

Determination of Program Benefits

December 2, 1984

MEMORANDUM FOR: Benjamin P. Bobo, Manager, Los Angeles Field Office, 9.4S

ATTENTION: Herbert L. Roberts, Director of CPD, Los Angeles Field Office, 9.4C

FROM: Alfred C. Moran, Special Assistant to the Secretary

**SUBJECT: Determination of Program Benefit- Rancho Palos Verdes/Los Angeles County
Grant No. B-93-UC-06-0505**

This is in response to your memorandum of October 2, 1984 concerning the use of Community Development Block Grant (CDBG) funds for the installation of dewatering wells and other drainage improvement measures by the County of Los Angeles in the Portuguese Bend section of Rancho Palos Verdes. Your memorandum indicates that the county considers the Portuguese Bend area to qualify as a slum or blighted area based on damage to residences and public facilities caused by landslide activity. Your memorandum states that the environmental condition of earth movement is a qualifying factor for the county's determination of blight and that the county proposes to stop the earth movement to correct the qualifying condition. Furthermore, we understand based on our telephone discussions with Herb Roberts, that the earth movement has caused serious deterioration of the foundation and utility connections of a substantial number of structures throughout the area.

As stated in the preamble to the current regulations for the CDBG program, published in the Federal Register on September 23, 1983, it is the policy of the Department to authorize the expenditure of CDBG funds only for the specific conditions of blight identified in qualifying an area as blighted. That is, we have not authorized grantees to undertake activities designed to prevent blighting conditions from occurring, but only those activities designed to eliminate conditions that qualify the area as slum or blighted, such as activities that would eliminate deterioration or dilapidation of structures or improvements. With reference to Rancho Palos Verdes, the regulations permit the County to fund such activities as rehabilitation of deteriorating structures, and the reconstruction of streets, water and sewer lines and similar public improvements. However, the installation of dewatering wells and drainage improvements is not authorized by the current regulations. Please notify the County that the activities it proposes to carry out constitute preventative measures and are therefore not eligible for CDBG funding under the regulations.

Since the activities proposed are not specifically prohibited by the CDBG statute, but rather by HUD policy and implementing regulations, your office or the County may request a waiver of the regulations. Such a request must identify how the existing regulation places an undue hardship on the grantee and how the activities proposed further the purpose of the Housing and Community Development Act of 1974, as amended.