

Free Housing to Officers Who Are Willing to Move into High-crime, Low-income Areas

October 23, 1992

Mr. Steve Stokes
Commissioner
City of Dothan
33 Hampton Way
Dothan, AL 36301

Dear Mr. Stokes:

On behalf of Secretary Kemp, thank you for your letter of August 31, 1992, requesting support of the City's proposal to provide housing free of charge to police officers who are willing to move into low-income, high-crime neighborhoods as a deterrent to criminal and drug related activities. You indicate that a waiver request to permit the City to provide housing for police officers has been sent to the HUD Birmingham Office. As the Acting Assistant Secretary for Community Planning and Development, I have oversight responsibility for the CDBG program and have been asked to respond to your letter.

I have learned from our HUD Office in Birmingham, Alabama, that they responded on August 20, 1992, to a letter from Mr. Paul E. Carpenter, Executive Director of the Housing Authority of the City of Dothan, indicating that the provision of housing to junior police officers would be an eligible public service activity under the Community Development Block Grant (CDBG) program. Since the activity is eligible for funding under the CDBG program, there is no need for a waiver.

I wish to expand on the guidance provided by the Birmingham Office to let you know the options that are available to the City in carrying out such an activity. If the City chooses to lease property and include the cost of utilities, both the lease and the utilities would need to be in the City's name and not that of the police officer. Utilities should generally be limited to water and sewer, electricity, and heat, and not include telephone service. If the City chooses to acquire and renovate property, ownership must be retained by the City. If handled otherwise, such expenses would be considered income payments to the police officer under 24 CFR 570.207(b)(4) and would be ineligible for CDBG funding. Further, if the City already owns the property and is making mortgage payments and paying related expenses using other City funds, any use of CDBG funds on behalf of the police officer should be limited to that over and above expenses already being incurred by the City. This is because CDBG funds cannot be used to pay for a service which has been provided by or in behalf of the unit of general local government using State or local funds during the 12 months prior to submission of the City's Final Statement.

I hope this information is useful to you. Thank you for your interest in the CDBG program.

Very sincerely yours,

(Signed)

Randall H. Erben
Acting Assistant Secretary

