

Grant Oversight Strategies

2020 CDBG Best Practices Webinar Series



HUD Welcome

James Höemann, Director Entitlement Communities Division

- Senate appropriations committee request to focus on four topic areas –
 - Prioritizing greatest need activities/projects
 - Grant oversight strategies
 - Reducing CDBG admin costs
 - Leveraging CDBG funds
- Identify creative strategies in these areas
- Provide a platform for our grantees to learn from each other
- Compile a report for Congress

Session Overview and Introductions

Les Warner, ICF

Session Overview

- Learning Objectives

- Participants will learn from program administrators from diverse communities across the country about best practices and unique strategies in CDBG grant oversight.
- Participants will gain understanding of effective, replicable, best practice models to implement in their CDBG programs.

- Agenda

- Introductions
- Panelist Community Presentations
- Q&A

Introductions

- Cynthia Kemner, Collier County, Florida
- Jennifer Schumann and Tony Milner, Salt Lake City, Utah
- Kelly Salmons and Marco De La Toba , San Diego County, California
- Mary Dwyer, Leavenworth, Kansas
- Mary Oakley, State of Ohio

Poll Question

What is the size of your most recent CDBG allocation?

- A) < \$300,000
- B) < \$600,000
- C) < \$999,999
- D) > \$1,000,000

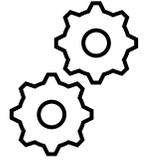
Collier County, FL

Cynthia Kemner, Grants Compliance Manager
Community and Human Services Division

Challenge #1 - Lack of Coordination

- Lack of coordination manifests itself in many ways
 - Stalled or abandoned projects
 - Missed deadlines
 - Lack of Timeliness in Draws
 - Overlooked regulations
 - Incomplete and inaccurate documentation
- **CAN RESULT IN A FINDING AND POSSIBLE REPAYMENT OF FUNDS**

Overcoming Lack of Coordination

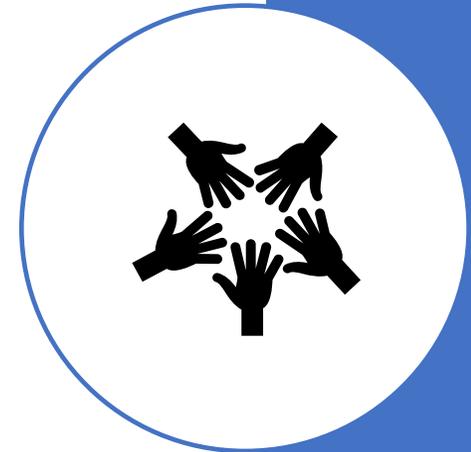


Use a strong Team Approach to project management

- Internally – CDBG Jurisdiction
 - Program and Fiscal staff assigned to the CDBG team
 - Tiered review of subrecipient pay requests
 - Regularly scheduled 1:1 meetings
- Externally – Subrecipient
 - Project Timeline with frequent review/update
 - Use of Grant Management software
 - Agreement Kick-off Meeting to establish expectations
 - Quarterly Partnership Meeting with subrecipients
- Training
 - Four mandatory staff and subrecipient training sessions per year

Quarterly Partnership Meetings

- Mandatory Attendance by Subrecipient Management
- Attendance by the jurisdiction's entire CDBG team
- Partnership Meeting Content
 - Review follow-up items
 - Fiscal and Timeliness Review
 - Project Update by CDBG jurisdiction program staff
 - Program Changes
 - Subrecipient Comments/Issues/Questions
 - Deliverables Update
 - Report Status
 - Monitoring



Training



- Mandatory Subrecipient Training
 - Include mandatory training in your subrecipient agreement
- Demonstrate your commitment to training by having your staff attend
- In addition to Fair Housing, include the most needed topics of the time
- Ask your subrecipients for topics that are of concern to them
- Contact state housing organization or national community development organization for presentations or speakers.

Challenge #2 – Insufficient Monitoring

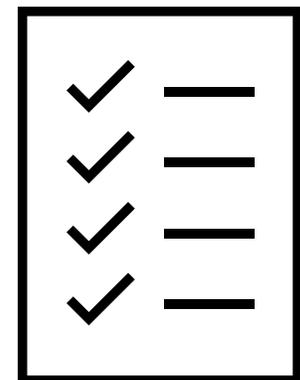
- Insufficient or inadequate subrecipient monitoring often results in grantor findings that lead to single audit findings, which end with someone from your organization standing before your governing board explaining why.
- How do you avoid that situation? Whether a small or large organization, you need a team.
- Ideal Monitoring Team – Preferably not the daily program staff
 - Team Leader for larger projects
 - Program staff
 - Fiscal staff

Overcoming Insufficient Monitoring

- Where do you start? At your most vulnerable point
 - Identify your highest risk projects
 - Concentrate on Environmental Reviews, Procurement and meeting the National Objective. Anything that will cause you to repay CDBG funds
 - Document EVERYTHING – Award letters to post-closeout monitoring
- With every improvement to your monitoring process, you have a new most vulnerable point – **Wash, Rinse and Repeat**
- Even the most seasoned CDBG program team has an area to improve. What's yours?

Overcoming Insufficient Monitoring

- How do I know what to monitor for?
- Use the HUD resources to develop your monitoring tools
 - HUD CPD Monitoring Handbook 6509.2 REV-7 – Used by HUD to monitor your programs
 - Subrecipient Oversight and Monitoring Handbook
- Review 2 CFR 200, Subpart F
 - It guides your auditor on how to audit you
- Modify tools shared online by CDBG jurisdictions who were once where you are now.



Overcoming Insufficient Monitoring

- Three years ago, Collier County instituted the COSO Internal Control process. Our division developed several internal controls for HUD projects that strengthen our monitoring process. Here are a few:
 - Payroll & Timekeeping Allocation - for accurate payroll allocation to grants
 - Certified Payroll - for accurate payment of prevailing wage rate
 - Entitlement Beneficiary Reporting - compares Quarterly Reports against IDIS
 - Pay Request Review - for adequate and timely review of pay packets
 - Timely monitoring of Active and Closed projects
 - Timely monitoring of Homestead of individual properties
 - Confirmation of the review and revision of Policies and Procedures

Chinese Proverb

When was the best time to plant a tree?



20 Years Ago.

The second-best time is now.



Poll Question

How do you perform monitoring?

- a) Collaboratively with a special monitoring team.
- b) With shared information and data from regional CDBG partners.
- c) With a focus on data driven primary problems or concerns.
- d) With a focus on high needs subrecipients.
- e) Other

Salt Lake City, UT

**Jennifer Schumann, Deputy Director and
Tony Milner, Housing Project & Policy Manager
Salt Lake City Corporation**

Salt Lake City Overview

- Embrace Technology to Drive Efficiencies
- Potential Ways to Coordinate Locally
- How Salt Lake City has Responded to the Coronavirus Pandemic
- Four Bits of Advice



Salt Lake City Overview

- Housing & Neighborhood Development Division oversees housing and community development grants
- Annual CDBG allocation: \$3.5m
- Annual CDBG Program Income: \$1.0m - \$1.5m
- Also administers Emergency Solutions Grant (\$300k), HOME Investment Partnerships Program (\$1m + \$1.5m HOME PI), Housing Opportunities for Persons with AIDS (\$500k), HUD-CV (\$7.1m), City Community Grant Program (\$3.4m)



SLC: Embrace Technology

Siloed grant administration with numerous manual steps led to inefficient processes, increased human error, and difficulty sharing data and assessing program performance

- Solution: Deployed end-to-end; **web-based; grant management system**
- Key Details:
 - Staff, citizen advisory boards, community partners, decision makers struggled with large amounts of paperwork, work-flow, and inconsistent data.
 - 27 municipalities in Utah deployed the same solution leading to consistency across jurisdictions.
 - Includes subgrantee history, performance measurements, spending reports, contracts, and customizable data features for decision makers.
 - Created end-to-end streamlined process, all contained in one space.
 - Team spends less time completing administrative tasks and more time partnering with subgrantees, regional partners, & discovering ways to improve the impact of the grants.



SLC: Local Coordination

Grantees' program requirements were inconsistent across jurisdictions. This created confusion for subgrantees, incorrect deployment of funding, and misalignment of Plan(s)/community development strategies

- Solution: **Meet regularly with local jurisdictions**, with open discussion
- Key Details:
 - As administrators across jurisdictions, we committed to working together better to maximize the effectiveness of programs throughout our adjoining and overlapping communities.
 - Meet regularly to discuss Plan development, priority needs, funding strategies, timing of processes, and determine overlap where we can work together or compliment work of other jurisdictions.
 - All jurisdictions share monitoring results for subgrantees in common. This includes best practices, recommendations, concerns, and findings. Doing so allows other jurisdictions to focus their monitoring efforts efficiently.
 - Lean on each other for support, collaboration, learning, potential joint activities.



SLC: CARES HUD-CV Funding

And then the Pandemic happened!

Introduced daily evolving regulatory compliance, the need to better understand the underserved/under-represented communities, requires greater community collaboration, and a strategic response to a long-term problem.

- Solution: **Community wide collaboration**, larger reaching than ever before
- Key Details:
 - Data collection from spaces that might not have been tapped before. This includes reaching out to special populations, creating think tanks, wrapping in boots on the ground experts, and using community data experts.
 - Consistent and effective messaging: develop a strategy for ensuring information gets to those that need it most, in an easily digestible way.
 - Must be open to doing new activities that aren't "typical" in annual process
 - Collaborate with the timing of resources and the deployment of those resources. This may include federal and non-federal funding. Expand to include efforts made by philanthropic entities, foundations, community giving, etc.
 - Know community cliffs and potential safety nets.
 - Be strategic about how one-time funding is deployed in a thoughtful, data driven way.



SLC: Lessons Learned

- *Be knowledgeable about local data*
 - Commit to getting to know your community, then ensuring they have an equal voice in the process. Don't skimp on community engagement!
- *Be a partner and a problem solver*
 - We all want to do good and improve our communities. Learn from community partners and help them arrive at how to ensure regulatory compliance.
- *Be an accessible resource*
 - Community partners want to learn from you. Share your knowledge. Hold regular trainings, have an open-door policy, offer to brainstorm and problem solve, conduct more training for those with recent staff turnover or new agencies to the funding, check in regularly, build genuine relationships.
- *Be humble*
 - Be willing to work with and learn from everyone and realize regardless of how much you know, there is always room to learn more and try different approaches.

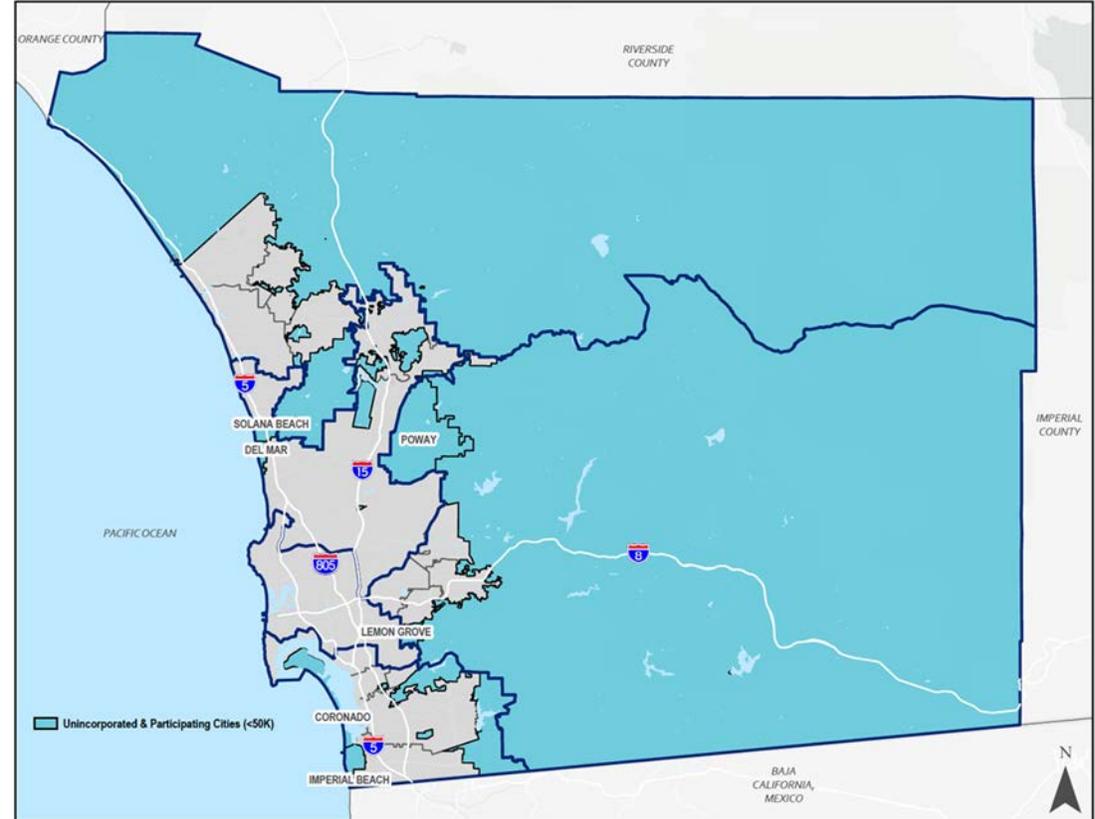


San Diego County, CA

Kelly Salmons, Program Coordinator and Marco De La Toba, Housing Program Analyst
County of San Diego Housing and Community Development Services

WHO WE ARE

- The County of San Diego's CDBG Urban County jurisdiction comprises of the unincorporated area of San Diego and six participating cities.
- Home to 650,000 residents in urban, suburban, and rural settings. The County's jurisdiction is overall more rural than surrounding jurisdictions.
- 2020 CDBG allocation: \$4.2 million



THE PROCESS



CITIZEN PARTICIPATION STRATEGIES

Community meetings

Online and paper survey

Direct outreach to community organizations, local news sources, and residents

Consultations with regional organizations or county departments

GOAL SETTING

- KEYS TO SUCCESSFUL CONSOLIDATED PLAN GOALS

- **Data-Driven:** Responds directly to quantitative regional data indicators and to qualitative community input
- **SMART Goals:** Specific, Measurable, Achievable, Relevant, and Time-Bound.

Community
Feedback
and Data

- 61% low-income households in the region spend 30+% income on housing costs.

SMART
Goal

- Increase affordable housing opportunities across the region for low- to moderate-income and special needs residents
- Serve approximately 5,000 residents over 5 years

COMMUNICATION STRATEGIES



Public Outreach

- E-Blast on GovDelivery
- Twitter
- County Facebook
- HCDS Website
- County News Center
- YouTube

Internal Department Outreach

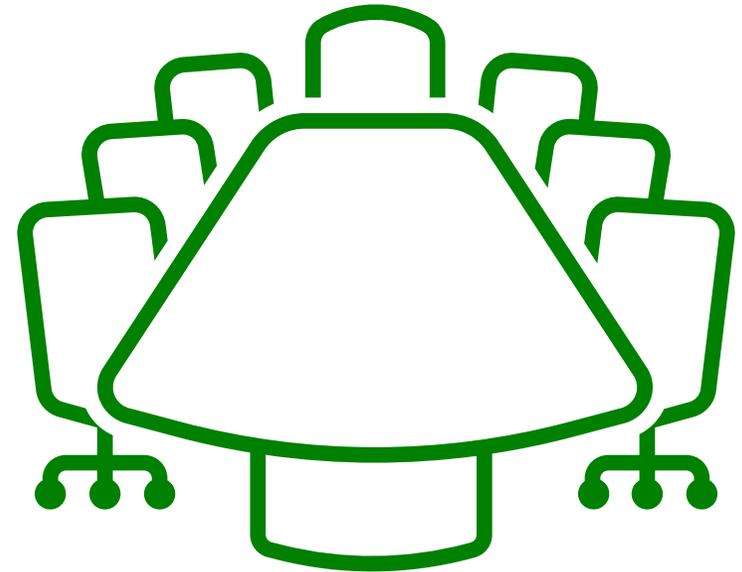
- Separate application for departments
- Department prioritization process
- Maintain relationships with departments year-to-year
- Organizational synergy

Community Organizations

- Community Planning Groups and Interest Lists
- Outreach to area non-profits and organizations

INTERNAL PROCESS STRATEGIES

- Onboarding Procedures
- Internal Compliance Team
- Fiscal Oversight Team
- Site Visits



Leavenworth, KS

Mary Dwyer, Community Development Coordinator
City of Leavenworth

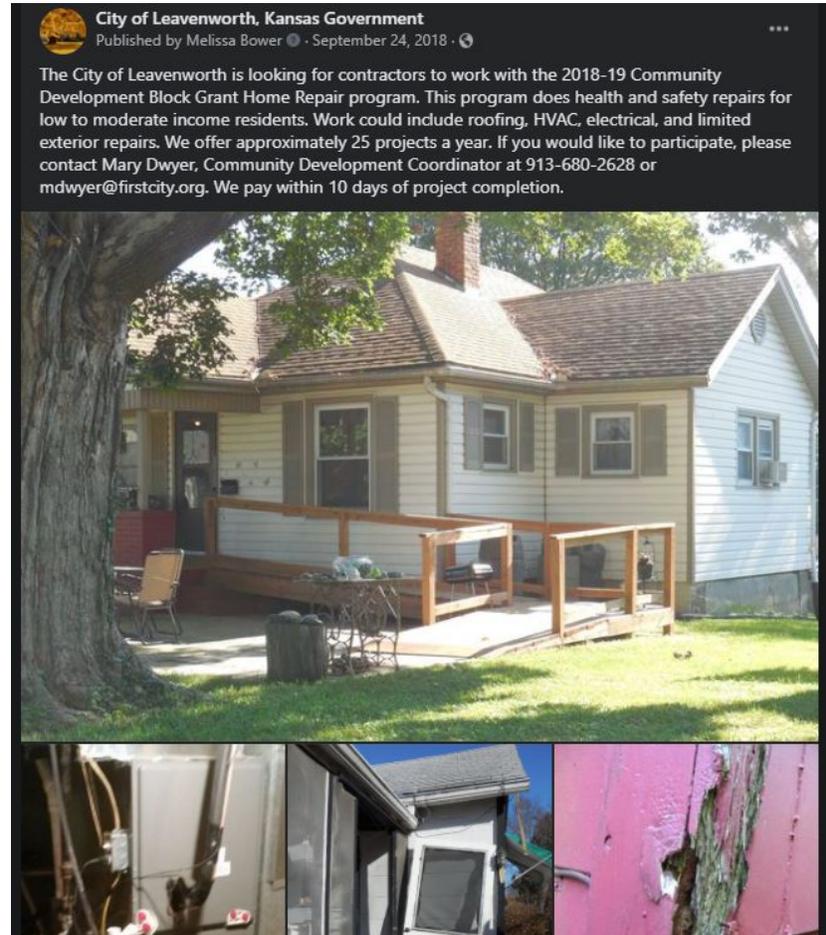
Grant Oversight: Subrecipients

- Shoot for best results: engage your subrecipients
 - Treat monitoring as a collaborative, learning effort
 - What do they need to succeed? Also discuss what you need.
 - Get feedback. What's working/not working with paperwork, reporting etc.
 - Provide technical assistance, especially for smaller agencies.

Grant Oversight: In-house Minor Home Repair

- Treat it like a business
 - Advertise for contractors on Facebook; with poster at Inspections Department, Home Depot, etc.

Grant Oversight: In-house Minor Home Repair



Grant Oversight: In-house Minor Home Repair

- Advertise for clients. Send application to area churches and social service agencies. Send press releases and place spots in City publications/website.
- Bring bidding in-house to run the program more efficiently.
- Work with a punch sheet to maintain process and documentation.

HOME REPAIR FILE CHECKLIST**HOMEOWNER(S):**

Name:

Phone:

Income Level:

- Proof of income or sign/notarize no income statement
- Proof of Ownership and check county website to make sure it has not changed (file online)
- Check county website to see if they own more than one residence
- Check City liens (by name and address) to see if they have had a grant in 10 yrs.
- CPD Income Eligibility Calculator/Self-Certification (online)
- Tier II with Site-Specific Field Contamination Checklist
- Initial walk-through
- Create "before" photo page
- Create "staff" project cost estimate (online)
- Order the LBP risk assessment if required <https://portalapps.hud.gov/CorvidRpt/HUDLBP/welcome.html>
- Give copy of assessment to owner and include work needed in work write up.
- Determine if doors or windows or exterior for 50 yrs. or older send to SHPO
- Determine if paint needs to be included for LBP
- Work write-up & staff estimate of cost
- Email work write up for bids and copy email to file

Record Forms:**CONTRACTOR:**

- Contractors Bids
- Determine if all contractor paperwork is in file: insurance, Affirm Action letter,
- Debarred Contractor Check in SAMS via DUNS number not just name (check at least annually)
- Contract
- Process the PO with bids in MUNIS if over \$5K
- Drug-Free Workplace form
- Notice to Proceed for Contractor
- Contractor's W-9 if new contractor (form online or in folder)
- Building Permit copy if needed
- Change Orders (if any)

Lead Paint process if needed:

- "Renovate Right" pamphlet given if needed
- "Pre-Renovation" form (receipt of pamphlet)
- Contractor certification if needed
- LBP Testing:
 - de minimis (2 sq ft int/20 sq ft ext/10% total), OR
 - Presumed Lead Paint, OR
 - Lead Paint Test Results
- Renovation Work Practice Standards form OR statement Of LSWP followed according to KDHE/HUD
- Clearance Report (req'd for all jobs over de minimis)
- Clearance invoice and copy of payment

Completion:

- Final Inspection
- Contractor's Invoices
- "After" Photo(s)
- Lien Statement
- Completion document

Home Repair Punchlist

Grant Oversight: In-House Home Ownership

- Engage businesses to drive your program
 - Meet with lenders, title companies and realtors to promote program.
 - Host roundtable with lenders & realtors to pinpoint program bottlenecks.
 - Keep program in mind by advertising program via email spring and early summer.
 - Use a punch list process smoothly and maintain needed documents.

HOME OWNERSHIP CHECKLIST

BUYER:

- _____ Grant Application
- _____ Mortgage Preapproval
- _____ Proof of Income
- _____ Tax Form
- _____ Certificate of Completion for Homebuyer Education Course with 70% or Higher

BUYER'S AGENT:

- _____ CPD Income Calculator
- _____ Confirmation Letter sent to Applicant
- _____ HQS Inspection Disclaimer signed
- _____ LBP booklet and form signed
- _____ Contract
- _____ Check Flood in GIS and FEMA
- _____ Get Loan Estimate from lender and check with addendum

- _____ Homeowners Mechanical Inspection Report
- _____ Tier Two Environmental Review
- _____ Photos
- _____ HQS Inspection Results _____ HQS Re-inspection
- _____ HQS invoice & payment in MUNIS
- _____ Appraisal received from Lender
- _____ Affidavit of Seller (URA) (emailed _____)

SELLER'S AGENT:

- _____ Payment Worksheet
- _____ Generate PO with attached contract and payment worksheet for payment authorization
- _____ Check requested via MUNIS and alert Finance Clerk of pick up

- _____ Take to Title Company:
 - Check
 - Lien Statement
 - Folder for Homeowner

LENDER:

- _____ ALTA Form

NOTE: This list may also include required Lead paint documents, if necessary:

- _____ Lead Paint Testing
- _____ Post Renovation Form
- _____ Clearance Testing

CLOSING INFO:

Home Ownership Punchlist

Grant Oversight: Keep Program Fresh

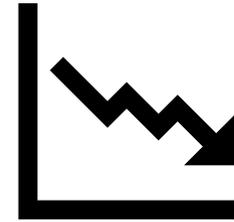
- Look for a better mousetrap
 - Create a cohort group—regional or national CDBG operators.
 - Go out of the box. Challenge your current operations. Consult your HUD rep on why you do certain steps—you may find its not required.

Ohio

Mary R. Oakley, Community Investments Manager
Ohio Development Services Agency

Grantee Oversight Strategies

- Administrative Capacity is the single most significant challenge to successful and compliant CDBG program implementation
- Capacity impacting factors
 - Local/state budget cuts
 - Retirement/turnover/staff loss
 - CDBG funding reduction
 - Additional regulatory requirements
- Quality and quantity impacts



Grantee Oversight Strategies

Reduction in number of grants/grantees

Shift from non-competitive to competitive programs

- Administrative capacity as a rating factor

Compliance red flags/risks identified during application review

Special conditions

Hold on Funds

Implementation technical assistance

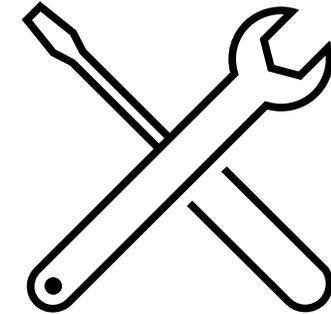
- Milestones

Grantee Oversight Strategies

- Monitoring
 - 100% of grants monitored
 - File review
 - Site visit
 - File guide/Monitoring Checklist
 - Generalist vs. specialist review
 - Program vs. Compliance staff assignment
- Risk analysis
 - Award date
 - Administrator turnover
 - Issues identified during implementation
 - Financial management red flags
 - Late reports

Grantee Oversight Strategies

- Technical Assistance Tools
 - Website
 - Quick Reference Guides
 - LMI Data
 - Application Checklists and Documents
 - Compliance Resources
 - Policy Notices
 - Financial Management
 - Eligibility/National Objective
 - Procurement – Administration/Construction
 - Subrecipient Agreements
 - Duplication of Benefits
 - Weekly Digest
 - Upcoming Trainings/Announcements
 - Links to Technical Assistance Site



Grantee Oversight Strategies



Stakeholder Engagement

Public Hearings

Program Advisory Committee Meetings

Ad-hoc Meetings

- New programs
- Significant changes

Application Trainings

Presentations



Buy In

Incremental changes

Transparency

Data

Grantee/Grantor benefit

Grantee Oversight Strategies

- Results
 - Reduction in grantee number/type
 - Reduction in number of grants
 - 165 to 105 (33% decrease)/year
 - Greater impact
 - Competitive funding
 - Larger grants
 - Timeliness
 - Longer grant periods/fewer extensions
 - Single project vs. multiple project contracts
- Decrease in federal compliance monitoring findings

Poll Question

How do you promote your CDBG programs?

- a) Through local community groups, faith-based organizations, and neighborhood meetings.
- b) Using social media and local news outlets.
- c) Partner with non-profits.
- d) Inhouse publications and media.
- e) Other

Resources

Resources

- CDBG HUD Exchange:
<https://www.hudexchange.info/programs/cdbg/>
- Explore CDBG (other Best Practices and 101 video modules):
<https://www.hudexchange.info/programs/cdbg/cdbg-ta-products/#all-products>
- CDBG State Guides, Tools, and Webinars:
<https://www.hudexchange.info/programs/cdbg-state/guides/#guides-and-training-manuals>

Q & A

Les Warner, ICF

CDBG Best Practices Webinar Series

Reducing CDBG Administrative Costs	November 17, 2020 2:00 – 3:30 PM EST
Leveraging CDBG Funds	November 18, 2020 2:00 – 3:30 PM EST