

CDBG Funding of a Public Activity

12/23/97

MEMORANDUM FOR: Robert L. Paquin, Director, Community Planning and Development, 1AD
FROM: Kenneth C. Williams, Deputy Assistant Secretary for Grant Programs, DG

SUBJECT: Waiver Request, Community Development Block Grant Program, Providence Rhode Island

This is in response to your memorandum of October 10, 1997, requesting a waiver of the eligibility provision at 24 CFR 570.201(c) so that the City of Providence may fund an activity called Water Fire. Water Fire is a sculpture that was permanently installed in the Woonasquatucket River, which runs through the center of the city. The sculpture consists of 35 floating bonfires which are lighted on certain evenings of the year. CDBG funding in the amount of \$100,000 would be used to pay for the costs of installing Water Fire.

The waiver was requested because of the provision of §570.201(c) which states that design features such as sculptures and other works of art may be undertaken to enhance the aesthetic quality of facilities and improvements that receive CDBG assistance. In this instance, approximately \$140 million dollars was spent in downtown Providence to move two rivers and do extensive redevelopment. However, no CDBG fund were involved.

This Office has reviewed your request and determined that a waiver is not necessary in this instance. Water Fire is, in and of itself, a public improvement, and thus eligible for CDBG assistance under §570.201(c). The reference to architectural design features, such as sculptures, in the regulation makes clear that, where CDBG funds are used to assist public improvements and facilities, it is an eligible and allowable use of CDBG funds to provide design features that enhance the aesthetic quality of the facility or improvement. This provision, however, is not intended to limit all aesthetic improvements solely to those activities which are funded with CDBG monies. There may be instances where, for example, a work of art or a fountain, is considered the improvement itself, i.e. by virtue of being permanently affixed and the function that it serves.

It is staff's understanding that the City proposes to qualify this activity under the national objective of low- and moderate-income area benefit. Accordingly, the City must develop adequate documentation of the service area of the project and establish that a national objective can be met by this activity.

If you have any questions, please call the Entitlement Communities Division at 202-708-1577.