

## APPENDIX K

### DETERMINING SERVICE AREA

Some CDBG-funded activities may be carried out to benefit an entire jurisdiction, or just a specific area of the jurisdiction, including a combination of incorporated and unincorporated areas. The service area will establish how the proposed Low/Moderate Income (LMI) beneficiaries are determined. Using Service Area is often required to determine the eligibility of a CDBG Activity when the National Objective is Low/Mod Area Benefit (L/M A).

Service areas must be identified with a **readable map** delineating the exact area being served. Each service area requires a separate set of tables and maps that includes all the appropriate data, to be submitted with the application. HUD provides a very useful tool, which combines mapping of Census Tract/Block Groups with LMI Area Data (FY'14) by Block Group, Place, County Subdivision and County for use by CDBG grantees to assist with Low Moderate Income Area Benefit compliance determinations. This tool along with a video tutorial can be found [here](#). Census maps can also be obtained by visiting the American Fact Finder website at: [American Fact Finder - Maps](#)

For each activity, indicate whether the proposed activity will be jurisdiction-wide or confined to a service area.

#### **SERVICE AREA(S)**

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- A service area is a specific portion of a jurisdiction that will benefit from an activity.
- A service area may include incorporated and unincorporated areas (please see Jurisdictional Boundaries Guidance, below for limitation to this).
- Service areas must have at least 51% of its people/households documented as Low/Mod.
- Select the unit of census data that encompasses the proposed service area:
  - If the service area is completely within a Census Tract, identify the Census Tract.
  - If the service area is completely within a Census Block Group, identify the Block Group(s).
  - If the service area crosses boundary lines for more than one Census Block Group, identify all applicable Census Block Groups.
- To determine the percent of Low/Mod persons/households in a service area, either:  
Use HUD's LMISD Map Application which can be found [here](#), or  
Use HUD's updated LMISD Excel files posted on HUD's Low/Mod Summary Data page:  
<https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data/>

For Low/Mod data by Census Tract/Block Group, click on the link “All Block Groups By State” on the right hand side of the page, then click on the link for “California” and locate the Census Tracts and Block Groups for your service area. Add up the total number of Low/Mod persons in the service area and divide by the total population in the service area to arrive at the service area Low/Mod percentage, OR

If an Income Survey was performed for the service area, indicate the results of the survey. (Remember to submit all supporting documentation, including, but not limited to, the income survey, with the application. See **the Instructions for Conducting Income Surveys** at <http://www.hcd.ca.gov/fa/cdbq/other.html> for further information on income surveys.)

***Important Note:*** The Department reviews all activities for eligibility by determining that the activity will clearly meet the national objective requirement. Accurate service area determination is crucial to the determination of eligibility, so when a service area does not clearly fit inside Census Block Groups or Census Tract, and the Census data shows a high portion of non-beneficiaries residing within the Census area(s), the activity cannot be awarded funds without an income survey showing that the service area does indeed meet the 51% low/mod requirement. It is incumbent upon the applicant, when preparing an application, to determine if an income survey is necessary to show that the activity will meet a national objective.

## **JURISDICTION-WIDE**

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- If a project or program is “jurisdiction-wide”, this means that every person/household in the jurisdiction has an opportunity to benefit from a CDBG-funded activity.
- When addressing a community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the public facility/service. Typically, only a portion of the beneficiaries of such an activity are Low/Mod persons/households.
- To determine the percent of Low/Mod for jurisdiction-wide activities, refer to the Low/Mod percentages noted in **Appendix A**, or use the results of a valid income survey.
- For those activities using population statistical data for scoring, the Department will use either the HUD Census data or the American Community Survey (ACS) data provided in **Appendix A**. (*In 2010, the Census stopped tracking some population characteristics, and charged the ACS with tabulating those characteristics.*)

## **JURISDICTIONAL BOUNDARIES GUIDANCE**

HUD’s CDBG Final Rule changed and clarified the statute and regulatory rules for grantees implementing CDBG activities outside of their jurisdictional boundaries. These Final Rule changes became effective in May of 2012. See Management Memo 13-06 for full details: <http://www.hcd.ca.gov/fa/cdbq/MgmtMemo.html>

**Non-entitlement Cities:** The eligible area for a city is its incorporated boundaries. Cities applying for CDBG- funded activities that will be operated beyond the city limits will be required to show that the activity will ***predominantly benefit the citizens residing within the city limits.*** This means activities that will benefit citizens beyond a city's jurisdictional boundaries will require documentation demonstrating how the activity will significantly benefit the citizens residing within the city, and that the benefit to citizens outside the city limits, if applicable, will be insignificant.

**Non-entitlement Counties:** Citizens of a county include those residents of the unincorporated area of the county as well as those residing within any incorporated city located within the county. Therefore, the county may implement CDBG activities beyond the unincorporated area of the county, but may not fund or operate activities outside the county's boundaries (within another county's boundaries).