

Branch, FAA; or EASA; or Deutsche Aircraft GmbH's EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature."

(3) This AD does not adopt the "Remarks" section of EASA AD 2024-0051.

**(i) No Reporting or Return of Parts Requirement**

Although the service information referenced in EASA AD 2024-0051 specifies to submit certain information and send removed parts to the manufacturer, this AD does not include that requirement.

**(j) Additional AD Provisions**

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the International Validation Branch, mail it to the address identified in paragraph (k) of this AD. Information may be emailed to: [9-AVS-AIR-730-AMOC@faa.gov](mailto:9-AVS-AIR-730-AMOC@faa.gov). Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or EASA; or Deutsche Aircraft GmbH's EASA DOA. If approved by the DOA, the approval must include the DOA-authorized signature.

**(k) Additional Information**

For more information about this AD, contact Todd Thompson, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; telephone 206-231-3228; email [todd.thompson@faa.gov](mailto:todd.thompson@faa.gov).

**(l) Material Incorporated by Reference**

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2024-0051, dated February 23, 2024.

(ii) [Reserved]

(3) For EASA AD 2024-0051, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email [ADs@easa.europa.eu](mailto:ADs@easa.europa.eu); website [easa.europa.eu](http://easa.europa.eu). You may find this EASA AD on the EASA website [ad.easa.europa.eu](http://ad.easa.europa.eu).

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th Street, Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

(5) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit [www.archives.gov/federal-register/cfr/ibr-locationsoremailfr.inspection@nara.gov](http://www.archives.gov/federal-register/cfr/ibr-locationsoremailfr.inspection@nara.gov).

Issued on July 10, 2024.

**James D. Foltz,**

*Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.*

[FR Doc. 2024-15658 Filed 7-16-24; 8:45 am]

**BILLING CODE 4910-13-P**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**24 CFR Part 883**

[Docket No. FR-6378-P-01]

**RIN 2502-AJ68**

**Updated Terminology for State Housing Agency Housing Assistance Payments Contracts**

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (HUD).

**ACTION:** Proposed rule.

**SUMMARY:** The U.S. Department of Housing and Urban Development is proposing to revise HUD's regulations for Housing Assistance Payments contracts that were initially issued and administered by a State Housing Finance Agency. The proposed rule would clarify the meaning of the terms "HFA (Housing Finance Agency)" and "State Agency (Agency)" when HUD either assumes contract administration responsibilities or assigns the contract administration responsibilities to a Performance-Based Contract Administrator. The proposed rule would also clarify how reserve accounts may be transferred following assumption of contract administration duties by a new party. These regulatory changes would conform with longstanding HUD policy and practice.

**DATES:** Comments are due by September 16, 2024.

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposed rule. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *Electronic Submission of Comments.* Comments may be submitted electronically through the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the

commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the [www.regulations.gov](http://www.regulations.gov) website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that website to submit comments electronically.

2. *Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above.

*Public Inspection of Public Comments.* HUD will make all properly submitted comments and communications available for public inspection and copying during regular business hours at the above address. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the public comments by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>. Copies of all comments submitted are available for inspection and downloading at [www.regulations.gov](http://www.regulations.gov).

In accordance with 5 U.S.C. 553(b)(4), a summary of this proposed rule may be found at [www.regulations.gov](http://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** Jennifer Larson, Director, Office of Asset Management Portfolio Oversight, U.S. Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410, telephone number 202-402-3823 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:**

## I. Background

### A. Section 8 Project-Based Rental Assistance Program

The Section 8 Project-Based Rental Assistance (Section 8 PBRA) program was enacted as part of the Housing and Community Development Act of 1974,<sup>1</sup> which amended the United States Housing Act of 1937.<sup>2</sup> Under the Section 8 PBRA program, either HUD or a public housing agency (PHA) acting pursuant to an annual contributions contract (ACC) with HUD provides rental assistance payments via a Housing Assistance Payments (HAP) Contract to project owners who, in turn, rent units covered by the HAP Contract to families who meet program eligibility rules. Either HUD or a PHA acting pursuant to an ACC serves as the contract administrator, which is responsible for performing multiple functions, from maintaining a reserve for replacement account and a residual receipts account to processing annual rent adjustments and periodic contract renewals. Pursuant to the United States Housing Act of 1937 and HUD regulations, a Housing Finance Agency (HFA) meets the definition of a PHA and, as such, may serve as a Performance-Based Contract Administrator (PBCA).

### B. Regulatory and Operational History of the 24 CFR Part 883 Section 8 PBRA Program

On April 15, 1975, HUD published 24 CFR part 883, establishing policies and procedures under which HFAs could select proposals for funding under the Section 8 New Construction and Substantial Rehabilitation Programs.<sup>3</sup> Pursuant to 24 CFR part 883, HFAs provided permanent financing and assumed the risk of default and foreclosure on selected project proposals. In selecting a project for permanent financing, HFAs and project owners could enter into HAP Contracts with initial mortgage terms of up to 40 years,<sup>4</sup> with the HFA serving as the HAP Contract administrator. Significantly for purposes of this rulemaking, in January of 1980, HUD issued a new regulation under 24 CFR part 883 that introduced a limit on annual distributions of project surplus cash for some project owners, a requirement for such owners to establish a residual receipts account, and a requirement to maintain a reserve for replacement account to address

physical condition issues.<sup>5</sup> As HAP Contract administrators, the HFAs controlled the residual receipts and reserve for replacement accounts required by 24 CFR part 883.

In the 1990s, HAP Contracts between HFAs and project owners began to reach the end of the contracted term and expire. Where a HAP Contract expires and is not renewed, families eligible for Section 8 PBRA are at risk of displacement from their housing because there is no longer an agreement in place that allows project owners to receive Section 8 PBRA rental assistance for the applicable units. To authorize the renewal of expiring HAP Contracts, including HAP Contracts issued pursuant to 24 CFR part 883 (Part 883 HAP Contracts), Congress enacted the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA).<sup>6</sup> As implemented by HUD, MAHRA allows the issuance of HAP Contracts that incorporate and renew nearly all provisions of an expired, original HAP Contract. Relevant to the purposes of this proposed rule, the provisions incorporated into renewed Part 883 HAP Contracts include references to the terms “HFA” and “State Agency.”

Beginning in May of 1999, HUD began using PBCAs to streamline the renewal and administration of expiring HAP Contracts, including Part 883 HAP Contracts, by assigning administration and servicing tasks to PBCAs, which qualify as PHAs under the United States Housing Act of 1937 and act in accordance with an ACC that sets forth requirements and performance-based incentive standards. As Part 883 HAP Contracts expired, HUD began terminating ACCs with the HFAs of the expiring Part 883 HAP Contracts, with HUD then either taking over administration of the Part 883 HAP Contracts itself or assigning administration of the contracts to PBCAs. Relevant to the purpose of this proposed rule, references to the terms “HFA” and “State Agency” remained in both 24 CFR part 883 and the renewed Part 883 HAP Contracts that were now administered by either HUD or a PBCA.

As of the second quarter of 2023, there were approximately 2,690 Part 883 HAP Contracts in effect throughout the country. Of these contracts, the vast majority are now administered either by a PBCA or HUD, with only sixty-five (65) Part 883 HAP Contracts still being administered by an HFA. For the Part 883 HAP Contracts that were previously administered by an HFA but that are

now administered by a PBCA or HUD, the terms “HFA” and “State Agency” still appear in the Part 883 HAP Contracts, along with references to the same terms in 24 CFR part 883. The references to these terms in the contracts and part 883 create confusion because HUD or a PBCA now administers these Part 883 HAP Contracts rather than an HFA or State Agency. This confusion is especially problematic with regard to the administration of project owners’ restricted financial accounts (*i.e.*, the residual receipts and reserve for replacement accounts) because of unclear expectations regarding which entity must issue approvals to withdraw funds. HUD issues this proposed rule to eliminate this confusion.

### C. Residual Receipts and Reserve for Replacement Project Accounts

Both the residual receipts account and the reserve for replacement account are project accounts. The project owner must make deposits to the residual receipts account and the reserve for replacement accounts, consistent with HUD requirements, and must receive prior approval before withdrawing funds from either account. When a HAP Contract associated with the project is administered by an HFA, the project owner requests fund withdrawal approval from the HFA. Once an ACC between the HFA and HUD expires, HUD must review such fund withdrawal requests; therefore, the HFA must release the funds in the accounts upon the request of the project owner. The project owner, in turn, must ensure that the residual receipts and reserve for replacement accounts funds are placed in accounts that meet HUD requirements, after which time any fund withdrawals will be made only with HUD approval.

## II. Proposed Rule

Through this proposed rule, HUD proposes to amend the definitions of two terms defined in 24 CFR 883.302: “HFA (Housing Finance Agency)” and “State Agency (Agency).” HUD proposes that the definitions currently found in 24 CFR 883.302 for these terms will continue to apply while an ACC between HUD and an HFA is in effect. When an ACC between HUD and the HFA expires and is not renewed, HUD proposes that the definitions of the terms “HFA (Housing Finance Agency)” and “State Agency (Agency)” as currently provided in 24 CFR 883.302 would then be defined the same as “Contract Administrator” is defined at 24 CFR 880.201. This proposed change would eliminate the confusion that

<sup>1</sup> Public Law 93–383, 88 Stat. 633 (1974).

<sup>2</sup> 42 U.S.C. 1437f.

<sup>3</sup> 40 FR 16934.

<sup>4</sup> The terms “HFA” and “State Agency” appear in both part 883 and corresponding HAP Contracts.

<sup>5</sup> 45 FR 6889 (Jan. 30, 1980).

<sup>6</sup> 42 U.S.C. 1437f.

results when a renewed Part 883 HAP Contract is administered by HUD or a PBCA, rather than the former HFA. In addition to the proposed definition changes to 24 CFR 883.302, the proposed rule would make a conforming change to 24 CFR 883.701. The conforming change to § 883.701 would make clear that, for the purposes of 24 CFR part 883, subpart G, all references to “contract administrator” in 24 CFR part 880, subpart F, shall be construed to refer to “Agency” only while the ACC between the State Agency and HUD is in effect.

HUD also proposes to amend 24 CFR 883.306 and add a new § 883.702 to make clear that project owners are required to request the withdrawal of funds from residual receipts and reserve for replacement accounts administered by HFAs when the ACC between HUD and the HFA is terminated or expires.

As described, these proposed changes would clarify that when HUD assumes or assigns HAP Contract administration duties following the expiration of the HFA ACC, the new contract administrator, either HUD or a PBCA, is responsible for the administration duties under the HAP Contract. These HAP Contract administration duties include overseeing restricted project accounts and allowing disbursements from restricted project accounts in accordance with HAP Contract requirements. For example, if a project owner has made deposits into a reserve for replacement account and the HAP Contract requires that the HFA must authorize disbursements from that account, these proposed changes would provide clarity to the project owner that the HAP Contract administrator must authorize such disbursements.

### III. Findings and Certifications

#### *Regulatory Review—Executive Orders 12866, 13563, and 14094*

Pursuant to Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the order. Executive Order 13563 (Improving Regulations and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The order also directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive

Order 13563 further directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. Executive Order 14094 (Modernizing Regulatory Review) amends section 3(f) of Executive Order 12866, among other things.

This proposed rule would clarify that HUD or a PBCA may assume the HAP Contract administrator responsibilities when the ACC between HUD and an HFA expires. The rulemaking would also clarify how residual receipts and reserve for replacement accounts may be transferred following assumption of contract administration duties by a new party. These regulatory changes would conform with longstanding HUD policy and practice. This rulemaking was determined not to be a “significant regulatory action” as defined in section 3(f) of Executive Order 12866 as amended by Executive Order 14094 and is not an economically significant regulatory action and therefore was not subject to OMB review.

#### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments, and on the private sector. This proposed rule would not impose any Federal mandates on any State, local, or Tribal government, or on the private sector, within the meaning of the UMRA.

#### *Environmental 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(2)(C)). The FONSI is available through the Federal eRulemaking Portal at <http://www.regulations.gov>. The FONSI is also available for public inspection during regular business hours in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, you must schedule an appointment in advance to review the FONSI by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). HUD welcomes and is prepared to receive

calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. As discussed above, the changes proposed in this rule are limited to clarifying that HUD or a PBCA may assume the HAP Contract administrator responsibilities when the ACC between HUD or an HFA expires. The rulemaking would also clarify how residual receipts and reserve for replacement accounts may be transferred following assumption of contract administration duties by a new party. These regulatory changes would conform with longstanding HUD policy and practice.

Accordingly, the undersigned certifies that the proposed rule will not have a significant economic impact on a substantial number of small entities. Notwithstanding HUD’s determination that this rulemaking will not have a significant impact on a substantial number of small entities, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD’s objectives as described in the preamble to this proposed rule.

#### *Executive Order 13132, Federalism*

Executive Order 13132 (entitled “Federalism”) prohibits an agency from publishing any rule that has federalism implications if the rule either: (1) imposes substantial direct compliance costs on State and local governments and is not required by statute, or (2) the rule preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This proposed rule would not have federalism implications and would not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

#### **List of Subjects in 24 CFR Part 883**

Accounting, Administrative practice and procedure, Government contracts, Grant programs—housing and

community development, Low and moderate income housing, Public assistance programs, Public housing, Rent subsidies, Reporting and recordkeeping requirements, State and local governments.

For the reasons stated above, HUD proposes to amend 24 CFR part 883 as follows:

**PART 883—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM—STATE HOUSING AGENCIES**

■ 1. The authority citation for part 883 continues to read as follows:

**Authority:** 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), and 13611–13619.

■ 2. In § 883.302, revise the definitions of “HFA (Housing Finance Agency)” and “State Agency (Agency)” to read as follows:

**§ 883.302 Definitions.**

\* \* \* \* \*

*HFA (Housing Finance Agency).* While the Annual Contributions Contract between the State Agency and HUD is in effect, “Housing Finance Agency” and “HFA” means a State Agency that provided permanent financing for newly constructed or substantially rehabilitated housing processed under this part and financed without Federal mortgage insurance or a Federal guarantee except coinsurance under section 244 of the National Housing Act. When the Annual Contributions Contract between the State Agency and HUD is no longer in effect, “Housing Finance Agency” and “HFA,” as used in this part and in the Housing Assistance Payments Contract, means “Contract Administrator,” as defined in 24 CFR 880.201.

\* \* \* \* \*

*State Agency (Agency).* While the Annual Contributions Contract between the State Agency and HUD is in effect, “State Agency” and “Agency” means an agency that has been notified by HUD that it is authorized to apply for a set-aside and/or to use the Fast Track Procedures of this part. When the Annual Contributions Contract between the State Agency and HUD is no longer in effect, “State Agency” and “Agency,” as used in this part and in the Housing Assistance Payments Contract, mean “Contract Administrator,” as defined in 24 CFR 880.201.

\* \* \* \* \*

■ 3. In § 883.306, add a sentence to the end of paragraph (e) to read as follows:

**§ 883.306 Limitation on distributions.**

\* \* \* \* \*

(e) \* \* \* Upon termination of the Annual Contributions Contract between HUD and the HFA, the Owner must request withdrawal of any funds that were placed in such an account at the direction of the HFA and immediately deposit such funds into an interest-bearing residual receipts account that complies with the requirements of 24 CFR 880.601(e)(2)(i).

\* \* \* \* \*

■ 4. In § 883.701, add text to the end of the second sentence to read as follows:

**§ 883.701 Cross-reference.**

\* \* \* while the Annual Contributions Contract between the State Agency and HUD is in effect.

■ 5. Add § 883.702 to read as follows:

**§ 883.702 Replacement reserve.**

For projects that are required to maintain a replacement reserve account to fund capital repairs and building system replacements, while the Annual Contributions Contract (ACC) between the State Agency and HUD is in effect, funds in that replacement reserve account may be drawn and used only in accordance with State Agency guidelines and with the approval of, or as directed by, the State Agency. Upon termination of the ACC, the Owner must request withdrawal of any funds in the replacement reserve account and immediately deposit such funds into an interest-bearing replacement reserve account that complies with the requirements of 24 CFR 880.602(a)(1)(iv).

**Julia R. Gordon,**  
*Assistant Secretary for Housing—Federal Housing Commissioner.*

[FR Doc. 2024–15269 Filed 7–16–24; 8:45 am]

**BILLING CODE 4210–67–P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

[USCG–2024–0618]

**RIN 1625–AA00**

**Safety Zone, Kahanamoku Beach, Honolulu, HI**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard is proposing to establish a temporary safety zone for certain waters of the Kahanamoku Beach. This action is necessary to provide for the safety of life on these navigable waters near Honolulu, HI,

during a drone show display at various times on August 13 through August 18, 2024. This proposed rulemaking would prohibit, during the enforcement periods, persons and vessels from entering the safety zone unless authorized by the Captain of the Port Sector Honolulu or a designated representative. We invite your comments on this proposed rulemaking.

**DATES:** Comments and related material must be received by the Coast Guard on or before August 1, 2024.

**ADDRESSES:** You may submit comments identified by docket number USCG–2024–0618 using the Federal Decision-Making Portal at <https://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments. This notice of proposed rulemaking with its plain-language, 100-word-or-less proposed rule summary will be available in this same docket.

**FOR FURTHER INFORMATION CONTACT:** If you have questions about this proposed rulemaking, call or email Petty Officer Vivian S. Gonzalez, Waterway Management Division, U.S. Coast Guard; telephone 808–522–8264, email [Vivian.S.Gonzalez@uscg.mil](mailto:Vivian.S.Gonzalez@uscg.mil).

**SUPPLEMENTARY INFORMATION:**

**I. Table of Abbreviations**

CFR Code of Federal Regulations  
DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of proposed rulemaking  
§ Section  
U.S.C. United States Code

**II. Background, Purpose, and Legal Basis**

On June 21, 2024, an organization notified the Coast Guard that it will be conducting a drone show display from 9 p.m. through 4:30 a.m., daily, on August 13 through 15, 2024 and from 6:30 p.m. to 9:30 p.m., daily, on August 15, 17 and 18, 2024. The drones are to be launched from a nearby parking lot approximately 200 feet southwest of the southwestern point of the Hilton Lagoon into the “showbox” located between the following 4 coordinates: 21°16’52.02” N 157°50’27.88” W; 21°16’44.24” N 157°50’29.67” W; 21°16’40.06” N 157°50’16.65” W; and 21°16’47.24” N 157°50’13.39” W. Hazards from drone show displays include accidental malfunctioning of the drones, dangerous projectiles, and falling drones or other debris. The Captain of the Port Sector Honolulu (COTP) has determined that potential hazards associated with the drone show to be used in this display