

# CDBG Program- Family Income vs. Household Income

January 15, 1993

MEMORANDUM FOR: Michael A Smerconish, Regional Administrator- Regional Housing Commissioner, 3S

ATTENTION: John J. Kane, Director, Office of Community Planning and Development, 3C

FROM: Russell K. Paul, Acting Assistant Secretary for Community Planning and Development, C

**SUBJECT: Community Development Block Grant Program - Family Income vs. Household Income**

This is in response to your memorandum of December 11, 1992, requesting guidance in determining whether to use family or household income to determine compliance with meeting the national objective of benefit to low- and moderate-income persons under the Community Development Block (CDBG) program. York County, Pennsylvania, contends that CDBG regulations do not define family and, therefore, it would be appropriate to use the definition of family provided by the Section 8 program.

Contrary to the County's belief, the CDBG regulations do define family as well as household, since both terms are used for determining whether activities meet a national objective. (See §570.3) Both of these definitions are identical to those used by the Census Bureau, since many other parameters of the CDBG program are defined and/or determined using data provided by that agency. It is noteworthy that the CDBG definitions of a low-income person and a moderate-income person both depend on the person's family income, and both of these definitions indicate that an unrelated individual is to be considered as a one-person family for these purposes. The definitions of a low-income household and a moderate-income household both require inclusion of all members of the household without regard to whether they are related in any way to each other.

Please make sure that the County is aware of these regulatory definitions and that they use them appropriately. In this regard, the following summary of how they are to be applied for determining compliance with the national objective of benefit to low- and moderate-income persons may help:

For all activities involving the acquisition, construction or improvement of property for housing, income status determinations shall be based on the income of each household occupying the housing units;

For all activities other than the housing activities described above, income status determinations are to be made for each person based on their family income;

For area benefit activities, surveys conducted to determine the number and percentage of low- and moderate-income persons in an area may, at the option of the grantee, be made based on determining the income of each household (in lieu of each family) in the area, because such approach usually serves only to understate the number and percentage of low- and moderate-income persons in the area.

If you have any further questions, please contact the Entitlement Communities Division at (202) 708-1577.

cc: Robert P. Allen, SC