Program Managers Conference Summary Report
February 25 – 26, 2019

COSCDA held its annual Program Managers Conference on February 25 and 26, 2019 in Washington DC. Copies of the presentation PowerPoints and handouts can be found on the [COSCDA website](#). The Summary Report below highlights some of the key points made at each of the sessions.

Plenary Sessions

Washington Update
Speakers:
- Stan Gimont, Deputy Assistant Secretary for Grant Programs, HUD
- Claudette Fernandez, Director, Office of Block Grant Assistance, HUD
- Jemine Bryon, Deputy Assistant Secretary for Special Needs, HUD

New HUD officials are eager to **Work With COSCDA** in the core programs (CDBG, HOME, HTF, ESG, CoC).

HUD continues to **Lose Staff** and is struggling to keep up with demand.

COSCDA continues to provide first rate **Access To Key HUD Officials** and we have a good relationship.

Legislative Update and Important Advocacy Issues
Speakers:
- Stockton Williams, Ex. Director, National Council of State Housing Agencies (NCSHA)
- Josh Shumaker, Director of Advocacy and Federal Programs, COSCDA

The **FY2019 Funding** bill for HUD signed into law on February 15 included:

- ✓ CDBG receives level funding of $3.3 billion
- ✓ HOME was approved for $1.25 billion (slight decrease from FY2018)
- ✓ Homeless Assistance Grants received $2.636 billion

COSCDA's several **Advocacy Priorities** for 2020 include:
- ✓ Reach out to congressional members and staff on Community Planning and Development programs to support increased investments.
- ✓ Introduce, along with coalition partners, new information including updated reports on CDBG and HOME to demonstrate impact of these programs.

Upcoming Administration and Legislative Actions include the president's budget release in March and expected budget deal later in the year.

NCSHA Priorities were showcased, **Including** the potential for the **Opportunity Zones** (OZ) program in **Supporting Housing Development**. OZs could contribute to affordable housing options through investments in various markets, probable types of housing stock such as workforce housing were highlighted. Also, suggested improvements to bolster the OZ program's ability to address housing shortages were also discussed.

Addressing and Avoiding Audit Findings
Speaker:
- Aaron Taylor, Management and Program Analyst, CPD, Office of Policy Development and Coordination, HUD

Preventing Audit Issues requires that states adopt adequate procedures and effectively implement the procedures. Clearly document the procedures and all related actions.

Audit Scope is important step when being audited. Clearly understand the OIG audit scope and provide documentation directly related to and limited to the scope.

State Program Self-Assessment is like a health check to prevent audit issues and monitoring findings. Steps to undertake:

- ✓ Review organizational structure and staffing (Ex: Is the state program adequately staffed? Are they trained and knowledgeable?)

- ✓ Regularly review and update policies and procedures (Ex: Are policies and procedures in place for all relevant topic areas? Are they current?)

- ✓ Assess systems and record management (Ex: Does staff know the rules for federal/state record keeping? Are the records organized and accessible?)

- ✓ Prioritize self-assessment and innovation (Ex: How does the state's expenditures compare to other states? Does the state routinely self-assess and implement improvements as needed?)

- ✓ Review recent OIG audits (Ex: Primary OIG Non-Compliance Areas; Procurement, Time Keeping, Property Acquisition Appraisals and Documentation, Expenditure Support Documentation)

Outlook on Federal Programs
Speakers
- David Hawkings, Editor in Chief, The Firewall, formerly with CQ Roll Call
- Doug Rice, Senior Policy Analyst, Center on Budget and Policy Priorities

- Tracy Jan, Reporter, The Washington Post

The **Legislative Focus** this year will likely be on Oversight and Reform Committee work, not on programmatic policies or changes.

The **President's Budget** will be public soon, and it will likely zero out the HOME and CDBG programs. Do not be alarmed by this. The programs have bi-partisan legislative support.

Advocacy is important now. This is the time to advocate for programs so the issues and solutions for housing, community development and homelessness are on the minds of congressmen/senators/candidates going into the next election cycle.

Joint Session: Housing and Homelessness

Implementing Violence Against Women Act (VAWA)
Speakers:
- David Jones, Affordable Housing Specialist, Office of Affordable Housing Programs, HUD
- Lisa Coffman, Senior Program Specialist, Office of Special Needs Assistance, HUD
- Rebecca Frawley Wachtel, COSCDA Board Member and Tax Credit and HOME Program Director, Massachusetts Department of Housing and Community Development
Gordon Calkins, Federal Grants Manager, Massachusetts Department of Housing and Community Development

HUD has **Not Yet Provided Guidance** on implementing for housing or homelessness programs, although the law is effective for funds committed after 12/16/2016.
- ✓ NHTF\HOME Written Agreements must contain all the VAWA requirements.
- ✓ Must report annually in the CAPER – no specifics required
- ✓ VAWA does not supersede an obligation to pay rent

A big part of implementation is the **Notification Of Rights** afforded to tenants:
- ✓ Rules define who the covered housing provider is. Requirements are on the state and CoC.
- ✓ Notice Requirements – HUD 5380 and HUD-5382 – big thing from the authorization that notifies all of rights and responsibilities. Standard forms that can't be modified by grantees. Expired in 2017. Being updated via paperwork reduction act, but process in slow.
- ✓ Notice and Certification must be provided with Notice of Eviction from HOME/NHTF projects. Similar requirements for COC/ESG.
- ✓ Must be provided to tenant admitted to HOME/NHTF project, rejection of application, or when TBRA application is denied or approved.
- ✓ Grantee provides notice to owners to provide to tenants.

Documentation process should include:

✓ Provider must provide coverage based on request or provide specific documentation (police report, court order, etc.). If documentation is required, it must be requested within 14 days and be in writing. Documentation cannot be required in less than a 14 day time period. Must be consistent across projects.

Emergency Transfer Plans/Lease Bifurcation requirements:
✓ Deadline for completing plan was in 2017.
✓ Must include: How to qualify, Qualification criteria, How and who me to make a request, Documentation that will be required, if any, Confidentiality policy, Transfer policy and procedure, Tenant believes in threat of imminent harm if they do not move, Plan must explain process and conditions for qualification, Grantee may establish preferences and coordination.
✓ Qualification for Emergency Transfer does not mean that they qualify for placement in HOME/NHTF/COC/ESG unit.
✓ Lease Bifurcation allows owners to remove only the tenant engaged in criminal behavior. For TBRA, PJ must be notified prior to bifurcation.

Community Development Sessions

Tools and Strategies to Improve LMI Surveys
Speakers:
- Robert Peterson, Senior Community Planning and Development Specialist, Office of Block Grant Assistance - State and Small Cities Division, HUD
- Andrala Walker, Management & Program Analyst, HUD
- Ray Robinson, Jr., Manager, Compliance Bureau, Mississippi Development Authority

HUD issued CPD Notice 19-02 regarding use of Low- and Moderate-Income summary data for CDBG. HUD is releasing **Margin of Error data for All Block Groups** to assist in determining whether an income survey would likely result in determining that a service area is eligible.

Another significant change made via this notice is to reduce the required confidence level for survey from 95% to 90%, **Significantly Reducing the Sample Size Needed for Local Surveys**, thereby reducing costs and level of effort for grantee.

HUD will be making available a **New Electronic App to Assist Local Administrators Performing Surveys**. The app will facilitate the household questionnaire and update the result into a GIS data system.

Effective Management of Revolving Loan Funds
Speakers:
- Robert Peterson, Senior Community Planning and Development Specialist, Office of Block Grant Assistance - State and Small Cities Division, HUD
- Debbie Beck, CDBG Program Manager, Kansas Department of Commerce

- Chris Whitz, Director, CDBG Programs, Michigan Economic Development Corporation

  States continue to **Struggle with RLF Management and Reporting** including issues related to meeting a National Objective and using the appropriate fiscal management of those funds.

  Effective management requires a lot of attention from State and Locals to ensure RLFs are managed correctly. States have **Options to Restructure** local administration **or Recapture and Reprogram** RLF resources.

  RLFs can Generate Significant Monies that could result in many **More Jobs** which demonstrate the effectiveness of the CDBG Program.

Problem-Solving: Lead-Safe Work versus Abatement
Speaker:
- Nichole Hansen, Community Investments Team Leader, Iowa Economic Development Authority

  The $25,000 cap before full abatement is triggered can **Deter Using CDBG For Housing Rehab**

  Many **States Allow For Full Abatement** for housing rehab, but those states often do have a cap on expenses per house ($40,000 - $50,000)

  Many states **Use CDBG For Other Housing Incentives** like homebuyer assistance

Update from HUD CDBG Officials
Speakers:
- Claudette Fernandez, Director, Office of Block Grant Assistance
- James E. Höemann, Deputy Director, State and Small Cities Division/Office of Block Grant Assistance

HUD is working on funding **allocations** and expects to have allocation notification letters out in mid-April. We can expect the allocation notifications to include information about Federal Opportunity Zones and encouragement to look for opportunities to partner CDBG with Federal Opportunity Zones.

Policy updates included from HUD included both recently issued **CPD Notices** and upcoming ones. Available recent notices include:
- ✓ CPD Notice 19-01 Guidance on Consolidated Plans and Action Plans for FY 2019
- ✓ CPD Notice 19-02 LMI Income Summary Data Updates
- ✓ Revised IDIS Matrix Codes

Notices that are coming soon include:
- ✓ CPD Notice on using CPD/CDBG/'Section 108 with Federal Opportunity Zones
- ✓ CPD Notice on using CDBG for housing

✓ CPD Notice on NSP – expected to waive the requirement to spend Program Income first

Many grantees are anticipated to expected to update their **Consolidated Plan**; 50 – 60% of all grantees are due updates in 2020. Issues HUD recommended to consider for those updates are:
- ✓ Broadband
- ✓ Infrastructure
- ✓ Opioid crisis
- ✓ Partnerships
- ✓ Resiliency such as code enforcement

HUD wants to hear from COSCDA membership about Federal **Opportunity Zones**.
- ✓ How to make it real?
- ✓ What's not working and what needs to be corrected?
- ✓ What's missing?
- ✓ What's confusing and needs clarification?

NSP Closeouts
- ✓ Close-outs continue to be a priority for HUD – of 633 grants, 529 are still open. Good news is that $ 7 billion has been invested in 54,285 housing units in the market. $ 1.83 billion in program income has been generated.   NSP balances total $240 million
- ✓ HUD recognizes the challenges grantees are facing such as unfinished units, large amounts of program income, lack units in the most impacted areas, staff capacity and DRGR.
- ✓ Options and Opportunities to use for close-out: i.) Target areas to complete/produce units. ii.) Federal Register notice is in the works on a waiver of the requirement to spend Program Income first. iii.) One-time transfer to CDBG. iv.) Expand most impacted areas to include areas such as Federal Opportunity Zones. v.) Recapture funds

HUD is asking states to conduct a **Self-Assessment** of programs
- ✓ HUD needs to know so they can help address these issues
- ✓ HUD wants to know topics so they can develop policies around these issues.
- ✓ Please send ideas to COSCDA who will share with CPD staff.

Housing Sessions

Instituting Homebuyer Policies for HOME Program
Speaker:
- Stephen Lathom, Senior Consultant, TDA Consulting

States should ensure their homeownership assistance program policies include requirements to review income for eligibility, as well as **Assets And Expenses For Underwriting**, to minimize the risk that the household will lose the home to foreclosure. For instance, in addition to front- and back-end DTI ratios, underwriting should also account for other non-discretionary expenses, such as transportation and dependent care. When accounting for expenses that are unique to or more common with protected classes (e.g. child care - families

with children; adult care - people with disabilities) implement measures such as higher assistance limits in order to ensure policies do not create a disparate impact and make it more difficult for such households to obtain assistance.

States should include requirements related to **Senior Loans** on the property, such as minimum standards for the primary mortgage (e.g. only allow CFPB "Qualified Mortgages"), and limitations on refinance loans that will require HOME assistance subordination.

TDA Consulting provided a **Sample Homebuyers Policy** that incorporates the requirements of CPD Notice 18-09, and also has created an underwriting tool.

Local Housing Solutions: New Tool to Build Capacity for Local Housing
Speaker:
- Jeffrey Lubell, Director of Housing and Community Initiatives, Abt Associates

Getting more money is not enough. We must address the **Fragmentation Of Resources** at the local level.

Localhousingsolutions.org is website that can assist state housing agencies with building capacity of local governments and communities to develop **Comprehensive Housing Strategies**. Another helpful resource is the Urban Institute's howhousingmatters.org which focuses on reducing incarceration and recidivism.

Potentially States can **Educate And Convene** local partners to:
- ✓ Develop comprehensive local housing strategies
- ✓ Implement promising practices
- ✓ Gather and use data on local housing conditions
- ✓ Training on public participation process
- ✓ Share info on model ordinances

States can pursue **Supportive State Policies**:
- ✓ Authorizing legislation for inclusionary zoning, source of income protection, etc.
- ✓ Complementary grant or loan programs

Update from HUD HOME/HTF Officials
Speakers:
- Peter Huber, Deputy Director, Office of Affordable Housing Programs (OAHP)
- Vashawn Banks, Director, Financial and Information Services, OAHP
- Henrietta Owusu, Director, Program Policy Division, OAHP
- Caitlin Ott, Assistant Director, Program Policy Division, OAHP
- Diane Thompson, Assistant Director, Program Policy Division OAHP

Housing Trust Fund (HTF) production is well underway (17 projects completed and 208 projects underway). The program rule will be out for public comment soon. The FY19 HTF

number should be available in April. From the macro perspective: HTF is emerging from infancy and is ready for rulemaking; PJs should review and comment on the program rule.)

HOME project completion numbers were much lower in 2018 and HUD has concluded that the commitment deadline suspension is the main cause. Regardless of any deadline suspensions, PJs are urged to stay attentive to timeliness and IDIS reporting/flags, etc. Risk factors are being updated. FY19 allocations are expected by early April and the FY20 budget process should see the President's number in March. HUD is working to close out old (1992-2010) HOME grants and will be connecting with PJs. Macro perspective: Don't become complacent with HOME program/activity administration; HUD is invested in ensuring that PJs report timely, have the tools for successful monitoring, and stay attentive to the HUD risk analysis factors.

HUD's **Office of Affordable Housing Programs** (OAHP) has a robust pipeline of regulatory updates, written guidance and trainings, with releases expected starting this year (HTF Program Rule, Section 3 Rulemaking (to make implementation requirements more straightforward), HOME Grant-based Accounting Rule, HOME Final Rule update, Building HOME webinars, e-Building HOME, HTF trainings, etc. Macro perspective: OAHP has been busy producing various statutes, updates, guidance, and learning tools; these are at varying stages of HUD review. Stay attentive to the HUD Exchange and review the materials as they are released.

Homelessness Sessions

Using Longitudinal System Analysis (LSA) in Decision-making
Speaker:
- William Snow, Senior Program Specialist, Office of Special Needs Assistance Programs, HUD

The Longitudinal Statistical Analysis (LSA) presents an extraordinary opportunity for communities to use the data it is already collecting through the Homelessness Management Information System (HMIS) to understand how households use and move through its homelessness response system. While the System Performance Measures report shows communities the overall outcomes of individuals that have accessed the system (e.g., number of persons exiting to permanent housing, number of persons returning to homelessness, etc), the LSA allows communities to drill down to **Understand the Characteristics of People Who are Having Better or Worse Outcomes** (e.g., are households without children returning to homelessness at higher rates than households with children; are white households exiting to permanent housing faster than non-white households; are there differences among age groups, etc). This data will help communities focus in on specific areas that need improvement.

HUD will be releasing several **Additional Modules** that will allow communities to **Visualize the Data** using prebuilt filters and dashboards. This will allow communities to better "tell the story" of how people are using the system and what resources might need to be enhanced.

However, analysis of the data is only as good as the data itself, so data quality and HMIS bed coverage (i.e., the number of homeless service providers participating in HMIS) is critically important.

Statewide CoCs, Balance of State (BoS) CoCs, and funders that make decisions for multiple CoCs (e.g., statewide ESG allocations), strongly advocated for the **Ability to Analyze LSA Data at Levels Smaller than the Overall Large Geographical Area** that a statewide of BoS CoC covers. The system-mapping function of the LSA is very powerful, but the story it tells is more effective for statewide and BoS CoCs when it can be viewed through the lens of smaller implementation areas that are more representative of how households use the system.

Homelessness Programs Toolkit – TA Resource for States
Speakers:
- Scott Gary, Supportive Housing Manager, Ohio Development Services Agency
- Rosemary Luckett, Program Quality Manager, Kentucky Housing Corporation

The toolkit is extremely useful for **new and seasoned staff**, as well as leadership.

It is particularly helpful regarding the **coordination between CoCs and ESG**.

Challenges continue for states and balance of state CoCs around: vast geography; ESG match requirements for states that do not get state money; and, Coordinated Entry and HMIS requirements for Domestic Violence.

Successful Rapid Rehousing Strategy
Speakers:
- Kathy Robertson, Associate Director, Virginia Department of Housing and Community Development
- Stuart Campbell, Director, Neighborhood Revitalization, Maryland Department of Housing and Community Development

Rapid Rehousing should be part of a large **strategic effort** with Emergency Shelter, local planning groups and other projects in the local areas; successful implementation requires systematic change.

The community and system providers should be **involved in planning** through "learning collaborative," "system design clinics," community meetings, CoC meetings, workshops, webinars, etc.

Identify outcomes and utilize data tools. Examples of outcomes:
- ✓ Reduced time from homelessness to permanent housing
- ✓ Move more households from shelter to permanent housing
- ✓ Create a program that is inclusive and can serve anyone

Update from HUD SNAPS Officials

Speaker:

- Norm Suchar, Director, Office of Special Needs Assistance Programs

  HUD Homelessness Focus will continue to be Youth, Unsheltered, Rural Homelessness, and Racial Equity:
  - ✓ Youth: $13 million for expansion; There will be additional YHDP, up to 8 rural out of 25; There is funding available for 100-day challenges – rapid results institute – house as many youth as you can in 100 days - Good jump starter.
  - ✓ Unsheltered: Focus on West and Southwest. Very little money historically going to productive interventions and lots of money on non-productive interventions. HUD is looking at a 5-year implementation.
  - ✓ Rural Homelessness: There is a big push in this area. William Snow touring the US now getting a better idea as to what the issues are. Large geography rural CoC competition is challenging. What kinds of eligibility and programs that would work better in rural areas that are currently not allowable?
  - ✓ Racial Equity: Big national conversation. Future NOFAs will increase emphasis on racial equity work. Will be basing most of the scoring on effort as it's a difficult one to quantity. Overall system improvements will count.

  System Performance will drive funding:
  - ✓ NOFA will continue to focus more and more on system performance. One day, all funding will be done on basis of system performance. SPIST important tool.
  - ✓ LSA analysis is possible at the sub-CoC level. SPIST – online tool that takes the online data that grantees submit that visualizes it. Performance Management Module will be first. Modeling tool will come second. Can upload separate LSA geographies for analysis.

  There are **Big Challenges**:
  - ✓ Diversion: HUD does not have an official definition of diversion. Will get worse before it gets better. Prevention = Prior to homelessness, Rapid Rehousing = Homelessness, Diversion is technically between the two. Lawyers field day. Will have an answer by October 1. Low cost, low success, but still a great cost-benefit ratio.
  - ✓ Recovery Housing: "This is hard – too few know anything about this stuff." There are currently big gaps in knowledge at the policy level. Discussed on an ongoing basis with SAMSHA. Recovery residences need to be working with Medicaid. Caution is warranted when considering for-profit providers. Harm reduction vs sobriety-based housing, vs stages of change process. Providers need to be plugged into public health infrastructure. Standards need to set, whether at the state or county level. Housing outcomes are important – progress will be wiped out by homelessness.
  - ✓ CDBG Opioid: Successful outcomes are something that HUD is struggling to define. If sobriety is an outcome, then the intake process will pick the easy cases. Employment is a big success indicator. No decent guidance. Housing is a good indicator of recovery. Ann Oliva's Recovery Housing brief still a useful resource.