

# Assistance to Minority Contractors under the CDBG Program

August 18, 1992

Mr. Daniel E. Kwiatkowski  
Vice President, Buffalo Enterprise  
Development Corporation  
Administration and Finance  
Buffalo, New York 14202

Dear Mr. Kwiatkowski:

Thank you for your letter dated July 28, 1992, to Mr. Bill Dal Col, Chief of Staff, regarding assistance to minority contractors under the Community Development Block Grant (CDBG) program. As Director of the Office of Block Grant Assistance, I have been asked to respond to your letter.

In your letter, you recommend that the CDBG program regulations be amended to add certain minority contractors to the categories of persons that may be presumed to be primarily low and moderate income. The portion of the regulations that contains such presumption is found at 24 CFR 570.208(a)(2)(i)(A).

The regulations cited above currently set forth a presumption of low- and moderate-income benefit for the following groups: abused children, battered spouses, elderly persons, handicapped persons, homeless persons, illiterate persons, and migrant farm workers. These groups were selected based on an analysis of Census and other data that demonstrated that it was reasonable to presume that at least 51 percent of the persons in each group are of low and moderate income. HUD will further review the validity of such presumptions when the 1990 Census data becomes available. At this time, however, we are not aware of any statistically reliable data to determine whether, in general, minority contractors are low- and moderate-income persons. If you can provide any information that HUD may use to consider in assessing minority contractors for this purpose, please let us know what it is and where it may be found.

Thank you for your interest in the Department's programs.

Very sincerely yours,

(Signed - D. I. Patch)

Don I. Patch  
Director  
Office of Block Grant Assistance