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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

December 9, 1994

NCJRS

APR 12 1995

ACQUISITIONS

Ms. Laurie Robinson
Assistant Attorney General
US Department of Justice
Office of Justice Programs
Washington, DC 20531

Dear Ms. Robinson:

I thought you might be interested in this Guidance document which was sent to our 950 large cities and counties, and to HUD's Community Planning and Development (CPD) Field Offices.

This Guidance on Providing Assistance to Communities for Improving Public Safety in Inner City Neighborhoods was developed to provide useful information on ways to use CPD's Consolidated Planning process, Community Development Block Grants (CDBG), HOME funds, and other HUD Crime Prevention Programs in a strategic manner.

Assistant Secretary Andrew Cuomo's letter accomplished the document.

Sincerely yours,

Kenneth C. Williams
Deputy Assistant Secretary
for Grant Programs

153752

**U.S. Department of Justice
National Institute of Justice**

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

November 28, 1994

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

Dear Colleague:

President Clinton and Secretary Cisneros recognize that only through new partnerships can we begin to address the pervasive problems facing many of our communities. This administration is committed to working together with communities to provide the full range of tools necessary to help them rebuild and revitalize, make their streets safe from crime and violence and ensure an environment where their children can learn, protected from drugs and gangs.

The Crime Bill, signed by President Clinton on September 13, 1994, goes a long way toward helping local leaders and residents do just that -- putting 100,000 new policemen on the beat, making three strikes and you're out law, banning dangerous assault weapons and balancing prevention with tough punishment.

As a Local Government Official, you understand the needs of your community best. Here at HUD's Office of Community Planning and Development (CPD), we are working hard to enhance and improve our programs to enable local officials to develop their own comprehensive community development strategies and to tackle tough problems like crime.

The enclosed Notice, Field Office Guidance On Providing Assistance to Communities for Improving Public Safety in Low-Income Neighborhoods was developed to provide useful information and guidance on ways to create public safety action plans in distressed inner-city neighborhoods utilizing the Community Development Block Grant (CDBG) and HOME funds. I have distributed this guide to all of our CPD field offices and would like to share it with you directly. Please use it as one more weapon in your arsenal in the ongoing fight against crime.

Again, we remain committed to working in partnership with you to address crime and other problems confronting your community. Please let us know how we can further assist your efforts.

Very sincerely yours,


Andrew Cuomo
Assistant Secretary

Enclosure



U.S. Department of Housing and Urban Development
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

Special Attention of:

All Field CPD Directors

Notice CPD-94-28

Issued: NOVEMBER 28, 1994

Expires: NOVEMBER 28, 1995

Cross References:

Subject: Field Office Guidance on Providing Assistance to
Communities for Improving Public Safety in Inner City
Neighborhoods

Purpose: This Notice was developed to provide information and guidance to Field Offices, CDBG and HOME recipients, and nonprofits on how CDBG and HOME funds can be used in providing incentives for developing public safety action plans in inner-city neighborhoods using CDBG and HOME funds. This guidance should be used in the context of CPD's efforts in Consolidated Planning and the Empowerment Zone Program.

DG: Distribution: W-3-1, R-6, R-3-1(CPD), CDBG Entitlement Grantees, HOME PJs,
Special (CPD Field Directors)

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I. BACKGROUND

The Department of Housing and Urban Development has been working collaboratively with other Federal Agencies, including the Department of Justice, to fight crime in many of our inner-city neighborhoods. The Administration has placed a high priority on the safety of all residents, but especially those who live in the poorest neighborhoods where crime, violence, drugs and other criminal activities have created fear and have made these neighborhoods dysfunctional.

Violence and fear and community conditions must be addressed together. In most cases, community conditions will not improve until crime is controlled and eliminated.

Many communities are beginning to develop strategies which bridge the criminal justice system and other parts of government. Law enforcement is one part of the criminal justice system which could reinforce the goals and mission of those programs in Community Planning and Development for revitalizing inner-city neighborhoods.

HUD grantees need to be provided an opportunity to develop their own crime control approaches. Many communities are beginning to experiment with nontraditional approaches to public safety, in addition to the traditional concepts of police work.

Crime Control and Neighborhood Revitalization should be an integral part of CPD's vision in assisting communities. CPD's Consolidated Planning Process is one important tool which communities can use in developing an overall strategy on public safety and crime control efforts. The strategic planning process in the Empowerment/Community Enterprise Zone is another rich opportunity for communities to enhance or implement these public safety concepts.

In Tampa, Florida, police largely eliminated what had been widespread city-wide street crack dealing by working with residents and City departments to identify dealing sites, making it difficult for dealers and buyers to do business undisturbed; and also addressing factors like abandoned houses and commercial front operations that made dealing easy.

Community Policing, Problem Oriented Policing, Police in Residence are a few names used by localities in reclaiming neighborhoods from the criminal element. There is a growing, nationwide interest in using all concepts and techniques which use police in bringing stability and safety to neighborhoods.

CPD has a vested interest in facilitating, cooperating and insuring that these efforts in neighborhood revitalization take place, since they are vitally linked to CPD's economic development program.

II PURPOSE

This Notice was developed to provide information and guidance to Field Offices, CDBG and HOME recipients, and nonprofits on how CDBG and HOME funds can be used in providing incentives for developing public safety action plans in inner-city neighborhoods using CDBG and HOME funds. This guidance should be used in the context of CPD's efforts in Consolidated Planning and the Empowerment Zone Program.

III THE CONSOLIDATED PLAN AND A PUBLIC SAFETY STRATEGY

- A. The Proposed Consolidated Plan is an effort to organize not only CPD's resources, but the multiplicity of other resources available to intervene in making improvements in the very troubled low-income neighborhoods. In Baltimore, the Sandtown-Winchester Community is an example of how this type of strategy is working in a process which includes joint city, police and community planning to suppress street drug markets with law enforcement, physical improvements, a safer physical environment, supportive social services and training and entrepreneurial efforts by and for local residents.

The Community's Consolidated Plan stresses strengthening partnerships among all levels of government and the private sector to enable them to provide decent housing, establish and maintain a suitable living environment (24 CFR 91.1 (a)(ii)) which could include a component for public safety plans.

Since the Consolidation planning process coordinates all elements of community development, a crime control/prevention and public safety empowerment component should be considered and encouraged.

Pre-submission requirements require consultation with social service agencies regarding needs. This should also include a consultation process with law enforcement officials to determine how a program of public safety could be implemented in these severely distressed neighborhoods.

Since Effective citizen participation is a must in the CP process, there must be an effective and positive relationship with law enforcement programs. Citizens should be able to articulate their needs in the public safety area.

Community Development Needs. The jurisdiction must identify its "priority non-housing community development needs" for which CDBG funds may be used. These priority needs certainly could include certain public safety activities.

This is, again, where citizen input is valuable as well as information from relevant reports and studies. This input can support the decision to include public safety as one of the important needs.

In developing their plans, grantees will be required to pursue the statutory goal of developing viable urban communities, by (in part) providing decent housing in a suitable living environment. The proposed regulations establishing the consolidated plan requirements specifically state that a suitable living environment includes improving the safety and livability of neighborhoods (24CFR 91.1(a)(ii)).

B. The Consolidated Plan (CP) - Strategies, Priority Needs and Objectives

As part of the CP process, the community must state priority needs, objectives, and resource allocations, including a section on Community Development (CD). The CD component of the plan (CP) discusses long-term and short-term CD objectives, and certainly could include a police residence program in order to "...establish and maintain a suitable living environment..." (Sec.91.1 (a)). This environment should include a drug- and crime-free neighborhood. A reinvention process must take place relating to the roles of law enforcement, the social service delivery system, the economic development process and the methods of operation by local governments if neighborhood revitalization is going to take place.

Certainly, the elimination of fear and crime can accelerate, facilitate and enhance this revitalization process.

The Consolidated Planning process can be a very strong instrument in assisting in this reinvention process.

IV USING CDBG FUNDS TO IMPROVE PUBLIC SAFETY IN LOW-INCOME NEIGHBORHOODS

A. Police Officer Homeownership

Some cities have been experimenting with programs under which police officers are encouraged to move their residences to neighborhoods that are crime infested. The theory of such strategies is that the very presence of police officers, even during off duty times, will provide a deterrent to crime. While having a police officer rent a dwelling in such a neighborhood would help, a longer term solution would be to have the officer become a homeowner.

How can CDBG funds be used to help police officers live in low-moderate income neighborhoods or housing developments? Generally, CDBG program regulations were not designed for this purpose, since most of the police officers do not meet the income requirements of the program. For police officers who meet the low- and moderate-income limits, grantees may provide CDBG funds for:

- ◆ Acquisition and Disposition, 24 CFR 570.201(a) and (b).
The grantee or any subrecipient may use CDBG funds to acquire a property and transfer it to the police officer through sale, lease, or donation.
- ◆ Rehabilitation, 24 CFR 570.202(b). CDBG funds may be provided directly to the police officer to acquire a property for the purpose of rehabilitation to be lived in by the officer.
- ◆ Direct Homeownership Assistance, 24 CFR 570.201(n).
Grantees and subrecipients may provide CDBG funds directly to police officers who meet low- and moderate-income limits to:
 - (1) subsidize interest rates and mortgage principal amounts for the police officer;
 - (2) finance (through a loan) the acquisition of housing that the police officer will occupy;

- (3) acquire (pay for) guarantees for mortgage financing from private lenders (except CDBG may not be used to guarantee the mortgage financing directly);
- (4) pay up to 50 percent of the downpayment that the police officer is required to pay; or
- (5) pay reasonable closing costs (normally associated with the purchase of a home) incurred by the police officer.

In certain circumstances, CDBG funds may also be used to provide housing for police officers who exceed the low- and moderate-income limits.

- ◆ Rehabilitation, 24 CFR 570.202. The grantee may rehabilitate a police officer's home if in carrying out the rehabilitation, the activity meets all requirements of 24 CFR 570.208(b) to aid in the prevention or elimination of slums or blight.
- ◆ Special activities by Certain Subrecipients, 24 CFR 570.204. The grantee may provide CDBG funds to any of the three types of subrecipients described at 24 CFR 570.204(c) to carry out activities which are otherwise ineligible if carried out by the grantee itself or a regular subrecipient. Such activities must be part of a neighborhood revitalization or energy conservation project, which has been determined by the grantee to be necessary or appropriate to achieve its community development objectives. The activity must also meet a national objective. 24 CFR 570.204 subrecipients may use CDBG funds for:
 - ◆◆ new construction of housing;
 - ◆◆ direct homeownership assistance, which may include down payment assistance mortgage subsidies, housing allowances, etc. The provision of such income payments is subject to the 15 percent public service limitation.
 - ◆◆ Non-low- and moderate-income officers can be assisted under the above kinds of activities, either under slums/blight or under low/mod. If officers are assisted under low/mod, then the general rule of principle benefit to low- and moderate-income persons would apply.

B. Drug and Crime Prevention Activities

Nonprofit organizations are eligible subrecipients and can use CDBG funds to develop and implement programs for eliminating drug and criminal activities in their neighborhoods.

CDBG can fund activities, such as:

Public Facilities and Improvements, for the

- ◆ addition of strategically placed street lighting;
- ◆ alteration of traffic flow and street restrictions; and
- ◆ acquisition, construction, rehabilitation, reconstruction of a police substation.

Clearance, for

- ◆ clearance, demolition, and removal of abandoned buildings used as "crack" houses.

(This is eligible under 24 CFR 570.201(d), clearance activities, and meets a national objective of low-mod area benefit at 24 CFR 570.208(a) or to address slums or blight on a spot basis at 24 CFR 570.208(b)(2).)

Public Services, for

- ◆ the establishment of neighborhood watch programs;
- ◆ the provision of extra police patrols;
- ◆ programs aimed at controlling activities of gangs; and
- ◆ rental of residential property and payment of utilities by the grantee for housing a police officer (See Attachment A).

(These activities are eligible under 24 CFR 570.201 (c), Public Facilities and Improvements, and meet a national objective of low-mod area benefit at 24 CFR 570.208(a), or to address slums or blight on an area basis at 24 CFR 570.208(b) (1).)

V USING HOME FUNDS TO HELP POLICE OFFICERS LIVE IN LOW-INCOME NEIGHBORHOODS.

Housing assisted HOME funds must be owned by low-income (i.e., the income does not exceed 80% of the area median income) homeowners or rented to low-income renters.

HOME funds may be used to assist low-income police officers to buy housing to be used as the officers' principal residence. The HOME assistance could include a write-down of the mortgage, a reduction in the down payment, or a education in the closing costs. HOME may be used to acquire, construct or rehabilitate rental units which may be rented to police officers who are low income.

In addition, HOME funds may be used in mixed-income rental projects to assist units that are rented to persons who are low-income. The units that are not HOME-assisted are not subject to HOME rent restrictions and tenant income limits and thus may be rented to anyone, including police officers who are not low-income. A project owner that receives HOME funds for assisted units may have a sufficient cash-flow for the project and be willing to rent a non-assisted unit to a police officer at reduced rents.

VI COORDINATING AND INTEGRATING CPD EFFORTS WITH OTHER HUD CRIME PREVENTION PROGRAMS

The Department has initiated a number of programs in public and assisted housing to help public and assisted housing residents take control of their lives and communities. Some of the more significant of these are:

1. **Community Partnership Against Crime (COMPAC)** - The current Public Housing Drug Elimination Program would be consolidated into COMPAC which focus strongly on the prevention of crime and will include community-based approaches, such as community policing, anti-gang programs, youth programs, and other such initiatives. COMPAC will engage other community groups, such as clubs, churches and private nonprofit organizations.

2. **Operation Safe Home** - In partnership with the Department of Justice, the Department of the Treasury, and the Office of National Drug Control Policy, the Department will insure that fighting crime, drugs and violence will also secure the active participation of the above agencies and also the active engagement of local public housing authorities, tenant and management groups, civic leaders and local law enforcement agencies.
3. **Public and Indian Housing Waiver of Eligibility Requirements for Police Officers and Security Personnel; Proposed rule** - This rule was issued June 7, 1993. The objective of the rule is to increase the level of security for residents of public housing. It would be limited to professional police or security personnel. Officers would be subject to certain lease requirements. The eligibility requirements would be waived for admission of the occupants, but they would be subject to the terms and conditions of the Annual Contributions Contract (ACC). The Department would count rental income from units allocated as "other income."
4. **Single Family Property Disposition** - The Office of Housing/FHA allows government entities to purchase HUD-owned properties for resale to their public safety employees, such as police officers, firefighters and emergency medical technicians. The government entities will receive a discount of between 10 and 30 percent depending upon the condition and location of the property being purchased; it is expected that this discount will be passed on to the public safety employee. Where FHA insurance is being provided to the public safety employee, the down-payment will be \$100 in order to make the property more affordable to these purchasers.
5. **Safe Neighborhood Action Plan (SNAP)** - SNAP, a component of the Department's Operation Safe Home, is an initiative to bring together residents, assisted housing owners/managers, local governments and HUD to address crime and security issues in assisted housing neighborhoods through a comprehensive and coordinated community-based strategy. Fourteen cities are currently participating in this demonstration program around the country.
6. **Special Rent Adjustments for Non-Drug Related Crime Prevention and Security** - The Office of Housing published a Notice (H-94-27) which authorizes special rent increases for AAF projects in order to combat crime in assisted housing communities. Funds may be used for physical improvements to enhance security. Additional policy guidance was issued regarding the appropriate use of private security personnel subject to the availability of sufficient budget authority for each project.

VII CPD'S ROLE IN FIGHTING CRIME, DRUGS, VIOLENCE AND
COMMUNITY POLICING

In addition to those specific areas where CPD funds can be used as mentioned in Sections III, IV, and V, it is essential that Field staff become familiar with efforts by other Federal, state and local agencies of crime prevention programs. Coordination and collaboration are essential in effectively maximizing our respective resources. Attachment B, "Case Studies of Police Inner City Homeowner/Residence Program," provides examples of how some cities are coping with these public safety problems.

The implementation of the Empowerment and Community Enterprise Zone Program will provide opportunities for the Field staff to provide assistance and counseling on crime prevention efforts underway. This information should also be made available to all those who will not be participating in the EZ/CEZ program.

Since strategic planning is an essential part of Empowerment Zones, communities should be encouraged to include crime prevention action plans in these plans.

Finally, the Violent Crime Control and Law Enforcement Act of 1994 was signed into law by President Clinton on September 13, 1994 (Public Law 103-322). The legislation authorizes the funding of programs, and the actual amounts to be made available will be subject to the annual appropriation process. The Local Partnership Act with authorized funding levels of \$270 million in Fiscal Year 1996 will be administered by the Office of Community Planning and Development, HUD. The funds may be used for education, substance abuse treatment, or jobs programs that prevent crimes.

ATTACHMENT A

(1) Case Study -- DOTHAN, ALABAMA

August 31, 1992. Dothan, Alabama, requested the HUD Birmingham Office to allow junior police officers to live in low-income, high-crime neighborhoods as a deterrent to criminal and drug-related activities.

- HUD's response of October 23, 1992, provided the following:

The City may lease property and pay the cost of utilities, both of which must be in the City's name and not the name of the police officer. Payment directly to the police officer is ineligible under 24 CFR 570.207(b)(4). Utility costs would generally be limited to water and sewer, electricity, and heat, and not include telephone service.

Dothan's program was determined to be an eligible public service activity under 24 CFR 570.201(e) of the CDBG regulations and met the national objective of low-mod area benefit at 24 CFR 570.208(a).

- Other options provided by HUD:

The City could acquire and renovate the property but ownership must be retained by the City (otherwise, such expenses would be considered income payments to the police officer under 24 CFR 570.207(b)(4) and would be ineligible for funding.) This would be an eligible public facility under 24 CFR 570.201(c).

If the City owns the property and is making mortgage payments and paying related expenses using other city funds, any use of CDBG funds on behalf of the police officer should be limited to that over and above expenses already being incurred by the City. This is eligible under 24 CFR 570.201(e). (CDBG funds cannot be used to pay for a service which has been provided by or in behalf of the unit of general local government using State or local funds during the 12 months prior to the submission of the City's Final Statement.)

NOTE: Although HUD approved Dothan's program as an eligible public service activity the program has not been implemented as of this notice.

ATTACHMENT B

CASE STUDIES OF

POLICE INNER-CITY HOMEOWNER/RESIDENCE PROGRAM (PIHRP)

Placing police as resident homeowners in the middle of targeted, inner-city neighborhoods addresses two serious problems of low-income neighborhoods: (1) crimes, and (2) deteriorating housing. It also has the positive impact of enhancing the overall image of the police department among the poor residents who live in these communities, and in many cases providing direct, positive assistance from the resident police officer.

Community policing (CP) and problem-oriented policing (POP) have become a part of the crime prevention process in many cities. These two concepts have also been integrated with the PIHR Program in some of the cities which have implemented police homeowner loan or grant programs. Crime statistics in those cities with the PIHR have shown a marked decline in all categories of crime and have also indicated an improvement in housing stock surrounding the police officers who have moved into the neighborhood.

Two cities, Columbia, South Carolina, and Elgin, Illinois, are pioneers in this effort having started their programs in 1990.

A. Police Homeowners Loan Program (PHLP)-- COLUMBIA, SOUTH CAROLINA

Columbia, South Carolina's, police residence program started in 1990. The City intended to use CDBG funds exclusively to assist officers, but due to income limits of the CDBG program, the city uses private and general use funds predominately to finance acquisition of housing for officers. Most officers' household incomes in the city exceed the CDBG program limits. Only one of the eleven houses purchased by officers was CDBG assisted. Although few CDBG funds are used in this program, this case study is presented because it is illustrative of another method of placing officers in these low-income neighborhoods.

How PHLP Works

- The City CD office is heavily involved with the policeman in his home search, repairs, contract-to-purchase, inspection, bank loan processing, rehab cost estimates, etc., etc.

- A bank processes the loan, issues a commitment to lend 50 percent loan to value of the appraised amount.
- A city loan committee issues a commitment to loan 50 percent loan to value of the appraised amount.
- The first mortgage (bank) and second mortgage (City) has provided an average interest rate of 4 percent for 20 years.
- The City provided \$600,000 for the program for their share of the second mortgage commitment (which was 1 percent for 20 years).
- Twelve officers have participated during the past three years.

The Results of Columbia's PHLP

- Linked to the City's community policing, there has been a 15 percent reduction in overall crime.
- Community support has grown so strong that other low-income neighborhoods near the targeted areas are demanding the City expand the program to their neighborhoods.
- Each house was rehabilitated exceeding local property standards and has contributed to the physical revitalization of those neighborhoods.
- The PHLP has provided an incentive for other police officers to move into the inner city from the suburbs.
- The service areas are CDBG Target areas.
- Neighbors welcome police families and there has been increased cooperation with the Police Department.
- There is a racial diversity of police participants (five African-American, six white).

Note: Some white officers have purchased homes in minority communities. (See graph last page.)

Local Contact Person: Eric V. Cassell, Loan Officer, (803) 733-8459
HUD CPD Office: Louis E. Bradley, CPD Director, (803) 765-5564

B. Resident Officer Program of ELGIN, ILLINOIS - (ROPE)

The Resident Officer Program of Elgin (ROPE) was established in 1990 as a proactive community-oriented police program. Even though CDBG funds are not used, this case study provides another example of how this community deals with the concept of police in-residence.

The ROPE program is a three-tiered community-oriented approach:

- Tier 1 - A special tactical unit is assigned to saturate an area that is experiencing problems.
- Tier 2 - If the problem is systemic, a community-oriented policing (C.O.P.) substation is established in the area.
- Tier 3 - If warranted by escalated criminal activity and if a facility is available, a resident officer location replaces the C.O.P. substation.

There are currently four resident officer locations. Two residences were obtained free and a third was obtained at a reasonable rate. The Elgin program is a resident program, but not a homeowners program. The following are the basics:

How ROPE Works

- A suitable dwelling unit, selected by the City in a targeted neighborhood serves as the officer's principal residence for a prescribed duration or assignment.
- Basic utilities are paid for by the City.
- A vehicle, a telephone answering machine, an enhanced off-site parking for a personal vehicle are provided.
- Reasonable moving expenses are provided.
- Other additional items/expenses are provided to further the mission, goals, and/or objectives.

The Results of ROPE

- Reduced drug sales, gang "hang-outs," other crimes.
- Increased participation by community residents in neighborhood activities, including formation of neighborhood chapters of Boy Scouts, Girl Scouts, etc.
- Improved city services for residents.
- Served as ombudsman to resolve problems.
- Formed neighborhood anti-crime groups.
- Improved bonding with local churches.
- Printed/distributed monthly bulletin.

There has been an increased, positive community spirit with the residents feeling empowered and able to gain control of their lives and neighborhoods.

Local Contact Person: Charles A. Gruber, Chief of Police, (708) 931-6000
 HUD CPD Office: Richard Wilson, CPD Director, (312) 353-1696

C. State of Missouri - Partnership Program with KANSAS CITY and ST. LOUIS

1. Kansas City* - Police in Neighborhoods (PIN)

- Partners/City, local police and sheriff officers, Missouri Housing Development Commission, Boatman's Bank and other lending institutions, community based not-for-profit agencies.
- Provides police officers with attractive housing financing opportunities for new and existing homes into targeted neighborhoods.
- Financing: 60% from private lenders
 20% from State of Missouri
 20% from City

Includes: low down payment; first mortgage loan of 60%;
 deferred loan from State; low interest rate; subsidy.

- Provides for income guidelines.
- One officer has closed and is living in a neighborhood and 9 more are going through the process (as of 9-16-94).

Local Contact Person: Department of Housing and Community Development,
City Hall, Kansas City, (816) 274-2201

HUD CPD Office: Miguel Madrigal, CPD Director, (913) 551-5484

2. St. Louis - Cops on the Block

- Will provide attractive financing packages for up to 50 homes.
- Targets specific neighborhoods.
- Financing:
 - 20% down payment deferred loan through State of Missouri Housing Development Commission;
 - 70-75% financing through a participating lending institution;
 - St. Louis provides 10-year property tax abatement.
 - St. Louis provides a \$5,000 down payment.
- Available to first-time homebuyers and existing homeowners.

Local Contact Person: Carol Winters Laslo, C.D. Agency, (314) 622-3400,
 Extension 327

HUD CPD Office: David H. Long, CPD Director, (314) 539-6524

* See Kansas City: CDBG and HOME Eligibility (next page).

KANSAS CITY'S CDBG AND HOME ELIGIBILITY

The following describes program eligibility for the Police in Neighborhoods (PIN) Program by funding source.

Community Development Block Grant Funds:

The use of CDBG funds in the PIN Program complies with HUD national program objectives by assisting in the elimination of slums and blight (24 CFR 570.208(b)) on an area basis.

The new construction and home buyer assistance activities are determined eligible as special activities by eligible subrecipients (24 CFR 570.204(a)). The City determined that the PIN Program is necessary and appropriate to achieve its stated community development objectives by eliminating physical blight and reducing the destabilizing impact of crime on Kansas City neighborhoods. The activities are included in the City's Year 20 Statement of Community Development Objectives and Projected Use of Funds which was approved by HUD on March 16, 1994.

The Program is administered by two eligible subrecipients which meet the definition of local development corporations, (24 CFR 570.204(c)(3)(iii)). The subrecipients are: the Housing Development Corporation and Information Center (HDCIC) and the Rehabilitation Loan Corporation (RLC).

HOME Investment Partnership Funds:

The use of HOME Funds for assistance to participating police and sheriff officers who are first-time homebuyers of existing homes with incomes below 80% of the area median income are eligible activities under the HOME Program, per 24 CFR 92.205(a). All HOME Program guidelines will be adhered to as stated in the City's 1994 HOME Program Description and according to Federal regulations.

ATTACHMENT C

**POTENTIAL FUNDING SOURCES FOR PUBLIC SAFETY PROGRAMS
IN TARGETED NEIGHBORHOODS****A. Private Sector Partnerships with HUD****- National Community Development Initiative**

\$20 million in HUD funds to leverage roughly \$60 million from a consortium of private cooperations, nonprofit foundations and the Prudential Insurance Company. The Enterprise Foundation and the Local Initiative Support Corporation could target some of their resources to this strategy of Police Residents in Inner Cities. These funds will generate an additional \$660 million from other sources.

- AFL - CIO Housing Investment Fund

The issuance of \$100 million in project-based rental vouchers will trigger a \$660 million investment in union pension funds and possible leverage another \$500 million from private lenders. There may be opportunities to link in with the police residence concept.

- Habitat for Humanity

HUD has been working with Habitat to increase their capacity to rehabilitate more housing for the poor. There may be an opportunity here.

- FNMA and HUD have been working together to further the goal of more affordable housing.**B. Private Sector and Nonprofits****- Banks/Lenders**

The Community Reinvestment Act should encourage lenders to participate in such a program since it would certainly meet CRA requirements.

- Insurance Companies

The Center for Corporate Public Responsibility, representing the life insurance industry, may have an interest in public safety programs. The police residence concept and funding would appeal to them.

- Utilities

Sixteen major utilities have formed a consortium, The Utility Industry Task Force, to assist community-based development organizations (CBDOs) in poor neighborhoods. A number of them are already involved in affordable housing projects. The Enterprise Foundation provides the supporting role to the Task Force.

- Other

Other institutional organizations which could be useful are: churches, foundations, national public interest groups (NLC, USCM, etc., etc.)

ATTACHMENT D

SURVEY - CITIES WITH POLICE HOMEOWNER LOAN PROGRAMS (PHLP)

- A.) The City of Columbia, South Carolina received over 200 requests for information on the City's Police Homeowner Loan Program (PHLP). A survey questionnaire was sent to these cities, and 31 responded. These returns are summarized in the following page.
- B.) Columbia, South Carolina - Chart depicting Police Homeowner characteristics.

A. 1994 Survey of Police Homeowner Loan Program (PHLP) - 31 Replications/Start-Ups:

<u>PHLP + Living Units</u> (12 cities)	<u>Organization</u>	<u>Homeowner/Rental</u>	<u>Units Done</u>	<u>Funding Source</u>
, Huntsville			1	
I, Norwalk	Redevelopment Agency	Homeowner	3 (24 goal)	CDBG/General Revenue
, Tampa	City of	Homeowner		
A, Savannah			2	
I, Shreveport	Dept. of Urban Dev.	Homeowner	1	Shrev Home Mortg Auth
N, St. Paul	HRA	Homeowner	6	Bond Residuals
O, Kansas City	Rehab. Loan Corp.	Homeowner	4	CDBG-Bond Reserves
Y, Albany	City of	Homeowner	6	CDBG
C, Raleigh	City of, Com. Dev.	Homeowner/Rental	4	City Bond Funds
C, Florence	Affordable Hsg. Corp.	Homeowner	4	CDBG
A, Lynchburg	Police Dept.	Homeowner	1	CDBG
VI, Fond Du Lac	Police Dept.	Homeowner	2	CDBG
<u>PHLP + No Living Units</u> (13 Cities)				
CO, Denver				
DC, Washington	Council of Dist. Col.	Homeowner		CDBG/General Revenue
FL, Sarasota				
IN, Ft Wayne		Homeowner		CDBG/Banks
MS, Jackson	City of			
MO, St. Louis	St. Treas/MO HSG & Dev.	Homeowner		CDBG
MO, Kansas City	Old Northeast, Inc.			CDBG

A. 1994 Survey of Police Homeowner Loan Program (PHLP) - 31 Replications/Start-Ups; (Cont.)

<u>PHLP + Living Units</u> (13 cities, cont.)	<u>Organization</u>	<u>Homeowner/Rental</u>	<u>Units Done</u>	<u>Funding Source</u>
io, Canton	City of			CDBG
A, Lancaster	City of	Homeowner		Home Funds
C, Aiken	Sec. Fed. Savings Bank	Homeowner		CDBG/Banks
C, Beaufort	Police Department			Banks/Other
N, Memphis	City Of	Homeowner		CDBG
X, San Antonio	City of/Department of HSG & CD			CDBG
<u>HLP To Start</u> (3 cities)				
CA, Los Angeles	City of	Homeowner		
CA, Sacramento	HSG & Redevelopment Agency	Homeowner/Rental		Tax Increments Funds
CO, Aurora	Police Department	Homeowner		CDBG
CT, Hartford				
NY, Rochester				
SC, Anderson	City of/Comm. Development			
VA Roanoke				
<u>Pending Empowerment/ Enterprise Designation</u> (2 cities)				
MD, Baltimore	Police Department	Homeowner		
PA, Philadelphia	Police Department	Homeowner		

B. Columbia, S.C. - Police Homeowner Characteristics RE PHLP

<u>AGE</u>	<u>DEPT. SENIORITY</u>	<u>RACE</u>	<u>GEN DER</u>	<u>MARI TAL STA TUS</u>	<u>FAM ILY SIZE</u>	<u>CHILDREN & AGES</u>	<u>INCO ME LEVEL</u>	<u>CENSUS TRACT</u>	<u>MIN DR ITY</u>	<u>NEIGHBOR HOOD</u>	<u>TOTAL COST</u>	<u>PUR CHASE</u>	<u>REHAB</u>	<u>CLOSING</u>
35	Patrolman	B	M	M	4	Girl 8 Boy 6	90%	4	64%	Hyatt Park	\$70,335	\$42,000	\$25,485	\$2,850
35	Patrolman	B	M	M	4	Boy 12 Girl 11	71%	1	75%	College Place	53,250	26,500	24,005	2,745
28	Patrolman	B	M	M	4	Girl 3 Boy 1	127%	7	46%	Elmwood Park	82,660	43,000	37,160	2,500
34	Corporal	W	M	M	6	Boy 18 Boy 17 Boy 16 Boy 14	114%	1	75%	College Place	77,294	40,000	35,505	1,789
28	Patrolman	W	M	S	1	.	101%	4	64%	Hyatt Park	71,050	48,000	20,350	2,700
27	Corporal	B	M	M	2	.	103%	3	80%	Hyatt Park	65,000	33,000	28,570	3,430
45	Investigator	W	M	S	1	.	119%	4	64%	Hyatt Park	38,056	18,000	17,045	3,011
30	Corporal	W	M	M	3	Girl 6 mos.	100%	6	34%	Earlewood	69,650	46,000	21,850	1,800
29	Patrolman	W	M	M	2	.	82%	7	46%	Cottontown	77,000	25,000	50,500	1,500
24	Master Patrolman	B	M	S	1	.	81%	2	68%	Lin-Col-Lat	58,100	30,000	25,081	3,019
29	Patrolman	W	M	S	1	.	90%	7	46%	Cottonwood	74,000	60,000	11,000	3,000
AVG.											\$66,945	\$37,409	\$26,959	\$2,577

11 officers, median age 29 years, 6 white - 5 black, all male, 7 married, 5 with children, average family size 2.6, average income 98% of metro area household income.