57. FUNDING NEEDS. Where crime and vandalism are serious problems, security should be recognized as a significant element of the capital and operating expenses of HUD-assisted multifamily housing. Where new construction or rehabilitation is contemplated, financial feasibility analysis must take realistic account of the level of operating expense needed for security measures. Where lower-income housing is concerned, achievable operating revenues from rents (plus operating subsidies, if any) may well be inadequate to satisfy security needs. Management should therefore be knowledgeable about other possible sources of funding, and be energetic and resourceful in pursuing these possibilities as a part of its security planning efforts.

58. FUNDING SOURCES.

a. Operating Receipts and Residual Receipts. In the public housing program, operating receipts (including subsidies for operations) may be used for a wide variety of security measures, largely at the budgetary discretion of the LHA. In HUD-insured programs, operating receipts may be used at Management discretion, whereas residual receipts may be used only with HUD approval. These funds may well be inadequate where extensive security measures are needed. However, analysis of how to finance a security program should in all instances begin with consideration of such funds. Management should be prepared to demonstrate to potential sources of further assistance that it is making good use of its operating receipts. In analyzing the potential for financing security measures out of the regular operating budget, Management should take into account the extent to which losses or expenses due to crime and vandalism (e.g., vacancy losses, maintenance, repairs, damages assessed in liability lawsuits) might be offset against the cost of improved security. Additionally, in HUD-insured projects, Management should consider the feasibility of increasing rents to cover additional security expenses.

b. Low-Rent Public Housing Modernization Funds. Some LHAs may still have unexpended Modernization funds. Such funds can be used only for capital improvements. An LHA may, with HUD approval, use Modernization funds for protective hardware (locks, peep-holes, protective grilles or screens, electronic alarm or surveillance equipment, etc.) as well as for structural modifications related to security, provided that such measures constitute capital improvements.
c. Supplemental Loans may be insured by HUD under Section 241 of the National Housing Act to pay for alterations, repairs, additions or improvements to a multifamily housing project financed under a HUD-insured mortgage. An owner of such a project might use loan proceeds to fund the purchase and installation of security hardware or to make structural modifications designed to improve security. The HUD Area or Insuring Office should be contacted on this subject.

d. LEAA-Funded Programs. The Law Enforcement Assistance Administration (LEAA) of the Department of Justice makes grants to State Law Enforcement Planning Agencies and to state and local governments, which in turn fund specific local programs. Further information regarding this type of funding can be obtained from the appropriate State Law Enforcement Planning Agency or LEAA Regional Office.

e. State and Local Governments. Management should explore possibilities for the funding of security programs through state and local governments. A single LHA or owner/managing agent of insured housing will probably find local government the more suitable approach, but wider community security programs may well be able to obtain support on the State level. In addition to straight grants, the possibilities include remission of taxes or of payments in lieu of taxes in consideration of Management-funded security services, and special funding arrangements for the augmentation of regular police services.

f. National and Local Foundations and Other Non Governmental Organizations. There have been several instances of foundation funding for security-related programs in multifamily housing. In some cases, directly-related costs (e.g., salaries for security personnel and security research) have been so funded. Related social services programs are particularly good possibilities for funding. Civic, religious, social and fraternal organizations, both on the local and national level, may also be able to provide financial assistance. Private as well as public educational institutions may have programs in law enforcement, criminal justice, and social services which can involve a housing project and its residents in research, demonstration, and training programs. Funding may also be made available through local business and professional associations.

59. SOURCES FOR TECHNICAL ASSISTANCE. In addition to the need for additional funding, Management planning and implementation of a residential security program may also require expert technical advice and assistance beyond the capabilities of Management staff. The foregoing Chapters of this Handbook have already suggested a number of possible sources for such services. However, for the sake of convenient reference, the following
list of prime sources for technical assistance is offered here, with the realization that in each case Management will have to choose those which are available and appropriate to its needs:

a. The local Police Department.
b. The local Criminal Justice Coordinating Council (CJCC).
c. The State Law Enforcement Planning Agency.
d. Appropriate departments of local educational institutions.
e. Local associations representing the interest of owners and managing agents of private housing or LHAs and their officials.
f. Architects and landscape architects qualified to provide security analysis of design and/or hardware.
g. Independent consultants who are qualified to provide security analysis.
h. The Regional, Area or Insuring Office (contact Security Specialists – Housing Management).
i. The LEAA Regional Office.

60. REFERENCE MATERIALS. For further references, see HUD Bibliography on "Safety and Security in Buildings"September 1973, attached as Appendix 1.