

Replacement of Water Meters

April 23, 1991

MEMORANDUM FOR: Linda Z. Marston, Acting Regional Administrator- Regional Housing Commissioner, 3S

ATTENTION: John Kane, Director, Office of Community Planning and Development, 3C

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

SUBJECT: Eligibility Determination Replacement of Water Meters Trumbauersville Borough, Bucks County, PA

Your memorandum of January 15, 1991, requested written guidance on the eligibility of using Community Development Block Grant funds to replace water meters in Trumbauersville Borough, Bucks County, Pennsylvania.

The Borough has stated that 263 water meters (residential, commercial, and industrial) need to be replaced because they are old and do not allow for accurate determinations of water usage or of leaks in the system and, therefore, do not promote water conservation. Your Community Planning and Development staff had been advised in previous discussions with the Entitlement Communities Division (ECD) here in Headquarters that the replacement of the water meters was eligible under ½570.201(c) as a public improvement, and would meet the national objective of benefit to low- and moderate-income persons on an area basis.

However, you have questioned how the meters for commercial and industrial users can be included.

The determination that this activity would meet the national objective of benefit to low- and moderate-income persons on an area basis is based on the supposition that the activity will improve the water system for the area as a whole. ½570.208(a)(1)(i) states that "an activity that serves an area that is not primarily residential in character shall not qualify under this criterion." However, this should not be interpreted 570.208(a)(1)(i) states that "an activity that serves an area that is not primarily residential in character shall not qualify under this criterion." However, this should not be interpreted to exclude activities that serve areas that are not exclusively residential in character. Indeed, if that were the case, there would be few public improvements that could qualify as benefiting lower-income persons, since there are few large areas that do not contain at least some commercial properties. The intent of that statement in the regulations is simply to preclude activities that serve an area consisting primarily of businesses from qualifying on the basis of the income of those persons who happen to reside within the boundaries of that area. If you have any additional questions on this matter, please contact the Entitlement Communities Division.

cc: Edwin Gardner