

Replacement of a CDBG Funded Apparatus

January 19, 1996

Mr. J. A. Cremeans
Fire Chief
839 Seventh Avenue
P.O. Box 1659
Huntington, WV 25717

Dear Mr. Cremeans:

Thank you for your letter of October 10, 1995, regarding the fleet management of CDBG-funded fire apparatus. Your question was whether it would be acceptable to replace a CDBG-funded apparatus with a new CDBG-funded apparatus. The original apparatus would be relocated, but continue to serve the low- and moderate-income area which it was originally purchased to protect.

If sufficient need exists within the service area for an additional apparatus, the purchase of the new piece of equipment appears to be an eligible activity that would meet a national objective. The relocation of the original apparatus within the same service area is also acceptable under CDBG program requirements. If the apparatus were to be moved to a different service area which did not meet the low- and moderate-income area benefit criteria, the equipment would no longer be considered to meet program requirements. The City would then have to comply with the equipment disposition provisions at 24 CFR 85.32(e) as modified by 24 CFR 570.502(a)(8). The requirements under these provisions vary based on the fair market value of the equipment at the time of disposition.

So that citizens can understand how they may be affected by the relocation of the apparatus, we advise that the action plan describing the planned purchase of the new apparatus also describe the relocation of the old.

Very sincerely yours,

James R. Broughman
Director
Office of Block Grant Assistance