



U.S. Department of Housing and Urban Development

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

**February 14, 2018**

**1:00pm-2:30pm**

Office of Community Planning and Development  
Office of Policy Development and Coordination



# Agenda

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- **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

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- **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

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- **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**

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- **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**



# FY 2018 Section 4 Program Monitoring

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- **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/administratio  
n/hudclips/handbooks/cpd/6509.2](https://www.hud.gov/program_offices/administratio<br/>n/hudclips/handbooks/cpd/6509.2)**
- **General monitoring policies are described in Chapter 4 and the Section 4 program is covered in Chapter 33**



# Rural Definition Research Project - Purpose

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- **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



# Rural Definition Research Project - Current Definition

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- **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 in the Office of Management and Budget's 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas, 75 FR 37252 (June 28, 2010)  
<https://www.federalregister.gov/documents/2010/06/28/2010-15605/2010-standards-for-delineating-metropolitan-and-micropolitan-statistical-areas>. Current delineations can be found at: <https://www.census.gov/programs-surveys/metro-micro.html>.
- The key component of the definition is the term URBANIZED AREA





# Rural Definition Research Project - Current Definition (cont)

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- **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



# Rural Definition Research Project - Policy Implications

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- **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?



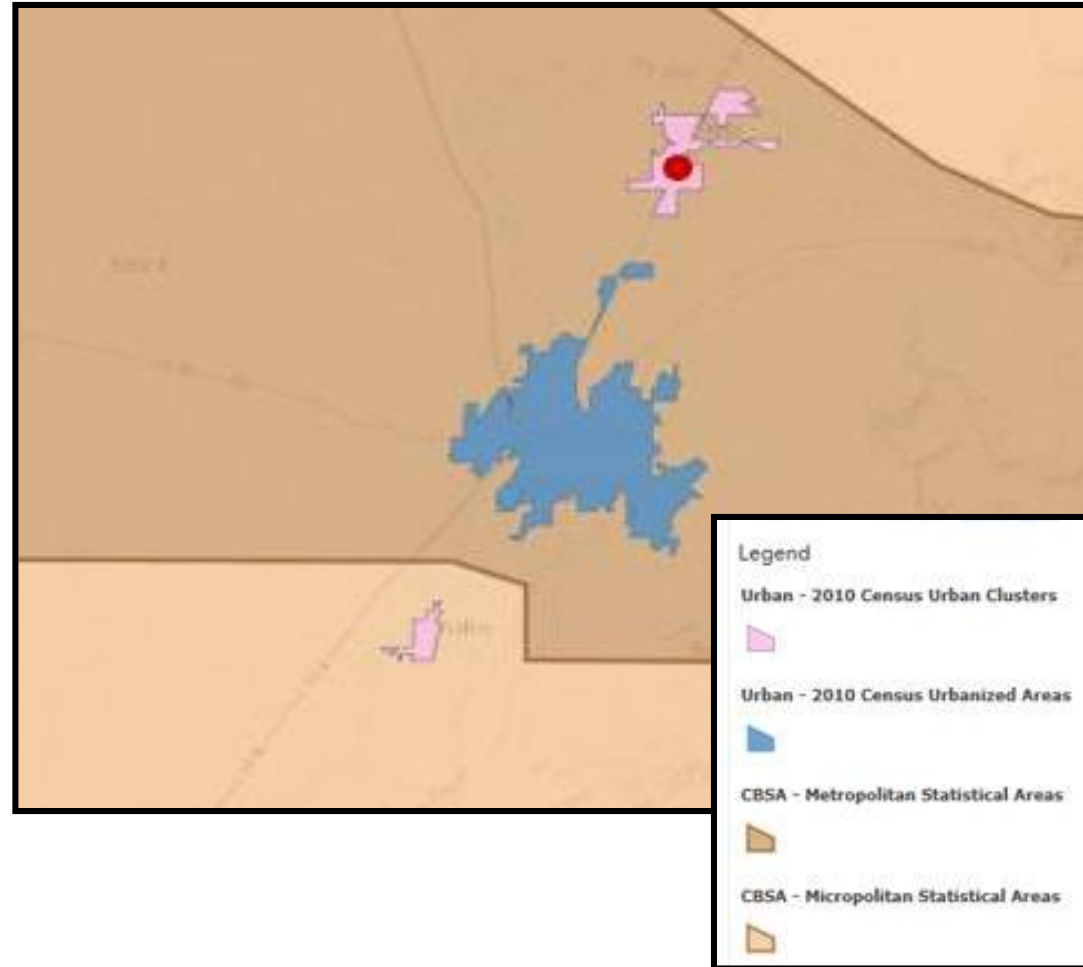
# Rural Definition Research Project - Applied Example

## • Rural Definition Analysis Example - Physical Address

- Sample beneficiary physical address (represented by red dot)

|                       |     |
|-----------------------|-----|
| <b>Urbanized Area</b> | No  |
| <b>Urban Area</b>     | Yes |
| <b>CBSA</b>           | Yes |

- Secondary assessment could look at service compliance





# Rural Definition Research Project - Grantee Feedback

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- **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](mailto:aaron.a.taylor@hud.gov)



# Performance Output Research Project - Purpose

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- **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

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- **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



# Performance Output Research Project - Two Core Approaches

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- **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



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# FY 2017 NOFA and Award Q&A

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- **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

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- **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?