

# Boarding up Buildings CDBG Entitlement Eligibility

May 14, 1990

MEMORANDUM FOR: Gertrude W. Jordan, Regional Administration-Housing Commissioner, 5S

ATTENTION: Harry I. Sharrott, Manager Detroit Office, 5.4S

FROM: Anna Kondratas, Assistant Secretary for Community Planning and Development, C

SUBJECT: Request for Determination of Eligibility Boarding Up Buildings  
Community Development Block Grant (CDBG) Entitlement Program

This memorandum is in response to your request for an eligibility determination for an activity that consists of using CDBG funds to board up and secure vacant buildings, both publicly and privately owned. Grantees in Region V are reportedly carrying out such activities and classifying them in several ways, including rehabilitation, clearance, and disposition.

As you point out, the CDBG regulations do not specifically make eligible such an activity. Boarding up vacant buildings, whether publicly or privately owned, is not eligible in and of itself. However, if boarding up a vacant building is a part of either clearance (570.201(d)), rehabilitation (570.202), or disposition (570.201(b)), costs for the boarding up may be classified under these activity categories. Boarding up vacant buildings may also be classified as code enforcement under 570.202(c), provided this activity is carried out as part of a code enforcement effort and along with other activities such as public improvements, rehabilitation, and services which are expected to arrest the decline of the area. The activity may only be classified under disposition (570.201(b)) if the real property has been acquired with CDBG funds or urban renewal proceeds, and boarding up the building is a reasonable cost of temporarily managing the property.

CDBG funds may be provided to private property owners to board up buildings, if such use is limited to instances where the owner is required to either rehabilitate the structure prior to occupancy or to demolish it. In such cases, CDBG funds would not need to be involved in the actual rehabilitation or demolition.

The activity could qualify under the national objective of eliminating slums and blight on a spot basis (570.208(b)(2)) in order to eliminate a specific condition detrimental to public health and safety. Qualifying the activity as a benefit to low and moderate income persons would be limited to those structures which will be occupied by low/moderate income persons following rehabilitation or would ultimately benefit low/moderate income persons, such as a senior citizens center.

The activity could not properly be classified under interim assistance (570.201(f)) because we question that merely boarding up a facility constitutes repair of public buildings (570.201(f)(1)(i)) or improvement of private properties (570.201(f)(2)(iii)). It would also be problematic to classify the activity under 570.204, "Special activities by certain subrecipients." While activities not otherwise eligible can be carried out by

special subrecipients, such activities must be for a neighborhood revitalization, community economic development, or energy conservation project. The subject activity is clearly not economic development or energy conservation. It could only be considered to be neighborhood revitalization if the project included physical improvements of sufficient size and scope to have an impact on neighborhood decline.

We do not anticipate making this activity a separate eligibility category in the CDBG regulations because it does not in itself meet the intent of the program, to develop viable communities. Boarding up vacant buildings should only be considered an interim step in a community's plan for creating a suitable living environment and therefore should not be carried out on its own. With respect to your question regarding the time frame as to when any subsequent action required to make the activity eligible would need to be carried out, the grantee should simply ensure that the latter activity is carried out within a reasonable time frame, taking into account the specific circumstances.