

Memorandum

CDBG Policy Guidance

Date: March 12, 2019

Policy: 19-01

SC Department of Commerce, Grants Administration, 1201 Main Street, Suite 1600, Columbia, SC 29201
www.cdbgSC.com

Subject: HUD LMI Summary Data
Resource: *SC CDBG Implementation Manual*
HUD Notice CPD 19-02

HUD LMI Summary Data (HUD Low-to-Moderate Income Summary Data “LMISD”) provides LMI percentages for census places (town, cities and counties) and block groups. This data may be used to qualify activities as meeting the LMI Area Benefit national objective, if the activity service area corresponds to census geography.

The recently published HUD Notice, CPD 19-02, clarifies that although HUD tweaks the LMISD data every year, **LMI percentages do not change with these annual updates**. These “FY updates” only reflect changes to entitlement participation and entitlement geographic boundaries. They only adjust, potentially, which block groups belong to which local government. The underlying household income data remains unchanged and un-updated since the last major announced update to the LMISD. HUD has now made it more clear that these major, “Base Data Updates,” will occur only once every five years. This is why there has been very little change in local government LMI percentages.

This year, however, marks the first 5-year point since HUD initially published LMI Summary Data based on the American Community Survey (ACS). This month, in February 2019, **HUD has announced a complete update of the LMI Summary Data based on the 2015 ACS**. The next major update will occur five years from now and will be based on the 2020 ACS.

Many towns, cities and block groups may see changes in their LMI percentages, since the LMISD data has now been updated from the 2006-2010 ACS (currently in effect), to the 2011-2015 ACS (2015 ACS). **This new “2015 ACS” LMI Summary Data is effective April 1, 2019.**

As in prior years, the data is available on HUD’s LMISD webpage. Unlike prior years, HUD has not yet published separate local government or block group spreadsheets for each state. The new updated data is available, but only as a spreadsheet containing all local governments or block groups for the entire country. These spreadsheets must be filtered to get information only for South Carolina.

If you have any questions, please contact us at 803-734-0429. HUD Income Limits and links to HUD LMI Summary Data are available at www.cdbgSC.com. The HUD LMISD webpage is here:

<https://www.hudexchange.info/programs/acs-low-mod-summary-data/>

Background

Prior to the 2010 Census, HUD LMI Summary Data was based on the long form of the decennial Census. Beginning with 2010, household income questions were moved to the American Community Survey (ACS).

While the Census long form was sent to 1 in 6 households every 10 years, the ACS is sent out to a target 1 in 40 households every year. This makes the *annual* ACS a much smaller sample, and small sample of an already small population, like a block group, yields a very small survey group.

It is not possible, say the statisticians, to confidently estimate the income characteristics of an entire population based on a very small sample of that population. For this reason, the ACS publishes 3- and 5-year data as well, which represent accumulations of 3 and 5 years worth of continuous surveying, respectively. After 5 years of surveying, enough of the population has been sampled to allow the Census Bureau to make block group level data available. A new 5-year ACS dataset is available each year, as the 5-year survey window rolls forward – for example, from 2010-2014 last year to 2011-2015 this year.

HUD, however, must use a “special tabulation” from the Census to update the LMISD. This special tabulation correlates household size and reported income to the HUD Income Limits, in order to estimate the number of households at or below 50%, 80% and 120% of median income, based on household size. (Note that while 120% of median income is included in the data, it is not applicable to CDBG.)

HUD will apparently receive this special tabulation only every 5 years, and as a result, will perform a complete update of the LMI Summary Data only once every 5 years.

Some Good News

There is good news! HUD Notice CPD 19-02 also indicates that HUD will begin publishing correlating data by race, ethnicity and disability. This will allow grant administrators to consult one source for all data needed for beneficiary reporting, where census data is used instead of a survey. HUD also indicates it will publish poverty data. Right now, even from the 5-Year ACS datasets, poverty data is very difficult to obtain.

We will look forward to new race/ethnicity and poverty data from HUD!

Also per HUD, updated guidance on surveying is forthcoming. Grants Administration will post the updated guidance on our website in the National Objectives forms section when it is available.