

L/M Income Limited Clientele

Criteria

A *L/M Income Limited Clientele* activity is an activity that provides benefits to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or it may be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51 percent of the beneficiaries of the activity must be L/M income persons. It should be noted, however, that, because of certain statutory limitations, the regulations preclude the following kinds of activities from qualifying under this subcategory:

- ❖ Activities involving the acquisition, construction, or rehabilitation of property for housing, including homeownership assistance (these must qualify under the Housing subcategory, because of Section 105(c)(3) of the authorizing statute) or
- ❖ Activities where the benefit to L/M income persons is the creation or retention of jobs (these must qualify under the Jobs subcategory with certain exceptions as noted under the previous Area Benefit section, because of the different presumptions provided under Sections 105(c)(1)(C) and (4) of the authorizing statute).

To qualify under this subcategory, a Limited Clientele activity must meet one of the following tests:

- ❖ Exclusively benefit a clientele who are generally *presumed by HUD to be principally L/M income persons*. The following groups are currently presumed by HUD to be made up principally of L/M income persons:
 - ✓ Abused children,
 - ✓ Elderly persons,
 - ✓ Battered spouses,
 - ✓ Homeless persons,
 - ✓ Adults meeting Bureau of Census' definition of severely disabled adults *,
 - ✓ Illiterate adults,
 - ✓ Persons living with the disease AIDS, and
 - ✓ Migrant farm workers.

Reference: 24 CFR 570.483(b)(2)(ii)(A)