

# Replacement of Water Meters

April 19, 1993

MEMORANDUM FOR: John E. Wilson, Deputy Regional Administrator - Regional Housing Commissioner, 9S

ATTENTION: Herbert L. Roberts, Director  
Los Angeles Field Office, 9.4C

FROM: Don I. Patch, Acting Deputy Assistant Secretary for Grant Programs, CG

**SUBJECT: Use of 1990 Census data to document area benefit for activities carried out in 1989 or subsequent years - Community Development Block Grant (CDBG) program**

On December 21, 1992, the CPD Representative for the City of Carson, California, sent the Entitlement Communities Division (ECD) of the Office of Block Grant Assistance a facsimile copy of a letter from the City of Carson. This letter raised issues that ECD wanted to address in a policy memorandum to supplement and clarify earlier issuances.

The City's letter submitted additional information in response to the CPD Representative's questioning of an area benefit activity listed on the City's Grantee Performance Report (GPR) for which the percentage of low- and moderate-income persons was not specified. According to the CPD representative, the Low- and Moderate-Income Summary Data (LMISD), distributed by HUD and prepared using the 1980 Census, show that the census tract identified as the service area in question would not meet the area benefit standards at 24 CFR 570.208(a)(1).

In the City's response, the City apparently used an analysis of the 1990 Census data poverty figures to demonstrate that the area would qualify. Presumably, this means that they determined that at least 51 percent of the persons in the census tract are shown to be persons in poverty according to the 1990 Census. If this is so, it would certainly be acceptable for demonstrating that at least 51 percent of the persons residing in the tract were low- and moderate-income persons for CDBG purposes.

If this is not the case, the City should be reminded that there are two other ways acceptable to HUD for purposes of determining that the tract qualifies under the applicable criteria. First, because the activity was undertaken after the 1990 Census was taken in 1989, the City could also use the 1990 Census data to determine benefit in accordance with the methodology described in a December 23, 1992, memorandum (attached) to all Field and Regional Offices from Russell K. Paul, then Acting Assistant Secretary for CPD. Second, the City could undertake a survey of area residents in accordance with the criteria at § 570.208(a)(1)(iv). If use of any of the methods above shows that the area qualifies, the City should question the application of the 1980 data for future CDBG activities in its jurisdiction.

ECD staff also discussed with the CPD Representative a second issue regarding what criteria grantees should apply when determining area benefit. (While this issue may not be applicable to this particular

activity, it arose during discussion of the activity, and it seems appropriate to address it here.) Correct identification of an activity's actual service area is CRITICAL to a correct benefit determination. An activity's service area usually does not coincide exactly with a census area. However, the regulation requires that the census area (tract, block group, or split block group when available) or combination of census areas that most reasonably matches the area actually served by the activity must be used for determining benefit. The grantee is responsible for reporting on area benefit accurately, using the census area or areas that represent the closest match to the area actually served by the activity.

In determining the service area for an activity, grantees should consider five factors:

- Nature of the activity
- Location of the activity
- Accessibility
- Comparable facilities or services
- "Fit" of the actual service area to the LMISD

The nature of the activity may vary in scope, function, and purpose. For example, a neighborhood park may be quite small, with no parking, limited equipment, and serve only a three block area. Or it may be much larger with parking and more extensive equipment, and serve a one-mile radius. Another common example is a street. A small two-lane street in a residential neighborhood is different in nature from an arterial four-lane street that may pass through the same residential neighborhood, but that primarily is used by traffic passing through from other locations. If the identified service area does not appear to match the nature of the activity, the service area should be questioned.

The location of the activity may affect the definition of its service area. For example, if a neighborhood center is located on the outer boundary of the defined service area, and no geographic barrier will prevent residents of adjacent areas from benefiting from the activity, HUD should question whether the defined service area is accurate.

The accessibility of the activity should also be considered in defining and monitoring a service area. For example, if an interstate highway forms a geographic barrier that separates part of a claimed service area from the activity site, the service area of the activity should be challenged. Other limits to accessibility may apply to particular activities. For example, consider such things as language barriers (a voter education program offered only in English in a predominantly Hispanic neighborhood), user fees, time or duration a service is available, access to transportation and parking, and distance.

The nature, location, and accessibility of comparable facilities and services must also be considered in defining a service area. In most cases, the service area for one activity should not overlap with that of a comparable activity (e.g. two community centers in the same neighborhood, two fire stations, two clinics, or two neighborhood housing counseling services).

In assessing the service area for the activity, remember that, generally speaking, certain kinds of facilities can be expected to have very small service areas: the area served by sidewalks, gutters, trees and street lights on a residential street should usually be limited to the census block group in which they are located. The same would be true for tot-lots and small playgrounds. Larger recreational facilities pose more difficult assessments. For them, it is much more important to consider the nature of the facility and the location and accessibility of comparable facilities. Certain kinds of facilities have readily defined service boundaries, as do most fire halls, police stations and schools.

The "fit" of the actual service area to the income summary data boundaries should be considered only after the nature, location, and accessibility of the activity and comparable facilities and services have been considered. Then the census block groups or tracts that best represent, or fit, the actual service area should be selected from the income data and the percentage of low- and moderate-income persons calculated for the entire service area.

If you have any further questions, please call ECD at (202)708-1577.

cc: Robert P. Allen, SC