

## CDBG Eligibility of the Sheepshead Bay Beautification Program

June 23, 1995

Ms. Carol Romeo

Sheepshead Bay Beautification Program, Inc.  
3030 Emmons Avenue, Suite 6K  
Brooklyn, NY 11235

Dear Ms. Romeo:

President Clinton received your letter of February 27, 1995, and has asked the Department of Housing and Urban Development (HUD) to respond to you because it administers the Community Development Block Grant (CDBG) program. In your letter, you describe the work the Sheepshead Bay Beautification Program, Inc., is doing to clean up graffiti and beautify the local community of Brooklyn, New York, and request information on possible funding assistance for these efforts.

As a deterrent to ongoing degradation and to establish pride in the community, Sheepshead Bay Beautification works with local high school and grade school students to work on projects to eliminate graffiti by painting murals on public and private structures. The CDBG program may be a potential source of funding for these activities. This program, authorized under Title I of the Housing and Community Development Act of 1974, as amended, provides grants on a formula basis to entitled cities and counties to carry out a variety of activities directed towards neighborhood revitalization, economic development, and the provision of improved community facilities and services. New York City is an entitlement grantee and was allocated \$239,741,000 in 1995.

Each entitlement community is free to determine what activities it will fund with its CDBG grant, provided that each activity meets certain requirements, including that it be eligible and meet one of the three broad national objectives specified in the law. These objectives are to benefit low- and moderate-income persons, prevent or eliminate slums or blight, or meet other community development needs of a particular urgency. A fact sheet is enclosed containing further information about the CDBG program. HUD has recognized graffiti removal as an eligible public service at 24 CFR 570.201(e) of the CDBG regulations for several years. Under this category, communities have been removing graffiti from public properties in selected areas, and in some cases, have included private properties. However, to the extent that a community wants to assist private property owners in the removal of graffiti, it may do so under the category of property rehabilitation at 24 CFR 570.202, provided that the costs of doing so are clearly distinguishable from those of removing graffiti from public properties. For example, under rehabilitation, homeowners could use CDBG funds to pay for the removal of graffiti from their houses, garages, fences; and store owners could use CDBG funds to pay for the removal of graffiti from the exterior surfaces of their buildings.

As a method of graffiti removal, you indicate your organization paints murals on placards which are then attached to buildings. As a separate activity, you also plan to construct a new wood and mosaic welcoming marquis at the entrance of Sheepshead Bay. For each of the activities, the Department must look at the context in which the murals are painted. A program engaging students for the painting of murals on placards or directly on buildings would generally be eligible as a public service. Construction of the marquis and painting a mural on it may be eligible under 24 CFR 570.201(c) of the CDBG regulations. Both activities would generally need to benefit a low- and moderate-income area to demonstrate national objective compliance.

Since New York City has considerable discretion to establish funding priorities and to choose the activities it will fund, it is recommended that you contact the administrator of the CDBG program in New York to discuss the eligibility of your proposal, and to obtain information on the availability of CDBG assistance. The administrator for the City's CDBG program is Mr. Paul Cataldo, Director of the Office of Management and Budget, Community Development Department, 75 Park Place, New York, New York 10007. Mr. Cataldo's telephone number is (212) 788-6150.

Thank you for your interest in the Department's programs. It is hoped that this information is helpful to you.

Very sincerely yours,

(signed)

Kenneth C. Williams  
Deputy Assistant Secretary  
for Grant Programs  
Enclosure