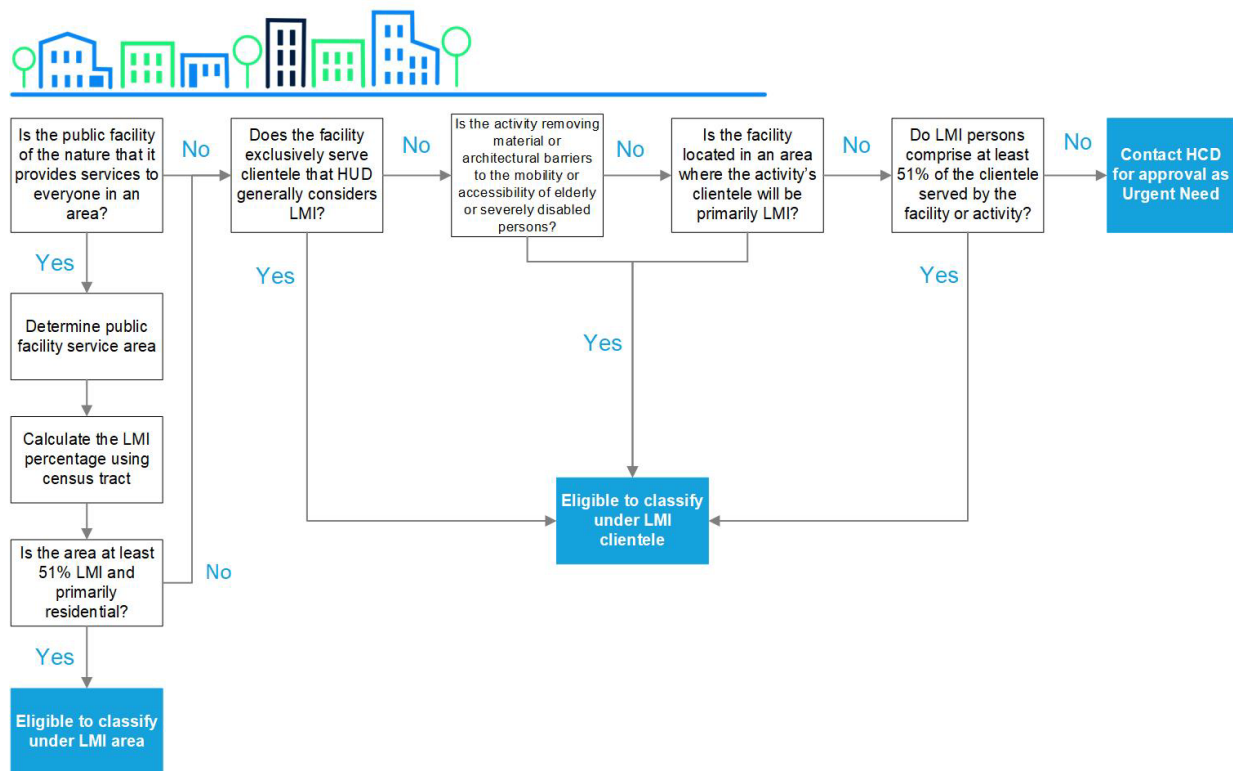




Public Facilities: National Objectives

Public Facilities: Pathway to Selecting a National Objective

There are multiple ways for public facilities activities to meet a national objective. However, some are easier, or require lower documentation thresholds than others. The flowchart below provides a high-level sequencing of the easiest to the most complex ways to meet a national objective when providing assistance to public facilities. Each Grantee will choose the process(es) that is(are) applicable to their program and should clearly document the national objective and the rationale for selecting national objectives within program and project files. The following section includes sample standard operating procedures (SOP) and sample templates for documenting LMI national objectives when providing assistance for public facilities activities.



Summary

The section below provides a quick checklist for determining whether a project could meet certain national objectives. Additional information and guidance is provided in the subsequent Standard Operating Procedures for each of the national objectives listed below and in the process flow above.



Standard Operating Procedure

Section I: Meeting the Low Mod Area National (LMA) Objective

Applicability: CDBG-CV and CDBG

(CDBG-CV ONLY): Initial step for all public facilities projects: Is the award being provided for activities that prevent, prepare for, and respond to coronavirus?

- If yes, document how the award is provided for activities that prevent, prepare for, and respond to coronavirus, and proceed with Step 1.
- If no, the project is not eligible under CDBG-CV.

Step 1 - Determine if the facility meets the requirements for LMI Area benefit.

An area benefit activity is an activity that:

- is available to all the residents of a defined service area, and
- the service area is primarily residential, and
- at least 51 percent of the residents in the service area are LMI persons.

Examples of facilities that are provided to all residents of an area

- Street or road improvements
- Sidewalks
- Parks
- Possibly hospitals and clinics

Does the facility benefit all residents?

- If yes, proceed to Step 2.



- If no, do not proceed with LMI Area Benefit, and move to determine if the program meets a different National Objective (Section II: [Limited Clientele](#) or Section III: [Urgent Need](#)).

Step 2 - Determine the Service Area

Determining the service area (defining the geographic boundaries) for an area-wide public facility is accomplished by answering these questions:

- 1) Who are the beneficiaries of the project?
- 2) Where do they live?

Depending upon the type of facility, the defined geographic area could be a single neighborhood within a town, or as large as multiple counties.

Step 2A - Collect data on the facility service area

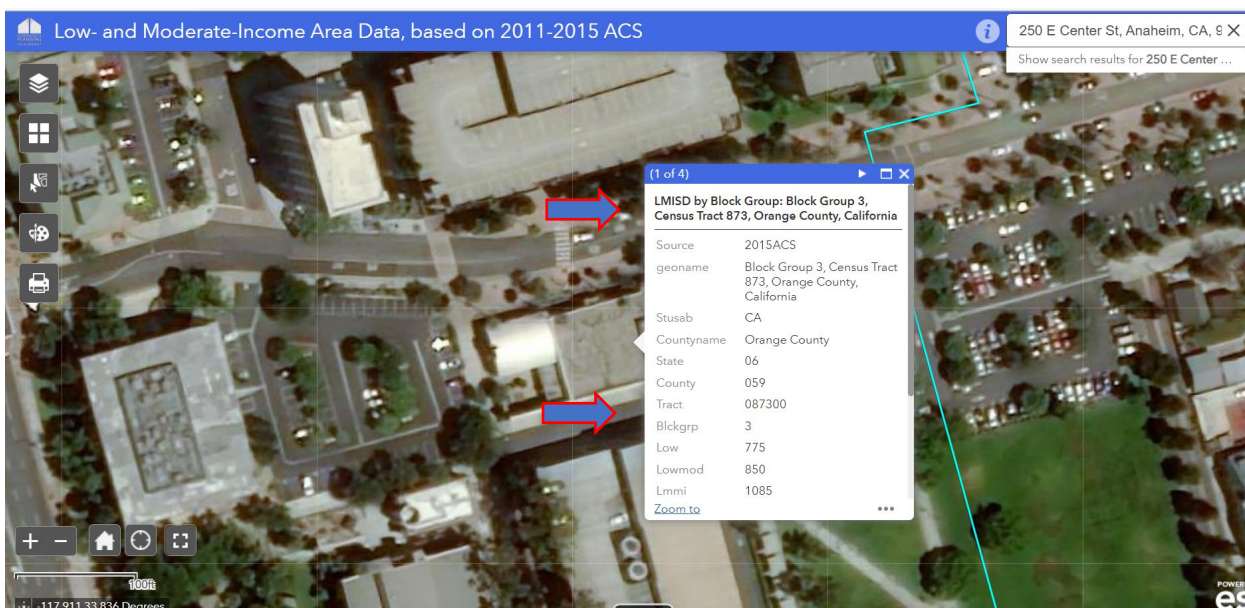
Step 2A: Obtain the census tract or census tracts of the areas that benefit from the facility.

1. Document your process for identifying the service area by compiling a service area memo indicating:
 - a. The nature of the facility
 - i. Consider: Some facilities serve a large area, such as a major road, while some facilities, like a public restroom, only serve a few users at a time.
 - ii. Document consideration of the facility type and potential capacity to benefit residents in the service area memo.
 - b. The location of the facility
 - i. Consider: use a rule of thumb consistently to map the entire area, ex: 10-minute walk to 10-minute drive or use a geographic distance, such as a $\frac{1}{2}$ mile radius, ensuring that the boundaries align with contiguous neighborhoods where practicable.
 - ii. Use the location of the facility rather than something like a main office, owning entities' address, or P.O. box.
 - c. Any accessibility issues for the site
 - i. Consider things like:



Appendix C-7: Public Facilities Guidance

1. A river or interstate highway that separates a neighborhood from a public facility location - this may mean that neighborhood is not in the service area.
2. Fees associated with use of the facility, language barriers, and accessibility barriers for those with different abilities should be included in these considerations.
- d. The availability of comparable facilities.
 - i. The service area for your facility should not overlap with the service area of another similar facility.
2. Using [HUD's ArcGIS map](#), enter the address to determine the census tract(s) for the facility location and other areas the facility serves
3. Click in the map near the search result to open the data box. The census tract and block group can be found in the heading of the data box or within the data box.

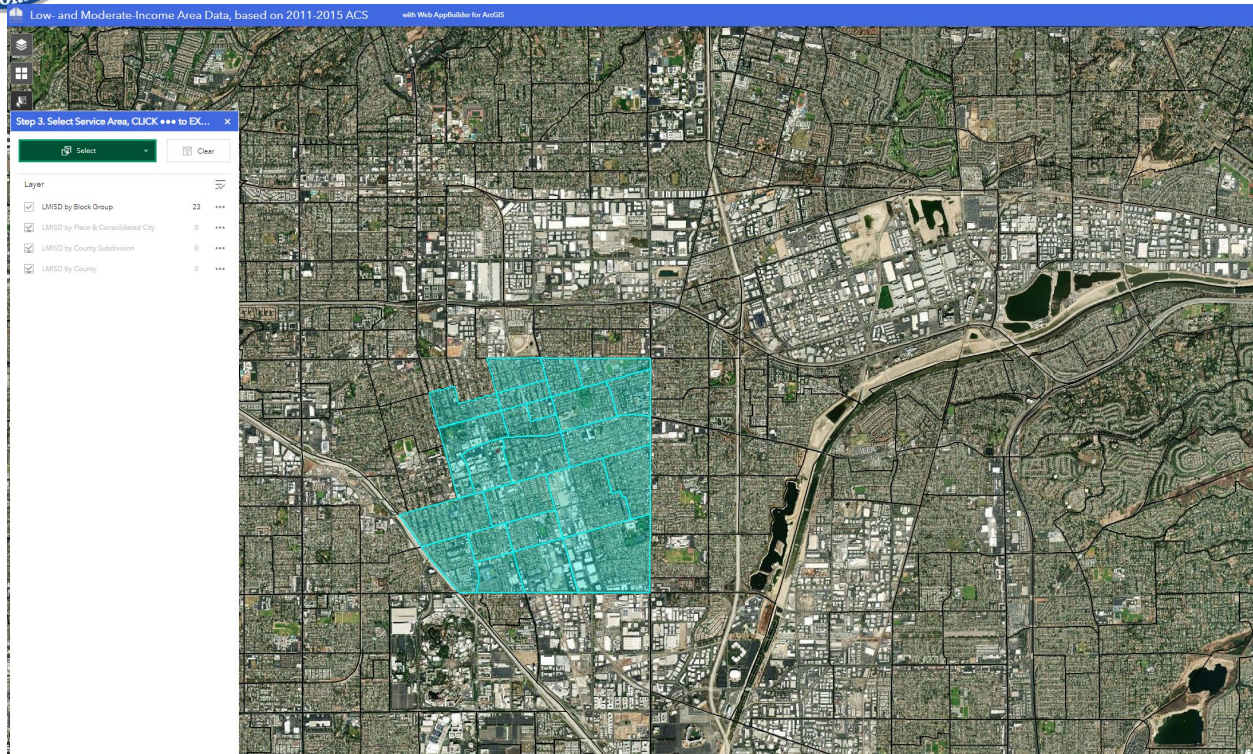


Step 2B: Use [HUD's Low and Moderate Income Summary Data](#) to determine the percentage of LMI persons residing in the service area census tract(s) and block groups.

1. Identify the service area in the HUD ArcGIS Map and export the data to view the LMI% for each block group in the service area.



Appendix C-7: Public Facilities Guidance



2. Then in your excel sheet you will divide the LMI population of all the census blocks by the total population, generating an overall LMI percentage for the service area. For more on this process see a [resource here](#). See guidance on making this calculation in excel below:

Use the appropriate calculation:

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

If exporting the csv file to Excel, the overall LMI percentage function would be

$$=\text{sum}(\text{lowmod})/\text{sum}(\text{lowmod_univ})$$

Margin of Error

The MOE does NOT provide an expanded range for compliance. For example, a service area of 50 percent LMI with a 2 percent MOE would still be just 50 percent LMI for compliance purposes.

However, the 2 percent MOE would inform the grantee about the accuracy of the ACS data before undergoing the effort and cost of conducting a local income survey. See [CPD Notice 19-02](#) for more details on using the margin of error.



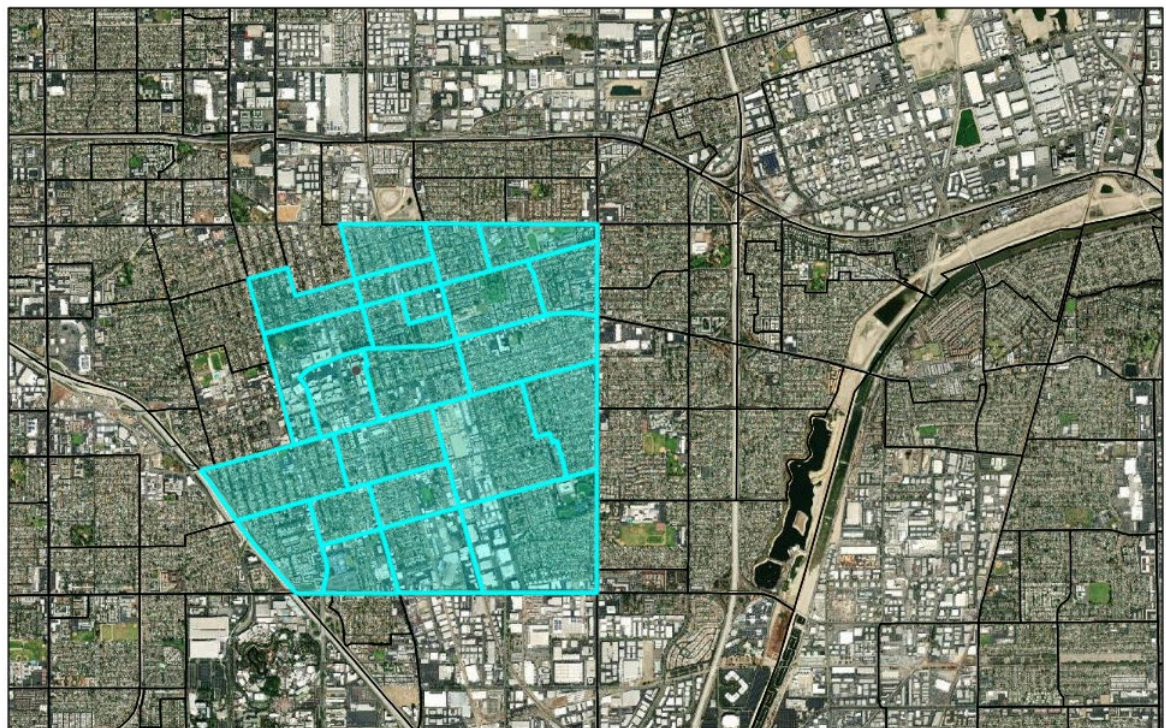
Appendix C-7: Public Facilities Guidance

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
1	OBJECTID	GEOID	Source	geoname	Stusab	County	State	County	Tract	Blckgrp	Low	Lowmod	Lmmi	Lowmodu	Lowmod_u	clowmoc	Lowmoi	MOE_Low	MOE_ucl	Shape_A	Sha	
2	21866	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86301	1	1070	1940	2410	2670	72.66	1940	72.66	+/-23.45		5.75E-05	0.0
3	21867	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86301	2	625	1090	1845	2435	44.76	1090	44.76	+/-20.70		4.43E-05	0.0
4	21868	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86301	3	885	1525	1740	1960	77.81	1525	77.81	+/-23.42		7.95E-05	0.0
5	21871	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86303	3	555	950	1200	1705	55.72	950	55.72	+/-18.53		0.000101	0.0
6	21887	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86405	1	710	1295	1445	1630	79.45	1295	79.45	+/-24.54		2.18E-05	0.0
7	21888	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86405	2	920	1540	1580	1635	94.19	1540	94.19	+/-32.72		2.8E-05	0.0
8	21889	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86405	3	1165	1855	2310	2450	75.71	1855	75.71	+/-20.33		3.98E-05	0.0
9	21890	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86405	4	1120	1635	1685	1845	88.62	1635	88.62	+/-28.46		2.93E-05	0.0
10	21899	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86501	2	705	930	1200	1690	55.03	930	55.03	+/-21.72		3.08E-05	0.0
11	21902	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86502	2	1510	1850	1850	1930	95.85	1850	95.85	+/-23.73		1.74E-05	0.0
12	21903	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	86502	3	1340	2315	2445	2670	86.7	2315	86.7	+/-16.10		2.83E-05	0.0
13	21966	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87300	1	1040	1460	1460	1460	100	1460	100	+/-39.66		8.92E-06	0.0
14	21967	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87300	2	1800	2630	3465	3980	66.08	2615	65.7	+/-23.49		4.52E-05	0.0
15	21968	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87300	3	775	850	1085	1220	69.67	850	69.67	+/-26.72		3.35E-05	0.0
16	21969	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87300	4	410	930	1340	1530	60.78	930	60.78	+/-22.61		2.31E-05	0.0
17	21970	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87300	5	705	1165	1450	1570	74.2	1165	74.2	+/-34.90		4.78E-05	0.0
18	21975	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87401	1	340	695	1385	1990	34.92	695	34.92	+/-13.92		4.43E-05	0.0
19	21972	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87401	2	370	1200	1930	2230	53.81	1200	53.81	+/-20.31		5.48E-05	0.0
20	21975	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87404	1	2040	2540	2905	2930	86.69	2540	86.69	+/-13.04		2.85E-05	0.0
21	21976	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87404	2	340	735	945	1080	68.06	735	68.06	+/-26.02		2.18E-05	0.0
22	21977	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87405	1	935	1010	1375	1480	68.24	1010	68.24	+/-28.65		4.77E-05	0.0
23	21978	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87405	2	1400	1710	1745	1840	92.93	1710	92.93	+/-27.07		2.83E-05	0.0
24	21979	6.06E+10	2015ACS	Block Groi	CA	Orange	Cc	6	59	87405	3	1910	2520	2740	2755	91.47	2520	91.47	+/-17.50		3.72E-05	0.0
25																						
26																						
27																						
28																						
29																						
30																						
31																						
32																						

LMI population 34370 total population 46685

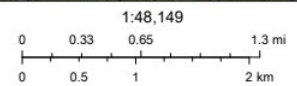
LMI% in service area 0.736211

Low- and Moderate-Income Data, based on 2011-2015 ACS 5-year Estimates



8/11/2021, 4:13:08 PM

LMISD by Block Group



Maxar

U.S. Department of Housing and Urban Development, Web AppBuilder for Maxar | Maxar |

3. If the percentage of persons residing in the service area census tract(s) is 51% or above, then move forward with the LMI Area Benefit National Objective. If the



percentage is below 51%, then do not proceed with LMI Area and determine if the activity meets a different National Objective.

Note: If the service area is the entire city, then check [HUD's data set](#) to determine if the city is within HUD's upper quartile waiver.

The census tract is the preferred method for this program. However, a survey can also be used to determine the service area's percentage of LMI persons. The HCD must approve the use of the survey methodology prior to the start of the survey.

Note: The geographic area that will be served by an activity does not have to be exactly aligned with census tracts, block groups, or other officially recognized boundaries. It is critical, however, that the service area determined by the municipality be the **entire area served by the activity**. For example, even though a predominantly LMI neighborhood may be one of several neighborhoods served by an activity (for example, a grocery store), the percentage of LMI persons in the total area served by the activity **must** be considered for the purpose of determining the service area.

Step 3 - Only for entitlement areas where service area census data does not equal 51% LMI and the entitlement area is an "exception Grantee":

HUD defines "exception Grantee" as areas with unusually high incomes. For these Grantees, the low/moderate income threshold is less than 51%. The link below will take you to the listing of 2021 exception Grantees and their low/mod thresholds. For these communities, the LMI Area benefit threshold will be lower than 51%. It will be the value shown in the "Top Quartile" column [here](#) for your corresponding area.

Keep in mind, if you are using this calculation, it only applies to entitlement areas and you will still need to identify your service area.

More info here: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-exception-Grantees/>

Step 4 - Conduct a duplication of benefits analysis

Conduct a duplication of benefits analysis to determine if the public facility has received other funding from federal, state, local or private insurance to meet the same need, using the [Duplication of Benefits Tracking Form](#) and the Grantee's DOB Policy (sample policy is [here](#) as a word document under the files tab).

Reduce eligible award by any duplication of benefits to determine revised potential award amount.



Step 5 - Organize your documentation to meet LM Area Benefit, which should include:

1. A map clearly showing the boundaries of the service area
 - [HUD's ArcGIS map](#)
 - Google map
2. Action taken by program to define the boundaries, including an explanation of the basis for determining the boundaries
 - [HUD's Low- and Moderate-Income Summary Data](#)
3. A chart listing of all the census tracts/block groups included in the service area, including both the total universe and low/mod population with a total calculation for the service area low mod percentage. (See above example for reference.)
4. Documentation that the area is predominantly residential
 - Land use map
 - Google map if clearly shows housing as the predominant land use.
 - Other acceptable documentation of land use

Make sure the documentation is easy to follow and clear so that you can address any questions should they come up in the future.

Documentation Collected

- Explanation of determining the service area boundaries
- Service area map
- HUD LMISD of service area census tract(s) and block groups
- Documentation that service area is predominantly residential
- Documentation and description of the nature of the public facility and that it provides a service or services to everyone in the designated service area
- Documentation and calculation that the project meets the public benefit standard
- Award Calculation, documentation of eligible uses of funds
- DOB calculation and verification
- Subrogation agreement
- Documentation for compliance with other applicable cross cutting requirements (e.g., environmental review, labor standards if project includes construction activities)
- Debarment check (SAM.gov)



Section II: Meeting the Low Mod Limited Clientele (LMC) National Objective

(CDBG-CV ONLY): Initial step for public facilities: Is the award being provided for activities that prevent, prepare for, and respond to coronavirus?

- If yes, document how the award is provided for activities that prevent, prepare for, and respond to coronavirus, and proceed with Step 1.
- If no, the project is not eligible under CDBG-CV.

Definition of Low to Moderate Limited Clientele: An activity which benefits a limited clientele, at least 51 percent of whom are LMI persons.

In contrast to the area benefit category, it is not the LMI service area of the activity that determines whether the activity will qualify or not, but rather the **actual number of LMI persons** that benefit from the activity.

Activities in this category provide benefits to a specific group of persons rather than persons in an area. It may benefit persons without regard to their residence, or it may be an activity that provides a benefit to only particular persons within a specific area.

Step 1: Determine if the facility meets LMI Limited Clientele qualifications

1. Does the facility exclusively serve clientele that HUD generally considers LMI?

Clientele that HUD generally considers LMI:

- Abused children;
- Elderly persons;
- Survivors of domestic violence;
- Persons experiencing homelessness ;
- Adults meeting Bureau of Census' definition of severely disabled adults;
- Adults with functional illiteracy;
- Persons living with AIDS;
- Migrant farm workers.



If the facility exclusively serves clientele that HUD generally considers LMI, move to Step 2. If the facility does not provide a service that exclusively serves clientele that HUD generally considers LMI, see if the facility fits other qualifications, below.

2. *Is the activity removing material or architectural barriers to the mobility or accessibility of elderly or severely disabled persons?*

Definition of Severely Disabled

Persons are considered severely disabled if they:

- Use a wheelchair or another special aid for 6 months or longer;
- Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking) without intervention;
- Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or essential activities of daily living (going outside the home, 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 or mental retardation; or
- Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI)

Examples include:

- Modifying sidewalks to accommodate accessibility due to increased traffic to a COVID testing site
- Adding in an elevator to a COVID clinic
- Adding a wheelchair ramp to a park that is being used to encourage outdoor recreation to avoid transmission of COVID indoors

If the activity removes material or architectural barriers to the mobility or accessibility of elderly or severely disabled persons, move to Step 2. If the activity does not remove material or architectural barriers to the mobility or accessibility of elderly or severely disabled persons, see if the facility fits other qualifications below.

3. *Is the activity conducted at the facility of such a nature and in such location where the activity's clientele will be primarily LMI persons?*



Examples include:

- Improving the HVAC and HEPA system in a clinic located next to a public housing facility;
- Acquiring land and building a COVID-19 testing site situated in a senior center;
- HEPA filters installed at a homeless shelter;

If the activity conducted at the facility will be of such a nature and is located in an area where clientele will be mostly LMI move to Step 2. If the activity conducted at the facility will NOT be of such a nature and is NOT located in an area where clientele will be mostly LMI, see if the facility fits other qualifications below.

4. *Do LMI persons comprise at least 51% of the clientele served by the facility or activity?*
 - a. Verify that the facility has income documentation for each person served. Income documentation support should include the person's household size and income and race/ethnicity. If the information is not readily available, the facility will need to collect this information from each person served using the LMI Household Certification form.
 - i. If LMI persons comprise at least 51% of the clientele served by the facility or activity, move to the next step.
 - ii. If LMI persons do not comprise at least 51% of the clientele served by the facility or activity the LMC National Objective does not fit the activity. Move to determine if the program meets a different National Objective.

Grantees may be able to use proxy income data to determine whether at least 51% of the users of the facility are LMI (E.g., free and reduced lunch metrics if funding improvements to a school), but Grantees should reach out to their Grant Administrator or HCD Representative prior to using proxy income, race and/or ethnicity data.

Step 2 - Conduct a duplication of benefits analysis

Conduct a duplication of benefits analysis to determine if the public facility has received other funding from federal, state, local or private insurance to meet the same need, using the Duplication of Benefits Tracking Form and the Grantee's DOB Policy.



Reduce eligible award by any duplication of benefits to determine revised potential award amount.

Step 3: Organize your documentation to meet LMI Limited Clientele, which should include:

This documentation will differ based on how the facility meets the LMC qualifications.

1. Clientele based on presumed benefit:

If the facility exclusively serves clientele that HUD generally considers LMI, necessary documentation can include, but is not limited to:

- Consumer information;
- Photographs;
- Product/service information; (products and services that clearly target the LMC clientele)
- Marketing materials; (Flyers, brochures, digital ads that specifically targets the LMC)
- Statistical data;
- Public records;
- Personal observations (write a narrative explaining what specific LMC will benefit from the public facility)

Personal observations and photographs should be supported by at least one additional data source from the list above.

2. LMI persons make up at least 51% of the clientele:

Documentation differs based on whether the activities provide a direct or indirect benefit. This documentation is needed even if the activity is exclusively for LMI persons.

Direct benefit:

- Verifiable source documentation (for example, income tax) for all persons over 18 in a household receiving benefits.

Indirect benefit

- Completed self-certification Household LMI form from all persons receiving benefits



For both direct and indirect benefits, the subrecipient should retain a project file containing information on race, ethnicity, family size and household income of each customer/user, with numbers and percentages of clientele having incomes above and below the CDBG Income Limits. Documentation from individual customers/users do not have to be submitted, but they should be maintained.

3. *Clientele based on facility activity and location:*

If the facility will be of such a nature that it will primarily serve LMI persons and is located in an area where clientele will be mostly LMI, necessary documentation must describe how the nature and location of the activity establishes that it will be used predominately by low to moderate income persons, which can include, but is not limited to:

- Consumer information;
- Photographs;
- Product/service information; (products and services that clearly target the LMC)
- Marketing materials; (flyers, brochures, digital ads that specifically targets the LMC Clientele)
- Statistical data;
- Public records;
- Personal observation (write a detailed narrative that explains the nature and the location of the facility establishes it will be used predominately by low to moderate income persons)

Personal observations and photographs should be supported by at least one additional data source from the list above.

4. *Clientele based on removal of barriers*

If the activity removes material or architectural barriers to the mobility or accessibility of elderly or severely disabled persons necessary documentation must show that barriers to mobility or accessibility have been removed and how the barrier removal was restricted to the extent feasible to one or more of the eligible categories of persons, which can include, but is not limited to:

- Consumer information;
- Photographs;



- Product/service information; (products and services that clearly target the LMC clientele)
- Marketing materials;
- Statistical data;
- Public records;
- Personal observation (write a detailed narrative of the material or architectural barrier inhibiting the mobility of the elderly or severely disabled. Provide at least one example)

Personal observations and photographs should be supported by at least one additional data source from the list above.

Additional Documentation

- Award Calculation, documentation of eligible uses of funds
- DOB calculation and verification
- Subrogation agreement
- Documentation for compliance with other applicable cross cutting requirements (e.g., environmental review, labor standards, etc.)
- Debarment check (SAM.gov)

Section III: Meeting the Urgent Need (UN) National Objective for CDBG - CV

Applicability: CDBG-CV and FY2019/2020 CDBG Only. For annual CDBG, please refer to Chapter 2 of the Grants Management Manual.

Initial step for all public facility projects: Is the award being provided for a public facility that prevents, prepares for, and responds to coronavirus?

- If yes, document how the award is provided for activities that prevent, prepare for, and respond to coronavirus, and proceed with Step 1.
- If no, the project is not eligible under CDBG-CV.

If a public facility project does not meet the LMI Area or LMI Limited Clientele criteria, the Grantee should contact HCD to determine if the project can be classified as urgent need. Grantees may use the same documentation to demonstrate the activity prevents, prepares for, or responds to the coronavirus to support the Urgent Need national objective.

Step 1 - Work with your HCD Representative to obtain approval to use Urgent Need



Grantees must receive prior approval from HCD before they can assign any public facility projects to urgent need. Grantees should reach out to their Grant Administrators and/or HCD Representatives to initiate a discussion around whether their public facility project will meet the national objective of Urgent Need. A contract amendment may be required to change an activity to this national objective. Grantees may request the use of urgent need under the following general circumstances:

- The grantee has identified an urgent public facility need **prior to award approval** and would like to fund the project because it will demonstrably prevent, prepare for, and respond to coronavirus.

Step 2 - Conduct a duplication of benefits analysis

Conduct a duplication of benefits analysis to determine if the public facility as received other funding from federal, state, local or private insurance to meet the same need, using the Duplication of Benefits Tracking Form and the Grantee's DOB Policy (sample policy is here as a word document under the files tab).

Reduce eligible award by any duplication of benefits to determine revised potential award amount.

Required Documentation for Urgent Need

- **Subrecipient/Award Recipient's certification** (e.g. Board Resolution) that the activity is (1) designed to alleviate existing conditions created by COVID-19; (2) those existing conditions pose a serious and immediate threat to the health or welfare of the community and are of recent origin or recently became urgent; and (3) that the subrecipient/award recipient is unable to finance the activity on its own, and that other sources of funds are not available
 - To meet #2, a subrecipient/award recipient may certify that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community within 18 months following a date determined by one of the following three methods:
 - Referral to a U.S. Department of Health and Human Services issued press release declaring a public health emergency for the entire United States found at <https://www.hhs.gov/about/news/2020/01/31/secretary-azardeclares-public-health-emergency-us2019-novel-coronavirus.html>. The declaration was retroactive to January 27, 2020;



- Referral to the President’s declaration of the ongoing Coronavirus Disease 2019 (COVID–19) pandemic as an emergency of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121–5207 (the “Stafford Act”). (The President subsequently approved additional major disaster declarations for states); or
- Referral to the effective date of a grantee’s own local or state emergency declaration.
- **Records** showing grant funds were used to prevent, prepare for, and respond to coronavirus.