Welcome to the conference!

Karen Wiley, Salt Lake County, UT
NACCED President 2017-2018
Senator Amy Klobuchar (D-MN)
Jim McDonough, Chair, Ramsey County Commissioners

Janis Callison, Chair, Hennepin County Board of Commissioners
HUD CDBG PROGRAM UPDATE BRIEFING
FY 2018 CDBG enacted appropriation is $3.3 billion = 10% increase from 2017.

Section 108 enacted loan guarantee authority is $300 million, same as FY 2017.

Contains the usual annual prohibitions and limitations on CDBG funding:
  - no bartering/exchanging funds among local governments
  - 20% planning + general admin cap
  - eminent domain prohibited in conjunction with private for-profit economic development
  - mandatory underwriting for assistance to private for-profit businesses

1209 Entitlement grantees = no net change from 2017

$28 billion for supplemental CDBG-DR funding
BUDGET/FUNDING: FY 2019

- Administration request = $0 for CDBG & HOME
- Senate passed FY 2019 bill: $3.37 b for CDBG, $1.362 b for HOME, same as 2018
- House Appropriations Committee passed FY 2019 bill: $3.37 b CDBG, $1.2 b HOME
- Senate & House both propose $300 m Section 108 enacted loan guarantee authority, same as FY2017.
- 9/6/18: House vote to begin final negotiations with HUD on FY 19 bill
- Potential impact on grantees of getting 2 years’ worth of money in less than 1 year
REGULATION DEVELOPMENTS

- **12/14/16** - Final Housing Counseling rule published – defines Housing Counseling & requires certification of Housing Counselors
- **5/31/17** FR Notice – announced start of Housing Counselor Certification Exam program on 8/1/17 (starts the 3-year clock on getting counselors certified)
- **12/16/16** - Broadband Initiative – 2 Final Rules published:
  - Install Broadband capability in all Substantial Rehabilitation & New Construction of Housing
  - Incorporate broadband & resilience needs into your next Consolidated Plan - applies to any new Consolidated Plan submitted after 1/1/2018
- **6/14/16** FR Notice – allows NSP PI to be transferred to CDBG PI
- **1/13/17** Final Rule published – reduces Pb threshold for EBL in kids <6
- **5/23/18** FR Notice – withdraws the AFH Local Government Assessment Tool
RECENT POLICY GUIDANCE

• CAPER PR-26 Report Troubleshooting Guide at

• Housing Counseling Certification Rule Resources:
  https://www.hudexchange.info/programs/housing-counseling/certification/

• Entitlement CDBG Program FAQs: New topics + more on the way:
  https://www.hudexchange.info/cdbg-entitlement/faqs/

• Grant Based Accounting Webinar & Materials at:
  www.hudexchange.info/manage-a-program/grant-based-accounting

• FAQs on using CDBG funds for broadband:

• Returning funds to LoC, local program account, IDIS LA fund, Excess PI:
RECENT POLICY GUIDANCE

• CPD Note: Timely Distribution of State CDBG Funds: https://www.hud.gov/sites/dfiles/OCHCO/documents/18-11%20cpdn.pdf
• CPD Notice: Using CPD formula funds for Disaster Response & Recovery: https://www.hud.gov/sites/documents/17-06CPDN.PDF
USEFUL T.A. RESOURCES

  [https://www.hudexchange.info/programs/cdbg/project-profiles/](https://www.hudexchange.info/programs/cdbg/project-profiles/)


- Web-Based Instructional System for Environmental Review (WISER):  
  [https://www.hudexchange.info/trainings/wiser/](https://www.hudexchange.info/trainings/wiser/)

- § 108 Program Project Profiles, Webinars on Underwriting, IDIS reporting, Project Design, Application Process:  
  [https://www.hudexchange.info/programs/section-108/](https://www.hudexchange.info/programs/section-108/)

- Uniform Relocation Act explanatory video:  

- New eConPlan Suite webinars – incorporating HTF; Best Practices:  
  [https://www.hudexchange.info/programs/consolidated-plan/](https://www.hudexchange.info/programs/consolidated-plan/)
ONGOING BIG PICTURE ISSUES

- Continuing closeout of NSP grants & older CDBG-DR grants
- Closing out annual CDBG grants: 2014-earlier, 2015-later annual grants
- §108 reporting in IDIS
- Compliance with the two tests on 20% Planning + Admin cap (guidance forthcoming)
- OIG Audits: Using CDBG for real property (lack of documentation on disposition/change-of-use; lack of real property inventories; receipting sale proceeds as CDBG PI); Code Enforcement (lack of time records, defining deteriorated areas)
- Timely Expenditure of CDBG funds:
  - More twice-untimely grantees (24 failed on 5/2/18)
  - Grantees failing timeliness test by larger dollar amounts
  - Dormant/over-capitalized RLF balances driving up unexpended balances
  - Grantees failing to receipt PI in IDIS when received....or ever
Let’s Be Honest: Is Your CDBG Program Sustainable?

- Grant sizes ↓ = less activity $, less admin $ 
- Local fiscal constraints = staff/capacity loss, less admin $, no time to think forward 
- Increased demands on your resources 
- Changing demographics 
- Is your program living in the past? 
- External critiques 
- Will this all magically get better?
You Do Have Options....

- Fewer activities (esp. small $ to subrecipients)
- Redesign activities to be more efficient & meet current demand/conditions
- Move $ out of low-demand/dormant RLFs
- Outsource some/all of your program to a capable contractor, nonprofit, local govt.
- Join the urban county
- Joint agreement with the urban county