

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
FEDERAL PROGRAMS BRANCH
Community Development Block Grant Program**

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CDBG MANAGEMENT MEMORANDUM
Community Development Block Grant Program - Memorandum Number 14-08

December 10, 2014

MEMORANDUM FOR: Non-Entitlement Jurisdictions Eligible for State Community Development Block Grant (CDBG) Program Grantees

FROM: Thomas Brandeberry, CDBG Section Chief

SUBJECT: State CDBG Program's Income Survey Requirements for Grantees

The purpose of this Management Memorandum is to clarify the Department's income survey requirements for all California CDBG non-entitlement grantees, in relation to HUD CPD Notice 14-013, and 24 CFR 570.483 (b)(1). HUD CPD Notice 14-013 can be found here: <http://portal.hud.gov/hudportal/documents/huddoc?id=14-13cpdn.pdf>

The Department's *Instructions for Conducting an Income Survey* have been revised and will no longer appear within the Appendices to the annual CDBG NOFAs. The revised Instructions can now be accessed on the CDBG website at: <http://www.hcd.ca.gov/fa/cdbg/other.html>

NOTE: All previous State CDBG Instructions for Conducting an Income Survey can no longer be used for Income Surveys conducted from the date of this memo forward.

The following is a short list of the significant changes that are the result of HUD CPD Notice 14-013, noted above. Please refer to the Instructions for Conducting an Income Survey for complete guidelines.

1. **All Income Surveys must state the reason why the survey was conducted.** HUD provides the Low and Moderate Income Summary Data (LMISD) for grantees to use in determining compliance with the CDBG National Objective of providing benefit to LMI persons on an area basis. The LMISD must be used "to the fullest extent feasible" unless a grantee believes that the data are not current or do not provide enough information regarding income levels in the entire service area.

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2. The Federal CDBG regulations at 24 CFR 570.483(b)(1)(i) require that the survey be methodologically sound, thus all steps of the survey must be documented and submitted to the Department for the income survey to be considered.
 3. Income Surveys must accompany the application for funding to the Department. The Department will only review income surveys as part of a jurisdiction's application package during each annual NOFA round. The only exception is Income Surveys for Program Income Waiver or Supplemental activities which can be submitted to the Department as needed, at the time of submitting the Waiver or Supplemental request.
 4. In order to comply with HUD's regulatory requirements, for purposes of documenting benefit to Low and Moderate Income (LMI) persons, State CDBG requires income surveys to be conducted of **families**, and not of households. Note that the CDBG Income Limits published on the Department's website can be used for both families and households, and can be accessed here:

<http://www.hcd.ca.gov/fa/home/homelimits.html>

5. CDBG Regulatory Definitions of *Family, Household, and Income*

States are subject to the definitions of income (low, moderate, etc.) at 24 CFR Part 5 however, they may establish their own definitions of income pursuant to 24 CFR 570.481(c), provided that such definitions are explicit, reasonable, and not plainly inconsistent with the HCDA of 1974 (as amended). The State of California's CDBG Program has established its definition within its Income Manual:

<http://www.hcd.ca.gov/fa/cdbg/IncomeManual.html>

- a) Pursuant to 24 CFR 5.403, family includes but not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
 - A single person, who may be an elderly person, displaced person, nearly-elderly person, or any other single person; or
 - A group of persons residing together, and such group includes, but not limited to:
 - i. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size).
 - ii. An elderly family—a family whose head (co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living with one or more live-in aides. (A live-in aide is a person who resides with one or more elderly persons or near-elderly persons, or persons with disabilities).
 - iii. A near-elderly family—a family whose head (co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of

- 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
- iv. Disabled family—a family whose head (including co-head), spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
 - v. A displaced family—a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
 - vi. The remaining member of a tenant family.
 - vii. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.
- b) Pursuant to 24 CFR 570.3, household means all persons who occupy a housing unit. A household may consist of persons living together or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived sexual orientation, gender identity, or marital status.

If you have any questions regarding this memorandum, please contact your CDBG Representative. A map showing all current CDBG program representative assignments is available at: <http://www.hcd.ca.gov/fa/cdbg/ContactUs.html>