

“Your business will benefit low and moderate income persons....”

“Microenterprise Development” is an eligible U.S. Department of Housing and Urban Development Community Development Block Grant activity. It is defined as follows: “A ‘microenterprise’ is a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise.” “Persons developing microenterprises” means persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working towards developing businesses, each of which is expected to be a microenterprise at the time it is formed.”

To qualify for assistance, the microenterprise must also satisfy a national objective—i.e., benefit one or more low or moderate income (LMI) persons, see following table.

National Objective	Qualifying Criteria /Monitoring Requirement	
	Business owner(s) is LMI, thus...	Business owner(s) is not LMI, and...
LMI area benefit		<ul style="list-style-type: none"> the microenterprise service area (market for goods/services) is residential, and 51 percent or more of area households are LMI. No monitoring required.
LMI jobs benefit		<ul style="list-style-type: none"> the microenterprise will create or retain jobs, and 51 percent or more of such jobs, based on full time equivalency (FTE) will benefit LMI persons. Monitoring required.
Limited clientele activity or benefit*	<ul style="list-style-type: none"> the microenterprise qualifies. No monitoring required. 	<ul style="list-style-type: none"> the microenterprise serves a clientele such that 51 percent or more are LMI. Monitoring required.

A household, and the persons that comprise that household, are LMI if the following is true^Δ.

Number of persons in household, and	1	2	3	4	5	6	7	8
household income is no more than...†	\$28,450	\$32,500	\$36,600	\$40,650	\$43,900	\$47,150	\$50,400	\$53,650

* Limited clientele are defined as abused children, elderly persons (at least 62 years of age), battered spouses, homeless persons, adult disabled persons (see Bureau of Census definition for “severely disabled”), illiterate adults, persons living with AIDS, and migrant farm workers.

Δ For purposes of determining whether a job is held by or made available to a LMI person, the person may be presumed to be LMI if he/she resides within a census tract (or block numbering area) that has at least 70 percent of its residents who are LMI.

† Effective March 8, 2006; expires February 2007(?).