

Via E-mail

Jeffrey Bruni, Esq
City Attorney
City of Gulfport
Email: jbruni@gulfport-ms.gov

Re: Civil Rights Obligations of the City of Gulfport in HUD Fund Expenditures

Dear City Attorney Bruni:

We write on behalf of our clients and concerned residents regarding the City of Gulfport's (the "City") "2025 Action Plan" proposal. Our clients are Black residents who have sought Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Entitlement funds for years, and repeatedly been told no funds were available, only to have City officials later confirm millions of funds had been withheld and mismanaged in violation of the U.S. Department of Housing and Urban Development (HUD) policies. The Southern Poverty Law Center (SPLC) is a catalyst for racial justice in the South and beyond, working in partnership with communities to dismantle white supremacy, strengthen intersectional movement, and advance the human rights of all people. SPLC's Economic Justice Advocacy and Litigation Team has filed litigation and sought policy reforms to bring about equity in allocation of federal funds as well as reforms to ensure the human right to housing for all people.

With this letter, and as detailed below, we are notifying the City that it has federal civil rights obligations in connection with the distribution of CDBG Funds and HOME funds not to discriminate on the basis of race or color.

As you know, the City is a governmental entity subject to federal civil rights obligations arising under Title VI of the Civil Rights Act of 1964; the federal Fair Housing Act; the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution; and Sections 1981 and 1982 of the Civil Rights Act of 1866. Thus, the City is continuously obligated to undertake an analysis at every step of the proposed federal fund expenditures to ensure that its intended actions do not discriminate on the basis of race or color in advance of its final decision to utilize unspent CDBG funds and HOME Entitlement funds.

There are ongoing community concerns about the City's allocation of CDBG funds and HOME Entitlement funds with the Black citizens of Gulfport, specifically the Black residents of Wards 1 and 3. The City, as a recipient of federal financial assistance, has failed to administer its CDBG, HOME and Homebuyer Assistance programs¹, leaving Gulfport's low income Black

¹ See December 18, 2025 email from Rashida Bell, City Clerk, stating "The [Homebuyer Assistance Program (HAP)-HOME funded] program was last actively staffed and operated in 2018/2019" and "Due to the program not being active, Zero (0) applicants have been approved for Gulfport HOME HAP" attached hereto as Exhibit 1.

residents and Black neighborhoods disproportionately disadvantaged. Wards 1 and 3 are in urgent need of housing rehabilitation, drainage, sidewalks, and community facilities. And while it is yet to be determined whether there is evidence the City's past mismanagement was the result of intentional discrimination, the City Council's current refusal to commit to using those funds for the benefit of these low and moderate income ("LMI") Black communities **as intended by HUD** raises concerns of unlawful discriminatory intent.

1. Purpose of Relevant Funds and Civil Rights Obligations

The City of Gulfport has been designated an "Entitlement Community" by HUD and is therefore eligible for yearly CDGB block grants. Based on census data, HUD determines the amount of the City's annual grant funding allocation by using several "measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas."²

CDBG grants are awarded to cities and counties for the purpose of "providing decent housing and a suitable, living environment, and by expanding economic opportunities, principally for LMI persons."³ Grantees must spend at least 70% of funds to benefit LMI communities.⁴ Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit LMI people.⁵

Between 2017 and 2024, the City has received a total of \$6,902,396 in CDBG funds.⁶ Of that, \$33,109—just .5%, one half of a percent -- has been used for housing citywide.

To an even greater extent than CDBG grants, HOME funds are intended to benefit low-income households. State and local municipalities that receive HOME grants do not have as much discretion as CDBG Entitlement communities. HUD's HOME program is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income household.⁷ It provides formula grants to states and localities that communities use to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.⁸

The City reports that its HOME homebuyer assistance program (HAP) was last staffed in 2018/2019. Between 2018 and 2024, the City received \$5,200,748.72 in HOME funds and used

² <https://www.hudexchange.info/programs/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/>.

³ <https://www.hudexchange.info/programs/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/>

⁴ *Id.*

⁵ <https://www.hudexchange.info/programs/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/>

⁶ See HUD Awards and Allocations, available at www.hudexchange.info/grantees/allocations-awards 2/26/25 and attached hereto as Exhibit 2

⁷ *Id.*

⁸ <https://www.federalregister.gov/documents/2025/01/06/2024-29824/home-investment-partnerships-program-program-updates-and-streamlining>

that money to fund only one HAP application in that time.⁹ None of the 19 HOME HAP applications submitted since 2022 have been funded.

As a government entity, the City’s discretionary allocation of both CDBG funds and HOME Entitlement funds is constrained by its federal civil rights obligations. Our analysis in this letter focuses on two of those obligations—Title VI of the Civil Rights Act of 1964¹⁰ and the federal Fair Housing Act¹¹—but we note that there are other related federal civil rights obligations that are relevant here and must also be considered by the City in its analysis. These other civil rights obligations independently arise under the Fourteenth Amendment of the U.S. Constitution (equal protection under the law) and Sections 1981 (racial equality in contracts, lawsuits, and proceedings) and 1982 (racial equality in property rights) of the Civil Rights Act of 1866, 42 U.S.C. §§ 1981 and 1982.

These civil rights obligations have different duties, scopes, applicability, and remedies. Differences arise in the applicability of these federal duties to the government or private parties (or both) and the remedial purposes of the various civil rights obligations. For this reason, an analysis of each of these independent civil rights obligations at every step is required.

a. **Title VI of the Civil Rights Act of 1964 prohibits the City from discriminating on the basis of race or color.**

As a recipient of federal funding, the City has federal civil rights obligations under Title VI in connection with its implementation of the Gulfport 2025 Annual Action Plan. Title VI prohibits programs or activities that receive federal financial assistance from intentionally or knowingly discriminating against individuals based on their race, color, or national origin.¹²

A recipient of federal financial assistance authorized under a law administered by the U.S. Treasury

may not, directly or through contractual or other arrangements, on the grounds of race, color or national origin: (i) Deny a person any service, financial aid, or other benefit provided under the program; (ii) Provide any service, financial aid, or other benefit to a person which is different, or is provided in a different manner, from that provided to others under the program; (iii) Subject a person to segregation or separate treatment in any matter related to his receipt of any service, financial aid, other benefit of the program; (iv) Restrict a person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under the program; (v) Treat a person differently from others in determining whether he satisfies any admission, enrollment, quota, eligibility, membership, or other requirement or condition which persons must meet in order to be provided any service, financial aid, or other benefit provided under the program; (vi) Deny a person an opportunity to participate in the program through the

⁹ See Awards and Allocations available at www.hudexchange.info/grantees/allocations-awards available online 3/18/25 and attached hereto as Exhibit 2

¹⁰ 42 U.S.C. § 2000d *et seq.*

¹¹ 42 U.S.C. §§ 3601 *et seq.*

¹² 42 U.S.C. §§ 2000d, 2000d-4a.

provision of services or otherwise to afford him an opportunity to do so which is different from that afforded others under the program (including the opportunity to participate in the program as a volunteer or as an employee, but only to the extent set forth in paragraph (c) of this section); or (vii) Deny a person the opportunity to participate as a member of a planning, advisory, or similar body which is an integral part of the program.

31 CFR § 22.4 (b)(1). Recipients of federal funding, including but not limited to municipalities like the City,¹³ may not administer their programs or services in a way that has the “effect of subjecting individuals to discrimination because of their race, color, or national origin.”¹⁴

Individual residents who have been, or are in the future, denied access to CDBG or HOME funds may be able to establish the City’s discriminatory intent if the City intentionally disregards warnings of potential violations. Intentional discrimination would give rise to liability under Title VI of the Civil Rights Act, Section 1983 (42 U.S.C. 1983) and the Fourteenth Amendment Equal Protection Clause. For example, discrimination in the provision of municipal services such as parks, sewers and streetlights to majority Black wards of Gulfport could violate Equal Protection under Section 1983. *See generally Hawkins v. Town of Shaw, Miss.*, 437 F.3d 1286, 1292 (5th Cir. 1971). Finally, as a local municipality, the City may be liable for damages under 42 U.S.C. § 1983 “if it follows a custom, policy, or practice by which local officials violate a plaintiff’s constitutional rights.” *Monell v. New York City Dep’t of Soc. Servs.*, 436 U.S. 658, 694 (1978)).

b. The City of Gulfport as a recipient of Federal Funds has a duty to affirmatively further Fair Housing.

Under 42 U.S.C. § 3608(e)(5), HUD and its grantees, including the City of Gulfport, must take proactive steps to reduce segregation and make meaningful investment in marginalized communities. The City of Gulfport has a duty to affirmatively further the purposes and policies of the Fair Housing Act. The Fair Housing Act not only prohibits discrimination but, in conjunction with other statutes, directs HUD program participants to take significant actions to overcome historic patterns of segregation, achieve truly balanced and integrated living patterns, promote fair housing choice, and foster inclusive communities that are free from discrimination.¹⁵ 42 USC § 5304(b) requires that HUD CDBG grantees administer funds “in conformity with the Civil Rights Act of 1964 and the Fair Housing Act, and the grantee will affirmatively further fair housing.”

The Fair Housing Act provides recourse for individuals subjected to discriminatory housing practices through both administrative investigation and enforcement pursuant to 42 U.S.C. § 3610–12 and through a civil action via 42 U.S.C. § 3613. Penalties for a violation under the Fair Housing Act include the payment of fines and for the recovery of attorneys’ fees. Additionally, the City of Gulfport is required to use its CDBG funds in an appropriate manner and HUD is required to annually audit the use of such funds by grantees. 42 U.S.C. § 5304(e). “If HUD determines that CDBG funds have been used improperly, it is authorized to request the grantee to

¹³ 42 U.S.C. § 2000d-4a(1); see e.g., 24 C.F.R. part 1 (HUD Title VI implementing regulations).

¹⁴ 28 C.F.R. § 42.104(b).

¹⁵ 80 FR 42272

reimburse HUD for the unauthorized expenditures.” U.S. *ex rel. Farmer v. City of Houston*, 523 F.3d 333, 335 n.1 (5th Cir. 2008); *See* 24 C.F.R. § 570.910(b)(5).

2. The Impact of Failure to Use CDBG and HOME Entitlement Funds in Our Clients’ Communities.

The City of Gulfport received approximately twelve million dollars in federal CDBG funding and HOME Entitlement funding from HUD over the past seven years, which was intended to improve the lives of people living in poverty. Instead, Gulfport stockpiled the money for projects that did nothing to improve housing conditions for Gulfport’s low-income residents.¹⁶ The City’s actions have exacerbated, rather than redressed, the harms of segregation and housing discrimination.

Richard Marsh—age, 63—is one of many individuals who has been injured by the City’s actions. Mr. Marsh has sought CDBG funds annually for over 15 years to repair his deteriorating home. Over the years, Mr. Marsh received the same response from numerous officials--Grace Harris, Karen McCarthy and John Kelly--that there is no money. Mr. Marsh’s 1957 home was built on a former dump site. The home has rotting floor joists due to water issues, and mold and mildew are noticeably present. His air conditioning is not functional. Mr. Marsh’s health has deteriorated while living in these conditions, resulting in his recent removal from the heart transplant list. Mr. Marsh, a lifelong resident of Gulfport, is retired and living on a fixed income, and cannot afford the estimate to repair his floors.

Ruby Mclemore sought funding in 2023 and 2024 but was denied each time. In 2024 alone, she sought funds in April, October and November. The City consistently advised that the funds were unavailable or that the City could not help her at the moment. Ms. Mclemore, an 83 year old widow, has lived in her Ward 3 home since 1970, having rebuilt her home after Hurricane Kartina. Since her husband’s death, she has lived on a fixed income and been the primary guardian for a 19 year old and 10 year old. She also provides daily care for a 2-year-old and 3-year-old. A portion of her house does not have electricity, leaving her two bedrooms without electricity. Additionally, several walls need sheetrock, and her hallway floorboards are sinking.

Nancy Patton- Edmonds, age 73, is a 34-year resident of Ward 3. Ms. Patton-Edmonds is also a retiree, living on a fixed income. She has been attending City Council meetings and requesting funding since 2021, after a tornado damaged her house. Her insurance did not cover issues with her foundation or mold. The joints under her home are separating. Former Mayor Billy Hewes recognized her at City Council meetings in 2024 and gave his word that he would “help get her some money.” He promised she would be one of the first when funds were available. Ms. Patton-Edmonds called the City’s HUD office and went to the office in person. Leslie White took her information and would call her with updates; however, the updates were always the same—

¹⁶ In August 2022, the City passed a resolution which sought to redirect unspent CDBG funds in the amount of \$2.8 million dollars from years 2019, 2020, 2021, 2022 and 2023 into the Ward 3 “Quarters Project” which passed as part of a 2018 Urban Renewal Project. These unspent funds were accumulated while the City advised Black residents of Ward 1 and 3 who were pleading for federal assistance that “there were no funds available” to improve their housing conditions. See [Gulfport residents outraged over city’s usage of federal grants](#)

there was no news. She was told there was no money for home renovations, but only for first time homebuyers. Ms. Patton-Edmonds has developed severe anxiety and suffered a stroke which she attributes to her struggle to obtain the resources she needs for adequate housing. Ms. Patton-Edmonds recently had some volunteers provide limited repairs to her dining room and living room floors, but is still in need of HUD funds to assist with repairs to her bedrooms, hallway, kitchen and bathroom.

Finally, the City's mismanagement of funds has left 76-year-old Estella Hibbler without a home. Ms. Hibbler, a disabled grandmother and Ward 3 resident, could not find affordable housing when her landlord decided to sell her home. In 2024, she attended a City Council meeting and inquired about HOME rental assistance or homebuyer assistance. She was told to call the City's HUD office the following day and did so. She was told there was no available funding. She has had to stay with her daughter as a result.

Even at the writing of this correspondence, the City's website still states "**There are no HOME funding opportunities open at this time.**"¹⁷ And at least a dozen Black residents of Gulfport's Wards 1 and 3 have been turned away when seeking HOME funding applications since the City's July 2025 vote to approve expedited actions to spend down the unlawfully accumulated HUD funds.

The City's mismanagement of twelve million dollars in HUD CDBG and HOME Entitlement Funds is not just a matter of bureaucratic error. Black low-income residents of Gulfport have been left to live in inadequate housing, and some left completely without housing. The City has ignored their pleas for years, while hoarding the money intended to ensure their access to decent housing and a suitable standard of living.

3. Opportunities for the City to Use Funds Legally and Equitably

In an effort to retain millions of dollars in HUD funds¹⁸, Gulfport rushed through the City Council the 2025 Action Plan reallocating millions of dollars in unspent federal funds. On July 22, 2025, the Gulfport City Council held a public hearing on the proposed resolution to approve the 2025 Gulfport Action Plan with Substantial Amendments reallocating 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 CDBG and HOME Entitlement funds.¹⁹ Over the objections of Councilwoman Ella Hines and numerous community members who spoke during the period for public comment, the Council cited a deadline of August 16, 2025 and moved for approval of the 2025 Action plan. However, the City's response may be hurried and, as such, failing to properly

¹⁷ [https://www.gulfport-ms.gov/residents/community_development_.php#:~:text=The%20Gulfport%20Community%20Development%20\(GCD,HOME%20Gulfport%2DHarrison%20County%20Consortium](https://www.gulfport-ms.gov/residents/community_development_.php#:~:text=The%20Gulfport%20Community%20Development%20(GCD,HOME%20Gulfport%2DHarrison%20County%20Consortium). Last accessed February 10, 2026.

¹⁸ As a result of the City's failure to administer CDBG and HOME funds during Program Year 2023 (January 1 to December 31, 2023), HUD notified the City in January 2024 that it is no longer in compliance with HUD's timely expenditures regulations as measured on November 2, 2023.

¹⁹ July 22, 2025 Gulfport City Council Meeting Transcript, [10-22 Meeting-Report HUD-Compliant CDBG HOME Buckets Funding Backlog Timeliness and Transparency Plans.mp3](#)

prioritize the civil right obligations attached to the use of HUD funding. The time to correct course is now.

Accordingly, SPLC and its clients urge the City of Gulfport to take the following actions in order ensure the CDBG and HOME funds are used equitably and in compliance with all federal law.

First, as has been requested numerous times, the City should commit to a forensic audit of CDBG funds which were not properly allocated or spent from 2017 to present. This will answer outstanding questions as to how the funds went missing for so many years and ensure such mismanagement does not recur. Attempts to avoid such transparency and accountability fuel public distrust and concerns of intentional discrimination.

Second, the City should establish permanent safeguards against future mismanagement. The safeguards installed by Mississippi Department of Human Services (MDHS), aptly named “Operation Restore Trust”, following the 2020 TANF scandals may be instructive here. After conducting a forensic audit, the MDHS appointed a Chief Compliance Officer and created a new compliance program, implemented a more robust subgrantee monitoring program, and offered a training program on grant writing for prospective program grantees.²⁰ Similarly, in order to prevent recurrence of past abuses, Gulfport would benefit from a Chief Compliance Officer and compliance program, as well as a training program for community members seeking program funds.

Our clients also request the creation of a community oversight committee comprised of community members from each ward to ensure that the community's voice is represented when the City allocates funds. Furthermore, this oversight will help ensure that the current situation is not repeated in the future.

Finally, but most importantly, the City should prioritize physical improvements to Wards 1 and 3, as well as housing rehabilitation programs which have been requested by our clients. Additionally, residents have repeatedly asked the City Council for assistance with flooding, repairs to sidewalks, and improved lighting. These are ideal uses for CDBG funds. Both CDBG funds and HOME funds can and should be used for renovations to housing, rental assistance and homebuying assistance, “principally for the low and moderate” income residents of Gulfport.

Gulfport must take **proactive, meaningful steps** to overcome past patterns and customs of underserving low-to-moderate Black communities and to combat racial disparities in living conditions—not merely avoid overt discrimination. Now that the City is aware of its civil rights obligations and the disparate impact of any failure to prioritize those obligations, any future inequitable allocations may be construed as intentional acts of discrimination. Moreover, the City is now aware that its mismanagement of HUD funds may exacerbate rather than mitigate the harms of historic housing discrimination in Gulfport’s historically under-served Black and LMI communities. The City, like all HUD grantees, is under a mandate to affirmatively further fair housing. Thus, failure to correct its actions could expose the City to liability under the Fair Housing Act. However, in the inverse, the City has an opportunity to allocate CDBG and HOME

²⁰ <https://www.mdhs.ms.gov/wp-content/uploads/2021/10/Forensic-Audit-Operation-Restore-Trust.pdf>

Entitlement funds to affirmatively further fair housing in the historically underserved and majority-Black Wards 1 and 3. The City must also implement transparent reporting and establish community oversight mechanisms to ensure compliance with federal civil rights obligations.

We look forward to seeing how the City of Gulfport will take action to effectuate positive change. If we can be of any assistance toward that end, please do not hesitate to reach out.

Respectfully submitted,

/s Julian D. Miller

Julian D. Miller, Esq.

Julia Jack, Esq.*

Crystal Stevens McElrath, Esq.*

*not licensed in Mississippi

Exhibit 1



City Clerk

P.O. Box 1780
Gulfport, MS 39502
Phone: 228-868-5790 ext. 6549
Email: rbell@gulfport-ms.gov
City Hall
2309 15th St.
Gulfport, MS 39501

December 18, 2025

VIA EMAIL

Wesley.evans@splcenter.org

Wesley Evans

111 East Capitol Street, Suite 280

Re: Request for Records

Mr. Evans,

I am in receipt of a City of Gulfport public records request form that you submitted on December 17, 2025, dated 12/18/2025 pertaining to, "From January 1, 2022, to present – all applications for HUD's first-time home buyer assistance program".

According to our Community Development Department, these kinds of programs have been inactive for years and are currently being restarted. Specific information related to the program in the request is as follows:

1. **Homebuyer Assistance Program (HAP) – HOME funded**
 - According to the knowledge of current staff and available records, between January 1, 2022, to present, a total of nineteen (19) applications have been received from interested Homebuyer Assistance Program applicants. Due to the program not being active*, Zero (0) applications have been approved for Gulfport HOME HAP.
 - **2022** – 15 applicants
 - **2023** – 0 applicants

- **2024** – 3 applicants
- **2025** – 1 applicant

**The program was last actively staffed and operated in 2018/2019, aside from one (1) downpayment assistance instance occurring with a 2021 applicant.*

- **12/2025 update - the program is not open to apply.**
 - We are working to secure a qualified partnering agency to administer the program with approved funding allocated and intend to open the program in 2026.

If I may be of further assistance, please let me know.

Sincerely,

Rashida Bell

Rashida Bell

City Clerk

RecordsRequest@gulfport-ms.gov

(228)868-5790 ext.: 6549

Exhibit 2

2021	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$736,607.00
2021	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME	\$487,232.00
2021	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME : ARP	\$1,764,175.00
2020	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG : CV1	\$424,924.00
2020	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG : CV3	\$703,352.00
2020	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$722,333.00
2020	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME	\$486,802.00
2019	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$700,035.00
2019	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME	\$440,141.00
2018	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$695,889.00
2018	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME	\$476,880.00
2017	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$655,571.00
2017	MS	Gulfport, MS (/grantees/gulfport-ms)	HOME	\$326,615.00
2016	MS	Gulfport, MS (/grantees/gulfport-ms)	CDBG	\$581,068.00

1

2 (/grantees/allocations-awards/?
viewmoreawards=1¶ms=%7B%22state%22%3A%22MS%22%2C%22grantees%22%3A%5B%7B%22id%22%3A%22519%22%7D%5D%7D&n

3 (/grantees/allocations-awards/?
viewmoreawards=1¶ms=%7B%22state%22%3A%22MS%22%2C%22grantees%22%3A%5B%7B%22id%22%3A%22519%22%7D%5D%7D&n

» (/grantees/allocations-awards/?
viewmoreawards=1¶ms=%7B%22state%22%3A%22MS%22%2C%22grantees%22%3A%5B%7B%22id%22%3A%22519%22%7D%5D%7D&n