Texas Community Development Block Grant Program

Guide to Meeting a National Program Objective

Texas Department of Agriculture Office of Rural Affairs

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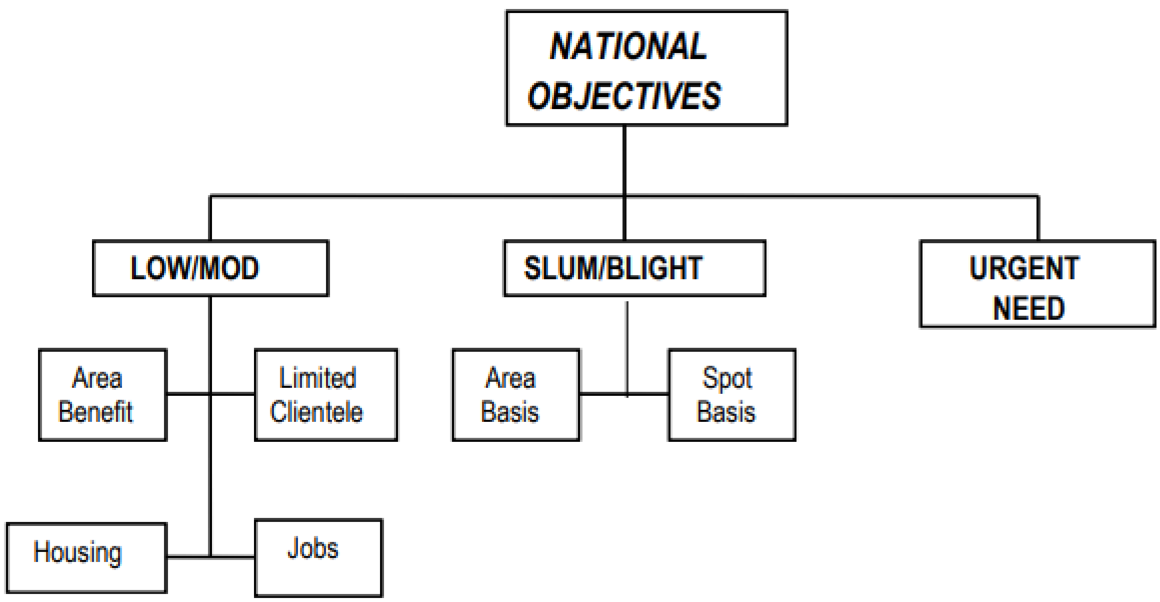
Contents

Introduction

Each proposed activity included in an application for Texas Community Development Block Grant (TxCDBG) program funds must meet one of the U.S. Housing and Urban Development's (HUD) three National Program Objectives (NPO):

1. Principally benefit low- and moderate-income (LMI) persons.
   - Low-to-moderate income area benefit
   - Low-to-moderate income limited clientele
   - Low-to-moderate income housing
   - Low-to-moderate income jobs.
2. Aid in the prevention or elimination of slums and blight.
   - Slum/blight area basis
   - Slum/blight spot basis
3. Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.



The NPO is determined by the actual project/activities proposed in the application and the area served by those activities, not the overall community characteristics. Only one NPO may be reported for each application, and only one method of qualifying the NPO may be used for each benefit area and activity.

Benefit Low-to-Moderate Income Persons

Activities under this NPO category are carried out to principally benefit low-to-moderate income persons. Under this NPO it is critical to determine both the persons to be served by an activity and their income relative to the county's Median Family Income (MFI)—families with reported income no greater than 80% of the County MFI are considered low-to-moderate income persons.

There are four categories that can be used to qualify activities under this national objective.

Low-to-Moderate Income Area Benefit (LMA) – Requirements

At least 70% of TxCDBG funding will meet the LMA National Program Objective. Specifically, the Community Development (CD) Fund and Colonia Fund Construction (CFC), ~~Planning and Capacity Building (PCB), and Fire, Ambulance, and Service Truck Fund (*FAST*)~~ programs all fund activities that may provide area benefit to LMI persons.

For an activity to qualify under the LMA category, the service/benefit area of the activity must be primarily residential and benefit at least 51.00% LMI persons (NOT 50.99%). An activity with a benefit area that is not primarily residential may not qualify under the LMI area benefit category even if the activity provides benefits to all residents in the benefit area and the residents are primarily LMI persons.

Grant Applicants should first identify and define their projects' benefit area(s). The method(s) used by a Grant Applicant to identify the benefit area(s) and the beneficiaries of an activity are based on the type of activity proposed and the persons that could or will actually benefit from the proposed activity. Factors that may be considered in determining a benefit/service area include:

- **Nature of the activity** – In general, the size and scope of the activity should be taken into consideration. **EXAMPLE**: Consider the varying degree of impact that improvements to a residential distribution water line versus a main trunk line versus a large water transmission line within the same town; the benefit area for each of these projects would be different in size and population.
- **Location of the activity** – In general, the immediate area surrounding a facility is expected to be included in the service area. Additionally, when a facility/improvement is located near the boundary of a neighborhood or community, its benefit area could likely include portions of the adjacent neighborhood as well as the one in which it is located.
- **Accessibility issues** – Some barriers can preclude persons residing in a nearby area from taking advantage of a facility, such as geographic or language barriers, fees, schedule for the activity, access to transportation, etc. **EXAMPLE**: If neighborhood park serves a subset of a community that includes a major highway, the benefit area is unlikely to include residents on both sides of the highway.
- **Availability of comparable activities** – Comparable activities within the benefit area should be considered so that the benefit area does not overlap with the benefit area of another comparable activity.
- **Boundaries for facilities and public services** – The service area for some public facilities and services are determined based on specified and established boundaries or districts. **EXAMPLES**: Fire stations, water supply districts, and healthcare jurisdictions.

Reductions in maintenance or otherwise freeing up utility/service provider employees has no bearing on determining beneficiaries for the purposes of the TxCDBG Program.

For activities with multiple non-contiguous benefit areas, each benefit area must **separately** meet the LMI National Program Objective: At least 51% of the beneficiaries in each non-contiguous benefit area must be LMI.

Low-to-Moderate Income Area Benefit (LMA) – Project Activities

This section includes descriptions of acceptable methods of identifying beneficiaries of a proposed eligible activity under the LMA National Program Objective.

Residential/Neighborhood 03J Line Work

Eligible Activities:
Yard Line: This line is located on private property and is owned and maintained by the homeowner. See the *Low-to-Moderate Income Housing NPO* section for details.

Residential Line: Household yard lines are connected to and receive service directly from this line type, which is typically the smallest or smaller diameter line in the overall system.

Main/Trunk Line: This line type connects to residential lines and distributes water to / collects water from the residential lines. These lines are typically larger in diameter than residential lines.

Transmission/Supply Line (water only): This line type distributes water from a water source to a water treatment or storage facility and is typically the largest diameter in the water distribution system.

Benefit Determination:
When installing/replacing/rehabilitating Residential Lines, households that connect directly to or receive service from the line or segment of line to be improved are considered beneficiaries and should be included in the benefit area. The benefit area should not include households that do not have access to services from the residential water/sewer line.

When installing/replacing/rehabilitating Main/Trunk lines, households that are located on residential lines connecting to the Main/Trunk line are considered beneficiaries. Households connected directly to the Main/Trunk line should also be included in the benefit area.

When installing/replacing/rehabilitating Transmission Lines, households that receive water that is treated/stored by the facility connected to the transmission line, should be included in the benefit area.

When installing new line to provide first-time service, all households that will have access to the water/sewer services are considered beneficiaries, regardless of whether the household chooses to connect to the utility during the grant agreement period.

Households that will experience minor improvements in service/accessibility are not considered the primary beneficiaries of the activity and should not be included in the benefit area. Improvements provided by water line looping are considered incidental to the primary project purpose and not accepted as the primary justification for determining a project's beneficiaries.

For sewer line replacement intended to address inflow and infiltration, see *Sewage Treatment Plant Improvements* below.

Water Treatment Facility Improvements
These improvements generally provide a community-wide or system-wide benefit.

If the improvement provides less than a system-wide benefit, the benefit area should only include the residents that will benefit from the improvement. The application must demonstrate or explain how residents are served by an isolated portion of the system.

Water Storage Facility Improvements
These improvements generally provide a community-wide or system-wide benefit.

If the improvement provides less than a system-wide benefit, the benefit area should only include the residents that will benefit from the improvement. The application should demonstrate or explain how residents are served by an isolated portion of the system.

Water Pressure Facility Improvements
Households located within the pressure-plane served by the booster pump or pump station are considered beneficiaries. Applications should illustrate the approximate geographic area of the facility's pressure plane.

Water Well Improvements
These improvements generally provide a community-wide or system-wide benefit. The NPO is not achieved until the residents in the benefit area receive water from the new or rehabilitated well.

If the new or improved well provides less than a system-wide benefit, the benefit area should only include the residents that will benefit from the improvement. The application should demonstrate or explain how residents are served by an isolated portion of the system.

NOTE: Proposal for a non-potable water source is not an eligible TxCDBG activity.

Sewage Treatment Plant Improvements
All residents served by the sewer treatment facility that will be improved by the proposed project activities are considered beneficiaries.

Replacement of sewer lines and lift station rehabilitation due to inflow and infiltration (I&I) is an improvement to the treatment facility's efficiency and effectiveness, therefore all residents served by the sewer treatment facility are considered beneficiaries.

If there is more than one treatment facility serving the Grant Applicant's jurisdiction, the benefit area should only include the residents that are served by the treatment facility to be improved. The application must demonstrate or explain how residents are served by an isolated portion of the system.

Lift Station Facility Improvements
Households connected to lines that move effluent to the lift station are considered beneficiaries. Applications should illustrate or explain relevant topographic features and the directionality of flows and within the system section that will be impacted by the proposed improvements.

Lift stations directly serving the sewer treatment plant will benefit all households served by the sewer treatment facility.

Water Meter Installation/Replacement
Installation of water meters for LMI households receiving first-time water service is considered a housing activity. Please refer to *the Low-to-Moderate Income Housing NPO* section.

Replacement of residential meters within a system may qualify on an area wide basis only if:

- **all** residential meters in the system are replaced, benefitting all households served by the system, or
- meter replacement is done in conjunction with an eligible line replacement activity, benefitting the households identified in the benefit area for the proposed line work.

NOTE: Replacement of commercial, vacant properties, and non-residential meters are not eligible TxCDBG activities.

Fire Hydrant Improvements
Fire hydrant installation is eligible when completed in conjunction with an eligible water line installation or replacement activity. TDA reserves the right to evaluate eligibility based on the scope and extent of the associated water line improvements.

Storm Sewer (03J for Road Drainage Improvements)
These improvements rely on a storm sewer system to move stormwater via pipe to address drainage issues.

Households whose property lines abut the streets targeted for storm sewer improvements, as well as households that will receive improved drainage from the proposed activities are considered beneficiaries. Applications should illustrate or explain relevant topographic features and directionality of drainage.

Street Improvements (03K)

Eligible Activities:
Eligible street improvements include new street construction, street reconstruction, acquisition of additional rights-of-way for construction at new locations, or for adding width capacity, bridge/culvert replacement where deteriorated or obsolete.

Street reconstruction activities must result in a permanent improvement designed to provide long-term durability and service life. Non-permanent and/or unsealed surface treatments, including caliche, as a final driving surface will not be considered for funding.

Substantial reconstruction of roadside drainage structures, including drainage ditch reconstruction, large culvert replacement, and concrete or similar permanent lining, are eligible at TDA's discretion.

Curb and gutter or street drain improvements, ditch regrading, and driveway culverts are eligible when completed in conjunction with other eligible street improvement activities.

Sealcoating, overlays, level-ups, and similar are considered maintenance activities and are not eligible activities.

Benefit Determination:
For new or reconstructed roadways, households whose property lines abut the streets targeted for improvement, as well as those who rely on the targeted streets as primary access to their residence should be included in the benefit area.

In limited circumstances, community-wide benefit may be used to qualify street improvement activities proposed on streets that provide direct access to a community facility such as a post office, school, or local government office. Contact TDA for technical assistance if considering community-wide benefit for 03K improvements.

For roadside drainage improvements, households whose property lines abut the streets targeted for improvement, as well as households that will receive improved drainage from the proposed activities are considered beneficiaries. Applications should illustrate or explain relevant topographic features and directionality of drainage.

Sidewalk Improvements (03L)
Eligible sidewalk improvements include new sidewalk construction, sidewalk rehabilitation, other permanently installed pedestrian walkways, and street lighting improvements.

Households whose property lines abut the streets or locations targeted for improvement, as well as those who rely on the targeted streets as primary access to their residence AND can reasonable access the sidewalk improvements as a pedestrian should be included in the benefit area.

In limited circumstances, community-wide benefit may be used to qualify street improvement activities proposed on streets that provide direct access to a community facility such as a post office, school, or local government office. Contact TDA for technical assistance if considering community-wide benefit for 03K improvements.

Flood and Drainage Improvements (03I)
All residents in the recognized drainage basin or the area that will receive improved drainage from the proposed activities should be included in the benefit area and count as beneficiaries.

NOTE: Flood and drainage improvements include retention ponds, catch basins, streambank erosion controls, channelization of streambeds, and/or dams. Flood and drainage activities are **not** storm sewers, street drains, or storm drains. See *03J for Road Drainage Improvements* for appropriate beneficiary guidance for storm sewers.

Solid Waste Disposal/Landfills/Transfer Station Improvements
Residents of the service area for the landfill or transfer station are considered beneficiaries and should be included in the benefit area.

Community Center Improvements
If there is only one community center in the community, related projects may be a community-wide benefit. If there is more than one community center, the Grant Applicant must identify the benefit area of the center.

Acquisition of Real Property (not associated with construction activity)
For any acquisition activity NOT associated with another eligible activity to construct or rehabilitate a project on the acquired property, contact TDA for further assistance.

Acquisition activities associated with another eligible activity, such as acquisition of a right-of-way for water improvements, are considered part of the construction activity, for purposes of determining benefitarea.

Demolition
Residents whose property line is adjacent to the properties to be cleared may be considered beneficiaries. Contact TDA prior to application submission to determine appropriate benefit area requirements.

Relocation Assistance
When the unit of general local government is required to provide relocation assistance, residents benefitting from relocation assistance activities are the same beneficiaries as those who benefit from the activity that required their displacement.

When relocation assistance is voluntary, the unit of general local government may qualify the assistance—based on the NPO addressed by the displacing activity, or if the relocation assistance is provided to LMI persons, based on principally benefitting LMI persons.

Fire Prevention
All residents in the primary service area for the specific improvements, such as fire stations,emergency vehicles, and equipment, are beneficiaries.

Parks and Recreational Facilities
If there is only one park or recreational facility in the community, improvements to that facility are generally considered a community-wide benefit. If there is more than one park or recreational facility, the Grant Applicant must identify the benefit area of the park or recreational facility.

Code Enforcement
Grant Applicants must contact TDA prior to application submission to determine appropriate benefit area requirements.

Planning-only Activities
When planning is the only activity included in a TxCDBG project, the application must include documentation that at least 51% of the persons who would benefit from the implementation of the plan are LMI persons. Planning activities for an entire community or smaller benefit area with at least 51% LMI population will meet the LMA National Program Objective.

Low-to-Moderate Income Housing Benefit (LMH) – Requirements

For an activity to qualify under the LMI Housing benefit (LMH) category, activity must provide or improve permanent residential structures that will be occupied by LMI persons. **All** beneficiaries of LMH activities must be LMI persons.

Low-to-Moderate Income Housing Benefit (LMH) – Project Activities

This section includes descriptions of acceptable methods of identifying beneficiaries of a proposed eligible activity under the LMH National Program Objective.

Housing Rehabilitation

LMI persons residing in housing that will receive rehabilitation assistance are considered beneficiaries. Since the actual number of beneficiaries may not be known when the application is prepared, a Grant Applicant may estimate the number of beneficiaries by multiplying the number of housing units proposed for rehabilitation by the average family size for the Grant Applicant's jurisdiction obtained from census data.

EXAMPLE: Ten proposed housing units to be rehabilitated and an average family size of 3.5 persons for the jurisdiction would yield an estimate of 35 beneficiaries.

The beneficiaries of TxCDBG-financed housing rehabilitation assistance, including rehabilitation of housing units to include improvements necessary to make the units accessible to persons with disabilities, are limited to LMI persons.

Voluntary Relocation Assistance

When relocation is voluntary under a TxCDBG-financed housing rehabilitation project, assistance is limited to LMI persons. The beneficiaries are residents of the housing units that receive voluntary relocation assistance.

Rental Housing Activities

Beneficiaries are LMI persons residing in units that receive TxCDBG assistance. Rents must be held at affordable levels in order to qualify under the housing activities category.

Water and Sewer Yard Lines and Service Connections on Private Property

Installation, replacement, or relocation of service lines or connections on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. As such, TxCDBG funds will only pay for the costs of service connections, yard service lines, and related improvements that are located on private property for LMI persons.

NOTE: Project costs for non-LMI households receiving improvements on private property may be considered as match contributions with prior TDA approval.

EXAMPLE: Blue City receives a TxCDBG grant to provide first-time sewer service in a benefit area that includes 80 persons, of which there are 52 LMI persons. The beneficiaries of sewer collection lines, lift stations, etc. needed to provide service to the benefit area are all 80 persons. However, only the LMI persons in the benefit area are eligible for TxCDBG funded assistance for sewer house connections, yard service lines, and related plumbing improvements (i.e. improvements on private property); those improvements are a housing rehabilitation activity benefitting only the 52 LMI persons.

On-Site Sewage Facilities (OSSF)
For projects that include the provision of first-time on-site sewage facilities or replacement of on-site sewage facilities, the installation of septic systems on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. TxCDBG funds will only pay for the systems that are located on private property for LMI persons. Grant Applicants applying for this activity must provide a waiting list of homeowners that have requested assistance, including addresses, in orderto document the need as described in the Community Needs Assessment of the TxCDBG application.

Waiting List and Selection Guidelines for Housing Activities (If Applicable)
Grant Applicants with projects that include the provision of first-time on-site sewage facilities (OSSF), replacement of OSSF, or scattered first-time water or sewer service yard lines that are not associated with the installation of an eligible 03J line, must provide a waiting list of homeowners, including addresses, that have indicated a need and willingness to participate in the program. At a minimum, this waiting list must include the address, LMI status of household, and confirmation from the homeowner acknowledging that the project's impact has been discussed with them and their willingness to participate in the program.

Additionally, Grant Applicants must also submit a draft of the selection guidelines that will govern the selection process of the households that will receive benefit. Samples of housing rehabilitation and OSSF guidelines can be found on the TDA website. If the Grant Applicant has already received approval for the same activity and benefit area, include a copy of the TDAapproval with the guidelines.

Low-to-Moderate Income Limited Clientele Benefit (LMC) - Requirements

Under the LMC category, 51% of beneficiaries of an activity must be LMI persons. Activities in this category provide benefits to a specific group of persons rather than everyone in an area. In contrast to LMA, it is not the LMI concentration of the benefit area of the activity that determines whether the activityqualifies, but rather the actual number of LMI persons that benefit from the activity.

To qualify as a limited clientele activity, the activity must meet at least **one** of the following tests:

- Benefit a clientele who are generally presumed to be principally LMI persons. Activities that exclusively service a group of persons in any one or a combination of the following categories may be presumed to benefit 51% LMI.
  - Elderly persons (aged 62 and over)
  - Abused children
  - Battered spouses
  - Homeless persons
  - Illiterate adults
  - Migrant farm workers
  - Persons living with AIDS
  - Persons meeting the census bureau definition of **severely disabled**. Persons are classified as having a severe disability if they
    - use a wheelchair or have used another special aid for six months or longer;
    - are unable to perform 1 or more functional activities or need assistance with an activity of daily living, such as getting around inside home, getting in/out of bed or chair, keeping track of money or bills, preparing meals, doing light housework, using the telephone;
    - are prevented from working at a job or doing housework;
    - have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia, intellectual disabilities; or

- are less than 65 years of age and are covered by Medicare or receive Supplementary Security Income (SSI).

- Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit.
- Have income eligibility requirements which limit the activity exclusively to LMI persons.
- Be of such a nature, and be in such a location, that the activity's clientele will primarily be LMI persons.

An eligible TxCDBG activity that exclusively serves the residents of Public Housing Authority (PHA) units could qualify as limited clientele activity because the income guidelines used to determine PHA eligibility are the HUD Section 8 Income Limits.

For facilities that provide services to limited clientele, general use of the facility and use by persons that are not limited clientele must represent only incidental use. Otherwise, the activity must qualify as an area benefit activity that serves the Grant Applicant's entire jurisdiction.

TxCDBG Grant Applicants considering using limited clientele to document the project's NPO (as allowedby fund type) should contact TDA for assistance in determining the required beneficiary documentation based on the proposed activities.

Low-to-Moderate Income Limited Clientele Benefit (LMC) – Project Activities

Community Center, Multi-Purpose Center, and Service Center Activities

A community center, multi-purpose center, or service center activity could qualify as a limited clientele activity if the center exclusively serves:

- one or a combination of the groups of persons in the accepted categories listed for limited clientele activities;
- persons through programs that require information on family size and income where there is evidence that at least 51% of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

When activities are limited to one or a combination of the groups of persons in the accepted categories listed for limited clientele activities, it may be presumed that the activity benefits 51% LMI persons. The number of LMI beneficiaries will equal 51% of the total number of persons estimated to be served by the center.

Grant Applicants should provide details of the local program requirements, income limits, or thecondition(s) on which the limited clientele eligibility is based. The number of limited clientele beneficiaries should be substantiated through clientele lists or certified by the director of the facility or program. Recently established programs or facilities may need to utilize census data to support the applications estimate as to the number of persons to be served by the program/facility.

Senior Center Activities

A senior center activity could qualify as a limited clientele activity if the center exclusively serves:

- elderly persons (age 62 and over) or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51% of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

When activities are limited to one or a combination of the groups of persons in the accepted categories listed for limited clientele activities, it may be presumed that the activity benefits 51% LMI persons. The number of LMI beneficiaries will equal 51% of the total number of persons estimated to be served by the senior center.

Grant Applicants should provide details of the local program requirements, income limits, or thecondition(s) on which the limited clientele eligibility is based. The number of limited clientele beneficiaries should be substantiated through clientele lists or certified by the director of the facility or program. Recently established senior programs or facilities may need to utilize census data to support the applications estimate as to the number of persons to be served by the program/facility.

Service Centers for Severely Disabled Persons
A service center for severely disabled persons activity (facilities such as physical/vocational rehabilitation centers, mental health/mental retardation service centers, etc.) could qualify as a limited clientele activityif the center exclusively serves:

- severely disabled persons or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51% of the clientele are LMI; or
- persons through programs that are limited to persons of low-to-moderate income.

When activities are limited to one or a combination of the groups of persons in the accepted categories listed for limited clientele activities, it may be presumed that the activity benefits 51% LMI persons. The number of LMI beneficiaries must equal 51% of the total number of persons estimated to be served by the center.

Grant Applicants should provide details of the local program requirements, income limits, or the conditions(s) on which the limited clientele eligibility is based. The number of limited clientele beneficiaries should be substantiated through clientele lists or certified by the director of the facility or program. Recently established programs or facilities may need to utilize census data to support the applications estimate as to the number of persons to be served by the program/facility.

Provision of Accessibility to Public Buildings
Removal of architectural barriers for the mobility or accessibility of elderly persons or severely disabled persons to public buildings could qualify as a limited clientele activity if the activity is limited to public buildings. The Grant Applicant must be able to document that complete accessibility to the public buildingis being provided.

A TxCDBG application that includes a public building accessibility activity must include improvements such as handrails, ramps, widening of doorways (entrances and exits to the building and to primary officesand meeting rooms), modifications of restroom facilities, elevator(s), parking, and related improvements.

The beneficiary count for this activity is based on the number of elderly persons and severely disabled adults residing in the service area for the public building. It is presumed that the project will meetthe NPO of principally benefitting persons of low-to-moderate income. For the provision of accessibility to a County Courthouse, determine the beneficiary population on a county-wide basis. For the provision of accessibility to a City Hall, determine the beneficiary population on a city- wide basis.

Low-to-Moderate Income Job Creation or Retention (LMJ) – Requirements

The job creation and retention LMI benefit (LMJ) category addresses activities designed to create or retain permanent jobs, at least 51% of which will be held by LMI persons.

For an activity that creates/retains jobs, the Grant Applicant and the business must document that at least 51% of the jobs are or will be held by LMI persons. For purposes of determining whether a job is or will be held by LMI persons, the Grant Applicant **must** use one of the following methods of documentation:

- The business may survey all persons filling a created/retained job. Persons filling a created job should be surveyed at the time of employment. Persons holding a retained job should be surveyed prior to application submission.
- The person(s) employed by the business for created/retained jobs may be presumed to be low-or-moderate income person if the person resides within a census tract that meets the following HUD-determined criteria:
  - The census tract has a poverty rate of at least 20% as determined by the most recently available American Community Survey (ACS) information; or
  - The census tract does not include any portion of a central business district, as this term is used in the most recent Annual Retail Trade Survey (ARTS), unless the tract has a poverty rate of at least 30% as determined in most recently available ACS information; or
  - The census tract shows evidence of pervasive poverty and general distress by meeting at least one of the following standards
    - The census tract has a poverty rate of at least 20%; or
    - Has at least 70% of its residents who are low-and-moderate income persons; or
    - The assisted business is located within a census tract that meets the requirements of this subparagraph, and the job under consideration is to be located within that census tract.

Low-to-Moderate Income Job Creation or Retention (LMJ) – Project Activities

Currently, no TxCDBG Programs use the LMJ benefit category. As additional economic development activities are established, this section will be updated.

Aid in the Prevention or Elimination of Slums and Blight

Activities under this NPO category are carried out to address one or more of the conditions which have contributed to the deterioration of an area designated as a slum or blighted area. Under the slum and blight national objective, determining the extent of and physical conditions that contribute to the slum or blight is central toqualifying an activity.

There are two categories that can be used to qualify activities under this national objective:

- Prevent or eliminate slums and blight on an area basis; or
- Prevent or eliminate slums or blight on a spot basis.

Slum Blight Area Basis (SBA)

To qualify under this category, the area in which the activity occurs (project area) must be designated as slum or blighted. The following criteria apply:

- The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state law.
- The project activities must address the identified conditions that contributed to the slum and blight.
- At least 25% of the buildings throughout the area are deteriorated or deteriorating.
- Documentation of the boundaries of the area and the conditions that qualified the area at the time of its designation must be provided and maintained. The designation of an area as slum or blighted should be within five years of the application deadline.

An area within a municipality may be considered as slum or blighted if the area is detrimental to the public health, safety, morals, and welfare of the municipality because the area:

- has a predominance of buildings or other improvements that are dilapidated, deteriorated, or obsolete due to age or other reasons;
- is prone to high population densities and overcrowding due to inadequate provision for open space;
- is composed of open land that, because of its location within municipal limits, is necessary for sound community growth through re-platting, planning, and development for predominately residential uses; or
- has conditions that exist which
  - endanger life or property by fire or other causes; or
  - are conducive to the ill health of the residence, disease transmission, abnormally high rates of infant mortality, abnormally high rates of juvenile delinquency and crime, or disorderly development because of inadequate or improper planning for adequate residential development of lots, streets, and public utilities.

The documentation required to show that project activities will meet the SBA national objectiveinclude:

- A designation of the boundaries of the area experiencing conditions of slums or blight;
- A description of the conditions which qualified it as a slum or blighted area at the time of its designation; and
- The way in which each activity addresses one or more conditions that qualified the area as slums or blighted.

The TxCDBG program requires Grant Applicants to document and report the beneficiaries of each proposed application activity regardless of the NPO met by the activity. For SBA activities, all residents of the community shall be considered beneficiaries. Therefore, an applicant should use the most recently available LMISD Place data when completing the application and providing beneficiary documentation.

Slum Blight Spot Basis

Qualification under this category is dependent on the project activity eliminating conditions of blight or physical decay on a spot basis. Spot basis activities are **not** located in a slum or blighted area, and activities are typically isolated to a single building or structure.

Activities under this category are limited to acquisition, clearance/demolition, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities.

NOTE: Under this category, rehabilitation is limited to the extent necessary to eliminate specificconditions detrimental to public health and safety.

The TxCDBG program requires Grant Applicants to document and report the beneficiaries of each proposed application activity regardless of the NPO met by the activity. For slum blight spot activities, identification of the beneficiaries will depend on the type and location of the proposed activity. Therefore, an applicant should contact TxCDBG staff for technical assistance to determine appropriate beneficiary documentation.

Urgent Need (UN)

Activities under this category are designed to alleviate emergency conditions. Urgent Need (UN) qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community.
- The existing conditions are of recent origin or recently became urgent.
- The Grant Applicant certifies that it is unable to finance the activity on its own and other sources of funding are not available.

The TxCDBG program requires Grant Applicants to document and report the beneficiaries of each proposed application activity regardless of the NPO met by the activity. For UN activities, identification of the beneficiaries will depend on the type of activity proposed and the persons that will actually benefit from the proposed activity. See LMA section for activity-specific details or contact TDA staff for additional assistance.

Documenting Beneficiaries

The TxCDBG program requires Grant Applicants to document and report the beneficiaries of each proposed application activity regardless of the NPO met by the activity. Therefore, Grant Applicants must document the beneficiaries for each activity included in an application for any TxCDBG fund category.

First, applicants must determine the service area of the proposed activity and identify all of the households that will benefit from the proposed activities (i.e. beneficiaries of the project). To support this determination, a statement from a qualified individual (e.g. project engineer, utility operator, service provider) should be provided to explain how the service area was determined. This determination should be clear and logical, as supported by specific details about the existing conditions, and the proposed project's impact and anticipated outcomes.

Once an applicant has identified the beneficiaries of a proposed activity, there are two acceptable methods that may be used to document the total beneficiaries and the number of LMI beneficiaries.

LMISD Requirements

Use **low-to-moderate income summary data (LMISD)** to document beneficiaries when the benefit area can be "reasonably delineated" by LMISD geographies.[1]

Examples of benefit areas that can be "reasonably delineated" include those corresponding to city, county, and census designated place (CDP) ~~and census block group (BG)~~ boundaries. Published LMI Summary Data is available for each of these geography types on TDA's Beneficiary Documentation web page.

Examples:

1. The City of Sample's municipal water system provides water to all residents of the community. The city proposes to replace its only elevated water storage tank, which serves the entire city. The applicant should use LMISD Place data to document the beneficiaries.
2. Purple County is proposing to purchase two ambulances that will provide EMS service to all households within the county. All residents in the county's jurisdiction will benefit from this expanded service. The county should use county level LMISD to document the project's beneficiaries.
3. Green County is applying for water improvements on behalf of a community within its jurisdiction. The community is not incorporated but is a census designated place (CDP) with its own geography boundaries and LMISD. The applicant should use LMISD Place data to document the beneficiaries.

NOTE: The use of census tracts or census block group geographies is generally not supported, as these geographies are unlikely to align with service area boundaries at a level that can be documented effectively. Contact CDBGApps@TexasAgriculture.gov for prior approval if such geographies may be appropriate for a specific project.

29	Alvarado city, Texas	TX	48	02260	975	2,020	2,970	3,785	53.4%	+/-13.30	+/-1.00
30	Alvin city, Texas	TX	48	02272	9,645	15,030	19,550	25,165	59.7%	+/-3.50	+/-0.10
31	Alvord town, Texas	TX	48	02284	285	690	1,040	1,555	44.4%	+/-11.00	+/-2.40
32	Amada Acres CDP, Texas	TX	48	02286	0	0	0	0			
33	Amargosa CDP, Texas	TX	48	02290	0	0	0	0	0.0%		+/-82.30
34	Amarillo city, Texas	TX	48	03000	52,915	87,175	124,190	194,610	44.8%	+/-1.20	+/-0.10
35	Amaya CDP, Texas	TX	48	03008	4	15	25	25	60.0%	+/-58.80	+/-63.70
36	Ames city, Texas	TX	48	03072	615	855	900	1,215	70.4%	+/-12.40	+/-3.00
37	Amherst city, Texas	TX	48	03084	235	395	665	920	42.9%	+/-13.70	+/-4.00
38	Amistad CDP, Texas	TX	48	03096	4	4	4	10	40.0%	+/-60.00	+/-100.00

PLACE | COUNTY | BLOCK GROUP

The LMISD is published in Excel workbook format and organized into spreadsheets by geography type.

LMISD documentation that does not meet these requirements will not be approved, which may also result in disqualification of the application.

TxCDBG Survey Requirements

Use the **survey method** to document beneficiaries for projects that have a small benefit area or for proposed project activities with a service area that cannot be **reasonably delineated** by standard census geographic areas—place or census block groups.

Detailed Survey Methodology instructions and required forms can be found on TDA's [Beneficiary Documentation] webpage in the TxCDBG Survey Methodology Manual.

The TxCDBG Program has set the following survey requirements:

- All required survey documentation must be submitted to TxCDBG staff for verification. Survey questionnaires completed by the Grant Applicant that do not meet the survey submission requirements may not be used to document the beneficiaries for an application unless waivedin writing by the TxCDBG program.
- Surveys that do not meet the requirements of the TxCDBG Survey Methodology Manual will not be approved, which may also result indisqualification of the application.
- A Grant Applicant may use a previously completed and verified survey to document the beneficiaries for a proposed activity within an application if the following requirements are met:
    - The previously completed and verified survey was conducted in accordance with the methodology specified within this manual.
    - The survey questionnaires were completed no more than five years prior to the application deadline for programs with an actual application deadline, or the actual date of submittal of an application for programs without an application deadline.
- Grant Applicants using surveys to document the beneficiaries must use one of the TxCDBG survey questionnaires located on TDA's website to complete a door-to-door survey unless an alternate method is approved in writing by the TxCDBG program.
  [Detailed survey requirements removed from this document. See TxCDBG Survey Methodology Manual.]

Other Beneficiary Documentation Parameters

- Public Housing Authority (PHA) certifications for income qualified units can only be included in a 100% survey or if the entirety of the PHA is within the proposed project's service area. If a random survey is conducted, each unit must be treated as a separate household in the comprehensive address list and a questionnaire must be completed for each unit as selected by the random number generator. When using LMISD, PHAs are accounted for in this data and cannot be added.

- Grant Applicants cannot combine place and block group data as these data sets have overlapping areas and would likely “double-count” beneficiaries.
- Surveys and LMISD cannot be combined in any circumstance. The combination of survey data and LMISD has been determined by HUD to not be methodologically sound, and as such is not an acceptable method of documenting beneficiaries. In instances where the service area of a project extends beyond the boundaries of a census-designated geographic area but does not substantially encompass adjacent geographic areas, a survey of the entire service area would be required.
- Non-residential properties include any property that is not used as a usual place of residence.
    - RV parks and mobile home parks that do not require a unit to be anchored in place are not considered permanent residential units and should be excluded from the benefit area. This does not exclude manufactured housing units that serve as a permanent residence.
    - RVs located outside an RV park are considered permanent residences only when used as the occupant’s primary dwelling.
    - Dilapidated housing units are considered part of the benefit area unless formally condemned by the local governing body under Local Government Code Chapter 214 or similar local building codes.
    - Group quarters including prisons, dormitories, nursing homes, and institutional group quarters, are not considered part of the beneficiary population. This provision is consistent with theLMISD, which excludes these populations from this data.
- For activities serving an area with more than 30% of existing housing units identified as vacant, the following must be presented in an open meeting of the local governing body:
    - TDA’s threshold for acceptable survey vacancy rate is 30% or less;
    - Disclosure of the vacancy rate for the proposed benefit area in both percentage and number of housing units;
    - Statement that the local government has reviewed the project location and determined the properties to be primarily residential in nature; and
    - Having reviewed the vacancy information, the local government has prioritized this project for funding.
- Beneficiary determinations are based on the information available and presented to TDA. Subsequent reductions or changes to the project may require reconsideration of the benefit and may result in loss of eligibility for the project.