



TEXAS DEPARTMENT OF AGRICULTURE  
**COMMISSIONER SID MILLER**

**Texas Community Development Block Grant Program**

FAST Fund Beneficiary Webinar



## Agenda

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- National Program Objective
- Basic Concepts
- Location and Nature of the Project
- Place and Block Group LMI Data
- Sample Multi-Block Group Service Area
- In Closing
- Contact and General Questions

Here is today's agenda. Not too much to talk about, mainly I want to contextualize how to think about the beneficiaries of FAST projects in respect to their unique nature, that is having a more generalized service area, and the recent changes by HUD in beneficiary guidance.



## National Program Objective

Principally benefitting low-to-moderate income (LMI) persons

- I.e. 51.00% of the persons benefitting MUST be LMI
- New 2019 LMISD data set
- TDA website: Beneficiary Documentation

For those of you that have participated in the TxCDBG program, this will be a familiar concept, but for others I want to stress how important this concept is for any proposed FAST project. The US Department of Housing and Urban Development (or HUD which is the source of funding) recently refreshed the data-set used for determining the LMI percentages and issued new guidance on determining beneficiaries. Part of this change in data resulted in some communities and block groups becoming 51% LMI and others dropping below the 51% threshold, so it is imperative to use the 2019 LMISD for FAST Fund applications. This data can be found on the TDA website.



## Two Concepts to Consider

1. Could a reasonable person review the proposed project, and understand how the beneficiary population was determined and is appropriate
  - HUD language - “reasonably delineated”
2. A beneficiary population should **not** be identified as a matter of convenience
  - HUD language - “...drawn to include LMI persons that would not benefit, nor shall it... intentionally exclude non-LMI persons that would benefit.”

While this is not a significant change from previous guidance, the HUD language is a little different. So when reflecting on how to determine the “service area” for a project, consider these two concepts. 1. Could a reasonable person review the proposed project, and understand how the beneficiary population was determined and is appropriate

HUD language - “reasonably delineated” AND

2. A beneficiary population should not be identified as a matter of convenience.

HUD language - “...drawn to include LMI persons that would not benefit, nor shall it... intentionally exclude non-LMI persons that would benefit.” We have had some questions like, “my city is 55% LMI so I can buy any eligible vehicle/project, right?” And the answer is, “Tell me more”.



## Location & Nature of the Activity

- What is the proposed vehicle/equipment?
- Where is the vehicle/equipment located?
- How is it going to be used?
- On a regular basis, who is the equipment/vehicle serving?
- What is the availability of comparable activities?

Ex: A ladder truck would generally be used in a city. Whereas a brush truck would generally be used in surrounding areas.

Ex: Does an ambulance transport city residents to the local hospital, or does it serve multiple localities on a regular basis?

Ex. While a Fire department may have a larger service area, does it regularly serve the residents of a city or does it regularly serve residents in outlying areas as well?

Ex: A city is served by two fire stations; station one is on the east side of town and station two is on the west side of town. Do the stations respond to calls on the respective sides of town? Or is this going to be the only Jaws of Life and will address calls citywide?

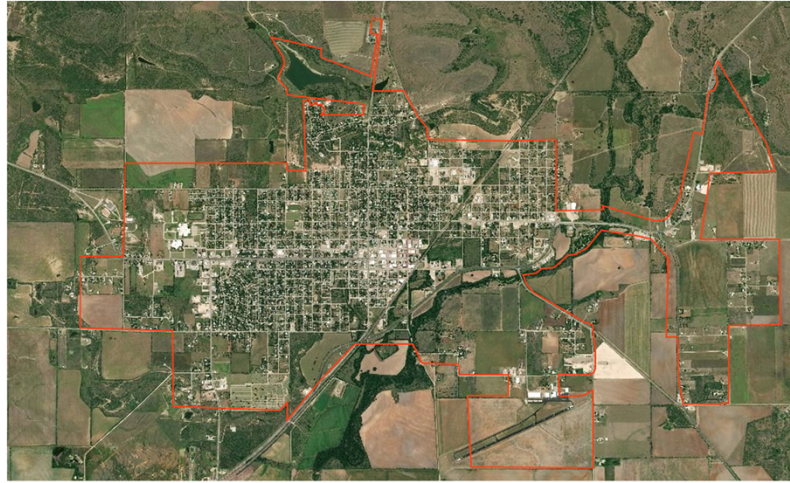
Based on the answers to these questions (and any other pertinent information) does it make sense to use place data, (e.g. City, CDP) or block group data to identify the beneficiaries? Note: While income surveys are an option as well,

the HUD guidance on surveys is in transition and we don't anticipate communities to conduct a survey for FAST fund so they are not addressed here. However, if LMISD data doesn't make sense for your proposed project, let TxCDBG know so we can discuss any unique circumstances.



## “Place” LMISD

geoname	Stusab	State	Place	low	lowmod	lowmoduniv	lowmod_pct	moe_lowmod_pct
Coleman, Texas	TX	48	15916	1665	2,565	4,470	57.4%	+/-7.90

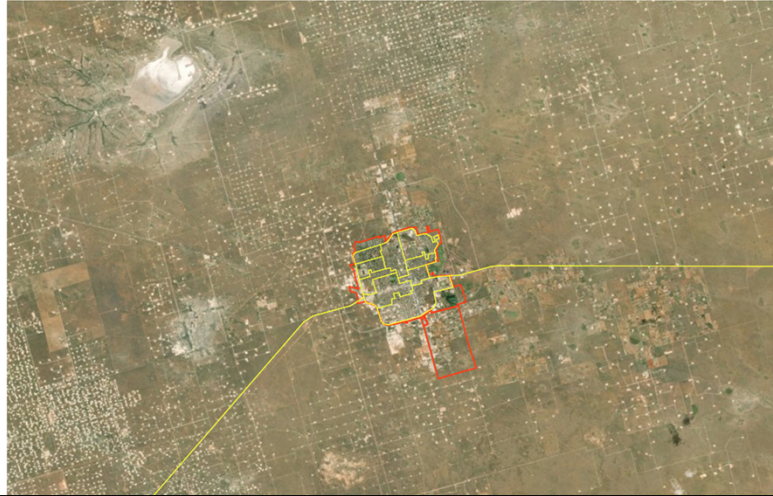


So, if the proposed project makes sense to use “place” data, and by that we are referring to cities, census designated places or CDPs, etc. this is the necessary beneficiary documentation. Here is a sample of the LMISD for a city. This identifies the geoname or place, the LMI population, the total population and the LMI percent.



## Block Group LMISD

geoname	Stusab	Countyname	State	County	Low	Lowmod	Lowmoduniv	Lowmod_pct	MOE_LowmodPct
Block Group 1, Census Tract 9501, Sample County, Texas	TX	Sample County	48	001	25	51	100	.51	+/-12.33



Or, if the proposed project makes sense to use “block group” data, this is the necessary beneficiary documentation. Here is a sample of the LMISD for a block group with the block groups outlined in yellow. I have deleted some of the columns in the data for space, but the key is to identify the correct block group(s) and the respective LMI data. Block group populations range from 600 to 3,000 persons, so there is a variety in both population and geographic shape to be considered.

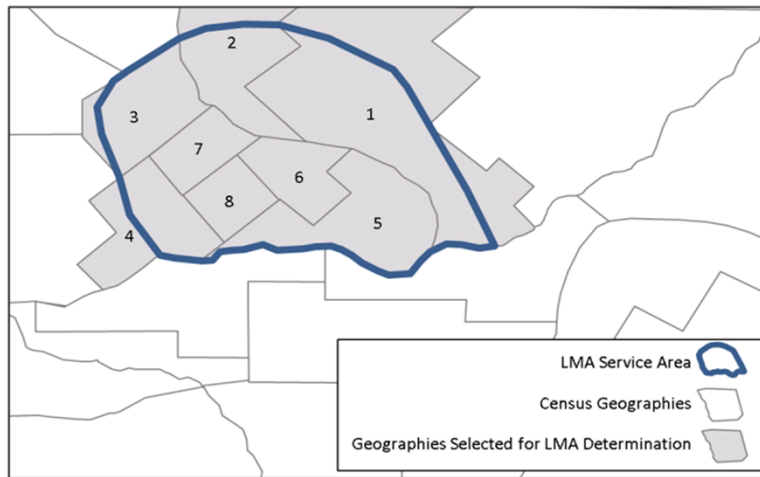
In this situation, a town might need a tanker truck that serves both the city and the surrounding areas. Thus, using both the block groups within the city and in the surrounding area to approximate the service area of the vehicle would be reasonable.

Another comment we have heard from some organizations is when asked about their service area, they say, “well we serve the whole county.” That’s great, but think about who the primary beneficiaries of the vehicle or equipment would be. Circumstances like mutual aid and emergency situations should not be considered when determining the service area.





## Combined Block Group LMISD



Sample service area overlaying block group geographies.

So here is a HUD provided representation of a “service area” superimposed over a block group map. This is typical of some of the maps that we have seen come in, so I anticipate seeing this type of map in the FAST applications. The new HUD guidance states, “The LMA (low-to-mod area) determination shall be made based on the entirety of the data of the census geography which the service area both completely encloses and significantly overlaps.” So for the above map, HUD indicates that all block groups, 1-8 meet that standard and as such should be included in the calculation of LMI. I do not expect any service map to exactly match the census geographies, so in cases where there is a question about whether a “substantial overlap” exists we will consider the location and nature of the activity, as discussed earlier. For example, it is reasonable to expect the area immediately surrounding the fire station would be included in the service area, so the further away from the location of the vehicle or equipment, the less likely that block group would be considered to be included in the service area. Again, with the variety of project types and service areas in FAST, we are going to keep it as close to the appropriate geographies and the new guidance permits.

No gerrymandering.



## Combined Block Group LMISD

When a service area is comprised of multiple block groups, it is appropriate to sum the populations to determine the total LMI percent.

$$\text{LMI \%} = (\text{LMI Persons Geography A} + \text{LMI Persons Geography B} + \text{LMI Persons Geography C...}) \div (\text{LMI Universe Geography A} + \text{LMI Universe Geography B} + \text{LMI Universe Geography C...})$$

**DO NOT COMBINE PLACE AND BLOCK GROUP DATA!**

In cases like the previous slide, documenting beneficiaries would consist of totaling all of the LMI persons for each block group and totaling all of the LMI universes for each block group, and then dividing the total LMI persons by the total LMI universe for the final LMI percentage. This is no different than it has been calculated in the past.

NOTE: Do not combine place and block group data! The areas overlap and would result in double counting certain populations.



## In Closing

- TxCDBG is happy to review beneficiary documentation in advance (Before May 16<sup>th</sup>)
- In providing beneficiary documentation, be sure to address the following
  - the relevant questions posed in this webinar
  - a description of the proposed purchase(s)
  - map of the service area for the proposed vehicle/equipment
  - proposed beneficiary data AND brief narrative description of how the beneficiary data corresponds to the service area).

We are happy to review beneficiary documentation submitted early enough to review in advance of the application due date June 13<sup>th</sup>. The more information an applicant provides about the service area determination, the better.

This is a new fund, and as such, new challenges are to be expected. Especially, in light of HUD's recent notice but the goal for the FAST fund is to keep the beneficiary documentation reasonable and clear and expend these funds as FAST as feasible.

Due Date June 13<sup>th</sup>, 2019  
For additional information or questions,  
contact Michelle Phares at  
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