CDBG-DR and CDBG-MIT Grantee-Led Sessions

5: How to Run a CDBG-DR Program under $50 Million

Wednesday, March 31, 2021

Scott Ledford: Thanks very much, Paul. And hello again, everybody. At this point most of you know that I'm Scott Ledford, and that Olivia Healey and I are your moderators for these informative sessions being hosted by HUD and led by your peers. We all hope each of you has been jotting down some key ideas, some takeaways, maybe some areas for further exploration.

We've now reached the hump session in the series with four behind us and four more after this one. But I'll quickly cover some logistical items in case this is the first session for any of you. First, a reminder that each link for each session is, in fact unique. So you should fully exit after each session and then rejoin the next one by using the new link that was sent to you for that specific session.

Next, the speakers will be covering their content through its conclusion. Then we'll start the Q&A portion of the session. However, we do encourage you to submit questions throughout the session using the Q&A box that Paul described. There is no need to wait.

For some sessions, we have questions that were sent in advance through the questionnaire that was distributed to registrants. So we'll go through those first, then we'll turn to the questions coming into the Q&A box. Okay, that's plenty of logistics. Now let's meet our presenter for "How to Run CDBG-DR Program Under 50 Million Dollars."

Tommy Lowmon has served as the economic development specialist for the Georgia Department of Community Affairs, where he was responsible for supporting more than 100 Main Street programs across the state. Before joining DCA in 2016, Tommy worked as a Main Street and economic development director for multiple municipalities, culminating over 10 years of experience in the field of community development. He is a certified downtown development professional that's been the recipient of many state and national awards, served as president of the Georgia Downtown Association, and in 2014 he was selected as one of Georgia Forward's Young Game Changers.

Additionally, Tommy is a former small business owner, has a business degree from Albany State University and earned an economic development finance professional certification from the National Development Council. Formerly Tommy serves as the Community Development Block Grant Disaster Recovery Program Director. That's a mouthful. Take it away, Tommy.

Tommy Lowmon: Good afternoon. I hope you all can hear me. I'm happy to be here. And in case you cannot tell, I am from Georgia, born in Georgia and been here all my life. So that's where the accent comes from. So I'm going to tell you today -- try to tell you how to do a lot with a little. So how to run a CDBG-DR program under 50 million dollars.

And I'm glad that this topic is being discussed. Whether your program's under 50 million, over 50 million, we still need to make sure we're using our funds to the highest and best ability and being good stewards over those funds. No matter if you got 50 million or 50 billion, the lift is still the same. So we got to be very clever about how you use those funds.

I'm going to start here. So Georgia was hit with two tornadoes in 2017, early 2017, and then we were hit later that year by Hurricane Irma. And then in 2018, we were hit by Hurricane Michael.

And so, if you're looking at the totals of those awards over there, you're probably thinking, well, maybe that's not under 50 million. That's closer to 122 million. And you're right, it is. But when we started, we started with a very small award of 37,943,000. And while that seems like a lot of money for all the regulations and requirements that we have to meet to distribute those funds, it's a big lift.

So the good news is, or I guess you could say the bad news is if you have a small award and you survived the disaster, just hang around, you will probably get hit again and maybe even get more money. So I'm going to walk through a little bit of what we did with our 2017 Unmet Needs Award.

I like to take everything that I do, no matter what it is, any project, I like to look at my resources right off the top. I got to look at my team, not just those people that are working with me, are employed with our agency, but what does my team look like. Those who are not employed but are in the same field or trying to serve the same needs.

Then I like to look at a strategy and kind of break down how my plan of attack using all the resources again to the best of their ability and then where we are short on resources, leverage, leverage, and then leverage again. And I'm going to cover each of these and a little bit more detail in just a moment.

So team, one of the first things you do if you get this award, whether you're a state grantee, a county, or municipality, you get the award or you know the award is coming and you say, well, I've got to hire some DR -- people with DR experience. I got to build a team. And so, what you'll find very quickly, is when you start putting those job listings out there, that anybody with any DR experience that's any good is probably already hired and taken.

So then you start going down the list and you say, well, what about somebody with basic CDBG experience? Then you usually find the same thing. And then you continue to go down that list until you're like, I'm just looking for somebody that breathes and can read and write. So what I start looking for that point -- at that point in time is, is this person a team player? Can they digest federal regulations? Can they understand and comprehend? Are they smart?

And then one of the big things I go into is, is I think somebody who's going to work in a disaster recovery field needs to have both ADD and OCD. Got to be attentive to details, but you've got to be able to focus on a lot of things at one given time.

So once you start looking at that and you're saying I'm building my team here, and you're looking and saying, well, I've got some gaps, how am I going to fill them? You start thinking, well, if I can't find these people or if I don't have the resources to hire these people, when am I going to start looking for outside help? When can I bring on a vendor who can turn the light switch on and off as far as staff augmentation to give me the staff when I need them, when the when the demand's real high, and then as the program fades out and closes out, that they can go away.

So you start looking at the different strategies that you have. But before you even get into this process, I'm going to go ahead and jump to the next slide here, and I'm going to hit back on team in a minute. And it's not just the people you hire, whether it be vendor or a, you know, an employee. It's also going to be the team you create of the outside partners.

But I'm going to go ahead to the next one here. Actually, I'm going to go back this way. Strategy is of the utmost importance. The first thing you got to look at is the conditions on the ground. If you're a state or municipal or county, it doesn't really matter. You got to see what is the political appetite for what you're about to do? And what is the best strategy to get that done? In Georgia, our counties pretty much handle -- I'm going to put this in Georgia terms -- they handle their business. They are a home-rule-type state. They like -- they don't like anybody from the outside telling them what to do.

So Georgia went with a sub-recipient model where we worked with partners. Now, if you're directly implementing this yourself via state or municipality or local government, it's going to be a little bit different. But you're still going to see what's -- what do the elected officials think? What are the conditions on the ground as far as the people? How anxious are they for these funds? How, you know, how long has it been since the disaster? Are all the other funds depleted? What is it look like?

While housing is going to be your primary focus, what if you're in a situation where there are some other needs that you're going to have to address to ensure the houses do not get damaged again? So you just got to look at the conditions on the ground. And then, how you're going to implement the needs that are that are found. When you're doing your study, when you're doing your unmet needs assessment and you're really digging in and saying, these are the needs that I have based on this disaster, and I'm going to address those by doing these types of programs, whether it be housing or small business development or infrastructure or whatever it is that you're doing, it's how am I going to roll this out?

And so, pre-COVID, we had the slow-spender list was one of those big things you didn't want to be on. We get a little bit of leniency right now, but it's going to come back, I'm sure. And so, you're always wondering, what can I get out the door fastest first? You got to get some money out the door to make sure you don't get on a slow-spender list. But it's also got to be very strategic about what you're doing and make sure that each activity you do builds on the other activities that you're doing. So they're not one and done.

So resources. The first thing that I like to start to do, and I'm just talking through a process here, and I'm going to get into a little bit of the big thing about how to make the money work. But the first thing I start with is the Federal Register Notice. Once it's published, the first thing I do -- and I got my staff on here now, the team, and they could tell you.

The first thing we do is we dive into the Federal Register Notice. This is going to be your guidebook on how you're going to implement your program. It's also going to give you the timeline by which certain things must be done as far as implementation plan and, you know, your financial compliance pieces and then your action plan and public input and citizen participation. You have all these different pieces and they all have to be done at certain times.

Now, whether you have 50 billion dollars and you can hire a lot of vendors, or you have 50 million or less, where you're really trying to figure out how to make this happen without losing a lot of your money in the administration piece, you still have to comply with all the regs. So they're there.

And I would say for anybody that's new to it, especially cities that are implementing this or, you know, counties, if you're new to it, you don't have a staff that's savvy in, you know, federal rules and regulations. I would say don't back down from it. Don't veer away from it. You've got to have somebody that's a voracious reader that does not mind getting in there and learning because this thing's like a spider web. You get into one piece, it's going to touch another piece and another piece and another piece.

So get in the Federal Register Notice, figure out what your timeline is to hit the first objectives. And the good news is the way it's outlined, it's going to help you get from point A to point B to point C to point D, and before you know it, you've done an unmet needs assessment, you know what you need to do, you've established programs and now you're on your way to creating those programs and implementing activities to help people. Because ultimately, that is what we're doing here, taking federal dollars and giving them to the people who need it the most, who still have needs.

So related to mitigation, you know, you're just going to have more rules to comply with, no matter the funding amount. It's just going to be a little bit different. But again, you just got to get in the notice first and figure out what your timeline is.

The next thing that I do is -- one of the best relationships that we have here in the state of Georgia is with our HUD rep. And I would say if your HUD rep and your relationship is not good with your HUD rep, I'd say go buy them lunch. Of course, pay for it with your own money. Don't use any federal dollars. But go buy them lunch. Take them out. Get to know them on a personal level, because at the end of the day, HUD are actually people too.

So you know, work with them. And we are blessed with some great HUD reps here in Atlanta. And so, they work with us very closely. So that's the next place where I go. And when I say HUD, I'm not only talking about the individuals that are overseeing your program specifically, but also the HUD exchange. The website is there. There's a lot of tools and resources out there.

And one of the things that if anybody who knows me that's out there has heard me say this once, they've heard me say a thousand times, R&D. And that's not research and development. It's rip off and duplicate. Everything that you're going to create has probably already been created once by people smarter than you. At least that's what I found. So use what's been created. Rip it off, duplicate it. Use what's been created.

Money. And I have that in bold here, because if you don't start your process looking at the resources, the financial resources you have, you get yourself in trouble in the end. So before we do anything, there's a dollar attached to every single activity we do. And so, money is a big one. And I'm going to jump back into that a little bit more in just a minute.

People. So the people on the team that you build are great resources. And they come from all over. And what I really loved about the HUD conferences in the past is that you're able to network and resource, get resources from other people who have been there and who have done that.

Early on in the process, we reached out to South Carolina. We reached out to different grantees and said, hey, how did you do it? What can we -- what do we need to look out for? And Texas, it was really, really helpful. So Louisiana. So anybody we reached out to, I will tell you, the other state grantees and the county grantees, we, you know, get stuff from them too. They're always willing to help.

I've never been turned down for help when I reached out. And usually, they'll give you a Word document or something or draft that you can, like I said, rip off a duplicate. And then you get to take credit and then everybody around you thinks you're very smart. And really all you did was met the right people.

So time. Time is a finite resource. Time is something that's very limited, and since these awards are time-sensitive, you've got to do things very, very rapidly. One of the things about time that I put in here is I think -- one of the things that I stress to my team over and over again is if we are wasting time at all, what we are doing is we are delaying the resources that the people who have been impacted by the disaster need.

So for me, the time -- we have to meet the timeliness requirements of HUD, however, we also have to be as quick and efficient as we can to help those people who are in need. So I think time is a valuable resource. So $37,943,000. When I saw that I thought that's a lot of money. Then they said you get 5 percent admin off that. So then I started breaking down. I had six years to spend this, as you know, That's almost $1.9 million over six years. So I have $317,000 a year.

Okay, I've got a lot of stuff to do with $317,000 a year. And especially if you're going to hire people, you got to pay them -- on average, right now, it's like 60 percent fringe benefits, depending on where you're working. Or even 50 or 60 percent. So you got to pay somebody a lot of money even if their salary is not that high.

So you're at $317,000, but you also have to build a system of record. And then you have to have office space for these people who are working. Or if you're bringing a vendor on, you got to pay for that, too, if you're, you know -- there's just a lot of different things that have to come out of these admin dollars.

And you have to monitor on the back end for compliance. So you've got to make sure these dollars stretch. So looking at that, the lift that we had, and when we first met with HUD, they said you're going to probably need, you know, 10 to 15 people to execute this award. And I looked at the number again, I said it's feasibly, it's impossible. It's impossible what you're asking. But, you know, the good news was HUD was willing to work with us and they pointed us in the right direction.

One of the biggest things, and the best things that our, you know, resources that was available to me was looking at the CPD notice, I think it's 1307. But the CPD notice that deals with activity delivery cost. And other allowable costs, but it really dives into the difference between admin and activity delivery cost. And once you do that, you open yourself up to a whole 'nother pool of funds.

And then also looking at what's available under planning, because when you're working on your action plan and you're moving forward, you know, everything that you're doing up and to the point of actually taking on those activities. You're doing a lot of planning, so you just really want to make sure -- one of the resources I talk about is people. Tying your finance department, whoever is going to be responsible for tracking this and making sure your system of record can keep up with it, tying in your finance people early on in the process is key.

And then, also, I sent them the guidance -- the CDBG-DR cost guidance. It's the cost type summary. If you Google it, you'll find it. But I think we have it on the last slide here, as far as resources. But make sure you look at all the HUD guidance and all the CPD notices that really break down the difference between admin planning and activity delivery cost. Make sure your finance people are well aware of it. Make sure they've read those thoroughly. And then make sure your system of record can track adequately. So that's what I'm going to say there.

But I'm going to continue on the point of leverage, here. So again, I wanted to hit back up here to the top right corner of the slide, we got the Georgia Heirs Property Law Center. I wanted to hit on those really quick. So we had a lot of homeowner rehab that we wanted to develop. We want to do some rehab and reconstruction.

What we've learned is that communities on the coast or any old community are going to have tangled title are heirs property issues. Well, we're going to have to take care of those needs before we can actually help those individuals. So one of the things that was beneficial early on was we started talking to the Georgia Heirs Property Law Center, who cleared tangled titles for a living. This is what they do. They're nonprofit in Georgia.

And so, we started talking to them and I said, well, I'm going to leverage everything I do. I said, hey, if we can give you guys some money to do what you do, how much money can you bring to the table? And so, they came back to us with not only a substantial amount of private sector funds to match us with, but they also brought in lawyers that needed to work pro bono hours, so they brought in a lot of resources from their network.

So when they come to us, they had -- they brought in more than I was expecting. So we were able to match them and say now we can provide a service to these people whether they actually are eligible for our program once they start going through our program, if our federal dollars can't pay for them, the Georgia Heirs Property Law Center can pick them up with the product funds and still carry out a service.

So this individual, whether we can help them on their home or not, because they do or do not qualify, the Georgia Heirs Property Law Center can carry forward and help them. So that's one of the things it was good, good, it was a great partnership, they were able to bring a lot to the table and right now they're processing a lot of heirs property or technical title issues. We have a lot more than we thought we would have. And anybody who's been in the disaster recovery world for a while, you know that the heir property and tangled title issues are a big deal.

So jumping off that, I want to talk about, we had a lot of loss of affordable rental. We have a high rental population and when the storms come through, they wipe it out. So one of the things that we looked at doing was, hey, we got to get the money out fast. We got to address our loss of affordable rental. So how are we going to do that?

Well, we partnered with our multifamily team. And so, we went out, talked to the multifamily team and just said, hey, we've got X number of dollars, we got to rebuild this affordable rental that was lost in these areas. So what we come back to with was we brought to the table $13.5 million, which was a little bit more than we originally estimated for the rental that we lost.

And so, paired it with a 9 percent tax credit, we were able to drum up 47 million dollars in private equity to match that. So our 13 million turned into 60 million. So we leveraged that to 60 million total initial investment.

Now, instead of using the 13.5 million to rehab or rebuild 80 to 100 homes, we were able to build 340 affordable homes. So that's a big difference and a big leverage. The best news is -- actually that's just not the best news. But the great news is that 13,500,000 will be paid back in the form of a low interest loan. So we'll get all that money back to use for similar CDBG purposes.

So we'll continue to help these communities with these funds. So not only are we using the money once, we're using it twice. This best news is the affordable multifamily folks that use the 9 percent credits are very -- let's just put it this way, they have a lot of money. So I told you, I told them I don't have any admin funds to give you. So they were able to do this. They just used the funds and used their own admin funds to pay for the people who are running the numbers and monitoring and helping process payments and all that. They just did it with their regular staff.

So we used zero admin dollars on this 13.5 million and we were able to put in place 340 forty affordable homes. Also, we are currently processing about a million dollars a month on the multifamily deal alone. So we'll hopefully in the next 12 months be out of funds and we'll have people in homes, we're looking at in December. So that programs move along. We're going to be able to help a lot of people. We're excited about it. And I can't wait to go through the ribbon cutting.

So I ran through that pretty quick. They gave me about 25 minutes, I hit 26, so I think we're Okay. And Scott, I don't know if I'm turning it back over to you or what we're doing here.

Scott Ledford: Yeah, I'll kick it off with the questions, Tommy. Definitely appreciate it. Great presentation. And, you know, you told us you could talk forever for one bullet point. So you know, you didn't really well. Maybe your staff who's on the line can validate that for us.

So I'll just kick off with the questions now. How has the need to leverage funding resulted in new partnerships between the state agency and local nonprofits, the private sector, or other partners? So you talked about the Georgia Heirs Property Center as one of your key partners. How would you recommend engaging new partners into their business?

So I've never met a stranger, so for me, it's easy. If I see somebody and they're doing something that fits in the realm of what we do, I'm going to reach out to them. So my standard process is, oh, hey, you can help me? I'm going to reach out to you and call you, we're going to schedule a meeting. We're going to start talking.

And, while every partnership does not work out, you're not always going to make it meet. Everybody's goals and objectives aren't going to line up. I don't turn anybody away from talking, you know. And we we're going to talk until it leads into something great or it's just going to say, okay, well, this isn't for us at this time. We'll pick it back up later. But I've got a friend for later that I'll call for something else down the road.

So and when you're in the business of helping people, more organizations want to join you and help you help people, because that's what they do. So I find people that align with what we're doing, have the same vision, goals to help people. And for me, I reach out to them. And if they don't want to talk to me at first, I just bug them until they do. That's my simple method.

Scott Ledford: All right, and before Olivia goes with her next question, just a reminder to folks, if you do have questions, go ahead and drop in the Q&A box.

Olivia Healey: Thanks, Scott. Tommy, do you have a formal communication or engagement process that you include those partners in implementation or to help tackle unforeseen challenges?

Tommy Lowmon: So you got to understand the hierarchy of your organization. So some organizations are going to say, you know, if you're reaching out to a different agency, you're going to need to go through our liaison who contacts people. I wouldn't advise people to do it the way I do. I'd rather ask for forgiveness. And so, for me, I'm just going to reach out to the partner. That's my formal process.

Now, have I gotten in trouble? Yes. Will I do it again? Probably. So don't follow that advice. Follow whatever your local policy or procedure is. I can give you an example, though. Working with our emergency management folks. So we reached out to emergency management folks. And sometimes it is going -- good going up the chain, because when I can ask my commissioner, hey, can you reach out and ask for a meeting? Usually, I don't turn him down.

So you know, that works when other things don't. And so, we've had a great partnership with our emergency management folks, our Department of Natural Resources. And just recently, since we worked with the state historic preservation office to clear a lot of environmental pieces, we actually absorbed them into our agency. So it makes it easier to work with them now.

Scott Ledford: All right. I think I know the answer to this question, but I'll ask it to you anyway. The second part, I think, is interesting. Is there enough funding to cover your unmet housing needs?

Tommy Lowmon: No, no. There's never enough funding to cover your unmet housing needs. So you know, the question is asked, is there enough funding to cover your unmet housing needs? And we look at a couple of different things as addressing our unmet housing needs.

I'll give you -- for instance, we had a community that continued to flood and continue to flood and continue to flood. So for us to go in and fix that just by rehabbing homes, we are just setting ourselves up for failure. So we are addressing some infrastructure related to that specific area to address the water and the flow and the hazard from coming back in.

So we looked at that as addressing some of our housing need too. And you just got to incorporate that in as a piece of the housing, you know, product. But while we didn't use, you know, well, we don't have enough funds. You never do for all the demand that you have out there and all the needs that you have.

The disaster funds are designed to be last-in funds. Funds of last resort. So we're always looking for, is there anybody else that can help private sector, public sector, you know, whatever it may be. So I would say continue to reach out to your partners. And even as you're going down this avenue, you may find some additional resources that have not been tapped into yet, that are, you know, they're outside of what DR funds offer.

Scott Ledford: So second part of that question is, how have you managed public expectations around the amount of funding or support they will receive from the state?

Tommy Lowmon: We don't manage public expectations. We just let people get upset. I'm just kidding.

We are very upfront and transparent in everything we do. And when we -- when we knew the funding was coming, when we -- when we started talking, when we reading the Federal Register Notice, we were going out and meeting with individual communities. And we were getting, you know, trying to get a good gauge on what's going on. And I think overcommunicate is the best thing. Overcommunicate, tell them what you're doing all the way through the process.

And as we were getting into this, Georgia had not had a declaration in 10 years. So nobody was familiar with DR funds. And I was very with all the rules and regs. So we worked with the communities as partners and said we're going to learn this process together. We're going to go down this road and fix as many homes as we possibly can until the funds run out.

I think if you're upfront with people about what you're doing all the way through the process and you don't try to just push something through, people are receptive. And then when you tell them, hey, we tried this, it didn't work, they're okay with that as long as you're honest with them and upfront. But with how we manage public expectations, overcommunicate.

Olivia Healey: Thanks, Tommy. You mentioned leveraging when putting together housing projects. What about leveraging local resources on the admin side, or do you strictly rely on HUD's admin funds?

Tommy Lowmon: So we have a very tough team. And I was telling Scott and Olivia earlier that I recently got a promotion. So the person under me that was under me is Kathy Trembley, if anybody wants to reach out, she's the person who actually makes everything happen in Georgia. But she is very, very tight on all of our dollars. And if anybody sends anything in that's not okay, we'll send it back and say we're not paying for it.

And while the DR funds do not require a match, we do ask the local government if it's something that's outside of our scope or something that we consider just not necessary, reasonable, then you're going to have to pay for it, right? It still has to be in the federal regs, but you're going to have to pay for it.

The other thing we do is we can -- working with the local governments, there are so many things that can be coded as activity delivery cost, especially if you're signing a single subrecipient agreement directly with that one local government. If it's a state, you're working with a direct subrecipient, a lot of what they do can be considered activity delivery costs if they are working on carrying out that one activity.

Now, there's some things that are always going to be admin, but for the most part, you can stretch your activity delivery cost dollars. And if you get on working with your partners on the front end, if you got subrecipients, I would say make sure that they know that they have those planning dollars available, because there's a lot of stuff you can do with planning, getting ready and prepping that sometimes gets it up an admin and probably shouldn't be there.

Scott Ledford: All right, well, here's a question that kind of follows on to what you were just talking about. Should indirect costs for admin, such as accounting and compliance expenses, be charged the 5 percent admin cap or to activity delivery?

Tommy Lowmon: Can you -- can you say that one more time? You're breaking up a little bit.

Scott Ledford: Sure. Should indirect costs for admin, such as accounting and compliance expenses, be charged to the 5 percent admin cap or to activity delivery?

Tommy Lowmon: So I'm not a lawyer. I always say consult your lawyers and your attorneys and also CPD Notice 1307 and all the HUD regs that go along with activity delivery costs. For me, how you design your program and what exactly that staff person is doing is going to depend on how you charge those costs. And if you have a savvy enough system of record, an accounting system, you can track the individual to the specific activity that they're doing, provided you have enough detail.

But I would say check with your HUD rep and make sure what kind of appetite they have for that and to make sure it fits in with the federal compliance. That's all I want to say about that. I know it's a touchy subject, so. I will talk offline. I just can't say it on here.

Olivia Healey: Okay, thanks, Tommy. What are some of the lessons learned that you would do differently in program management?

Tommy Lowmon: Oh, my goodness. You know -- I'll tell you what -- I heard from other states and some of them love HUD TA, the TA that HUD offers. Some of them hate the TA. We gobbled it up. We used every bit of the TA that we could possibly use. We loved it.

So I would say what I would do different early on is staff up appropriately. Because there's a lot of things that you think you can do. And a lot of times it's getting -- if you ever need somebody to be an advocate for you, for senior level management says, oh, you don't need those people. I wish I had early on, brought people on a lot sooner so that they could learn as we're developing the process.

So as far as project management goes, I would have brought my team on and together much sooner. So I would have pushed and made the argument a lot stronger for the need for additional staff. I would have made that argument a lot sooner. I'll just put it that way. I could go on for days about lessons learned, about what not to do. That's a whole 'nother presentation. It's that the DR 101 or 202 of everything to do wrong. But I like it like to blame it on other people. So we'll talk about that.

Scott Ledford: All right, so I think you might like to question, Tommy. What was the definition of R&D that you used so?

Tommy Lowmon: So I love all these acronyms. R&D is not research and development. It is rip off and duplicate. Right. So our HUD TA provider said, well, federal dollars paid for it once. That's the nice way of saying it. But I'm still saying rip off a duplicate.

There's another acronym that I like to use because there was a question asked earlier, talking about public engagement and, you know, how to keep public perception well, or just engage the public and let them know what's going on. And there are two ways that you run a project when you're talking community development. The dad versus the pop. The dad way of running a project is decide what you're going to do, announce, you know, announce it to the public and then spend all your time defending it. So decide what you're going to do, announce it and then defend it. And you do that through the whole process.

The pop is the method I prefer, which is the people own the process. And when the people own the process, they feel like they have a little bit of say in what's going on -- you know, the regs actually own the process. But the people get to be involved in it when you're getting data, when you're collecting the unmet needs information and designing programs around that. So I would say do not leave your public out and bring people into the process. I know that wasn't the question. I just got diverted by the letters, you know.

Olivia Healey: I think just to build off of that, earlier, you mentioned how important it is to know the right people and be able to kind of network and kind of, I guess, your rip off and duplicate, but borrow and use work that other people have already done. How do you network and build that community of the people that you reach out to and collaborate with?

Tommy Lowmon: So my team has heard this before, but ever since the invention of Google, there's not an excuse that you can't get a hold of somebody, find information, or make something happen. So Google is out there and I will go down the list until I find the right person, like, I'll email -- you know, I'll Google, CBG-DR, Texas, and I'm eventually going to find Heather over there and get her number.

But I will tell you what I did when we were in person. I made it my ultimate goal to get cell phone numbers, private, even private cell phone numbers. I was going to get your cell phone number because if I have a burning question at midnight, and I want to get an answer to get it off my chest, I'm going to call you. So you know, some people, Stan Gaumont [ph] from Louisiana, I mean, not Stan, but Pat Ford from Louisiana probably is regretting giving me his cell phone number. But I made that one of my goals, to get cell phone numbers.

Scott Ledford: Great, thanks for the warning.

Tommy Lowmon: Thanks for your cell phone number too, by the way.

Scott Ledford: So another question from the Q&A box here. How do you allocate costs across multiple CDBG-DR programs?

Tommy Lowmon: So we have a pretty basic accounting system, so we just do it right when the funding comes in, we have it by award year. 2017, we have it by award year, we have 2017 admin. We have 2017 planning. We have 2017 activity delivery costs that are related to each program and we break it down very specific like that.

Then we have 2017 homeowner rehab for where our staff is working on the home or rehab. And then we have 2017 homeowner rehab pass-through. So we have a lot of codes and we build specifically to those codes for the activities that we're doing working on those codes.

And when another disaster comes in -- 2018, we start all over with the programs because you'll find different disasters, require different programs to fix and address those disaster needs. So it'd be nice if you just had one cookie-cutter thing you did every time, but it doesn't work that way. And that's why I love the versatility of disaster recovery funds. You're able to do a lot of different activities to address those needs.

Olivia Healey: Great. Are you finding that the GDBG-DR programs are more challenging or easier to implement with your -- with a smaller award?

Tommy Lowmon: Say that again.

Olivia Healey: Yeah, I'm sorry. You mentioned -- wrong question. Are you finding the GDBG-DR programs more challenging or easier to implement with the smaller awards?

Tommy Lowmon: Oh, I would say with the smaller awards, it is more challenging. And I say that because the base lift that any project is same and you start getting -- if it's a million dollars or a billion dollars, the base left is the same. So you've still got to have a system of record. You still got to have staff to implement those activities. You still have to have everything that you're going to have for a hundred -- 10 billion dollar program or 100 billion dollar program.

The base lift is the same. The federal requirements do not change based on the dollar amount. So I would say you give somebody else resources to address, you know, the same threshold requirements for grantees with billions of dollars. It's harder for the smaller grantees, but it is possible.

So I don't know what these are on the side over here. There's like exclamation points or -- from the attendees. Are you yelling at the screen like, you know, I don't know.

Scott Ledford: That's exactly right.

Tommy Lowmon: There's no question marks popping up like, what the heck is he talking about? You know, I don't -- I don't know what these mean or anything. It's a code.

Scott Ledford: Oh, we got them for you. We got them.

Tommy Lowmon: Okay, good, good.

Scott Ledford: You mentioned engaging finance early on in the process. What advice do you have regarding determining contracts with compliance to CFR 200?

Tommy Lowmon: Oh, my gosh. So as you bring finance to the table, you bring in, if you have a procurement specialist, you bring them in. If you don't have a procurement specialist, read the regs 110 percent. I mean, they're easy to learn. You just got to have [inaudible] up a competition, you know, and it's pretty well spelled out.

And I would say the best resource, if you're digging into it, is the Buying Right Guide from HUD. And it's going to contain everything you have in there. But I would bring them to the table as soon as you bring finance to the table. And I do that way before you get your award, way before you're even thinking about getting your award, as soon as you know the funds are there, you bring procurement together with finance and your senior level member leadership to let them know this is going to be a big lift, bigger than they anticipate.

And it's always good to either bring HUD in or another state grantee to tell the war stories of not doing it quick enough. Like I said, I'll volunteer our services to help you make a case if you need to hire more people.

Olivia Healey: Great, Tommy. When you talk to your communities about the smaller funds, how do you approach the prioritization of projects?

Tommy Lowmon: So housing is always going to be your big focus, right? You got to address the housing unmet need first. And you put somebody in a solid and sanitary, safe environment, the rest of their life can start becoming repaired or starting to mend. So housing is the biggest one first.

After that, all of our focus is on one of the things that add to that. Infrastructure is going to add to making your housing livable, safe and sanitary. So if you're doing bio and acquisition activities, that's going to remove people out of harm's way and it's going to hopefully, in acquisition, you're going to redevelop in the future.

But prioritization of resources. And you have to address the housing unmet need first. And then whatever for us, whatever comes next. When we did our unmet needs analysis, we ask a lot of questions and we brought our GIS folks together. And if you're wondering, you know, well, we don't have GIS folks, there out there. And they're actually -- they'll help you a lot of time, like coastal resource folks.

There's people out there that will come and help you because that's what they do every day. And they usually will have a study or you'll have a nonprofit who gathered all the information saying these were the needs that we had. And once I get the data and I try to let the data lead the discussion. And when you can show in the numbers that, yeah, home ownership was impacted, but our rental population was impacted a little bit more. So for us, we based our allocations on the percentage of the impact from the unmet needs assessment. It's easy to defend when the numbers are making the argument for you.

Scott Ledford: All right, a little follow up to that one, with a slightly different twist, here. Can you talk a little bit more about strategy when there is not a political appetite for the programs you proposed?

Tommy Lowmon: So I'll give you a prime example of when you don't usually have a political appetite. If you're in a rural community and you're talk about. You're going to have probably your elected officials come and say, well, those homeowners live in my district, and if you get rid of those homeowners, I'm not going to have voters. And you're also going to lose our tax base. And all of this other -- they start getting the scarcity mentality if you move these people.

I would say, when you don't have the political appetite for it, educate, educate, educate, educate. And if you're not finding the data you need to make your argument -- because these programs are good. It's how you package the information. When that when the local elected officials come to me and say, well, you're taking away our tax base from these homes, I can show them studies from the University of Georgia that we pull that shows for every dollar of revenue you take in with a home, you're spending like $1.75 to take care of that home. So you're actually losing money, there.

You're worried about losing your voters. Well, we're going to offer a buyout incentive to keep them in the community. And then also we're going to get people out of harm's way. You just got to be able to make the argument for why this is good and get the elected officials on board early on.

And when you win, give them credit for it. Whether they did anything or not, give them credit for it. Invite them to the ribbon cutting, have them be part of the thing so they can actually see the money going to work. They'll be a champion for you next time for sure.

But I'd say get them involved early if they don't believe in it. So I would say educate, educate, educate. And if you need help, I'm sure there are people out there to have the data to support, you know, why it's good to do these programs or why it makes more sense to do this or how you're helping those people.

And then also, if worse comes to worse, you get a couple of citizens who've been impacted heavily by disaster and you get their story. And you go to that elected official and you say, this is Mary Johnson and Mary Johnson has three kids and Mary Johnson doesn't have a house to live in. She needs you to help us get this off the ground. It's hard to tell, you know, the constituents know, or the voters know.

Olivia Healey: You talked about how important team is earlier and how you're just a running machine. Can you talk a little bit more about how your team's made up? Is it full-time hires, subcontractors; and if they're full-time, what do you do with the staff when the grant is completed?

So my boss tells me that if I'm working 12 hours a day, that that's part-time work; that I should be working 24. He tells me that all the time. I don't think he thinks I work enough. But we have full-time employees. We have full-time employees. We, again, we have partners in the nonprofit world. We partner with state agencies where right now we're working on a workforce development program, where we're working with the technical colleges of Georgia who actually know exactly what the workforce needs are.

So we're getting -- we're partnering with a lot of people. When we do that, we don't have to use admin dollars to pay for people. We just have to monitor. We set up the application where we can collect all the data, then we can monitor for compliance.

But as far as our staff goes, we're all full-time. We all come in under the auspices knowing that this is a temporary grant-funded position. So we're only here for a short time. The idea is, you know, we were here for six years, but I think Heather said she -- Heather Lagrone in Texas said she was a part-time employee like 20 years ago. She came in to run this temporary program 20-something years ago and she's still here.

So the nature of the disasters is they're getting more and more and more and more intense. So we're seeing them more and they're becoming more intense. So the odds are you get into this not knowing what you're getting into. And by then, the beast has sucked you in and it's too late, you're stuck.

But our team is full-time. And I would tell you, we work as a team. I have hands down, not knocking anybody else in a nation, but Georgia's team is the best DR team in the nation. I have the best people that that you can ask for.

Scott Ledford: And we're watching exclamation points roll in on the Q&A box to that point. So this one is a little bit close to that, kind of gets into the weeds. For staff time charged to the programs, are you using a timekeeping system to track the actual hours worked on the program?

Tommy Lowmon: So we have -- we use -- it's a state system for us, we use People software. They track by percentage. So we have to allocate based on what that employee does. We were -- we were in a system where we were tracking it. This is how much they did on this day, this many hours for this specific activity. They work two hours on a buyout manual, just a specific activity.

We are working on trying to make it where it's not so cumbersome, but also follow the regs in attracting those -- tying those hours to what they're doing. The best thing to do is if you have a specific program is have that person allocated 100 percent of that program except for those things that they are doing that are admin-related, which you have to carve out. Because everybody has some admin activities that are doing. But if it's specifically related to that program, the best thing to do is keep that person focused on that program.

We did have everybody broke out all over the place. Our finance department still hates me to this day. But, you know, it is what it is. We got to check the numbers. So I don't know if I answered your question or not, but maybe.

Olivia Healey: I think you did. You mentioned earlier about your workforce development program. We have a question about, do you have an acquisition program and if so, what is the best way to implement an acquisition program?

Tommy Lowmon: So we do have an acquisition program, but we are so early in the development of that, I can't call it successful yet. Until we acquire something, I can't really call it a successful. So I'm not going to be able to give you a best practice on that yet. Our team's working on it. But, sorry about that. Oh, our teams working on it, and hopefully the next time we talk, we'll be able to give you some great success stories. But I have none at this point. New York's implemented a lot of acquisition. I think there are a lot of other states that have done and done it well.

Scott Ledford: All right, so kind of similarly, with housing as your priority, does your program include assisting rental property owners of one to four units serving LMI households?

Tommy Lowmon: So the way we addressed our rental -- the way we addressed our rental properties was working with the multifamily folks. We lost the rental we worked with over there. So we did not do it where we were assisting renters with less than one to four. We just did affordable multifamily.

Now, I will tell you, and I'll click back if I still have access to it. If you look in our rural areas, we have a lot of subdivisions. So these homes are developed to look like the homes that are in that neighborhood, so you don't stand out as some big, tall monstrosity. And you could do some scattershot development. So we just replace what was lost.

Olivia Healey: Okay, and I have access to your slides, so if you wanted me to click back to that, I could, but -- Moving forward, have you found that there's more interest in certain activities when you're trying to leverage funds?

Tommy Lowmon: Yeah, for sure. There's definitely more interest in activities. And again, this goes back to the political thing. What is the leadership in that community okay with doing, or they'll get the least backlash for? Or is it something that they know that they need the most? You know, I would say the leverage is going to depend on the partner you bring to the table, the way you leverage it.

So if you're bringing in partners to the table, you bring in an expert in that area. I always like to work with people a lot smarter than me in what they do. Luckily for me, that's not that hard, so --

Olivia Healey: I don't think that that's true with all this experience you're given us.

Scott Ledford: All right, well, Tommy, I also know you have some resources you want to share, but I did just want to point out, you do have some exclamation marks in the Q&A box that Heather has not been there quite 20 years.

Tommy Lowmon: Okay, I'm sorry, Heather. I'm so sorry. You're on my team, whatever.

Scott Ledford: All right.

Olivia Healey: These were the very sources that we pulled together. Tommy mentioned some of them when he was on. I forget which slide, Tommy. I think it was the leveraging sides, or it was the slide right before, but here's a lot of resources that you guys can use.

And then, thank you so much for joining today's session and being our presenter. We've learned so much from you and have a lot of good best practices to use moving forward.

Scott Ledford: And we'll include Tommy's cell phone number at the bottom of this when we post it on HUD exchange.

Tommy Lowmon: Personal, please. Yeah. Thank you all. We'll see you.

Olivia Healey: You guys can log out of this session and we hope to see you in our last session for today. Thank you.

(END)