \$100 million for these expenditures will ease the burden that public housing authorities have or will incur.

The objectives, program eligibility and eligible cost sections of the Action Plan remain the same.

Therefore, the Partial Action Plan Amendment 1 Technical Modification 1 is to clarify when applicants may receive funds for predevelopment work. The funding level, objectives, program eligibility and eligible costs remain the same as defined in the Partial Action Plan Amendment 1.

Disbursement of Funds

Public Housing Authorities will complete an application, which includes a budget for the requested

predevelopment activity. A grant agreement will be completed for approved applications. This award will not exceed 15% of a Public Housing Authority's allocated amount. If the Public Housing Authority does not maintain, at a minimum, the number of affordable housing units offered prior to the storm, a pro-rata share of the predevelopment costs drawn must be repaid to MDA.

MDA will verify that predevelopment funds are disbursed in accordance with 24 CFR 58.34.