Special Attention of:

CPD Staff
CPD Program Participants/Grantees

Transmittal for Handbook No: 6509.2 REV-6 CHG-1

Issued: March 2012

1. <u>This Transmits:</u> the first change to the sixth revision of HUD Handbook 6509.2, *Community Planning and Development Monitoring Handbook*.

2. <u>Explanation of Significant Changes:</u> The primary purpose of this change is to provide updated guidance for monitoring Community Development Block Grant Disaster Recovery (CDBG-DR) Supplemental Grants, the HOME Investment Partnerships Program (HOME), Shelter Plus Care (S+C), the Supportive Housing Program (SHP), and the Neighborhood Stabilization Program 1 (NSP-1). In addition, new guidance is provided for monitoring the Neighborhood Stabilization Program 3 (NSP-3), a program created by the Wall Street Reform and Consumer Protection Act of 2010. The guidance on monitoring Historically Black Colleges and Universities (HBCUs), formerly in Chapter 15, has been removed as a result of monitoring responsibilities being transferred to HUD's Office of Policy Development & Research, which oversees the HBCU program. Exhibits with only Yes/No radio buttons have had an N/A option added to be consistent with prior Handbook revisions made to other Exhibits. These changes are described in more detail below.

3. <u>Description of Specific Changes:</u>

   a. <u>Table of Contents:</u> Conforming changes have been made where necessary to reflect the modifications noted here.

   b. <u>Chapter 6:</u> *Disaster Recovery CDBG Supplemental Grants*: This Chapter, formerly comprised of one general exhibit (6-1, *Guide for Review of Disaster Recovery CDBG Supplemental Grants*), now includes additional exhibits specific to grants awarded under CDBG disaster recovery appropriations. CDBG disaster recovery appropriations typically provide funds for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas impacted by severe storms or flooding for which the President declared a major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974. Prior to the release of today's updated monitoring handbook, the Department utilized existing exhibits (as applicable). However, given the complex nature of disaster recovery (i.e.,

additional requirements imposed by the applicable appropriation law), the use of *both* Entitlement and State CDBG regulations, and the significant number of CDBG disaster recovery grantees, more specific exhibits were needed to adequately ensure compliance with all Federal requirements. Changes have been made to the introductory text. The following describes the changes to Exhibit 6-1, and lists the new attachment and 7 new Exhibits that have been created:

Attachment 6-1: *Disaster Recovery CDBG Supplemental Grants Document Reference Tool*
- Exhibit 6-1: Changes have been made to the introductory text. Questions 1, 2 and 3 are now questions 10, 11 and 12. Questions 4, 5, and 6 have been deleted. It now has five sections and, if monitoring a CDBG disaster recovery grant awarded directly to an Entitlement community, this exhibit should supplement Exhibit 3-17. If monitoring a CDBG disaster recovery grant awarded to a state, this exhibit should supplement Exhibit 3-17 or Exhibit 4-6—depending on whether the state directly administers the majority of its programs or uses a method of distribution.
- Exhibit 6-2: *Guide for Review of Buyouts*
- Exhibit 6-3: *Guide for Review of New Construction of Housing*
- Exhibit 6-4: *Guide for Review of Infrastructure*
- Exhibit 6-5: *Guide for Review of Economic Development*
- Exhibit 6-6: *Guide for Review of Housing Repair, Rehabilitation and Reconstruction*
- Exhibit 6-7: *Guide for Review of Written Agreements*
- Exhibit 6-8: *Guide for Review of Procurement*

c. Chapter 7: *HOME Investment Partnerships Program (HOME)*: Changes are being made to three of the four project exhibits to collect additional Integrated Disbursement and Information System (IDIS) data, provide Field Offices with clarification for on-site inspection questions, and to more clearly document project status at the time of on-site inspections. The changes are described as follows:
- Exhibit 7-3: The IDIS number and completion date were added to the heading. Question 23 has clarified instructions and new part "b."
- Exhibit 7-5: The IDIS number and completion date were added to the heading. Question 37 has clarified instructions and new part "d."
- Exhibit 7-7: The IDIS number was added to the heading. Question 1 added the IDIS completion date for clarification under (a)(3). Section I has clarified instructions. Question 57 has a new part "b."

d. Chapter 8: *Economic Recovery Programs*: This Chapter currently includes guidance for monitoring the five recovery programs that were created under separate pieces of legislation. The modifications in this change are to the Neighborhood Stabilization Program. Specifically, Exhibit 8-10 which examines the program progress of NSP-1 has been modified with the publication of the "Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants" (75 Fed. Reg. 64322, October 19, 2010). In addition, the Wall Street Reform and Consumer Protection Act of 2010, created the Neighborhood Stabilization Program 3 (NSP-3). As a result of the creation of NSP-3, HUD has created monitoring guidance in a new Exhibit 8-19, *Guide for Review of NSP-3 Program Progress*. The introductory text has been modified to re-emphasize the applicability of the CDBG cross-cutting requirements when monitoring NSP activities. It also contains specific monitoring information for NSP-3.

Changes to Exhibit 8-10 consist of:
- Revisions to the instructions; revisions to questions 1, 3.a, 5, 6, 9, 10, 11, 13, 14, 15, 16, 17, 18, and 19.a. Statutory citations have been added or revised below questions 1 through 6, 8 through 13, 15.a, 16.a, and 19.a. Question 15 was deleted, resulting in the renumbering of the remaining questions.

e. Chapters 12: *Shelter Plus Care (S+C) Program*: Changes have been made to the introductory text to reference the HEARTH Act and for terminology differences. Changes have also been made to all of the S+C Exhibits, mainly to correct citations and clarify instructions. Minor clarifying changes have been made to the introductory chapter text and changes have also been made to reference the HEARTH Act. A group of Field Office staff made recommendations regarding the wording of Exhibit questions, combining duplicate questions and grouping topics under specific exhibits based on their experiences monitoring these programs. The word "grantee" has been changed to "recipient." In addition, N/A options have been added to questions that only permitted "yes/no" responses. Specific Exhibit changes are described below:
- Exhibit 12-1: Questions 1, 2 and 3 were revised.
- Exhibit 12-2: Questions 1, 2, 3, 4, 5 and 6 were revised.
- Exhibit 12-3: The name of the Exhibit has been changed. Terminology changes were also made to the instructions and the "Note." Questions 1 and 2.a, b, c and d were revised. Questions 4 and 5 were added to reflect a statutory requirement.
- Exhibit 12-4: Terminology changes were made to the heading and to the "Note.". A clarifying change was made to the instructions. A new question 1.b was added. Changes were made to 1.a, 2 and 3.
- Exhibit 12-5: Terminology changes were made to the heading, "Note," and instructions. Questions 1 through 12 were revised. Question 4 was deleted, resulting in the remaining questions being renumbered. Question 7.b was deleted and question 10.b was added.
- Exhibit 12-6: A terminology change was made to the heading. Question 1.a was revised and 1.b deleted. Questions 2, 3 and 4 were revised. A typographical error was corrected in question 6. Questions 7 and 9 were deleted, renumbering the last question which was revised.
- Exhibit 12-7: Terminology changes were made to the heading and insructions. Questions 1 through 11 and question 16 were revised. "N/A" boxes were added to questions 1 through 4, 7 through 9, 12, 13, 15.b, and 16 through 18.

f. Chapter 13: *Supportive Housing Program*: The majority of the changes to Exhibits for the Supportive Housing Program (SHP) are to correct citations and clarify instructions. A group of Field Office staff made recommendations regarding the wording of questions, combining duplicate questions and grouping topics under specific exhibits based on their experiences monitoring these programs. In addition, minor clarifying/terminology changes have been made to the introductory text along with a reference to the HEARTH Act. Exhibit changes are as follows:
- Exhibit 13-1: Terminology changes have been made to the heading and the "Note." The instructions have been revised. Questions 1 and 2 have been changed. Question 3 was deleted, along with questions 4, 5 and 6 on the Rapid Re-housing for Families Demonstration Program, resulting in renumbering subsequent questions. A new question 4 was added and a new question 5 for the

Samaritan Bonus Initiative Funded Programs was added.
- Exhibit 13-2: This Exhibit has been revised to monitor the Rapid Re-housing Demonstration for Families. Therefore, the heading, "Note," and instructions have been revised, questions 1 and 2 have been deleted, and new questions 1 through 11 have been added.
- Exhibit 13-3: This Exhibit has been revised to remove references to the Rapid Re-housing for Families Demonstration Program. The instructions have been changed as well as questions 1.a and b, 2, 3, 6.b, 9, 12 and 13.a. Questions 6.a and 13.b were deleted. New questions 14.a and b have been added, renumbering the previous question 14 to 15.
- Exhibit 13-4: Changes have been made to delete references to the Rapid Re-housing for Families Demonstration Program and to add questions for the Samaritan Housing Bonus Projects. Thus, the instructions have been changed along with questions 1, 2 and 3. Questions 5, 6 and 7 on the Rapid Re-housing for Families Demonstration Program were deleted. New questions 5 and 6 were added to address a statutory requirement and questions 7.a and 7.b were added for Samaritan Housing Bonus Projects.
- Exhibit 13-5: A clarifying change has been made to the instructions and question 1 was deleted, resulting in the renumbering of subsequent questions.
- Exhibit 13-6: Terminology changes have been made in the heading, "Note," instructions, and exhibit questions 1-8. It has also been revised to remove references to the Rapid Re-housing for Families Demonstration Program, thus, the instructions have been revised and questions 9 and 10 deleted.
- Exhibit 13-7: Questions 1.a and 1.b were revised. Questions 3, 6 and 9 were deleted, resulting in the renumbering of subsequent questions; the newly-numbered questions 3 and 6 were revised. "N/A" radio buttons were added to questions that had only "Yes/No" choices.
- Exhibit 13-8: The only changes to this Exhibit were to add "N/A" radio buttons to questions that had only "Yes/No" choices.
- Exhibit 13-9: A minor clarifying change has been made to the "Note" under the heading and "N/A" radio buttons have been added to all questions.
- Exhibit 13-10: The instructions and question 2 have been revised. "N/A" radio buttons have been added to questions with only "Yes/No" choices.
- Exhibit 13-11: "N/A" radio buttons were added to questions with only "Yes/No" choices.
- Exhibit 13-12: "N/A" radio buttons have been added to questions with only "Yes/No" choices.

g. Chapter 15, *Historically Black Colleges and Universities (HBCUs)*: This Chapter is removed in its entirety, as responsibility for monitoring HBCUs was taken over by the Office of Policy Development & Research (PD&R) as of February 2011. This Chapter is now reserved.

h. Chapter 20, *Consolidated Plan*: The changes to this Exhibit are based on changes made by the Emergency Solutions Grant Program rule. Exhibit changes include:
- Exhibit 20-1: Questions 1.a, 2.c, 2.g, and 6.f were revised by adding Continuum of Care and other wording to make them consistent with Emergency Solutions Grant amendments. A typographical error was corrected in Question 5.g.

4. <u>Transition Instructions:</u> This Handbook change becomes effective upon enactment. **CPD Field Offices are therefore to use these new and revised Exhibits upon issuance of this change.** For any Exhibit currently in the GMP Monitoring Module (the IT system for recording monitoring results), CPD staff are to click on the Exhibit being used in the Module and upload the completed Word version of the revised Exhibit instead of completing the online outdated version. These Exhibits will be updated as quickly as possible within the GMP Monitoring Module to reflect the changes noted in this Handbook change, at which point, notification will be provided to CPD staff that this practice will no longer be required. Because the new Exhibits, 6-2 through 6-8 and 8-19, are not yet incorporated into the GMP Monitoring Module, initially, CPD staff are to also complete these Exhibits in Word and retain all monitoring documentation in the official monitoring files (electronically and/or hard copy). When the GMP Monitoring Module has been updated to add the new Exhibits, CPD staff will be required to go into the GMP Monitoring Module retroactively to document the results (e.g., complete screens to select program participant, program, monitoring dates, input conclusions; upload completed Word files). This will enable accurate reports on expenditures and results. This does not alter or revise existing requirements of the GMP Legacy system.

5. <u>Filing Instructions:</u> As noted below, remove obsolete pages and replace with the revised ones.

<u>Remove</u>:	<u>Insert</u>:
Cover Page	Cover Page
Table of Contents	Table of Contents
Chapter 6 introductory text	Chapter 6 introductory text
	Attachment 6-1: Disaster Recovery CDBG Supplemental Grants Document Reference Tool
Exhibit 6-1	Exhibit 6-1
	Exhibit 6-2
	Exhibit 6-3
	Exhibit 6-4
	Exhibit 6-5
	Exhibit 6-6
	Exhibit 6-7
	Exhibit 6-8
Exhibit 7-3	Exhibit 7-3
Exhibit 7-5	Exhibit 7-5
Exhibit 7-7	Exhibiti 7-7
Chapter 8 introductory text	Chapter 8 introductory text
Exhibit 8-10	Exhibit 8-10
	Exhibit 8-19
Chapter 12 introductory text	Chapter 12 introductory text
Exhibit 12-1	Exhibit 12-1
Exhibit 12-2	Exhibit 12-2
Exhibit 12-3	Exhibit 12-3
Exhibit 12-4	Exhibit 12-4
Exhibit 12-5	Exhibit 12-5
Exhibit 12-6	Exhibit 12-6

Exhibit 12-7	Exhibit 12-7
Chapter 13 introductory text	Chapter 13 introductory text
Exhibit 13-1	Exhibit 13-1
Exhibit 13-2	Exhibit 13-2
Exhibit 13-3	Exhibit 13-3
Exhibit 13-4	Exhibit 13-4
Exhibit 13-5	Exhibit 13-5
Exhibit 13-6	Exhibit 13-6
Exhibit 13-7	Exhibit 13-7
Exhibit 13-8	Exhibit 13-8
Exhibit 13-9	Exhibit 13-9
Exhibit 13-10	Exhibit 13-10
Exhibit 13-11	Exhibit 13-11
Exhibit 13-12	Exhibit 13-12
Chapter 15 introductory text	Chapter 15 (Reserved)
Exhibit 15-1	
Exhibit 15-2	
Exhibit 15-3	
Exhibit 15-4	
Exhibit 15-5	
Exhibit 15-6	
Exhibit 15-7	
Exhibit 20-1	Exhibit 20-1