

PUBLIC FACILITIES

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Can vacant public properties such as a city fire station be redeveloped under Eligible use E—redevelop demolished or vacant properties? The facility is located in a low-mod census tract needing a public facility for neighborhood activities.

Simply locating it in an LMMI area is not sufficient in itself. If the redevelopment activities support the housing activities in the target area than YES it would be eligible.

Posted 11/7/08

Can NSP funds be used for homeless shelters and transitional housing?

It is important to differentiate between the between eligibility of activities, income targeting requirements and CDBG national objective requirements that apply to the NSP program. NSP funds can be used to develop homeless shelters or transitional housing. Facilities designed to provide shelter for persons having special needs, such as homeless shelters and group homes, are eligible as public facilities under 24 CFR 570.201(c). Any such facilities that are not permanent housing would be categorized as a public facility. It is possible to redevelop demolished or vacant property for such use under Eligible Use E, Redevelopment. Under Eligible Use B, a grantee could purchase and rehabilitate residential properties for reuse as special needs housing.

For a housing activity to count toward meeting the NSP program requirement that 25% of a grantee's NSP funds must be expended for activities that benefit households at or below 50% of area median income, it must be considered permanent housing and not a public facility under 24 CFR 570.201(c); and it must meet the low/moderate/middle income housing national objective criterion under 24 CFR 570.208(a).