

## LIMITED CLIENTELE

570.208 (a) (2) Limited clientele activities. (i) An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate-income persons. (The following kinds of activities may not qualify under this paragraph: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low and moderate income persons to be considered is the creation or retention of jobs.) To qualify under this paragraph, the activity must meet one of the following tests:

(A) It must benefit a clientele who are generally presumed to be principally low and moderate-income persons. The following groups are presumed by HUD to meet this criterion: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Population Reports definition of "Severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) It must require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate-income limit; or

(C) It must have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) It must be of such a nature, and be in such a location, that it may be concluded that the activity's clientele will primarily be low and moderate-income persons.

February 27, 2003

ALABAMA CDBG INTERGOVERNMENTAL  
POLICY LETTER NUMBER 22  
Revision 3

TO: Persons Interested in State  
CDBG Program

FROM: John D. Harrison  
Director

**Establishment of Low- and Moderate-Income (LMI) Benefit  
For Area Wide Projects**

With respect to LMI beneficiaries on area wide projects (both jurisdiction-wide and target area), the State will accept data from two sources.

First, LMI benefit may be established through the most recent HUD adjusted Census Data. Data is available specific to entire communities, census tracts, or blocks.

Second, the State will accept LMI benefit as determined through local income surveys so long as the following criteria are met:

Sample size and response rate must, at a minimum, be as outlined below:

<u>Universe</u>	<u>Sample Size</u>	<u>Response Rate</u>
0 - 50	100%	80%
50 - 100	50 + 80% of increase	80%
100 - 200	90 + 50% of increase	80%
200 - 400	140 + 25% of increase	80%
400 - 800	190 + 15% of increase	80%
800 - 1200	250 + 10% of increase	80%
1200 - 2700	290 + 6.5% of increase	80%
2700 +	400 +	80%

2. Households surveyed must be randomly selected with the method of selection detailed for review.
3. Survey instruments must include number of persons per household; number of disabled persons per household; the race, ethnicity, and gender of head of household; income status of household as very low, low, moderate or high by household size. Income limits must be shown on the instrument itself. Surveys must be signed and dated by the person conducting the interview. Each house must be numbered sequentially on the map with the survey instrument bearing the corresponding number. Both the occupant's name and the physical address of each unit must be given on each survey. The name of the person providing the information to the surveyor should also be included. Changes on responses must be initialed and dated by the person making the change. There should be a survey for every unit; occupied, vacant, or nonresidential.
4. In those instances where less than an 80 percent response rate is achieved, then the number of households needed to achieve an 80 percent response rate shall be assumed to be non-LMI and factored in the overall percentage.
5. The total number of beneficiaries and the number and percentage of LMI beneficiaries are calculated as follows:
  - a) Add the total number of beneficiaries from the 80 percent response to the survey. This is accomplished by adding the number of persons per household from each household that responded to the survey.
  - b) Divide the number you obtained from (a) by the number of households surveyed. This gives you the average number of persons per household.
  - c) Multiply the average number of persons per household (b) times the total number of occupied households in the project area. This gives you the total number of beneficiaries.
  - d) Add the very low-income beneficiaries, the low-income beneficiaries and the moderate-income beneficiaries.

- e) Divide the total from (d) by the total from (a) if an 80 percent response was achieved. The result is the percentage of beneficiaries that are LMI. In those instances where less than 80 percent response was achieved, divide the total from (d) by the total from (a) plus the number of households needed to achieve the 80 percent response, times the average number of persons per household (b).
  - f) Multiply the percentage of LMI (e) times the total number of beneficiaries (c). This gives you the number of LMI beneficiaries.
  - g) Ethnicity, race, disabled, and female heads of household beneficiaries are determined in a like manner.
6. In projects that have more than one distinct "stand alone" area, then each area must follow steps one through five with respect to sample size, response rate, and qualification for the 51 percent test.
  7. A community which is shown to be less than 51 percent LMI in the most recent Census Data provided by HUD, in the case of a community-wide project, can determine its eligibility as a predominantly LMI community (at least 51 percent LMI) by conducting an income survey of its residents. For this survey to be valid, the survey must, in addition to the 80 percent response rate for the randomly selected sample using the required instrument criteria, also identify each household by name and address.
  8. An applicant may utilize surveys conducted up to three years prior to the program year for which funds are being requested. Should your community choose to use a previous year's survey, then the survey area must be re-examined and all changes incorporated. Additionally, new reporting criteria such as race and ethnicity must be provided to ADECA.
  9. The race and ethnicity questions must determine if 1) each household is Hispanic *or Latino* or not Hispanic *or Latino*, and 2) the race for each household. The categories for race must be White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Native Alaskan and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black/African American, and Other Multi-Racial.

Effective Date: This policy is effective beginning with the FY2003 CDBG applications.

## CDBG BENEFICIARY SURVEY FORM

The \_\_\_\_\_ (applicant) intends to apply to the Alabama Department of Economic and Community Affairs for a Community Development Block Grant to \_\_\_\_\_ (project description).

In order to determine if this project meets eligibility criteria, the following information must be obtained from a representative sample of proposed beneficiaries.

Name/Address of Occupant \_\_\_\_\_  
 Name of Person Giving Information \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Survey Map Reference Number \_\_\_\_\_ Homeowner \_\_\_\_\_

Number of Persons in Household \_\_\_\_\_ Tenant \_\_\_\_\_  
 Female Headed Household \_\_\_\_\_ Yes \_\_\_\_\_ No  
 Number of Handicapped Persons in Household \_\_\_\_\_

Is the Ethnicity of this HH Hispanic or Latino? \_\_\_\_\_ Yes \_\_\_\_\_ No

Race of HH

White \_\_\_\_\_  
 Black/African American \_\_\_\_\_  
 Asian \_\_\_\_\_  
 American Indian/Alaskan Native \_\_\_\_\_  
 Native Hawaiian/Other Pacific Islander \_\_\_\_\_  
 Am. Indian/Alaskan Native and White \_\_\_\_\_  
 Asian and White \_\_\_\_\_  
 Black/African American and White \_\_\_\_\_  
 Am. Indian/Alaskan Native and Black \_\_\_\_\_  
 Other Multi-Racial \_\_\_\_\_

Household Size	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Very Low-Income	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____
Low-Income	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____
Moderate-Income	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____
High-Income	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____

\_\_\_\_\_  
 Surveyor's Signature

\_\_\_\_\_  
 Date

**SAMPLE**

**HOUSING REHABILITATION INFORMATION and INCOME VERIFICATION  
FORM**

**OWNER OCCUPIED**

Community Name: \_\_\_\_\_ Project Number: \_\_\_\_\_

Name and Address of Owner \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Number of persons in household: \_\_\_\_\_

Gross Income \_\_\_\_\_ (verification must be maintained in program files)

Moderate \_\_\_\_\_

Low \_\_\_\_\_

Very Low \_\_\_\_\_

ETHNICITY

Hispanic or Latino

Yes \_\_\_\_\_ No \_\_\_\_\_

RACE

White \_\_\_\_\_

Black/African American \_\_\_\_\_

Asian \_\_\_\_\_

American Indian/Alaskan Native \_\_\_\_\_

Native Hawaiian/Other Pacific Islander \_\_\_\_\_

Am. Indian/Alaskan Native and White \_\_\_\_\_

Asian and White \_\_\_\_\_

Black/African American and White \_\_\_\_\_

Am. Indian/Alaskan Native and Black \_\_\_\_\_

Other Multi-Racial \_\_\_\_\_

Head of household 62 years old or older Yes \_\_\_\_\_ No \_\_\_\_\_

Total cost of rehabilitation for this unit \$ \_\_\_\_\_

Total amount of CDBG funds used for this unit \$ \_\_\_\_\_

Other sources of funding for this unit	Source	Amount
	_____	_____
	_____	_____
	_____	_____

Brief description of work (entire work write-up must be maintained in program files): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Was unit brought up to code? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what code? \_\_\_\_\_

Was unit brought up to energy standards? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what standard? \_\_\_\_\_

Was the unit brought into compliance with Lead Safe Housing Rule (verification must be maintained in program files)? Yes \_\_\_\_\_ No \_\_\_\_\_

Was the unit made 504 accessible? Yes \_\_\_\_\_ No \_\_\_\_\_

For Direct Financial Assistance Projects Only:

- |   | Yes   | No    |
|---|-------|-------|
| 1. Is the homeowner a first time homebuyer?                 | _____ | _____ |
| 2. Did the homeowner receive housing counseling?            | _____ | _____ |
| 3. Did the homeowner previously live in subsidized housing? | _____ | _____ |
| 4. What type of assistance was provided?                    |       |       |

Closing costs	\$ _____
Down payment assistance	\$ _____
Mortgage buy down	\$ _____
Interest reduction	\$ _____
Principal reduction	\$ _____
Subordinate mortgage	\$ _____

**Please note: This form does not replace existing record keeping requirements associated with CDBG Housing Rehabilitation projects. This is supplemental data required for project close out.**

**SAMPLE**

**HOUSING REHABILITATION INFORMATION and INCOME VERIFICATION  
FORM**

**RENTER OCCUPIED**

Name and Address of Renter: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Community Name: \_\_\_\_\_ Project Number: \_\_\_\_\_

Number of persons in household: \_\_\_\_\_

Gross Income \_\_\_\_\_ (verification must be maintained in program files)

Moderate \_\_\_\_\_

Low \_\_\_\_\_

Very Low \_\_\_\_\_

ETHNICITY

Hispanic or Latino

Yes \_\_\_\_\_ No \_\_\_\_\_

RACE

White \_\_\_\_\_

Black/African American \_\_\_\_\_

Asian \_\_\_\_\_

American Indian/Alaskan Native \_\_\_\_\_

Native Hawaiian/Other Pacific Islander \_\_\_\_\_

Am. Indian/Alaskan Native and White \_\_\_\_\_

Asian and White \_\_\_\_\_

Black/African American and White \_\_\_\_\_

Am. Indian/Alaskan Native and Black \_\_\_\_\_

Other Multi-Racial \_\_\_\_\_

Head of household 62 years old or older Yes \_\_\_\_\_ No \_\_\_\_\_

Total cost of rehabilitation for this unit \$ \_\_\_\_\_

Total amount of CDBG funds used for this unit \$ \_\_\_\_\_

Other sources of funding for this unit	Source	Amount
	_____	_____
	_____	_____
	_____	_____



Brief description of work (entire work write-up must be maintained in program files): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Was unit brought up to code? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what code? \_\_\_\_\_

Was unit brought up to energy standards? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what standard? \_\_\_\_\_

Was the unit brought into compliance with Lead Safe Housing Rule (verification must be maintained in program files)? Yes \_\_\_\_\_ No \_\_\_\_\_

Was the unit made 504 accessible? Yes \_\_\_\_\_ No \_\_\_\_\_

Does the unit qualify as an affordable unit? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, how many years of affordability guaranteed? \_\_\_\_\_

If affordable unit, the unit is permanent housing for person(s):

with HIV/AIDS Yes \_\_\_\_\_ No \_\_\_\_\_

with HIV/AIDS who are chronically homeless Yes \_\_\_\_\_ No \_\_\_\_\_

who are homeless Yes \_\_\_\_\_ No \_\_\_\_\_

who are chronically homeless Yes \_\_\_\_\_ No \_\_\_\_\_

**Please note: This form does not replace existing record keeping requirements associated with CDBG Housing Rehabilitation projects. This is supplemental data required for project close out.**

## Economic Development Employee Income Certification

The \_\_\_\_\_ (City/County) is utilizing funds from the ADECA for the construction of a \_\_\_\_\_ (project description). In order to document the eligibility of the project, the following information must be obtained from the beneficiaries. Information will be kept in the strictest confidence.

Name/Address of Employee/Applicant \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Does the Employer offer health care for this job? Yes \_\_\_\_\_ No \_\_\_\_\_

Was the employee/applicant unemployed before taking this job? Yes \_\_\_\_\_ No \_\_\_\_\_

Brief description of the job type/duties: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Number of Household Members: \_\_\_\_\_

If Female, are you head of household? Yes \_\_\_\_\_ No \_\_\_\_\_

Is employee/applicant disabled? Yes \_\_\_\_\_ No \_\_\_\_\_

**ETHNICITY**

Hispanic or Latino?

Yes \_\_\_\_\_ No \_\_\_\_\_

**RACE**

- White \_\_\_\_\_
- Black/African American \_\_\_\_\_
- Asian \_\_\_\_\_
- American Indian/Alaskan Native \_\_\_\_\_
- Native Hawaiian/Other Pacific Islander \_\_\_\_\_
- Am. Indian/Alaskan Native and White \_\_\_\_\_
- Asian and White \_\_\_\_\_
- Black/African American and White \_\_\_\_\_
- Am. Indian/Alaskan Native and Black \_\_\_\_\_
- Other Multi-Racial \_\_\_\_\_

Please circle income level that most closely corresponds to your household income last year.

Household Size	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Very Low-Income	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____	\$0 to \$_____
Low-Income	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____
Moderate-Income	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____	\$_____ to \$_____
High-Income	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____	Over \$_____

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

February 27, 2003

ALABAMA CDBG INTERGOVERNMENTAL  
POLICY LETTER NUMBER 18

REVISION 4

TO: Persons Interested in State CDBG Program

FROM: John D. Harrison  
Director

POLICY ON NEW RESIDENTIAL WATER AND SEWER HOOKUPS  
(SERVICE CONNECTIONS) IN CDBG PROJECTS

This notice is issued to clarify and/or amend the provisions of Policy Letter No. 18, Revision. 3, dated February 12, 2002, regarding the State's Rehabilitation Policy on household connections. It is the State's policy to require a CDBG grantee, as a part of new public facilities construction, to hookup (connect) Low and Moderate Income persons' residential structures on to water distribution lines and/or local sewer collection lines. This activity must be done for all verified LMI persons in the approved project area in accordance with the locality's approved Policies on Household Connections. This policy may also establish a reasonable ceiling for hookups. CDBG grant funds may be used for the hookup of low and moderate income households. However, CDBG funds may not be used to hookup high income households.

The units to be connected will not have to meet Section 8 Minimum Housing Quality Standards in order to be eligible to receive this assistance. However, such connections are considered to be housing rehabilitation and must be so designated as a separate activity. In those instances where connections are to be made to sewer collection lines, either a licensed plumber or qualified plumbing inspector must certify that the drain, waste, and venting system for each unit is safe. For all hookups, the necessary legal Right-of-Entry permits, income certification, etc. should be secured prior to construction from the individual property owners.

If a homeowner refuses the hookup, a plumbing inspection, or necessary repairs/connections, that unit cannot be connected. Further, if the cost of hookup exceeds the established ceiling and the homeowner does not wish to contribute the additional funds, the locality is not required to provide the hookup. Whenever a household connection is refused, a written refusal of service will be required. If a signed statement cannot be obtained, a written explanation signed by the chief elected official should be placed in the program files.

Reconnections are not subject to this policy letter. Reconnections are considered a construction activity caused or necessitated by the project's design for existing water and/or sewer projects.

Attachments: Sample Owner Certification  
Sample Right of Entry Permit  
Sample Refusal of Service  
Sample Income Certification

Effective Date: Projects Funded in FY 2003 Program Year and Thereafter.

# SAMPLE

## CDBG BENEFICIARY SURVEY FORM PROJECTS WITH WATER/SEWER CONNECTIONS

The City of Alabamaville has received funding from the Alabama Department of Economic and Community Affairs for a Community Development Block Grant to extend public sewer service to your neighborhood. In order to determine if each household to be connected to the sewer system as part of this project meets eligibility criteria, the following information must be obtained from all proposed beneficiaries.

Name/Address of Occupant: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### HOUSEHOLD INCOME BY FAMILY SIZE

(Circle the HUD Section 8 Income Limit below which most closely corresponds to your total household income from all sources for the previous 12 months.)

HOUSEHOLD SIZE	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>Very Low Income</b>	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____	\$0 to \$ _____
<b>Low Income</b>	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____
<b>Moderate Income</b>	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____	\$ _____ to \$ _____
<b>High Income</b>	Over \$ _____	Over \$ _____	Over \$ _____	Over \$ _____	Over \$ _____	Over \$ _____	Over \$ _____	Over \$ _____

**CERTIFICATION:** I ATTEST THAT INFORMATION STATED ABOVE IS TRUE AND ACCURATE. I UNDERSTAND THAT THE ABOVE INFORMATION IS SUBJECT TO VERIFICATION AND IF MISREPRESENTED OR INCOMPLETE, I MAY BE SUBJECT TO PENALTIES AS SPECIFIED BY THE LAW (U.S. C. Title 18, Sec. 1001).

Homeowner/Tenant: \_\_\_\_\_ Date: \_\_\_\_\_