

## **2017-2018 ConnectHome - Using CDBG for Broadband, 6-26-18**

Dina Lehmann-Kim: Hi, everyone. This is Dina Lehmann-Kim from HUD. Thank you for joining today. If your phone is not on mute, could you please put it on mute? We're going to get started in about a minute or two to let others have a chance to sign on. Thanks.

Hi, everyone. For people who are joining us, we're just going to give it about another minute before we get started for this ConnectHome USA webinar on CDBG. Thank you.

Okay. Why don't we get started?

Good afternoon, everybody. My name is Dina Lehmann-Kim and I am the acting manager for the ConnectHome program at HUD. Thank you for joining us today.

I am very pleased to welcome two speakers that we are privileged to have joined us today, James Höemann who is the deputy director of the State and Small Cities Division of the Office of Block Grant Assistance and the Office of Community Planning and Development here at HUD headquarters. We also have Bill Callahan who is the director of Connect Your Community and the research and policy coordinator at the National Digital Inclusion Alliance.

Before we get started with the presentation itself, I'd like to turn this over to our technical assistance provider to walk everybody through how our WebEx system works. Thank you.

Christina Payamps-Smith: Hi, everyone. Thank you for joining us. As you can see, on the right-hand side are all your options. You have a chat feature and also a Q&A box. If you're not seeing those on the bottom right-hand corner, you can go to the top right-hand quarter of your screen and click on the down arrow and you will see options for a chat box and Q&A that we will be accepting questions. We usually hold questions until the end of each of the presentations, but feel free to submit questions as we go through and we'll be able to read them off at the end.

Also, when we do the Q&A at the end you can also raise your hand and we can unmute your line. Towards the middle on the right-hand side there's a small hand and that will let us know that you have a question. Thank you.

Dina Lehmann-Kim: Great. Thank you so much. Now I will turn it over to James Höemann who will talk about CDBG, the Community Development Block Grant Program, which is something that our communities have asked about in the past; we featured it at last year's ConnectHome summit and we wanted to have a deeper dive because this is an important subject and resource for ConnectHome sites to know about as a potential resource for funding.

Without further ado, James, thank you so much and I turn it over to you.

James Höemann: Okay. Good afternoon or good morning; I'm not sure where everybody is at. I have a few slides here. We'll just kind of go through some of the basics. I'm not sure if you do or do not have any experience with CDBG.

But just to kind of give you a really quick history of the program, the Housing Community Development Act was passed in 1974 and it coagulated, I guess is probably a good way to put it, in about 14 different programs that were around the department. Those who've been kind of in the field for a long time might remember UDAG and some of the model cities and that kind of stuff. Some of those grants still do kind of hang around, but all of these were put together. In the very beginning of it we had some entitlement communities and we had a small cities program which was mainly for the rural areas. Those were competitive where they actually applied to the department here in D.C. for funding.

Then in 1981 that Act was amended and the state program was created, and Puerto Rico is considered a state underneath the statute, and sort of like the odd birds, I guess, out on that was Hawaii elected not to become a state, so the Non-Entitlement Counties in Hawaii program was created. The Insular Areas program was created; that covers the Virgin Islands, American Samoa, Guam, and the Northern Marianas.

Then finally in 2000 is when the state of New York came into the program, so there's a separate sort of legacy program that we have out there is that New York Small Cities, which was another one of those allocations by NOFA [ph] from the department.

As of right now we have the four current CDBG programs: the two that people are familiar with, of course, is the Entitlement Communities program and the State program.

The relationships are a little bit different between these two main programs. I'll kind of go through the State one first. Underneath the statute, the state acts as HUD as if they have delegated authority to represent the department in that they make discrete grants to local governments. They cannot act for themselves. They can't carry out programs themselves. They are strictly limited to making grants to local governments. Then those local governments have the authority then to carry out an activity that they want to operate a revolving loan fund or they can choose to have a sub-recipient.

You kind of notice that there's a difference between a sub-grantee and sub-recipient in the State program and that's because we do not have that term.

The Entitlement program, which is the majority -- there's 1,247 of them right now -- these are going to be your urban counties and your cities that are eligible for the program. They can't act for themselves directly.

They can carry out programs through their parks and rec or whatever department that they have an agreement within themselves and they can choose to have sub-recipients as well, also developers, those types of relationships. Those are, like, the main differences between the two: that the State acts under that delegated authority and making discrete grants and the Entitlement, of course, is our direct recipient.

When you're looking at a CDBG activity there's really these two big musts that have to occur for whatever activity you're choosing to do. The first is we have statutory national objectives and

you have to demonstrate compliance for those. If you cannot demonstrate compliance for a statutory national objective, we don't consider it eligible. On the back end, if you carry out an activity that you cannot demonstrate compliance for, it almost always results in the repayment of funds.

The second one is the activity has to be listed within either the regulations for the Entitlement program or within the statute for the State program. Now, one of the other differences between the State's and the Entitlement is the prescriptive side of the Entitlement program has those eligible activities outlined with the regulations where for the State grantees, the statute is a little bit broader; it has the sort of higher-level types of definitions, I guess if you will, and the State itself needs to define those a little bit further in what's called the method of distribution.

We'll kind of come back to that, but first I just want to talk about the national objectives of the CDBG program. Again, these are statutory. We don't provide waivers for these. This is the main purpose and the main backbone of the program. You'll see on the left-hand side low- to moderate-income; this is the main purpose. It is to serve the low- to moderate-income population. It's 70 percent of a grantee's grant must go towards that population.

And we have four subcategories underneath that: the area benefit, housing, limited clientele which is where we are looking more at serving individuals and counting heads, if you will, and job creation. The second and the third categories are used a little bit less, although the slum and blight one is used in the urban areas more than the rural areas, and urgent need is in those cases where oftentimes we are trying to have a grantee reprogram their funding prior to receiving a disaster allocation.

Activities that are for broadband, I kind of listed these out so that they were a little bit higher level. That's mainly because there are so many different choices they kind of fall underneath these. When we look at public facilities and improvements, this is a pretty broad area to look at. Underneath this category, within the statute and the regulations, you'd be looking at your community centers, senior centers. This also goes along with infrastructure, and now that broadband has been classified as an infrastructure it's a little more palpable for us as a program office to view this as being implemented.

Mainly the money that is spent for grantees underneath this goes to water and sewer projects, and on the State program you're looking at about 89 percent of the funding and the Entitlement side you're looking at about 55 percent to 60 percent. Then in addition to that we have the actual buildings, whether or not it's an acquisition, rehabilitation, or a pure acquisition or a pure rehabilitation.

Housing is another large category that we have that is used by our grantees. The reconstruction is in the statute, but it is not in the Entitlement regulations. If you are in Entitlement, you need to ask for a waiver of the eligible activity section to allow you to use that piece of the statute. We do have some guidance on reconstruction, but it has not been adopted all the way into the Entitlement regulations.

Rehabilitation, we've kind of seen that used anywhere between back in the '80s when there was a lot of these \$5 smoke detector rehab programs that were easy for grantees to say we served X number of households, all the way up to almost full gut rehab on homes. Oftentimes, grantees that are using this category, or this activity rather, are using HOME funds in addition to it.

With broadband, when we're looking at actually putting it into the homes, usually when we're hooking up a house off of a trunk line, it would be done as rehabilitation. That's because the next activity I have listed on here for new construction is only allowed if it is done through a community-based development organization. Some entitlements have them and some do not, but in general new construction is precluded. HOME money can be used for that part because HOME can do new construction.

The public services is very broad in terms of what you can and can't do. In the public services category is where we're looking at health programs, and we've seen in rural areas where just speaking from a broadband perspective, telemedicine has been used for that, but also the other two big pieces of this are education as well as job-training that broadband has been used for.

I work a lot with the Appalachian Regional Commission and I've had several broadband projects come through where they have utilized that in order to carry out job-training to have that pipeline between high school and the employer, as well as in the community college setting and some of the other education facilities they have for adults to help facilitate that.

The next one I have listed on here are things that are carried out through a public and private nonprofit. This is going to be your sub-recipient type relationship with the grantee. Mainly these are service providers and they almost, depending on the type of activity they're doing, could be listed as a public service or could not. Economic development is used a lot in the rural areas.

This is where we're going back to that low- to moderate-income job creation. In this case we're going to be looking at the public benefit standard that we have in a program, which is an additional eligibility requirement for economic development activities, which is how many people and how much funding is actually spent per person in terms of the job created.

Now, an aspect of economic development can be tied public service where the employer may have jobs that the current pool of applicant does not qualify for because it has a unique skill or some kind of knowledge and component that they do not have. At the same time, the grantee can use the public service activity to provide training for those candidates so that they could fill those positions. That's kind of a quick example about how you can actually use two different activities to kind of meet the same goal.

Now, in the State program we have something that is unique. Those are planning-only grants or planning grants that are in connection with an actual activity. You still have to meet a national objective, and if it is a planning-only activity you have to demonstrate that you would meet a national objective if you implemented the activity itself.

Now, when we look into our system, a lot of the ones we have on the State side are these planning grants. I would say it's probably too new for us in terms of being able to tell whether or

not those are compliant. We did have the state of Virginia come and sort of give us an outline of what they've kind of done. We haven't monitored this. The Inspector General hasn't shown an interest yet in actually going out and monitoring any broadband, so for us this is still kind of new.

Each grantee has to do what's referred to as a consolidated plan, which is their large planning document that they have. It's part of their application for their grant. Part of that consolidated plan is an action plan, which is just that one year -- what are they going to do that one year with their money -- and each additional year that consolidated plan is amended to add another action plan. If a grantee does a consolidated plan for five years, they'll have five separate action plans that are in there, and these can be amended at any time.

They're supposed to be based on the needs of the community or the needs of the state. For much larger states, they would be doing the citizen input and stakeholder consultations throughout the state to try to get an understanding of whether or not they should break it into regions; the same way with urban counties and with cities. In those cases they are down to the community level or the neighborhood level where they can actually do some planning for specific areas.

As of January 1, 2018, part of that stakeholder consultation aspect of putting together the consolidated annual action plan is an engagement piece with these public and private organizations, including the broadband Internet service providers and organizations engaged in narrowing the digital divide.

I will say there was a little bit of lull with this towards the end of the last administration, but this administration, when they came in, has shown a lot of interest in actually reviving this and trying to get this put into play. We've had the National Association of Development Organization group come in and talk to us a couple of months back about what we can do to kind of help encourage our grantees.

In short, our grantees plan their program. We do provide them with reminders. We do provide engagements like this at conferences to try to help them think about what exactly do they have outside the box.

I think a lot of our grantees kind of get stuck in this little hole where they think we can only do housing rehab or we're only going to do traditional economic development. To a certain extent, I think the grantees are still trying to get used to this, so if you have activities you want to do, there's opportunity there for that. I think to a certain extent, all of us kind of get stuck in that little rut of this is the way we've always done it.

In terms of knowing who your contacts are for that, we have the HUD Exchange. If you just go to Google, that is the easiest way to do it. Just type in HUD Exchange and that'll take you to the website. When you go there, you can select your state underneath Community Development and that will tell you who your CDBG contact people are.

We also have several frequently asked questions. We have some different guides on there about broadband that we did a couple of years ago. They have been updated and you can certainly ask not only the grantee or your local field office whose contact you can find on there as well.

If you have an activity in mind, just make sure you can answer those two questions: is it eligible and can I demonstrate national objective compliance. For years, when we've looked at broadband, we have often handled these in ways of a request coming in with a fleshed out description of what they wanted to do so that we could provide in writing through a memo saying, yes, you could do this; these are the caveats that apply, or, no; you cannot. It's always been an easy way for us to help the applicant and to help the grantee have something in writing in case they are monitored or audited, that we did review the activity and that we feel like it would meet those requirements if they did the things that we addressed in the memorandum.

I will say in the last three or four years, grantees have kind of moved away from actually communicating with us what they are doing. We are not quite sure if that is because they feel a little more sure about what they are doing or not, but we do know that there has not been a lot of monitoring of these out in the field.

One of the things you need to do is you have to link that activity to the consolidated plan. If you don't see that listed within the needs of the community or within the needs of your state, then that gives you an opportunity then to talk to stakeholders, and, really, the best case to do is just talk to them and explain to them how that actually meets the needs within the state. This may be something that did not come up in the stakeholder input or in the citizen engagements that they had.

Oftentimes, we kind of see that in a case where on the backend when the application comes in, it seems to be the same thing every year. With almost 1,300 grantees, it's impossible for us to go out and to scrub everyone to make sure that they are doing exactly what they should or documenting all of the input that comes in.

We've had a lot of grantees that have come into headquarters as well and talked to us. I will give you a heads up that we distribute the money to the grantees. We are precluded under law to tell them exactly what they should fund. All we can do is just advise them that we had an engagement with someone that would be eligible for their program and this is what they notified us as. So, really, this kind of falls on you and how well you can make a case for broadband in your neighborhood.

I know there's a lot of need out there. We've met with quite a few groups and we are always asked why don't we make our grantees do this. The simple answer is we can't, but I think there is definitely a case for it. I've worked in rural areas now for 20 years and I've particularly seen a lot happen on the education side. I will say some of the areas that we have in the Midwest and in the Southeast have really come around quite a bit in terms of the education side and the job-training side. They see a lot of utility in that and there definitely is.

That's my contact information. I'm actually doing this presentation for someone else who is currently in another office for several months, but you can certainly send me an e-mail or give

me a call. If I don't know the answer, then I can put you in touch with someone who can. That's it for me.

Dina Lehmann-Kim: Thank you, James, so much; really appreciate it. Now we'll turn it over to Bill who will talk from the community perspective. Thanks so much, Bill.

Bill Callahan: Thanks, Dina. I do want to let people know that I can't actually see the slides because on my computer at home I use an operating system which doesn't work well with WebEx. So, I'm just going to walk through the slides that I sent to Dina and the other folks to insert. I assume they are more or less the same. I guess if I say please change the slide, somebody there can do it?

Dina Lehmann-Kim: Yes.

Bill Callahan: Okay. Are we on the title slide now: using CDBG funds to support ConnectHome training?

Dina Lehmann-Kim: We are.

Bill Callahan: Okay. Great. My name is Bill Callahan and I'm the director of a nonprofit in Cleveland called Connect Your Community; I also work with National Digital Inclusion Alliance, as Dina mentioned. But what I want to talk about is from the experience of what we call CYC in Cleveland.

CYC is a partner with the Cuyahoga Metropolitan Housing Authority, which was one of the original ConnectHome designees. We've been working with them, as have other partners in town, to implement that program, and our specific role with CMHA's ConnectHome program is acting to organize training sessions for folks who are largely in senior and disability high-rise apartments on the west side. We've trained about 100 people through that particular connection.

But that is kind of built on a long history in Cleveland of community-based -- what we call digital inclusion programs now: computer digital literacy training, computer training, and helping people to follow through by getting cheap connectivity and getting cheap computers. As a practical matter, we, meaning the people involved in our network, have been running those programs at the neighborhood level, actually, for the last 20 years, and a number of those efforts have been supported by Community Development Block Grant funds. I wanted to talk about that practical experience because it may have some directly relevant lessons for folks in your community.

My focus here is on essentially training and support, and by support I mean the things that programs do to help individuals who participate in training or are trying to kind of get over the digital divide in their own ways, the kinds of other things we do besides holding classes; things like helping people to sign up for whatever discount programs are there, helping people in a few cases to find cheap computers, that kind of service stuff.

Over the course of the last 14 years, looking at our local CDBG or consolidated plan action plan, which has a list of all of the grants that have been made with local CD money over a long time, going back to 1998 I think, I was able to identify about \$480,000 worth of grants to seven community-based organizations that were using the money for some form of computer training.

Those grants were typically \$20,000 to \$30,000 and so they were not big. To give you a framework, I believe our total city of Cleveland Entitlement grant on an annual basis is in the mid-\$20 million, so these are relatively modest grants, and in some cases they were repeated. Organizations received CDBG support for community-based computer training for 10 years on end.

But it adds up, and so something like \$500,000 over the course of that period has been invested in helping low- and moderate-income, but largely low-income residents, to become computer literate and to take other steps to get themselves connected to the Internet, or to job or education related applications. I think that that's a pretty relevant activity for many ConnectHome programs and, therefore, this might well be a source that you could look to, to help support what you are doing.

Can I get to the second slide? Assuming I am there, this is the material that I just covered. Again, I want to stress I'm talking about the city of Cleveland, which is an entitlement city, and one of the things that's important for people who are not familiar with Community Development to remember is that this is a block grant to the local government, particularly where it's an entitlement city, and that means that, ultimately, the decision-makers about whether you're going to get support for your program are your local elected officials, and so it's very important to understand that, as with every other locally funded activity, this all starts with relationship. Your Housing Authority presumably has those relationships and so this leads -- whatever you want to do has to be an item of discussion between the leadership at your Authority and its partners, and local elected officials.

Can I get to the next slide? Jim talked at length about the public service activity area. That is the area within which 100 percent of the funding I described in Cleveland took place. This is all public services. The public service activities, eligible activities, include, as he said: health, education, job-training, also senior services, and a number of other services that clearly are connected to digital literacy and computer training for various parts of low- and moderate-income population.

This is public services, and a very important thing that Jim did not mention about the public services category is that there is something called the cap. The cap says that a grantee, which is to say the state or the entitlement city that receives the Block Grant funding cannot spend more than 15 percent of its total resources -- Community Development Block Grant resources -- on public services activities in any given year. When I say total resources, that includes their current funding plus any program revenue that they may receive from prior grants. Basically, 15 percent of what they get to spend on CD they get to spend on public services.

This is an important point because public services, as you can imagine, covers a lot of the things that communities want to do and see Community Development Block Grant as a potential source



for. So it's very likely that your city has most, if not all, of its available 15 percent available for public services already committed on a kind of rolling annual basis to services that people have worked hard to get under that cap over the course of several years. This is crime programs, senior citizen programs, as we said education and job programs. All these things, if you want to fund them with some Community Development money, have to go under the cap.

That's a very important thing to remember. Because it raises the stakes for your discussions with your local elected officials, it's really important to remember that if you're going to go to your city and say, hey, we would like to apply for \$50,000 to support computer training for ConnectHome clients in five of our states and can we get Community Development Block Grant funds to do that, that they're going to have to find that \$50,000 under the cap, the 15 percent of their local resources, and that that probably means that it's going to be competing with other services that very well may matter to the same people. So that's something you need to check out and you need to talk carefully and thoroughly with your elected officials or with your local Community Development agency about what that would mean.

That's one caution I wanted to put in there. I'll explain in a second the particular political situation in Cleveland that has made it possible, but as a generality, I want to stress the importance of kind of not only lining up support but being aware of that funding competition that's almost certainly there.

The other thing to remember about Community Developments Block Grant funding is that in almost every case it's going to come to you on a reimbursement basis. This is a really important fact in the lives of nonprofit organizations which rely on CDBG money, at least here in Cleveland, and it's a fact that's hardly ever discussed from the top down. But from the bottom up, let me tell you, it's discussed constantly.

Generally speaking, in Cleveland if you have funding for program from Community Development Block Grant, you can expect that you will be spending money for four or five months before you get that reimbursement. That means whatever program costs you have, you're going to have to expend that money from some other source in order to get it back. This is not foundation money, this is not upfront grants.

You're going to have to find foundation money or upfront grants to capitalize whatever you do. I'm sure that there are other sources that your authorities deal with that have the same issues, but it's important to bear this in mind. I will tell you there are organizations in Cleveland that have gone bankrupt because they have not been able to handle this capitalization problem, so it's something you have to think about right up front when you think about CDBG as a source for your program.

Those are my two cautions. I just want to talk a little bit about why it is that we have had such luck or success, or whatever you want to call it, in securing CD support for computer training. It has to do with a particular aspect of Cleveland's Community Development Block Grant budgeting process which is called ward allocations.

We have 17 City Council wards in the city of Cleveland. That means members of our City Council are elected by districts which are called wards, which individually have about 23,000 residents. That's pretty small. Each councilman has an allocation of Community Development Block Grant money, not under their control -- obviously it's still run by the Department of Community Development -- but as a matter of policy, it's set aside for councilman recommended projects.

Those projects have to comply with CD regulations in every respect. For example, the public service cap is pretty much applied individually to those ward allocations, so every councilman has to be aware of all those rules. Ultimately, the city administration doesn't have to approve projects, but this has been going on for 20 years now and for 20 years a significant part -- something like -- I don't even know how much it is these days, but I think it's something on the order of \$200,000 a year -- is essentially assigned to each councilman for purposes of recommending projects.

What that means is that the seven organizations that have received funding are all organizations which worked closely with the local councilman and had those grants ultimately recommended and referred to the city by that councilman, and the councilman kind of had the informal authority to do that.

That's the reason why Cleveland has had that track record of funding over the course of the last 15 years. In most cities that structure doesn't exist and the folks who are going to be making decisions about priorities are not going to be that tied to specific neighborhood decisions. But in any event, that's the kind of the thing you have to think about.

In Cleveland, if we want to be able to get some support for a program, for example, in the central neighborhood -- and Bianca Rosenblader [ph] who's on the call is familiar with this -- it was a building where the Housing Authority and a partner put in broadband in a CMHA building and then asked the local councilwoman for some money to support training for people who were going to be adopting to use that broadband. That's a process that you wouldn't have in a lot of places, but it happened to be the right process here.

I'm going to stop there, but I just wanted to stress those specific things to remember. First of all, this is all public services activities which means they're affected by the 15percent cap, which means in almost any jurisdiction there's going to be some real competition for that money, so you need to pay attention to that. In general, you need to remember who the decision-makers about this money are; they're your local elected officials.

They understand what you're doing and support it. You're far more likely to be able to arrange support. Thirdly, you do need to remember that this is almost certainly going to come to you on a reimbursement basis, so pay attention to how long that takes in your local community because it will affect the economic impact on your agency of using this money to support your program.

I'm done.

Dina Lehmann-Kim: Great. Thank you so much, Bill. I really appreciate it. Now we can open up the line for questions. You can submit them in the chat box. Christina, can people also ask questions over the phone?

Christina Payamps-Smith: Yes. Feel free to. Towards the middle of the right-hand side you will see a little palm hand. If you want to have us unmute your line, just press that button and we will know that you have a question.

Dina Lehmann-Kim: Yeah. It's a hand with a thumb on the right-hand side of your screen, that column, if you want us to unmute your line. Otherwise you can also type in a question in the chat box.

Etha [ph]: Hi all. Can you hear me?

Dina Lehmann-Kim: Yes. Go ahead.

Etha: Great. Yeah. Thank you all for the presentation. This is actually my first ConnectHome webinar. In terms of just the CDBG funding, since this whole initiative is headed by HUD, would that be kind of the CDBG ask coming from the Housing Authority versus the city?

Dina Lehmann-Kim: James, do you want to take that question?

James Höemann: Ask that one more time. I don't think I quite caught what you were --

Etha: Yeah. I'm with the city and we are partnering with the Housing Authority on this initiative, but we have a city and a County Housing Authority -- I talked to Bill a little bit about this. I think just kind of the difficulty is that since it is a HUD initiative and they're the lead, yes, there is need for partnership with the city but the city, we are also trying to tap into CDBG funding. So, just so that there isn't, like, competition over CDBG, I mean, is that something the Housing Authority would be in charge of asking, or, like, how does that work?

James Höemann: No. The Housing Authority would -- you guys would have an agreement with the Housing Authority, but it would come from the local government.

Etha: Okay. So it'd be like an MOU?

James Höemann: Yeah. I mean, you guys have to work out your agreement side, but, yeah, it would be coming from the local government.

Etha: Okay. Got it.

James Höemann: Are you in Entitlement or State?

Etha: Honestly, I'm not sure because I haven't really worked on CDBG.

James Höemann: Okay.

I: You're Pittsburg though, right, Etha?

Etha: Etha, yep.

Dina Lehmann-Kim: Etha, sorry.

Etha: Yeah. I've been trying to look more on the CRA side of things, but, yeah, kind of the issue that we're running into at the city is that there are so many initiatives to fund, and, I mean, CDBG is tight. So, yes, I'm not really sure what that looks like here; plus we have a separate city and county government, so I feel like there would have to be some coordination there as well.

James Höemann: Yeah. We had one in Kentucky a couple of years ago where they were able to get some money from HHS. I mean, HHS has the CSBG program, which is kind of like our sister program that focuses more on services. They do some NOFA [ph] programs up there as well.

Etha: Okay.

James Höemann: Yeah. I mean, in this case you're looking at kind of doing a financing package where you're going to be combining a lot of things together and that's where I've seen these be successful the most, if you're not just doing a small-scale public-service type activity is where you're combining a lot of different funding sources together.

Etha: Yeah. I mean, I feel like we're going to have to do that. I am just not sure what it looks like in the city, but I just wanted to kind of -- so it would have to be an MOU from the city.

James Höemann: Yeah. I mean, if you're an Entitlement, then the PHA would be your sub-recipient, and also depending on some PHAs have the developer piece as well, but if it's a State, definitely for sure it has to go to the local government and the local government then just uses an agreement to perform the activity, but the local government is responsible for the performance and all that kind of stuff.

Etha: Sure. Okay, because kind of the model that we are thinking of is partnering with the Public Allies Fellowship, so going through a nonprofit partner. I mean, we already do it anyways for a lot of the work just so they handle the money and it doesn't necessarily go through government processes because it could take a while.

James Höemann: Yeah. It can take a while and you also have procurement and other things that you have to follow.

Etha: Right. Okay.

Bill Callahan: This is Bill. Could I add something?

Etha: Yeah. Hey, Bill.

Bill Callahan: First of all, Pittsburgh is most certainly an entitlement city; but, secondly -- and Etha just mentioned this -- there are probably a number of either actual or potential partners for the Housing Authority that are already community-based users of Community Development money.

For example, the grant that supported the training for folks in the building I was talking about in Cleveland was, I believe, actually made through the training organization, right, which sort of lumped into an existing training contract.

So, the answer to the question who would be asking for the money is it just depends on the arrangement, right, and most cities have lots of nonprofit recipients of CD money that do different services for them.

Etha: So, it would be okay to have that nonprofit then do they ask through the city with an MOU agreement with the Housing Authority?

Bill Callahan: Yeah. They would ask the city for a grant and whatever the grant structure is that the city maintains for a Community Development Block Grant program for that project. That's all. But then it becomes a question of who wants it to happen and whether he gets approved. Ultimately, it's legislation, I assume, right, so it's going to go through City Council.

Etha: Okay. Thank you.

Dina Lehmann-Kim: Thank you, Etha, for that question. Any other questions from the audience? We have another 13 minutes.

Bill Callahan: Well, if there aren't any other questions, maybe I could ask a question of Jim? This is Bill.

James Höemann: Yes.

Bill Callahan: This is kind of probably a little [inaudible] for people but it might matter to them. The new rules requiring cities, when they are doing their consolidated plans, to consult with folks involved in broadband and Internet access and also to do some analysis of the local market, I thought I heard you say that they were required to do that in the course of doing any annual action plan; is that actually what you meant to say, or only when they do their consolidated plan every five years?

James Höemann: The annual action plan is really just part of the con plan itself, so, yeah, that would be done on an annual basis. I mean, the full title of it is the consolidated annual action plan. You have your basic elements that kind of come on with that application when they turn it in and it has a one-year action plan in it when you submit it, and then every year you just add on to it. So, yeah, it's an annual.

Bill Callahan: Thanks.

Dina Lehmann-Kim: James, this is Dina. Audience, please feel free to ask questions through the chat box or raise your hand. But while we are waiting for more questions, the Cleveland model is clear thanks to Bill's explanation about how the funding is allocated by ward. I would imagine in other cities it's done differently.

James Höemann: Yeah. I mean, really, it kind of depends on the political structure itself and some of that kind of falls on state law. In some states there is a very strong regional planning council or a council of government model. They tend to lean a little bit more on that regional structure and that kind of flows down through their partnerships that they have on the local level. Like, your smaller Entitlements, they may be acting in concert with sort of like a regional planner or whatever; it's tied in. But the resolutions or however they do it on a local level really is kind of up to them and some of that is contingent on its state law.

At the same time, I think it also depends as well. I mean, I've ran a couple of different Entitlements and I've also worked in a council of government and a state setting. It kind of goes back to whether or not the city itself or the county is using sort of a neighborhood approach, which is much smaller than a community type approach.

But, I mean, if they have gone through and have defined certain areas in which they are going to rotate their money through, like every two years or three years they're going to concentrate in certain areas, or whether or not they have just dedicated amounts where they have divided their money equally based on either a need or a formula or whatever for certain areas of the city, I mean, really, it's up to them to decide how they distribute or split that money out in their action plan.

We just need to know how they are doing it because, I mean, from our level, we don't know what goes on in that local government or in that county or in that state. That's based on that input based on their analysis, but we don't have a set prescribed way that says this is how you must spend your money or this is how you must divide your money up.

Dina Lehmann-Kim: Mm-hmm. If somebody is trying to learn how CDBG funds are allocated in their area, I mean, would you recommend that the first place they go would be to maybe contact their Office of Economic Development or --?

James Höemann: I mean, you could do that. I mean, research is part of it, but, really, I think getting involved in other organizations that are doing the same thing is really kind of the key part. That's something that we've stressed too. I mean, we have sometimes two and three meetings a year with different interest groups that come in. Really, the thing that we stress with them is to just have those engagements and to reach out. The last couple of years we've seen a large variety of offerings, I guess if you will, in terms of conferences, but that partnership and learning from each other, that peer-to-peer learning, is key in terms of trying to figure out what exactly is going to work for you.

I mean, like in Florida, if you belong to the Florida Planning and Zoning Association, it's \$25 a year, that gives you access to hundreds of other grantees that are doing the same thing you are doing that you can learn and share models and share agreements and things like that. I guess

that's kind of like the hard part for us as the program office is that we can look at a model or an agreement that a grantee has, but we are legally precluded from approving anything. We can advise, and that's about as far as we go, and we can point you in directions.

We have a lot of local governments that will come in and talk to us, and we try to keep kind of like a tickler file of things that we kind of know about. Like recently I got hit with a lot of local governments coming in that want to do job-training, so I've been able to collect a number of different places that are doing that that we have kind of vetted them out and made sure that they were compliant so that when we direct a grantee towards somebody who's doing something we know that they are doing it reasonably well and in a compliant manner.

But that peer-to-peer learning is really key in order to be successful, particularly in your local area or within your state because there may be pieces within that county law or the state law that are different from anyone else and you may not be able to do it.

Dina Lehmann-Kim: That makes sense. Those are very good tips. Thank you.

Bill Callahan: Dina, could I just add?

Dina Lehmann-Kim: Please.

Bill Callahan: Particularly in terms of entitlement cities, it is certainly the case that if it's an entitlement city, which means it gets a grant directly and manages that grant from HUD, then it has an office that manages that, and in all likelihood -- or a department and the name of that department probably is Development or Community Development, or in some cases, Planning, or maybe Planning and Housing or something, right, but there's somebody in charge from an administrative point of view and those people almost certainly will happily talk to you about the rules.

So, the first place I would go in my city -- or even if it's not an Entitlement jurisdiction, it may well have an office that handles applications to the state on a routine basis, so you could find out how that works.

The other thing is in most places -- I assume in all places -- if the city is taking money and allocating it, then there's legislation involved. Those are budget decisions and they are made by elected officials, normally a City Council, so there's a legislative process to follow and so there's a whole other set of people who have to know the rules.

So, I think if you kind of look around your community and say, well, who's in charge of the city and what are the departments, you can pretty easily identify who can tell you how things work locally. Now, there's always the question of whether they really want to talk to you, right, but if you're a Housing Authority, they probably do.

Dina Lehmann-Kim: Right, because I would think that by serving this clientele, you're helping them meet the requirements of the funding.

Bill Callahan: And also your official, if they don't want to talk to you, they will talk to your boss, right?

Dina Lehmann-Kim: Right. Great. Thank you for that.

Bill Callahan: They'll probably come to your office. [Inaudible].

Dina Lehmann-Kim: Do we have any questions in the chat box? I don't see any. I don't see any questions. Does anybody have any additional questions for our panel? All right; doesn't sound that way.

I want to thank everybody for participating today and thank you to our wonderful panelists for taking the time to present today and prepare for today's session. We look forward to working with you.

Next month we will have another webinar and this one will be about working with ConnectHome stakeholders. This webinar will also be available via recording if you have a colleague who would like to listen to it, and we will be happy to share the recording with you as well once it becomes available.

If you have any questions, you can also e-mail [connecthome@HUD.gov](mailto:connecthome@HUD.gov) and thank you for participating and have a great afternoon. Bye-bye.

(END)