TN Placemakers Entrepreneurship Fund

LMI Training
LMI Explained

• All Community Development Block Grants (CDBG) funded projects must aim to meet a National Objective. The most commonly used objective for eligibility is Low-to-Moderate Income (LMI) assistance.

• Criteria for CDBG National Objectives can be found here (24 CFR § 570.483).

• LMI persons are households with incomes not exceeding 80% of the area median income of the area benefitting from the project.

• An applicant must be able to ensure a minimum of 51% project beneficiaries are at or below the LMI threshold.
LMI Explained Cont.

- Establishing the LMI ratio within a project area can be accomplished one using either Census data or Income Surveys.

- Once the LMI data has been established and a project has been awarded, then implementation of project deliverables and tracking of LMI data may proceed.

- LMI data and metrics that are used for eligibility and award will be monitored and tracked throughout the project lifecycle.

- The method used to meet the LMI National Objective is contingent upon the type of activity proposed.
Using Census Data

• The US Department of Housing and Urban Development (HUD) publishes new LMI figures annually at the block group, place (city), and county levels.

• More information can be found at the HUDExchange website: https://www.hudexchange.info/programs/acs-low-mod-summary-data/ or on the TN Placemakers website: https://www.tn.gov/ecd/rural-development/tn-placemakers.html

• Examples of activities that should use Census data:
  – Introductory or one-off workshops intended
  – Physical improvements to facilities used by microenterprises and entrepreneurs (must be careful that any associated fees aren’t too costly or prohibitive)
Using Income Surveys

- In some instances, the service being provided is much more targeted and in-depth. Income surveys are the appropriate method to qualify participants LMI eligibility.

- Examples of activities that should use Income Surveys:
  - Providing training to a small cohort over multiple sessions/weeks
  - Activities where direct assistance is provided, such as gas cards, stipends, etc.

- A sample income survey form can be provided by ECD, or a grantee can use its own survey form once approved by ECD.
2021 TN Placemakers Program
Income Survey

*ALL questions must have a response for this survey to be valid.*

**County:** Anderson County

**Applicant/Project:**

**Name of Participant:**

**Address:**

(Street) (City) (State) (Zip)

**Race of Participant:**

- ___ White/Caucasian
- ___ African American/Black
- ___ Asian
- ___ American Indian/Alaskan Native
- ___ Native Hawaiian/Other Pacific Islander

**Number of American Indian/Alaskan Native & White**

**Number of American Indian/Alaskan Native & African American/Black**

**Number of Asian & White**

**Number of African American/Black & White**

**Number of Other Multi-Racial**

**Does the Participant identify as Hispanic or Latinx?** ___ Yes ___ No

**Does the participant have a Disability?** ___ Yes ___ No

**Is the participant 62 Years of Age or older?** ___ Yes ___ No

**Is the participant a veteran?** ___ Yes ___ No

**DBE Status:**

- ___ Woman-owned
- ___ Minority-owned
- ___ Veteran or Service-Disabled Veteran-owned
- ___ Small business
- ___ Persons with disabilities*
- ___ N/A
<table>
<thead>
<tr>
<th>Total Annual Household Income (Check one)</th>
<th>Annual Household Income</th>
<th>Annual Household Income</th>
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<tbody>
<tr>
<td>Less than $12,700</td>
<td>$37,811 - $41,400</td>
<td>$61,476 - $63,850</td>
</tr>
<tr>
<td>$12,701 - $16,290</td>
<td>$41,401 - $44,350</td>
<td>$63,851 - $66,225</td>
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<tr>
<td>$16,291 - $19,880</td>
<td>$44,351 - $47,300</td>
<td>$66,226 - $68,600</td>
</tr>
<tr>
<td>$19,881 - $23,460</td>
<td>$47,301 - $50,250</td>
<td>$68,601 - $70,950</td>
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<tr>
<td>$23,461 - $27,050</td>
<td>$50,251 - $53,200</td>
<td>$70,951 - $73,300</td>
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<tr>
<td>$27,051 - $30,640</td>
<td>$53,201 - $56,150</td>
<td>$73,301 - $75,675</td>
</tr>
<tr>
<td>$30,641 - $34,230</td>
<td>$56,151 - $59,100</td>
<td>$75,676 - $78,050</td>
</tr>
<tr>
<td>$34,231 - $37,810</td>
<td>$59,101 - $61,475</td>
<td>$78,051 or more</td>
</tr>
</tbody>
</table>

14. Participant Signature: _______________________________        Phone number: _______________________________

To be completed by program staff only.

___ 30%       ___ 50%       ___ 80%       ___ Non-LMI
Qualifying Minors

• Qualifying potential participants under the age of 18 can be challenging, but there are a few options:
  – Using the HUD published Census data
  – Using Income Surveys completed by the parent of the minor
  – Using status of the child in the Free and Reduced School Meal Program

• If the proposed program or activity is being run in partnership with local schools, students who qualify for Free lunch also qualify as LMI*.

* An important distinction must be made between qualifying for Free lunch and qualifying for Reduced lunch. Only students who qualify for Free lunch can be presumed as qualifying as LMI.
Example Scenario 1

- **Scenario 1**: The grantee organization will hold a series of two-hour workshops focusing on the basics of developing a business plan, financial literacy, identifying target markets, etc. The workshops are open to the public and participation in any one workshop is not contingent on participation in the other workshops.

- **LMI Qualification**: The grantee organization would use the HUD published LMI figures to determine the communities where the workshops would be held.
Example Scenario 2

- **Scenario 2**: The grantee organization will hold a series of ten classes for a cohort of 15 people. Each class builds off the previous classes and once the initial cohort is established new participants cannot be added.

- **LMI Qualification**: The grantee organization would use income surveys to determine LMI status of each participant. At least 51% of the participants must qualify as LMI. In this scenario, at least 8 participants must be LMI.
Example Scenario 3

- **Scenario 3**: The grantee organization will purchase a new 3D printer and lathe for a makers space that caters to entrepreneurs.

- **LMI Qualification**: The grantee organization would use the HUD published LMI figures to determine the communities where the workshops would be held.
Example Scenario 4

- **Scenario 4**: The grantee organization will partner with local schools to offer coding workshops to students.

- **LMI Qualification**: The grantee organization has two options:
  - Use the HUD published LMI figures to determine if the school zones are LMI qualified areas.
  - Coordinate with each school to determine which potential participants qualify for Free lunch. The number of Free lunch qualifying students must be 51% of the total number of participants for each school.
Example Scenario 5

• **Scenario 5**: The grantee organization will use the grant to pay for the membership fee of a co-working space, in part or in whole, for participants.

• **LMI Qualification**: The grantee organization would use income surveys to determine LMI status of each participant. Because there is a monetary benefit being provided directly to the participants, only LMI qualifying participants may have the membership cost covered by the grant.

*If the grantee organization chooses to waive the fees instead of having the grant pay for it, LMI and non-LMI participants may benefit.*
Conclusion

- The scenarios above are not an exhaustive list. Proposed grant activities may even have element of multiple scenarios and may require multiple methods for qualifying participants as LMI.

- Understanding and determining requirements of the LMI National Objective can be challenging and complicated. You are not alone.

- Contact ECD early and as often as needed. We are here to help, and the projects go much more smoothly when questions and issues are addressed early.