

# HUD National Objectives, Criteria, and Documentation

(info taken from multiple HUD sources, as documented)

There are three HUD National Objectives:

- 1) **Benefiting low- and moderate-income persons,**
- 2) Preventing or eliminating slums or blight, or
- 3) Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

EVERYTHING we do falls under Benefitting low- and moderate-income persons – we don't really use the other two categories.

A **low- and moderate- (L/M) income person** is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low-income limits established by HUD applicable to the size of the person's family.

A **family is defined** as all persons living in the same household who are related by blood, marriage, or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one person family for this purpose. Adult children who continue to live at home with their parent(s) are considered to be part of the family for this purpose and their income must be counted in determining the total family income. A dependent child who is living outside of the home (e.g., students living in a dormitory or other student housing) is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit.

A **low- and moderate-(L/M) income household is defined** as a household in which the total income of all of the household members is equal to or less than the Section 8 Housing Assistance Payments Program low-income limit established by HUD for an equivalent sized family. A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

For purposes of determining whether a person or household is L/M income, the CDBG regulations require grantees to elect one or more of three definitions of what must be considered to be income. The options are the Section 8, IRS, or Census definitions. The detailed definitions can be found at §570.3.

**NATIONAL OBJECTIVE #1 - Benefiting low- and moderate-income persons or households:** There are four **criteria** for how an activity may be considered to benefit low/mod persons:

- 1) **Area Benefit (low/mod area benefit activity)**
  - a) Reporting is on Persons
  - b) Area must be **primarily residential, not commercial**

- c) Activity must meet the identified needs of lower income persons residing in an area where at least 51% of the residents are low/mod persons.
- d) These areas are census tract BLOCK GROUPS identified by HUD annually, with low/mod percentages assigned by HUD.
- e) A VERY critical step is that CDBG Staff must determine the “Service Area” of the project. This must cover the **entire area** served by the activity. Even though a predominantly L/M income neighborhood may be one of several served by an activity, the percentage of L/M income persons in the **total area served by the activity** must be considered.
- f) CANNOT USE as AREA BENEFIT if the service is not located in a low/mod area (i.e. if it is located next to low/mod area even if you think that mostly lower income people would use)
- g) **Records to be maintained (document for file and include in the subrecipient contract)**
  - Boundaries of the service area and the basis for determining those boundaries. This can be a written description of the area but it is good to include a map of the entire service area with a circle or other drawing. The explanation of **how that boundary was determined** is crucial. **See “Appendix D” at the end of this document.**
  - The percentage of L/M persons residing in the service area, and the data used for determining that percentage (i.e. usually a copy of the HUD-identified census tract block groups and their low/mod percentages.)

## 2) **Limited Clientele** (low/mod limited clientele activity)

- a) Reporting is always on Persons, not households
- b) To qualify under this category, a limited clientele activity must meet one of the following tests:
  1. **PRESUMED BENEFIT** - Exclusively benefit a clientele who are generally *presumed by HUD to be principally L/M income persons*. These are the groups that are presumed benefit:
    - **Abused and Neglected Children** – This includes foster children, children who are in/escaping family violence, rape crisis services for those under age 18, etc., daycare and other services exclusively for abused and neglected children, mental health services for abused/neglected children, etc.
      - Income reporting for this category is **Extremely low income (0-30% AMI) for everyone being reported in CDS and IDIS**
    - **Battered Spouses** – If you need definitions for DV, sexual assault, stalking, dating violence, etc. see here: <https://www.law.cornell.edu/cfr/text/24/5.2003>
      - Income reporting for all is **Low Income (30-50% AMI)**
    - **Elderly persons** - An **elderly** person is at least 62 years of age, and elderly family is a family whose head, spouse or sole member is a person who is at least 62 years of age

- Income reporting is **Moderate (50-80% AMI)** if services are based out of a Senior Center, or **Low Income (30-50% AMI)** if not Center based)
- Document AGE of participant or BIRTH DATE/YEAR OF BIRTH
  
- **Homeless persons** – See link below for HUD definition of categories of homelessness and recordkeeping requirements for each: **1) Literally homeless; 2) Imminent Risk of Homelessness; 3) Homeless under other Federal statutes; and 4) Fleeing/Attempting to Flee Domestic Violence**  
[https://files.hudexchange.info/resources/documents/HomelessDefinition\\_RecordkeepingRequirementsandCriteria.pdf](https://files.hudexchange.info/resources/documents/HomelessDefinition_RecordkeepingRequirementsandCriteria.pdf)
  - Income reporting is **Extremely Low Income (0-30% AMI)**
  - Document that the person is homeless (self report).
  
- **Severely disabled adults** – Persons are classified as having a severe disability if they: (a) used a wheel-chair or had used another special aid for six months or longer; (b) are unable to perform one or more “functional activities” or need assistance with an “ADL or IADL”; (c) are prevented from working at a job or doing housework; or (d) have a selected condition including autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.
  - Note: For purposes of this definition, the term “functional activities” includes seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs, and walking. An ADL is an “activity of daily living” which includes getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting. An IADL is an “instrumental activity of daily living” and includes going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone.
  - Income reporting is **Low Income (30-50% AMI)**
  - Document that the activity is designed to be used exclusively by disabled persons or documentation of the severe disability
  
- **Illiterate adults** - Illiteracy means the inability to read or write (in any language). A person is illiterate if s/he cannot read or write a simple message (in any language) even though the person can sign his or her name. An illiterate person generally has little or no formal schooling. SS definition continues here:  
<https://secure.ssa.gov/apps10/poms.nsf/lnx/0425015010>
  - Income reporting is **Low Income (30-50% AMI)**
  - Document that the person is illiterate, has not achieve 4<sup>th</sup> grade education or above, or is unable to read or write a simple message.
  
- **Persons living with AIDS** – Client must be medically diagnosed with HIV/AIDS
  - Income reporting is **Low Income (30-50% AMI)**

- Document diagnosis of HIV/AIDS
  - **Migrant farm workers** – A migrant farmworker will generally relocate their place of residence during the growing season in order to follow the crops.
    - Income reporting is **Low Income (30-50% AMI)**
- 2. REQUIRE INFORMATION ON FAMILY SIZE AND INCOME** – This test requires that persons qualify as lower income by documenting household size and income, and comparing that to the HUD income limits for the year to ensure that they qualify.
- Document with household income information
  - Can also use a Self-Certification form if your HUD rep approves. Some reps require that a certain percentage of people substantiate their household income. See Consortium Self-Cert form in English and Spanish, attached.
- 3. NATURE AND LOCATION** – Be of such nature and in such location that it may reasonably be concluded that the activity’s clientele will primarily be L/M income persons (such as tutoring services at a public housing complex).
- 3) Low/Moderate Income **Housing**
- i. Reporting is on Households
  - ii. An **elderly** family is a family whose head, spouse or sole member is a person who is at least 62 years of age
  - iii. Includes activities involving the acquisition, construction or rehabilitation of property for housing, including homeownership assistance
- 4) Low/Moderate Income **Jobs**
- i. Reporting is on Persons
  - ii. Includes creation and retention of jobs, etc.

See referenced materials for more information on 3 and 4 above.

## **From 2001 Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities**

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

### **Appendix D – FOR AREA BENEFIT ACTIVITIES**

#### **DETERMINING SERVICE AREAS**

As discussed in Chapter 3 under the L/M Income Area Benefit subcategory of the L/M income national objective, once it has been determined that an activity provides a benefit to all the residents of an area, the activity may meet the L/M Income Benefit national objective only if the area served by the activity contains a sufficiently high percentage of L/M income residents. As also noted in that section, accurately determining the area served by the activity is critical for these purposes. This Appendix provides guidance on how to determine the area served by an activity.

Some activity types do not require any judgment in determining the area served for purposes of the CDBG program. This is because the area served by such an activity has already been determined for other purposes. Perhaps most notable among these activities are police precincts, fire stations, and schools. In each such case, specific boundaries have already been determined so that the persons involved know which facility serves persons or properties located at a particular address within the community. When boundaries such as these have been determined, no further work should be needed for purposes of identifying the area served by assisting the facility or providing the service.

Moreover, in many communities the planning department or the department or agency administering a particular facility or service, for their own purposes, establishes service areas for things such as libraries, parks, playgrounds, etc. Again, the decision to assist these services or facilities with CDBG funds should not require any additional work to identify the area to be served.

Generally speaking, it is reasonable to assume that certain kinds of facilities serve only very small areas. For example, sidewalks, gutters, trees, and street lights on a residential street would usually benefit only the residents of the immediately adjacent area. The same would be true for tot-lots and small playgrounds. Therefore, the area served by such activities is usually limited to a few census block groups surrounding the area in which they are located.

When the grantee does not already have an identification of the area served for a given facility or service, it will be necessary for the grantee to determine the service area before CDBG assistance may be provided if the activity is to qualify under the L/M Income Area Benefit criteria. As previously indicated, the grantee's determination of the area served will usually be accepted by HUD, unless there are indications that the grantee defined area is clearly too small or too large. The factors to be considered in making the determination of the area served (both by the grantee and HUD) for these purposes are:

- ✓ The nature of the activity;
- ✓ The location of the activity;
- ✓ Accessibility issues, and
- ✓ The availability of comparable activities.

Each of these factors is discussed briefly below.

## **Nature of Activity**

In determining the boundaries of the area served by a facility, its size and how it is equipped need to be considered. For example, a park that is expected to serve an entire neighborhood cannot be so small or have so little equipment (number of swings, slides, etc.) that it would only be able to serve a handful of persons at any one time. Conversely, a park which contains three ball fields, or a ballfield with grandstands that can accommodate hundreds of spectators, could not reasonably be said to be designed to serve a single neighborhood. The same comparison would apply to the case of assisting a small, two-lane street in a residential neighborhood versus that of assisting an arterial four-lane street that may pass through the neighborhood but is clearly used primarily by persons passing through from other areas.

## **Location of Activity**

Where an activity is located will also affect its capacity to serve particular areas, especially when the location of a comparable activity is considered. A library, for example, cannot reasonably be claimed to benefit an area that does not include the area in which it is located. When a facility is located near the boundary of a particular neighborhood, its service area would be expected to include portions of the adjacent neighborhood as well as the one in which it is located. (Note that the grantee may carry out activities that are even outside its jurisdiction if it is done in accordance with §570.309.)

## **Accessibility**

The accessibility of the activity also needs to be considered in defining the area served. For example, if a river or an interstate highway forms a geographic barrier that separates persons residing in an area in a way that precludes them from taking advantage of a facility that is otherwise nearby, that area should not be included in determining the area served. Other limits to accessibility may apply to particular activities. For example, the amount of fees to be charged, the time or duration that an activity would be available, access to transportation and parking, and the distance to be traveled can all constitute barriers to the ability of persons to benefit. Language barriers might also constitute an accessibility issue in a particular circumstance.

## **Comparable Activities**

The nature, location, and accessibility of comparable facilities and services must also be considered in defining a service area. In most cases, the service area for one activity should not overlap with that of a comparable activity (e.g., two community centers, two clinics, or two neighborhood housing counseling services).

## **“Fit” of Service Area**

Because the regulations require that census data be used to the maximum extent feasible for determining the income of persons residing in service areas, the boundaries of the service area determined by the grantee for the activity need to be compared with the boundaries of census divisions (tracts, block groups, etc.). The census divisions that best fall within the service area should be used for defining the service area for purposes of reporting on the activity and for calculating the percentage of L/M income persons residing in that area. While this means that the

census divisions chosen for this purpose may exclude some limited number of persons that are in the actual service area or include some who are not, the practicality of using the census data will override unless the proportion of persons so excluded or included is too great. The alternative would be to survey excluded/included persons and to adjust the data obtained from the census computer runs accordingly. Surveys can be quite costly and their use should be limited whenever possible.

### **Commercial Service Areas**

A store will usually be considered to serve an area generally. Where the business itself has had a recent market survey to define the area it serves, it should be used for CDBG purposes. Where it does not have such a survey, an analysis of the location and accessibility of comparable stores should be undertaken to define the area served. When the CDBG assistance provided is not to a particular business but to the shopping center or commercial strip in which it is located (e.g., facade improvements), the area served would be that of the entire center or strip. Again, an analysis of comparable centers/strips should be undertaken in defining the service area. Note that it may not always be possible to determine the area served by a commercial business, such as in the case where the businesses depend on tourists. Moreover, some commercial facilities serve a very broad area (e.g., a regional shopping mall) and the area may be so large an area that it is unlikely to meet the 51% L/M income residents test.

# Add to contract

## II. SCOPE OF SERVICE

### A. Activities

The SUBRECIPIENT will be responsible for administering the **NAME OF PROGRAM** (herein called the "PROGRAM") in a manner satisfactory to the CITY and consistent with any standards required as a condition of providing these funds, including the **FY 2021-22** funding application. Such program will include, but are not necessarily limited to, the following activities eligible under the Community Development Block Grant Program:

1. **Program Delivery.** The program benefits very low-income, low-income, and moderate-income residents in the City of Antioch. SUBRECIPIENT will provide the following services: **COMPLETE PROGRAM DESCRIPTION.** Program will provide services to **PROGRAM GOAL** persons.
2. **General Administration.** SUBRECIPIENT will provide program management and general administrative services to support the Program as described above. Administrative support includes but is not limited to the following: data collection and analysis, preparation and submission of quarterly reports, close-out reports, and Board of Directors meeting minutes, budget preparation and submission of requests for reimbursement, and any other function that will ensure compliance with this Program Agreement and applicable Federal regulations as expressed herein.

### B. National Objectives

1. The Subrecipient certifies, and agrees to maintain documentation that demonstrates, that the activities carried out with funds provided under this Agreement meet CDBG Programs National Objective of benefiting low/moderate income persons. Individuals served by the program must be extremely-low, very-low and low income as defined by the U.S. Department of Housing and Urban Development (HUD). Low-income households are defined as households at or below 80 percent of the area median income (AMI) as adjusted for household size and defined by HUD for the Vallejo/Fairfield Metropolitan Statistical Area (MSA). Very low-income households are defined as households with incomes at or below 50 percent AMI. Extremely low-income households are defined as households with incomes at or below 30 percent AMI. CDBG maximum income limits for extremely-low, very-low, and low-income households will be provided to the Subrecipient by the City.
2. The individuals served by the Program are... ***insert one of the following paragraphs to complete the sentence***
  - a) ...presumed beneficiaries as defined by the U.S. Department of Housing and Urban Development (HUD). Presumed beneficiaries are certain categories of people who are presumed to be principally of very-low or low income. The presumed beneficiaries served by this Program are ***(choose one: Abused Children, Battered***



Spouses, Severely Disabled Adults, Homeless Persons, Illiterate Adults, Persons with AIDS, Migrant Farm Workers, Elderly) as defined by HUD.

*Insert documentation required, i.e.* Documentation of low/moderate income is not mandated; however, the Subrecipient is required to document individual's status as *insert presumed benefit group*, and collect and report race/ethnicity information of Program participants.

*OR*

- b. ...require income verification for qualification. For the purposes of this Program, a client's income shall be documented by collecting the following: Copies of Section 8 certificate, Medi-Cal card, letters/verification of receiving Supplemental Security Income (SSI) or Temporary Assistance for Needy Families (TANF), or other public assistance or public welfare program, at least as restrictive as that used by the U.S. Department of Housing and Urban Development. If a client does not participate in one of the above programs, the Subrecipient must document income by obtaining copies of pay stubs, third party verification, bank account statements, etc. OR signed Fairfield Self-Certification form. **See Exhibit B for 2021-22 Income Limits for participant household income documentation.** This documentation must also be included in each case file.

*OR*

- c. ...residing in a low-income area, and this activity qualifies as an Area Benefit activity as defined by the U.S. Department of Housing and Urban Development (HUD). Area benefit activities are activities, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low-and moderate-income persons. See **Exhibit B** for a map of the service area boundary, explanation of how the service area boundary was determined, and the number of lower income residents that will benefit from the activity with methodology for that determination.