



Department of
**Economic &
Community Development**

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/e cd/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.

Sample Income Survey (Top Half)

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

Number of American Indian/Alaskan Native & White

African American/Black

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

Asian

Number of Asian & White

American Indian/Alaskan Native

Number of African American/Black & White

Native Hawaiian/Other Pacific Islander

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



Sample Income Survey (Bottom Half)

Total Number of Persons in Household: _____

Total Annual Household Income (Check one)

<input type="checkbox"/> Less than \$12,700	<input type="checkbox"/> \$37,811 - \$41,400	<input type="checkbox"/> \$61,476 - \$63,850
<input type="checkbox"/> \$12,701 - \$16,290	<input type="checkbox"/> \$41,401 - \$44,350	<input type="checkbox"/> \$63,851 - \$66,225
<input type="checkbox"/> \$16,291 - \$19,880	<input type="checkbox"/> \$44,351 - \$47,300	<input type="checkbox"/> \$66,226 - \$68,600
<input type="checkbox"/> \$19,881 - \$23,460	<input type="checkbox"/> \$47,301 - \$50,250	<input type="checkbox"/> \$68,601 - \$70,950
<input type="checkbox"/> \$23,461 - \$27,050	<input type="checkbox"/> \$50,251 - \$53,200	<input type="checkbox"/> \$70,951 - \$73,300
<input type="checkbox"/> \$27,051 - \$30,640	<input type="checkbox"/> \$53,201 - \$56,150	<input type="checkbox"/> \$73,301 - \$75,675
<input type="checkbox"/> \$30,641 - \$34,230	<input type="checkbox"/> \$56,151 - \$59,100	<input type="checkbox"/> \$75,676 - \$78,050
<input type="checkbox"/> \$34,231 - \$37,810	<input type="checkbox"/> \$59,101 - \$61,475	<input type="checkbox"/> \$78,051 or more

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.



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