



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

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WFN Consulting
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EXECUTIVE SUMMARY

Twice each year, HUD holds a meeting in Washington, D.C. for all the firms HUD contracts with to provide technical assistance (TA) to grantees. As one of HUD's TA providers under the Neighborhood Stabilization Program, WFN was present for the most recent of these events. There were many interesting updates from HUD staff on changes within the Department and new initiatives that are rolling out. These notes from the TA provider meeting include:

- The Future of CDBG Reform
- Updates on the eCon Planning Suite
- What's Happening with NSP?
- RAD – The Future of Public Housing?
- The “Affirmatively Furthering Fair Housing” Proposed Rule

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 technical assistance 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 May. While much of the discussion among the TA providers and HUD representatives centered on the administrative work of providing TA under the program, revisions to internal protocols, and updated reporting metrics, 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.

The Future of CDBG Reform

Stan Gimont, Director of the Office of Block Grant Assistance, provided an update on HUD's efforts to reform the 40-year-old CDBG program. Congress last reauthorized the program in 1992 and the entitlement funding formulas haven't been touched since 1974. Since the program's creation, the number of communities qualifying for entitlement status has doubled from about 650 to more than 1,200. As a result, the number of grantees grows and each grantee receives less funding, and HUD's internal management capacity is not keeping pace. For example, the entitlement communities of North Mankato, MN and Colonial Heights, VA were each allocated less than \$70,000 in 2014 CDBG funds and 370 entitlements received less than \$500,000. Meanwhile, some large urban communities are receiving barely half the amounts they received in 1975 – without even making an adjustment for inflation.

As such, both regulatory and statutory reforms are being drafted with assistance from the Office of Management and Budget. Secretary Donovan will begin some legislative advocacy for the changes over the summer while some of the regulatory changes may be released as

proposed rules as early as next year.¹ Central to the reforms will be an emphasis on targeting funds to focused areas to produce tangible neighborhood transformations.

Updates on the eCon Planning Suite

According to Meg Barclay, a Senior CPD Specialist and HUD's eCon point person, in 2015, 800 grantees will be submitting their Consolidated Plans for the first time using the new eCon Planning Suite. Of these 800, more than 500 have not received any training on the eCon platform. This training gap squares with WFN's own observations. In the many RFPs we read from jurisdictions seeking assistance with preparation of their Consolidated Plans, a majority express a specific need for training and assistance with eCon.

HUD is continuing to enhance the eCon Planning Suite by adding new resources to support it. One of the latest of these is the Citizen Participation & Consultation Toolkit launched in April, 2014. The toolkit (<https://www.onecpd.info/consolidated-plan/econ-planning-suite-citizen-participation-and-consultation-toolkit/>) contains 19 different guides for activities from conducting web-based surveys to targeting media to non-English speakers.

What's Happening with NSP?

In short, the NSP program is winding down. Last September, HUD eliminated the positions of all remaining NSP-focused field office staff. Additionally, expenditure deadlines for all NSP variants have passed. Many grantees missed the NSP-3 expenditure deadline and were given informal extensions; HUD has not yet sought to recapture funds from grantees that failed to meet the deadline. Of course, grantees that generated NSP program income are continuing to operate. One interesting fact that is emerging is that more than 50% of all NSP units nationwide will be multifamily units.

RAD – The Future of Public Housing?

HUD's Rental Assistance Demonstration (RAD) program is gaining good traction with the nation's public housing authorities. The program allows PHAs to convert the operating and capital funds they receive from HUD into Section 8 rental assistance or project-based vouchers. From HUD's perspective, these are no-cost conversions that simply change the programming of funds the PHAs would be receiving under the traditional public housing grants. From the perspective of PHAs, the program provides a stream of regular, dependable funding (rather than fluctuating grant amounts that come in fits and starts as Congress passes – or doesn't pass – an annual budget). The more stable funding stream can leverage private financing for upgrades and improvements to the former public housing properties.

Congress initially authorized up to 60,000 unit conversions under RAD. Interest was low at first, with only 12,000 unit conversions applied for in the first stage of the demonstration. But subsequent tweaks, such as allowing "rent bundling" to cross-subsidize units between different properties in a PHA's portfolio, have generated greater interest. Applications now stand at 180,000, which is 15% of America's public housing units. HUD's leadership is hoping to

¹ These plans regarding Secretary Shaun Donovan's legislative advocacy were presented prior to his being nominated Director of OMB; it's unclear how Donovan's nomination may affect his short term legislative agenda as HUD's Secretary.

ultimately have just one rental housing assistance program based on the Section 8 model. With RAD as the tool for conversion of public housing to Section 8, PHAs and affordable housing professionals should be following this program closely. Learn more here:

<http://portal.hud.gov/hudportal/HUD?src=/RAD>

Regarding the “Affirmatively Furthering Fair Housing” Proposed Rule

Though the proposed AFFH rule was mentioned, HUD staff were only permitted to read a brief, prepared statement essentially communicating that HUD is reviewing the more than 1,000 public comments received, some of which are very “sensitive,” and is contemplating next steps. No further AFFH developments are expected this year.

WFN’s Training & Technical Assistance Services

As a HUD TA provider, WFN is often among the first to hear of policy changes and updates that affect grantees and their programs. 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 training on the eCon platform or the new HOME regulations, or you just need help resolving issues with a project that’s gone off track, WFN Consulting can help. Let us show you how.

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