



What's New at HUD: Fall 2014 Notes From HUD's TA Provider Institute

By
Matthew Elder, Project Consultant
melder@wfnconsulting.com
WFN Consulting
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Executive Summary

Twice a year, HUD holds a meeting in Washington, D.C. for all of their technical assistance (TA) contractors selected to assist entitlement grantees across the country. As one of those providers for the Neighborhood Stabilization Program (NSP), WFN was present for the most recent TA provider meeting. While the focus of the meeting was the new place-based approach to providing TA, there were also a number of interesting updates from HUD staff regarding changes within the Department and some of the new initiatives that will be rolling out in the coming months.

A few of these updates were:

- Disaster Resilience Grants
- Office of Economic Resilience
- First In First Out (FIFO)
- Section 3
- HOPWA

As a HUD TA provider, WFN is often among the first to hear of policy changes and updates that affect grantees and their programs. When grantees trust WFN with their training and complex TA needs, they receive practical advice that works in the real world from professionals with unparalleled access to HUD's decision-makers.



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Twice each year, HUD holds a meeting in Washington, D.C. for all its technical assistance (TA) provider contractors. As one of HUD's TA providers under the Neighborhood Stabilization Program, WFN was present for the most recent of these events, held in October. While much of the discussion among the TA providers and HUD representatives centered on HUD's new place-based TA approach, there were also many interesting updates from HUD staff on changes within the Department and new initiatives that are rolling out.

Many of these updates will be of interest to CPD practitioners and HUD grantees, in general.

Disaster Resilience Grants

On September 17, HUD Secretary Julian Castro announced the launch of a \$1 billion National Disaster Resilience Competition. This grant competition combines unused grant funds from Hurricane Sandy recovery efforts, and funds available through the Rockefeller Foundation.

As part of President Obama's Climate Action Plan, a recent National Climate Assessment was conducted that made clear, extreme weather events – including heat waves, drought, tropical storms, high winds, storm surges, and heavy downpours – are becoming more severe. In many places, these risks are projected to substantially increase due to rising sea levels and evolving development patterns. Events like Hurricane Sandy have made it evident that we remain vulnerable to such events in spite of advances in disaster preparedness.

These funds are now available to communities that have been struck by natural disasters in recent years. The competition promotes risk assessment and planning, and will fund the implementation of innovative resilience projects to better prepare communities for future storms and other extreme events. Jessie Handforth Kome, Deputy Director for the Office of Block Grant Assistance, provided updates on this competition and explained that all applicants will be reviewed in two phases. The first phase looks at the applications through a framing lens. Part of the application process requires that applicants determine both the needs and remaining risks that exist from the natural disaster that occurred.

Applicants that make it to Phase Two must design a solution that not only addresses the needs and risks identified in the previous phase, but that also shows that the applicant is able to look forward and

identify additional risks that may occur. Ms. Kome was very clear that all applications needed to include climate change as a future risk.

Office of Economic Resilience

The Office of Economic Resilience was previously known as the Office of Sustainable Communities. It is also the lead office for President Obama's Climate Action Plan. The Office of Economic Resilience aims to help communities and regions build diverse, prosperous, resilient economies. In order to achieve these goals the Office of Economic Resilience looks to help communities enhance the quality of place; advance effective job creation strategies; reduce housing, transportation, and energy consumption costs; promote clean energy solutions; and create economic opportunities for all.

Danielle Arigoni, Deputy Director for the Office of Economic Resilience, shared a few details about the President's Climate Action Plan and what it could mean for jurisdictions. The overall goal of her office is to expand the investment in Green Buildings in order to try and reduce the carbon footprint created by HUD projects. On average, HUD spends around \$7 billion dollars annually on energy costs.

First In First Out

On May 9, 2014, HUD's Acting Assistant Secretary for Community Planning and Development, Cliff Taffet, issued a memorandum to all Community Planning and Development (CPD) formula grantees and field offices that announced the end of HUD's long-standing accounting measure known as First-In-First-Out (FIFO). This methodology was utilized within the Integrated Disbursement and Information System (IDIS) to track grant allocations and ensure that grant funds were being spent in a timely manner. A review of this accounting measure by both the HUD Office of the Inspector General (OIG) and the Office of Management and Budget (OMB) determined that this methodology does not comply with federal financial standards due to material weakness findings against HUD's financial statements by OIG.

This sudden change in the way many grantees financially manage their HUD grant has prompted many questions from the entitlement grant community. Diane Lobasso, Director of State Programs for HUD, provided some limited answers to those questions and provided some insight about what was happening behind the scenes. HUD has almost completed their work re-engineering IDIS to remove the FIFO accounting methodology from the system. FIFO is officially no longer in effect as of the disbursement date of the FFY 2015 awards, but the universal rule, that all grant funds must be expended within 8 years of the distribution of allocations, still stands.

HUD acknowledged that the biggest challenge with the FIFO changes was how local entitlement grantees will manage their HOME Commitment and Expenditure deadlines. HUD did state that some additional guidance would be coming in the form of guidebooks and webinars.

Section 3

Developed as part of the Housing and Urban Development Act of 1968, the Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. In August 2014, it was announced that a proposed rule to make Section 3 requirements clearer, with easier implementation is now in the hands of the OMB for review and comments before being released for public comment.

HUD confirmed that the rule was still with OMB, but that the proposed rule should be published for public comment over the next few weeks. The new changes will be introduced by a number of webinars to be released over the course of the Public Comment period. HUD, however, did provide some details about the proposed business registry requirement in the proposed rule.

A pilot business registry system has already been successfully tested in a few metro areas, as well as with a Native American tribe. This system allows businesses to self-certify that they meet at least one of the Section 3 requirements, which allows them to be listed in the registry as a Section 3 business. The registry would immediately notify all registered businesses of any pending HUD-funded opportunities that are open for bid. This registry should not only encourage a more competitive bidding process, but also help jurisdictions implement Section 3 requirements.

Historically, HUD's Section 3 reporting website has been offline and unavailable for entitlement grantees to submit reports. HUD said that they are still working on this issue, but hope to have the system go live by the end of the year. All grantees are being advised to continue to maintain records and not to submit any paper records to HUD. Once the system is available online, new reporting due dates will be released to entitlement grantees.

HOPWA

The Housing Opportunities for Persons with AIDS (HOPWA) Program is the only Federal program dedicated to the housing needs of people living with HIV/AIDS. Under the HOPWA Program, HUD makes grants to local communities, states, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.

HUD, in conjunction with the U.S. Department of Labor, and the Department of Justice has recently developed and released a new Employment Curriculum. Designed to alleviate misunderstandings and correct misinformation that can create employment barriers, the curriculum will educate those infected and/or living with HIV/AIDS, as well as their current and prospective employers.

The new Employment Curriculum can be viewed here:

<https://www.hudexchange.info/training-events/dol-hud-getting-to-work-curriculum-for-hiv-aids-providers>

Additionally, HUD is developing a Rental Assistance Guide Curriculum to go along with the Employment Curriculum. The goal is to have this curriculum fully developed and online by the end of the year. HUD will also soon announce that it will soon require all HOPWA grantees to utilize the Homeless Management Identification System (HMIS) as a coordinated way to capture data.

WFN's Training & Technical Assistance Services

As a HUD TA provider, WFN is often among the first to hear of policy changes and updates like the ones above. And because we provide the full-time management of HUD and other federal grant programs for entitlement grantees, WFN knows firsthand the challenges faced by practitioners in implementing new regulations and guidance – and has developed innovative approaches to doing so. When grantees trust WFN with their training and complex technical assistance needs, they receive practical advice that works in the real world from professionals with unparalleled access to HUD's decision-makers.

Whether your jurisdiction needs guidance on the new Section 3 proposed rule or assistance implementing grant budgeting programs to make up for the change from the FIFO approach, WFN Consulting can help. Let us show you how.

WFN Consulting
123 Church Street, Suite 300
Marietta, GA 30060
Email: mail@wfnconsulting.com
Website: www.wfnconsulting.com