

# Using CDBG Funds to Purchase a Hospice Clinic for Persons with Aids

July 14, 1988

Honorable Ronald D. Coleman  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Coleman:

This is in response to your letter of June 22, 1988. to Secretary Pierce written on behalf of the ILLO Bravo Association. Your letter and the inclosed letter from the Association expressed concerns related to the Association's request for Coomunity Development Block Grant (CDBG) funding.

It is our understanding that the Ilio Bravo Association requested CDBG funds from the City of El Paso for purchasing a building to serve as a clinic and hospice for persons with AIDS. The City rejected the request based on the incorrect impression that the CDBG regulations required the persons served be considered handicapped persons.

In speaking with staff in the Ft. Worth Office, we learned that they have clarified the requirements under our regulations which must be met to qualify funding for the proposed activity. By telephone and in a letter dated July 6th, the City was informed that persons with this illness are not considered handicapped persons but that this does not preclude the proposed activity from receiving CDBG funding.

In order for any activity to qualify for CDBG funding it must be an eligible activity and meet one of the three national objectives, as specified in the program regulations. The proposed activity appears to meet the eligibility requirement, since the regulations allow acquisition for a public purpose by means of purchase by a public agency or by a private nonprofit entity.

As for meeting a national objective, acquisition activities are always considered in terms of the planned use of the property. Because the building will be used for a public service, the proposed activity may qualify as meeting the national objective of benefitting low and moderate income persons if at least 51 percent of the persons served are low and moderate income persons. To demonstrate that the national objective is being met, documentation showing the size and annual income of the immediate family of each person served must be kept.

I hope this Information is helpful to you.

Sincerely,  
Clark R. Stokvis  
General Deputy  
Assistant Secretary