

Guide for Review of National Objective of Low- and Moderate-Income Area Benefit			
Name of Program Participant:			
Staff Consulted:			
Activity Name, IDIS Activity Number, and Brief Description:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: Use this Exhibit for activities that are classified by the program participant as meeting the national objective of benefit to low- and moderate-income persons on an area basis. The Exhibit is divided into seven sections: Service Area; Low- and Moderate-Income Composition of the Service Area; Exception Criteria; Data and Surveys; Nature of Activity; Fees; and Record Keeping/Visual Inspection. One Exhibit is to be completed for each activity reviewed.

Questions:

A. SERVICE AREA

1.

Do the program participant's records describe the boundaries of the service area? [24 CFR 570.208(a)(1) and 24 CFR 570.506(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

2.

Do you agree with the basis/approach the program participant used in determining the service area of this activity? [24 CFR 570.208(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

3.

Does the size of the service area appear reasonable given the nature and scope of the activity? [24 CFR 570.208(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

4.

Is the service area “primarily residential?” [24 CFR 570.208(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

B. LOW- AND MODERATE-INCOME COMPOSITION OF THE SERVICE AREA

(Note: Questions 6-9 are applicable to Entitlement Communities only.)

5.

What do the program participant’s records show as the percent of low- and moderate-income residents in this service area?
Describe Basis for Conclusion:

6.

<p>a. Is the percent of low- and moderate-income persons at least 51 percent? (If “yes,” go to “6.e.”) [24 CFR 570.208(a)(1)(i), (ii), and (vii)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				

Describe Basis for Conclusion:

<p>b. If the answer to “a.” above is “no,” was the program participant authorized to qualify the activity under the “exception criteria?” (If the answer to “a.” is “yes,” proceed to Section C of this Exhibit, “Exception Criteria.”) [24 CFR 570.208(a)(vi), (vii); 570.208(d)(5)(i); or 570.208(d)(6)(i)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>c. If the answer to “b.” above is “no,” was the activity limited to paying special assessments levied against residential properties, owned and occupied by low- and moderate-income persons, for a public improvement that benefits all residents of a service area? [24 CFR 570.208(a)(1)(iv)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>d. If the answer to “c.” above is “yes,” does the activity meet the requirements of 24 CFR 570.208(a)(1)(iv) and 570.506(a) and (b)? (If the answer is “no,” the activity does not meet the low- and moderate-income area benefit national objective.) [24 CFR 570.208(a)(1)(iv); 570.506(a) and (b)(2)]</p>	<table border="1"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

e. Does the program participant's documentation show that the correct census data were used <u>and</u> the calculations correctly computed? [24 CFR 570.208(a)(1)(i) and (ii)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

f. If the answer to "e." is "no," was the program participant authorized to use a survey to qualify the activity? (If the answer is "yes," proceed to Section D of this Exhibit, "Data and Surveys.") [24 CFR 570.208(a)(1)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

C. EXCEPTION CRITERIA

Section 105(c)(2)(A)(ii) of the HCD Act of 1974, as amended, states that an activity shall be considered to principally benefit low- and moderate-income persons when "the area served by such activity is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of persons of low and moderate income." The CDBG regulations at 24 CFR 570.208(a)(1)(ii) implement section 105(c)(2)(A)(ii) and describe the methodology for calculating the exception percentage. For exception-qualified program participants, HUD will post on the internet the exception percentages for program participant area benefit activities (see <http://www.hud.gov/offices/cpd/systems/census/lowmod/exception.cfm>). The Integrated Disbursements and Information System (IDIS) will also track projects for exception program participants. The reviewer is required to review these percentages as calculated by HUD, unless a HUD-approved survey has been conducted by the program participant.

7.

If applicable, what is the program participant's exception percentage for low- and moderate-income area benefit activities?
Describe Basis for Conclusion:

8.

If the program participant qualified this activity under the exception criteria, does the percentage of low- and moderate-income residents residing in the activity service area equal or exceed the percentage in question 7 above? (If “no,” the activity does not qualify under this criterion.) [24 CFR 570.208(a)(1)(ii)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

D. DATA AND SURVEYS

Note: For “exception rule” program participants, survey data may be used to show that the service area contains at least 51 percent low- and moderate-income residents. However, survey data that show a service area exceeding the program participant’s authorized upper quartile percentage as shown in C.7 above, but are less than 51 percent low- and moderate-income, can only be accepted if all of the program participant’s block groups were also surveyed, using a methodology acceptable to HUD, and a new upper quartile properly calculated based on that data.

9.

If the program participant used a survey rather than the HUD-supplied Census data to determine if a service area qualifies, answer the following:	
a. The period for which the income survey of residents of the service area was determined:	N/A
b. The year used for HUD income limits:	N/A
c. Did the survey show the service area was at least 51 percent low- and moderate-income? [24 CFR 570.208(a)(1)(vi)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

d. If “no” to c., did the program participant survey one or more whole block groups? [24 CFR 570.208(a)(1)(vi)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

e. If “yes” to d., did the program participant survey all block groups and re-rank them to determine if there was a change in the exception percentage? (If “no,” use of the survey is not acceptable.) [24 CFR 570.208(a)(1)(vi)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

f. If “no” to d., did the survey show that the percentage of low- and moderate-income residents was at least equal to or greater than the program participant’s exception percent, but less than 51 percent low- and moderate-income? (If “no”, the activity does not meet the National Objective.) [24 CFR 570.208(a)(1)(vi)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

10.

If a survey was used to determine the percent of low- and moderate-income residents in the service area, did the CPD Field Office review the survey instrument and methodology and conclude “that the results meet the standards of statistical reliability that are comparable to that of the decennial census for areas of similar size?” [24 CFR 570.208(a)(1)(vi)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

E. NATURE OF ACTIVITY

11.

Does the activity appear to benefit the residents located within the service area, where at least 51 percent are low- and moderate-income persons, or within the program participant's exception percentage, as identified in question 7 above? [24 CFR 570.208(a)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

F. FEES

12.

a. If the activity is a facility or service, are fees charged?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

b. If "yes," how much is charged to use the facility or service?
Describe Basis for Conclusion:

c. If fees are charged, do they appear excessive so as to preclude low- and moderate-income persons from using the facility or service? [24 CFR 570.200(b)(2)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

G. RECORD-KEEPING/VISUAL INSPECTION

13

<p>[OS] Did your inspection of the records validate the information and documentation contained in the Integrated Disbursements and Information System (IDIS) and/or the program participant's most recently completed Consolidated Annual Performance and Evaluation Report (CAPER) for the activity? [24 CFR 91.525(a)(3)]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

14.

<p>[OS] If you inspected the service area/activity location, is there substantial evidence that the activity fails to benefit low- and moderate-income persons in the identified area?</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

15.

<p>Does the activity meet the national objective criteria for serving a low- and moderate-income area? [24 CFR 570.208(a)(1) and 24 CFR 570.506]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>				
Yes	No				
<p>Describe Basis for Conclusion:</p>					