

Using a User Survey to Meet the National Objective

April 2, 1996

MEMORANDUM FOR: John Bonham, Director, Community Planning and Development Division, OED

FROM: Kenneth C. Williams, Deputy Assistant Secretary for Grant Programs, DG

SUBJECT: National Objective Determination - City of Eugene, Oregon

This is in response to your memorandum of December 14, 1995, regarding a request from the City of Eugene to use the results of a user survey to qualify a public facility for Community Development Block Grant (CDBG) assistance under the national objective of low- and moderate-income area benefit.

The City of Eugene, Oregon, received a request for CDBG funding from a local nonprofit organization, the Community Center of the Performing Arts (CCPA). The CCPA operates a public facility known as the Woodmen of the World (WOW) Hall and has requested CDBG funding to repair the structure's roof. The WOW Hall is a popular venue for music, dance, education and community events.

The application was initially submitted under the national objective category of addressing slums or blight on a spot basis. However, after substantial discussion with city fire and building officials, it was determined that the WOW Hall did not violate any local fire, health or safety standards, and therefore did not meet the criteria for this category at 24 CFR 570.208(b)(2). Thus, the task of establishing national objective compliance for this activity has been difficult. Although the WOW Hall is located in a low-income neighborhood, it provides services and events for residents city-wide. According to 1990 census data, 41 percent of the City's total population is low and moderate income. Thus, census data do not support qualifying the activity under the category of low- and moderate-income area benefit.

Consequently, the CCPA developed a survey instrument which will be used to obtain income information for individuals that attend classes and events at the WOW Hall. The City intends to survey at least 1,000 of the users of the facility. The purpose of the survey is to determine whether or not at least 51 percent of the persons attending the full range of events at the WOW Hall are low and moderate income.

As indicated above, because the City of Eugene has a low- and moderate-income population of 41 percent, the proposed activity does not meet the requirements for an area benefit activity. The CDBG regulations at 24 CFR 570.208(a)(1)(vi) permit a recipient to conduct a survey of an area to determine the percentage of residents that are low and moderate income if the recipient believes that the census data do not reflect current relative income level in an area or if census boundaries do not coincide sufficiently well with the service area of an activity. It is important to note that this section of the regulations permits only surveys of the residents of the service area, not the users of the facility, to be used in lieu of census data to demonstrate the national objective compliance of a facility that is available to everyone. Section 105(c)(2)(A)(i) of the Housing and Community Development Act of 1974, as amended, requires that for an improvement to a public facility that is designed to serve an area generally, any low- and moderate-

income benefit claim must be based on the income level of the residents of the facility's service area. Thus, HUD cannot accept a low- and moderate-income area benefit claim on the basis of the income level of the users of such a facility.

Given the above information, please inform the City of Eugene that its request to use the results of a survey of persons attending events at the WOW Hall to support a low- and moderate-income area benefit national objective claim has been denied. If you have any questions regarding this matter, please contact the Entitlement Communities Division at (202) 708-1577.