8 Documenting Benefit

The federal statute which authorizes the VCDP requires each grant to meet one of the three national objectives. The national objective of "benefiting low and moderate income persons" is the objective that allows Vermont to fund the vast majority of applications. The other, less often used categories are "Slums and Blight" and "Urgent Need". If a VCDP grant is funded under the Slums and Blight or Urgent Need national objectives, you will have substantiated the case for either of those categories during the grant application process and the need to document benefit as covered in this chapter is essentially eliminated.

The method used to document benefit to low and moderate income persons is determined by the activity undertaken and/or the category(ies) of beneficiaries to be served.

The four methods that may be used in determining low and moderate income benefit for implementation grants are briefly described in this chapter. If you are administering a planning grant, you provided information which met the requirements for determining benefit during the application process.

For each method there is also an explanation of what activities require the method to be used. Your Grant Agreement may have different activities, and so more than one method of documenting benefit may apply.

Confidentiality of Income Surveys

As you are assembling the documentation required, please remember that income verification records and other related information may be confidential and should be filed appropriately to prevent the information from becoming public. The information should only be reviewed by those allowed by law.

Area-Wide Benefit

1) **Area-wide Benefit**: All grant activities not intended to serve the population groups listed below under "limited clientele", not included in the housing program area, and not attempting to create or retain jobs are considered an area-wide benefit activity. Examples are: constructing infrastructure improvements (streets, sewer, water, sidewalks) or assisting in the acquisition of a building to be used as a community center, or for recreational purposes. Area-wide benefit is used by municipalities undertaking activities in a particular area where the specific beneficiaries are not known in advance. In order to demonstrate benefit as required by the VCDP, you must identify the target area to be served [street(s), neighborhood(s), whole municipality(ies)], and show that the benefit will be made available to all eligible persons in the target area.

   Once the target area to be served is identified, you must demonstrate that at least 51% (higher, if called for in the Grant Agreement) of the persons in the target area served are of low and/or moderate income. This may be done by using current U.S. Census Data for the target area. The U.S. Census Data may be obtained from the Agency.

   If no census data is available, or what is available does not match the specific target area, a survey of the residents in the target area may be substituted for census data. Surveys may be of the door-to-door variety, or may be conducted through the mail. The surveys should produce data that has a statistical reliability similar to that provided by the U.S. Census data. If you need to conduct a survey, be sure to contact the Department for specific guidance.

Limited Clientele

2) **Limited Clientele**: A grant activity designed to meet the needs of the eight population groups listed below would meet benefit under the limited clientele method. The following groups of persons are presumed by HUD to be low and moderate income persons, in the absence of substantial evidence to the contrary.

- abused children
- illiterate persons
- battered spouses
- migrant farm workers
- handicapped persons
- senior citizens
- homeless persons
- persons with AIDS

If the activity serves these groups of persons; does not involve acquisition, construction, or rehabilitation of permanent residential housing; and you can document that the beneficiaries meet the definition of the group being served, further income verification is normally not required.

(a) Pre-qualified Limited Clientele: proposed beneficiaries are not included in the presumed list above but secondary data submitted by the applicant to VCDP clearly demonstrates that the intended beneficiaries are income eligible through their participation in some other income eligibility program such as Headstart, Medicaid, Hot Lunch, SSI, etc.

The method to document benefit for housing activities is described below.

Documentation Of LMI In Job Creation Or Retention

3) **Housing Activities**: This method of determining benefit applies to acquisition, construction, and rehabilitation. The determination of benefit is based on household income, not family income. The income of everyone residing in the household, whether related or not, must be considered. The income at or very near the time of benefit being received is necessary; it cannot be based on outdated information. A Household Income Statement appears on page 5.

Department Of Employment Hiring And Training Plan

4) **Job Creation or Retention**: This method of determining benefit applies to activities that result in jobs being created or retained. When economic development activities benefit low and moderate income persons through job creation or retention, the income is based on family income. A Family Income Statement form appears on page 6. Only permanent jobs may be considered, and the jobs must be measured in full-time equivalents. When,

as is most often the case, job creation results from a loan to a for profit company, the company will sign an Employment Agreement Hiring Guide and develop an Employment Plan. The Hiring Guide, an agreement among the company, the Department of Employment and Training (DET) and the Grantee, governs the company's hiring practices during the term of the grant agreement. The Hiring Plan identifies the positions which will be filled during that same period. A sample Employment Hiring Guide and Hiring Plan appears starting later in this chapter.

Record Keeping

The following records must be kept. Documentation of the benefit achieved must appear in your permanent grant files. You must be able to provide documentation that substantiates how benefit was determined for each grant activity and document actual benefit recipients. As you complete progress reports, you will be developing the documentation and information which will appear in your final report. Department staff will monitor your performance in this area. In those situations where there are already employees in a company a baseline is developed and benefit is measured as jobs are filled above that baseline.

Required Documentation

Required documentation:

1) The names and addresses of all individuals receiving direct benefits from the grant.
2) A determination of the family/household income of all direct beneficiaries was made, i.e., a determination was made that they met eligibility standards for low and moderate income persons (80% or less of median county or local incomes). Also, the methods used to make the determination must be documented. HUD income guidelines for the State of Vermont or the applicable county must be used to determine eligibility. These are available from the Department.
3) The total number of applications for benefits that were received.
4) The number of applicants determined to be of low and moderate income. (The records should show the total number of persons represented by each application accepted).
5) The total number of applicants found to be of low and moderate income who actually received benefits (again, the records should show the total number of persons represented by each application accepted).
6) Number of applicants who were eligible but did not receive benefits and documentation of reasons why they did not receive benefits.
7) The number of applicants and beneficiaries who were female heads of household.
8) The number of beneficiaries who were handicapped.
9) The number of applicants and beneficiaries who were members of a minority group.

Directions to complete Income Certification forms on the Forms and Sample Documents page to track the National Objective.

Select the appropriate form based on your project type. Please contact the Department at 828-5225 or go to our website www.dhca.state.vt.us/VCDP (Click on Benefit Documentation) for current income limits by county based on the number of persons in the household. Select the Family Income Forms in excel or Word. If using the excel forms all you have to do is enter the county and the spreadsheet will automatically populate the income amounts for you. If using word forms, insert the income amounts for the appropriate percentages from the current income limits, by county in each column. The individual (applicant, tenant, etc.) will then check the appropriate box for their current income range.

For households consisting of more than 8 persons, multiply the income amount for four persons (base) incrementally by 8%.

To ensure the national objective has been met by non-limited clientele an income certification form must be collected from each household, employee, applicant, or other participant.

These forms are confidential and must be maintained in a secure location. These forms will be reviewed at a monitoring visit conducted by the grants management staff.