

Eligibility of the "City Living Program"

December 26, 1990

MEMORANDUM FOR: William H. Brown, Regional Administrator- Regional Housing Commissioner, 7S

Attention: David H. Long, Director, Community Planning and Development Division, 7.3C

FROM: Anna Kondratas, Assistant Secretary for Community Planning and Development, C

SUBJECT: Eligibility of the "City Living Program" in St. Louis, Missouri

This is in response to your memorandum dated December 18, 1990, in which you request an opinion as to the eligibility of the "City Living Program" sponsored by the City of St. Louis, Missouri.

The "City Living Program," as described by the City of St. Louis in "Building Blocks: A Guide to Marketing Your Neighborhood," is a marketing campaign that promotes the sale and rental of residential housing in the City of St. Louis. This is accomplished by

1. promoting the overall image of the City as a great place to live;
2. educating people and building awareness about the advantages, opportunities, and incentives available in the City and its neighborhoods;
3. promoting individual neighborhoods within the City; and
4. matching potential home buyers and renters with special programs and services.

The City believes the program is eligible as provision of information under Section 570.206(b) of the regulations and as fair housing activities under Section 570.206(c) because "its purpose is to support the development of viable urban communities by building public awareness of the availability of affordable housing in a suitable living environment."

Section 570.206, Program Administration Costs, provides for "reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part" with Community Development Block Grant (CDBG) funds. These administrative costs satisfy the statutory requirement for meeting a national objective because the costs are incurred in support of program activities which individually meet a national objective.

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Section 570.206(b) permits the "provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds." The City Living Program is a city-wide campaign to "promote the sale and rental of residential housing in the City of St. Louis." The targeted recipients of the brochures, pamphlets, etc., are not primarily city residents, but residents that the city wishes to attract. Further, the purpose of the city-wide marketing campaign is not to support planning, implementation, or assessment of CDBG activities, but is to encourage citizens to come to live in the City of St. Louis. The informational material is used to extol the advantages of living in the City.

If the City wishes to represent this as an activity to further fair housing, eligible under Section 570.206(c), there would need to be clear references to equal housing opportunity in the literature and the fair housing logo should be prominently displayed. It is noted that the City included the HUD fair housing brochure in two of the information packets, but fair housing was incidental to the central theme for the advertising campaign. The central theme appeared to be "at home in the city."

As it is now structured, the City Living Program does not meet the CDBG eligibility criteria for program administration costs as described at Section 570.206. However, certain elements of the Program may be eligible as public services. Educating people about the City and its neighborhoods (item 2), and matching potential home buyers and renters with special programs and services (item 4) could be classified as public services. However, it should be noted that such activities would have to meet a national objective and would be subject to the other limitations applying to public services under Section 570.201(e).

If you have any further questions, please contact the Entitlement Communities Division at FTS 458-1577.

cc: Linda Marston, SC

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