

Welcome to the US Department of Housing and Urban Development's presentation, the Community Development Block Grant Lifecycle Part Two Implementation.

Efficient and effective implementation of CDBG activities is just as important as a well-thought out and inclusive planning process.

Smart implementation strategies help grantees ensure compliance with CDBG requirements and manage their bottom line. With thoughtful implementation, grantees can gather information about how to best invest their CDBG funds.

This is the second part of a two-part series on the lifecycle of a Community Development Block Grant. Part One covered planning for future CDBG investments; in this part we cover aspects of implementation that grantees should consider to ensure they have successful programs.

How you plan to invest CDBG funds is influenced by your ability to implement activities. This presentation focuses on six aspects of program implementation grantees should think about during the planning process. Assessing grantee and partner capacity, Designing administration and program delivery systems, Forecasting expenditures and project schedules, Selecting and working with partners, Evaluating performance, and Engaging stakeholders.

Thinking forward to implementation while planning will help you save time and money in putting your investments to work.

Before implementing CDBG programs, grantees should consider their internal and external capacity. Internal capacity comes from within the grantee agency or department and includes staff resources and their ability to manage projects and programs, leverage and manage CDBG funds, and oversee partners.

External capacity is made up of the resources and expertise added by existing and potential partners, including Entitlement subrecipients and state subgrantees, referred to as Units of General and Local Government, or UGLGs.

Assessing a grantee's capacity to implement activities involves reviewing its CDBG grant administration and compliance systems. Strong systems include: written policies and procedures that establish program implementation protocols; written agreements with subrecipients, UGLGs, contractors, and other partners that identify specific roles and responsibilities, activity goals, and terms for compliance; training and technical assistance for staff and partners; regular reporting to HUD and local government officials; and careful oversight and monitoring of programs.

Effective systems can help you avoid potential issues and, if any emerge, resolve them quickly. To aid with this, conduct regular risk assessments to reduce the chance that activities will be susceptible to waste, mismanagement or fraud.

High capacity partners are critical assets for most grantees. However, partners have a range of experience and expertise. Some may have a long history working with CDBG funds while others may be building their capacity.

Make sure to include your subrecipients, UGLGs, as well as other state and municipal departments when assessing your external capacity.

If you find that you do not have sufficient capacity, try to build it by reaching out to your HUD Field Office or by obtaining technical assistance.

In addition to assessing capacity, figure out how to make your CDBG program operate in an efficient, cost-effective manner. Consider eliminating programs that have high administrative costs relative to their return.

HUD encourages grantees to look for ways to streamline and consolidate functions across programs and agencies. For example, grantees and their partners spend a lot of time collecting data and documenting that CDBG national objectives are met. There are ways you can make this process more efficient.

For example, if several state subgrantees operate housing rehabilitation programs in adjacent towns, they could coordinate and save resources by forming a regional program.

Or, if entitlement subrecipients operate different types of public service programs, a centralized qualification and documentation process could create efficiencies.

When administering CDBG funds, grantees must abide by a series of rules and regulations that can affect both the timeliness and budgets of grantee activities. For example, each CDBG funded activity must go through some level of environmental review. These types of reviews can add months, or even years, to a project's timeline, and can be an expensive undertaking.

Other regulatory requirements govern the timely expenditure and distribution of funds and have a direct impact on grantee spending schedules and budgets.

Entitlement communities must spend funds at a rate that ensures that 60 days prior to the end of the program year, they do not have more than 1.5 times their entitlement grant for the current program year in their line of credit plus any program income on hand. State grantees do not have a timely expenditure requirement but are required to obligate and announce funds to UGLGs within 15 months of the State signing its grant agreement with HUD.

When planning, make sure to forecast the receipt of program income and expenditure of funds . Remember to account for the additional time and costs to meet the cross-cutting requirements such as the Davis-Bacon Act, The National Environmental Policy Act, or NEPA, and Section 3.

CDBG partners come in many forms. They range from nonprofit community organizations to other municipal or state departments. Selecting and managing partners is an important responsibility of CDBG administrators and has great implications for the success of a grantee's community development program. States may want to provide guidance to UGLGs on how to select effective partners. Let's learn about how this is done in Indio, California.

In order to determine what we ultimately do with the money that comes from HUD we form subcommittee meetings that are held with a small group representing the larger group where we work with the rest of the city team made up of different departments – Public works, engineering, community development, the police department, code enforcement, et cetera, so that we can then go back to the group at large when we're done with that subcommittee process and present the recommendations. One of the challenges with this program is the CDBG money can only go so far.

Before engaging with a potential partner, or awarding a grant to an UGLG, ensure that their activities will help you fulfill your Con Plan goals and administrative responsibilities. Issue RFPs that identify evaluation criteria for applicants, such as: whether the proposed activity meets the grantee's goals and has community support, whether the applicant has the capacity to implement the activity, whether other funds are leveraged, and whether commitments are in place and the project is ready to proceed.

A project level risk analysis can help grantees determine whether activities are feasible and can be completed in a timely and responsible way.

The selection of partners or awards to UGLGs engaged in activities that do not fulfill Con Plan goals and objectives will likely require the grantee to amend its Con Plan.

Once partners are selected, grantees must monitor their activities to ensure CDBG program compliance and that they are getting the desired results. To do this, it is essential to enter into agreements with subrecipients and UGLGs in which the scope of work and staff roles are clearly defined.

The scope of work included in agreements should include performance standards and interim milestones as well as explicit documentation and reporting requirements. When planning, consider how you will evaluate your partners' performance and include evaluation criteria in your agreements.

Once you know who your subrecipients and subgrantees will be, orient and train them in CDBG rules and your operating systems. Follow up this training with early monitoring, especially for new partners, and determine which will need close oversight and further technical assistance.

Evaluation is critical for learning how to effectively implement CDBG programs. Grantees should evaluate their portfolios of CDBG activities as a whole, as well as individually.

Different types of CDBG activities will require different evaluation methods and measures. At the outset, you should determine how you will measure the outputs, outcomes and efficiency of your CDBG

activities. These measures should be outlined not only in agreements with subrecipients and subgrantees, or UGLGs, but also in your Consolidated and Action Plans. You can also use progress reports and IDIS reports to help you assess progress on goals and accomplishments.

Monitoring progress on a consistent basis builds confidence in good performance, makes visible poor performance, and may help identify successful practices on which to build or others that should be revised or eliminated.

You should not wait until the end of the program year to assess progress against your goals. Instead, review your progress frequently asking: Are our goals realistic and achievable?, Are our partners performing as expected?, Are there unforeseen circumstances preventing the achievement of our goals?, and, Is our spending on target? If not, what adjustments need to be made?

As consulting with stakeholders is an important element of any CDBG program, grantees should communicate regularly with them during grant implementation. As appropriate, stakeholders can be involved in trouble shooting administrative issues, such as developing contract execution protocols, and should be part of program design and evaluation. Their perspectives and commitment to working with the grantee can be a great resource to the program.

In addition to reviewing reports, solicit feedback from the project's stakeholders when evaluating program effectiveness. You can do this by requesting general feedback at public hearings, but directed requests for feedback are typically more helpful.

Three ways to connect are 1) asking beneficiaries to complete exit surveys, 2) interviewing beneficiaries privately as part of activity monitoring , and 3) holding focus groups with stakeholders to discuss barriers to progress and how the grantee can improve program design.

We have just discussed in Part Two: Implementation, the aspects of implementation that grantees should consider to ensure they have successful programs.

Click on any resource link to help you improve implementation of your CDBG program.

View Part One of this series: Planning, for information on how well thought out and inclusive planning paves the way for effective and efficient implementation of projects and activities.