

## Four Methods to Qualify New Hires as LMI

1. Document “presumed” LMI status if one of the following conditions is met:
  - a. The person being hired resides in a census tract or block group with 70% LMI,
  - b. The person being hired resides in a census tract with 20% poverty rate and general distress,
  - c. The person being hired resides in a block group with a central business district and 20% poverty and general distress, or
  - d. The business and job are located in a census tract or block group with a central business district and 20% poverty and general distress.

*\*\*Note: a central business district has high land valuation, high concentration of businesses/offices/theaters/hotels etc., and high traffic flow. And “general distress” would mean all block groups in that census tract have a poverty rate of at least 20%, or the job is in a block group with 20% poverty, or there are other signs of general distress that you document and IEDA runs up the chain to HUD to confirm or deny.*

2. Document that the annual wage salary of the new job itself is equal to or less than the Section 8 low-income limit for a one-person family; (<https://www.huduser.gov/portal/datasets/il.html>)
3. Document the individual income of the person being hired (so long as they are 18 years or older) by following the process laid out on page 15 and following of Appendix 5 of our 2021 CDBG Management Guide (that process was designed for the Upper Story program but we would follow it here as well – and note if there are shared assets/income then I would say you would divide by 2); ([2021cdbg-appx5.pdf \(iowaeda.com\)](https://www.iowaeda.com/2021cdbg-appx5.pdf))
4. Follow the regular CDBG low-mod jobs requirement, which would be to document the entire family income of the person being hired (again, following the process in Appendix 5).

*\*\*Note that for methods 3 or 4, the “time stamp” of the income check is the time when their employment commences, without taking into account the salary of the new job, which means the assumption is that their income is derived from the job they are leaving, unless they are not currently employed.*

## **Recordkeeping Documentation for LMI New Hires/Job Creation:**

Recordkeeping requirements in this category relate to both the status of the business, the jobs created or retained, and the LMI persons benefiting from the activity. The following is an outline of the documents that should be maintained by grantees:

- Written agreement with the business in which the following is specified:
  - A commitment from the assisted business to hire or retain LMI persons;
  - The type of job and whether the job will be full or part time; and
  - The actions that the business will take to ensure that at least 51 percent of the hires or retainees will be LMI persons.
- Compliance with the written agreement must be documented as follows:
  - The jobs that were actually created and/or retained;
  - Whether each such job was held by or made available to a LMI person; and
  - The full-time equivalency status of the jobs.
- **For created jobs that will be held by LMI persons**, the records must demonstrate:
  - Listing by job title of the jobs created;
  - Listing by job title of the jobs filled;
  - The name and income status of the person who filled each position; and
  - The full-time equivalency status of the jobs.
- **For created jobs that will be made available to LMI persons** but are not taken by LMI persons:
  - The title and description of the jobs made available;
  - The full-time equivalency status of the job;
  - The prerequisites for the job; special skills or education required for the job, if any; and the business commitment to provide needed training for such jobs; and
  - How first consideration was given to LMI persons for the job can be recorded as the name(s) of person(s) interviewed for the job and the date of the interview(s), and the income status of the person(s) interviewed.