

JTPA Participants that Meet HUD's Definition of Low and Moderate Income Persons

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All Regional Administrators
All Category A Field office Managers

ATTENTION: Regional Directors for CPD
CPD Division Directors
State CDBG Coordinators

FROM: Jack R. Stokvis, General Deputy Assistant Secretary
Community Planning and Development, CD

SUBJECT: JTPA participants that meet HUD's definition of low and moderate income persons

This memorandum is to clarify prior guidance on which participants in the Jobs Training Partnership Act (JTPA) programs, administered by the U.S. Department of Labor (DOL), meet HUD's definition of low and moderate income persons.

Earlier guidance provided in both the May 19 and June 2, 1987, memoranda on CDBG assisted economic development and, in particular, job creation activities stated that HUD will categorically accept as low and moderate income persons all participants in the JTPA programs. However, we have recently concluded that this assumption is not always appropriate since one of the programs authorized by the JTPA legislation does not require that participants meet an income standard - the Employment and Training Assistance for Dislocated Workers (Dislocated Workers) program authorized under Title III. Qualification for participation in this program is based solely on having been terminated or laid-off from a job, or being unemployed long-term with limited opportunities for employment; family income is not considered. Research conducted by DOL shows that most of these participants do not qualify as low and moderate income persons under the CDBG program.

HUD will now categorically accept as low and moderate income persons all participants of JTPA programs except for those in the Dislocated Workers program. However, no penalties or sanctions should be imposed on grantees that carried out job creation activities involving JTPA participants prior to this guidance.

Please provide copies of this memorandum to all CPD staff in your office, all Entitlement grantees, and all State Administrators in the State CDBG program in your jurisdiction. Questions on this memorandum should be directed to either the Entitlement Cities Division (FTS 755-5977) or the State and Small Cities Division (FTS 755-6322) in Headquarters.