



Texas Community Development Block Grant Program

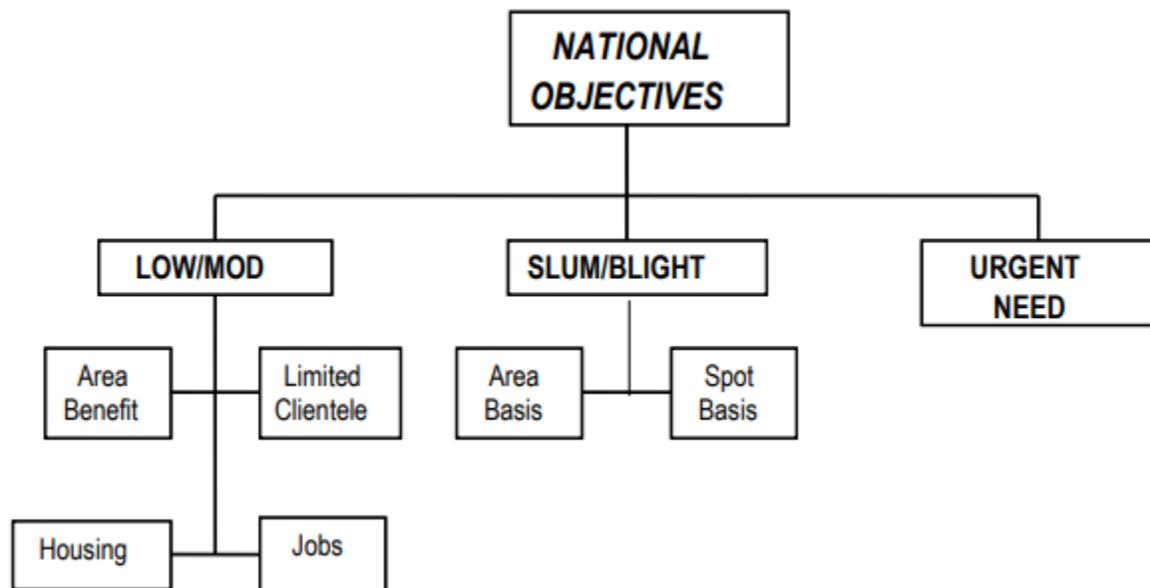
Guide to Meeting a National Program Objective

Texas Department of Agriculture Office of Rural Affairs
January 2021

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). These NPOs have three critical objectives:

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

Most TxCDBG projects will meet the LMA National Program Objective. Specifically, the Community Development (CD) Fund, 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 project's benefit area(s). The method(s) used by a Grant Applicant to identify the benefit area 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 is located near the boundary of a neighborhood or community, it's benefit area could likely include portions of the adjacent neighborhood as well as the one in which it is located.
- **Accessibility issues** – Geographic barriers can separate and preclude persons residing in a nearby area from taking advantage of a facility. Other limits to accessibility can include fees, language barriers, time, or duration that an activity is available, access to transportation, etc.
- **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.

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.

Water Distribution Lines or Sewer Collection Lines in Residential Areas

Residents should be included in the benefit area if the water or sewer lines installed provide service to the residences and will benefit from the proposed activity. If applicable, project activities must include funds to pay related special assessments, service connection costs, and fees levied against residential properties owned and occupied by LMI persons.

NOTE: When delineating benefit area for this project activity, all residents in the defined benefit area should receive benefit from the improvements. The benefit area should not include households that do not have access to services from the residential water/sewer line.

Sewer Main Trunk Lines & Water Main Supply Lines

Residents should be included in the benefit area if the water provided through the new or replaced lines is available to them. Residents should be included in the benefit area if the sewer collection lines serving the residence will flow into the new or replaced sewer collector trunk lines en route to the treatment plant.

Looping of Water Lines

Residents should be included in the benefit area and considered beneficiaries if the residence is receiving improved water pressure or an alternative means of access to water through the looping of water lines.

Water Treatment, Water Supply, Water Storage 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.

Sewage Treatment Plant Improvements

All residents served by the sewer treatment facility that will be improved by the proposed project activities 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.

Water and Sewer Service Connections

Residents residing in homes that receive a service connection, service re-connection, or water meter may be considered beneficiaries if the improvement is located on public property. For connections and yard lines located on private property, refer to *the Low-to-Moderate Income Housing NPO* section.

Street Improvements

Residents whose property lines abut the arterial or collector streets targeted for improvement, as well as those who rely on the targeted streets as the only way to access their residence should be included in the benefit area. Residents of arterial street blocks whose property abuts either side of the collector streets targeted for improvement should also be included in the benefit area.

Community-wide benefit may be used to qualify street improvement activities proposed on streets that provide access to community facilities such as post offices, schools, and local government offices.

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, curb and gutter when done in conjunction with other eligible street activities.

Sealcoating, overlays, level-ups, extensions of installations of curb and gutter not in conjunction with eligible paving activity listed above are not eligible activities.

Flood and Drainage Improvements

All residents in the recognized drainage base or the area that will actually 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 *Street Improvements* for appropriate beneficiary guidance.

Solid Waste Disposal/Landfills/Transfer Stations

Residents of the service area for the landfill or transfer station are considered beneficiaries and should be included in the benefit area.

Community Centers

If there is only one community center in the neighborhood, this may be a community-wide benefit activity. If there is more than one community center, the Grant Applicant must identify the benefit area for the center. All residents in the benefit area of the proposed center are beneficiaries.

Acquisition of Real Property (not associated with construction activity)

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 benefit area. Contact TDA for further assistance.

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 hydrants, fire stations, emergency vehicles, and equipment, are beneficiaries.

Parks and Recreational Facilities

If there is only one park or recreational facility in the community, it is generally considered a community-wide benefit project. 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 person.

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

For projects that include the provision of first-time water service or first-time sewer service, the installation of service connections and yard service lines on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. TxCDBG funds will only pay for the costs of service

connections, yard service lines, and related house plumbing improvements that are located on private property for LMI persons.

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 the sewer collections lines, lift stations, etc. needed to provide service to the benefit area are all 80 persons. Blue City will provide TxCDBG-funded assistance to the LMI persons in the benefit area for sewer house connections, yard service lines, and related plumbing improvements; 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 order to document the need as described in the Community Needs Assessment.

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 a main trunk 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 in the TxCDBG Project Implementation Manual on the TDA website. If the Grant Applicant has already received approval for the same activity and benefit area, include a copy of the TDA approval 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 activity qualifies, but rather the actual number of LMI persons that benefit from the activity.

To qualify as a limited clientele activity, the activity must meet **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 one or more functional activities or need assistance with an activity of daily living, such as getting around inside the home, getting in or out of bed or a chair, keeping track of money or bills, preparing meals, doing light housework, and 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 includes all persons residing in the city for a city center or all persons residing in the county for a county center.

TxCDBG Grant Applicants considering using limited clientele to document the project's NPO (as allowed by 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 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.

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 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 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 activity if 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 to 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 building is 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 offices and 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 and it is presumed that the project will meet the NPO of principally benefitting persons of low-to-moderate income. For the provision of accessibility to a County Courthouse, the beneficiary population would be determined on a county-wide basis. For the provision of accessibility to a City Hall, the beneficiary population would be determined 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 blight national objective, determining the extent of and physical conditions that contribute to blight is central to qualifying 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 proposed project activities will meet the SBA national objective include:

- 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.

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 specific conditions 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.

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.

Once an applicant has identified the service area 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 service area can be “reasonably delineated” by LMISD geographies.¹

- To support this determination, a statement from a qualified individual (e.g., engineer, architect, utility operator) 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, the proposed project’s impact, and anticipated outcomes.
- A geography that is entirely enclosed by a service area would be included in the calculation of beneficiaries. In instances where a geographic area is partially overlain by the service area, a determination of the percentage of the block group population that is located within the service area is required. This percentage shall be calculated at the block (not block group) level.
 - Grant Applicants must first determine the total block group population. The total BG population can be found on the data.census.gov website, Table P1.
 - Grant Applicants must determine which blocks (B) within the block group (BG) are within the service area. Grant Applicants may find utilizing block-level maps of the service area helpful in this step. Block level maps can be found on the census website at <https://www.census.gov/geographies/reference-maps/2010/geo/2010-census-block-maps.html>.
 - Collect and aggregate block-level population data. Block-level population data is available at www.data.census.gov.
 - Calculate the block-level population included in the benefit/service area and compare to the entire block group population to determine the percentage of block group residents within the benefit area. **CALCULATION:**
$$\text{Total population of blocks within benefit area} \div \text{Entire BG population} \\ = \text{Percent of BG residents within benefit area}$$
 - Determine the results.
 - If 70% or more of the BG population is within the benefit area, the LMISD for this geography must be included.
 - If 20% or less of the BG population is within the benefit area, the LMISD for this geography must be excluded.
 - If 21% - 69% of the BG population is in the benefit area, then the Grant Applicant cannot use this method and will need to conduct a survey of the **entire** service area.

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

¹ CPD Notice 19-02. The notice can be found at: <https://www.hudexchange.info/resource/5794/notice-cpd1902-low-and-moderate-income-summary-data-updates/>

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, census tracts or block groups.

Detailed Survey Methodology instructions and required forms can be found on TDA's [Beneficiary Documentation](#) webpage.

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 waived in writing, by the TxCDBG program.
- The Grant Applicant must provide the following documentation, at a minimum, for each activity included in an application where TxCDBG surveys were completed to document beneficiaries.
 - *Signed Survey Tabulation Form(s)*. This validates the beneficiaries claimed for each activity or target area.
 - Primary survey list to include a comprehensive list of addresses of the households² in the service area.
 - All survey questionnaires including responses, non-responses, and vacancies for each activity.
- For a completed survey to be eligible, it must meet the following requirements
 - **Survey Size**: For proposed projects benefitting less than 200 households, the Grant Applicant must survey 100% of households benefitting from proposed project. For surveys benefitting more than 200 households, a random survey may be conducted.
 - **100% Effort**: The Grant Applicant must demonstrate a 100% effort in contacting 100% of households in the survey including all vacant housing units, which a Grant Applicant shall indicate on the survey questionnaire as vacant. The Grant Applicant will contact twice, at a minimum, if the initial attempt fails.
 - **80% Response**: Grant Applicants **must** obtain at least an 80% response rate from all households in the survey.

Surveys that do not meet these requirements will not be approved, which may also result in disqualification of the application.

- Any survey questionnaire which does **not** include the following information may be considered a non-response or a non-LMI household, as appropriate.
 - The location where the survey was conducted (city or county)
 - The respondent's street address
 - The date(s) for contact attempt(s)
 - The HUD Section 8 Income limits inserted for family sizes one through 12

² In this guidance, **household** and **family** are used interchangeably; however, if multiple **families** reside in the same household, a separate questionnaire must be completed for **each** family. See Appendix I for definitions of the terms used in this guide.

- Conflicting information between the identified family size and the family size income limit if it is higher than the correct income limit for that family size. **EXAMPLE:** A family with three persons is asked to compare the family's income to the income limit for a four-person family.
- 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.
- For the 2019 LMISD and later, HUD now includes the Margin of Error (MoE) for all geographies and requires that the use of alternative data (an income survey) have a MoE less than the LMISD MoE. The survey instructions in this guide are based on a 95% confidence level. Before a Grant Applicant undertakes a survey for a geographic area, they must check the MoE in the current LMISD to ensure that the survey will meet this requirement. If a Grant Applicant's LMISD has a MoE of less than +/- 5%, they **must** contact TxCDBG for additional guidance.
- 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.

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.
- Group quarters including prisons, dormitories, nursing homes, and institutional group quarters, are not considered part of the beneficiary population. This provision is consistent with the LMISD, which excludes these populations from this data.
- 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.