FY 2017 Capacity Building for Community Development and Affordable Housing (Section 4) Grant Program Kickoff

February 14, 2018
1:00pm-2:30pm
Agenda

• Welcome and Introductions
• FY 2017 Section 4 Grant Agreement Updates
• FY 2017 Section 4 Operating Instructions
• FY 2018 Grantee Monitoring
• Rural Definition Research Project Update
• Performance Output Research Project Update
• FY 2017 NOFA and Award Q&A
• Section 4 Program Group Discussion
Welcome and Introductions

- HUD - Office of Policy Development and Coordination (OPDC)
- Enterprise Community Partners (Enterprise)
- Habitat for Humanity International (HFHI)
- Local Initiatives Support Corporation (LISC)
FY 2017 Section 4 Grant Agreement

- Signed and Delivered - either In Person or By Mail
- FY 2017 Grant Agreement Updates
  - Increase in numbered paragraphs
  - No more references to Work Plans
  - Paragraph 6 - Incorporation of revised application budget and budget narrative as part of the “Application” package
  - Paragraph 7 - Defined utilization of DRGR system
  - Paragraph 8(e) - All Section 4 funds committed (obligated) to an Action Plan activity by 36 months
  - Paragraph 12 - Match and Leverage associated with a specific Action Plan activity
FY 2017 Section 4 Operating Instructions

• Largely the same as FY 2016
• Operating Instructions will be delivered soon, we will finalize them in line with FY 2017 Rural Capacity Building awards
• Just a reminder, Grant Agreement supersedes Operating Instructions, so always default to grant agreement for compliance requirements and expectations
• DRGR Update - HUD users currently have restrictions on updating/revising grantee user profiles, this issue is not scheduled to be fixed until May 2018, if you have issues making these changes please let your grant manager know
• OPDC will use a risk analysis process to select grantees for monitoring in FY 2018
• OPDC anticipates monitoring one Section 4 grantee in FY 2018
• For more information about the monitoring process please refer to CPD’s Monitoring Handbook version 6509.2 at https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/6509.2
• General monitoring policies are described in Chapter 4 and the Section 4 program is covered in Chapter 33
• Purpose

- To fully understand and evaluate the current rural definition and assess benefits and limitations
- Assess past beneficiary compliance with the rural definition (conduct a random sample of recent Section 4 and RCB beneficiaries)
- Select a rural definition and develop appropriate policy guidance for the FY 2018 NOFA
- Develop appropriate policy guidance for rural definition(s) in place on all open awards
• **Current Rural Definition (FY 2017 NOFA)**

  ▪ A rural area is a statistical geographic entity delineated by the Census Bureau that does not meet the definition of an [urbanized area](https://www.federalregister.gov/documents/2010/06/28/2010-15605/2010-stand-ards-for-delineating-metropolitan-and-micropolitan-statistical-areas) in the Office of Management and Budget’s 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas, 75 FR 37252 (June 28, 2010)
  

Rural Definition Technical Terms

- **Urbanized Area [Census Based]**
  - Statistical geographic entity consisting of densely settled census tracts/blocks and adjacent densely settled territory that together contain at least 50,000 people

- **Urban Cluster [Census Based]**
  - Statistical geographic entity consisting of densely settled census tracts/blocks and adjacent densely settled territory of at least 2,500 people but less than 50,000 people

- **Urban Area [Census Based]**
  - Statistical geography meeting the definition of an urbanized area or urban cluster

- **Metropolitan and Micropolitan Statistical Area (now referred to as CBSA = Core Based Statistical Area) [OMB Based]**
  - Metro = county or counties (or equivalent entities) associated with at least one urbanized area of at least 50,000 population, plus adjacent associated counties
  - Micro = county or counties (or equivalent entities) associated with at least one urban cluster of at least 10,000 but less than 50,000 population, plus adjacent counties
• **Policy Implications**
  - Assessing application and compliance with the definition
  - Beneficiary’s physical address versus beneficiary’s identified or intended service area

• **Assessing Application**
  - Use of CBSA and Urban Area Terms - These terms are urban focused, so in application any area not identified as urban using the selected term, would thus be considered rural

• **Beneficiary’s Physical Address**
  - Does the location of a beneficiary’s physical address need to be in a rural area?

• **Policy Implications**
  - Does the beneficiary’s service area need to be in a rural area?
**Rural Definition Analysis Example** - Physical Address

- Sample beneficiary physical address (represented by red dot)

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Urbanized Area</td>
<td>No</td>
</tr>
<tr>
<td>Urban Area</td>
<td>Yes</td>
</tr>
<tr>
<td>CBSA</td>
<td>Yes</td>
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- Secondary assessment could look at service compliance
As HUD works through this research project, we would like to get feedback from the Section 4 grantees

- Open Discussion
- Post kickoff - send questions/comments to Aaron Taylor at aaron.a.taylor@hud.gov
Purpose

- To review and assess the current performance output library introduced in the FY 2015 NOFA
- To research and consider the addition of performance outputs targeted at assessing organization capacity change that goes beyond production, monetization, and service scope of the current outputs
- Finalize an updated library of performance outputs and develop appropriate policy guidance for FY2018 and future awards
Performance Output Research Project - Scoping

- **Performance Output Research Project Scoping**
  - The current performance output library has a strong focus on production and service accomplishments
    - Production: units rehabbed, units retained, units in the development process
    - Monetization: $ of grant awards, $ of loans
    - Service: trainings conducted, organizations served, TA engagements
  - Program mission is to increase organization capacity, so how do we statistically demonstrate the organizational change impact
    - Two core approaches
Two Core Approaches

- Establish baseline and assess percent change
  - Example: Beneficiary had a baseline of rehabbing 5 units per year and after 2 years of ongoing Section 4 support the organization is now rehabbing 15 units per year
  - Percent increase in rehab work is 200% (i.e. 15 - 5 = 10, 10/5 = 200%)

- Create new targeted outputs; As a result of Section 4 assistance ...
  - Number of organizations with financial management systems that comply with Federal Regulations
  - Number of organizations with new or increased housing (or community development) permanent staffing
  - Number of organizations with improved or revised policies and procedures
  - $ increase in community development (or housing) investment
As HUD works through this research project, we would like to get feedback from the Section 4 grantees

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FY 2017 NOFA and Award Q&A

• Elongated timeline for making FY 2017 award decisions and delivering the grant agreements

• New for FY2017 - the Application Budget Revision process

• Any Grantee Feedback on the FY 2017 Section 4 NOFA?
Section 4 Program Discussion

• Like to conclude the FY 2017 Section 4 Kickoff with an Open Discussion on the Program (some possible discussion questions are listed below):
  
  ▪ Are there areas of the program where HUD could be providing more definitive guidance?
  ▪ Have there been any prevailing implementation obstacles or challenges that are new or unique?
  ▪ HUD has worked to produce program performance outputs but have yet to develop program outcomes, how do you (Section 4 grantees) approach developing grant award outcomes?