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| **Guide for Review of the Overall Benefit Test** | | | |
| **Name of Program Participant:** | | | |
| **Staff Consulted:** | | | |
| **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:** States are required, under 24 CFR 570.484 and sections 101(c) and 104(b)(3) of the Act, to ensure that not less than 70% of their funds are used for activities which benefit low- and moderate-income persons.

If all the state’s activities are eligible and fulfill the LMI National Objective and the administration expenditures are within the capped limits; then, mathematically, the amount expended will generally be compliant with the overall LMI benefit test. The eligible expenditures that can place a grantee at risk of noncompliance with overall LMI benefit include:

* Prorated expenditures for housing activities;
* Excluded expenditures for activities meeting an urgent need; or
* Excluded expenditures for activities to aid in the prevention or elimination of slums and blight.

The State PER is required to contain this information as well. This Exhibit serves as a manual check against that report.

**Questions:**

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| a. The **total sources** subject to the test:    *1. The state may select one, two or three consecutive annual grants;+*  *2. Reallocated funds associated with the grants in item (1); +*  *3. Program income distributed during the program years, which correspond to the origin years of the grants selected in item (1). Just those transactions occurring during the one, two or three program year period; +*  *4. Any Section 108 loan received during the program years, which correspond to the origin years of the grants selected in item (1).*  *Compliance is determined when these sources are fully expended.*   |  | | --- | | $0.00 | |
| b. Less amount of expenditures for state administrative costs from these sources.   |  | | --- | | - $0.00 | |
| c. Less amount of expenditures for local government administration/planning and  management from these sources (exclude planning-only grants).   |  | | --- | | -$0.00 | |
| d. Less amount of expenditures for State technical assistance from these sources.   |  | | --- | | -$0.00 | |
| e. Less repayments of Section 108 loans from these sources:   |  | | --- | | -$0.00 | |
| f. Total subject to test. Line (a) minus lines (b) through (e)   |  | | --- | | $0.00 | |
| g. Amount expended from the sources in line (a) for activities which benefit  LMI persons (do not include expenditures for slum/blight and urgent need).   |  | | --- | | $0.00 | |
| h. Less prorated expenditures for non-LMI housing units from these sources:  Non-LMI prorated amount =  CDBG investment minus ((LMI units/Total Units) \* Total activity cost)    The ratio of units is per structure, so consider the CDFI and CRSA provisions [24 CFR 570.483(4) & (5)]. Also, the total activity cost includes both CDBG and Non-CDBG funds; consequently, the LMI prorated amount is never allowed to exceed the CDBG investment.   |  | | --- | | -$0.00 | |
| i. Expenditures counting towards Overall Benefit, line (g) minus line (h)   |  | | --- | | $0.00 | |
| j. Overall Benefit [Line (i)/Line (f)]\*100%   |  | | --- | |  | |

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| Based on the review results, has the state complied with the 70% overall low/moderate income benefit requirement for the period tested?  [24 CFR 570.484] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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