

U.S. Department of Housing and Urban Development
Office of Block Grant Assistance



Neighborhood Stabilization Program

2008 FORMULA GRANTS

Module 6: Program Administration

Module 6 Content

- Administrative Options
- Timeliness of Use
- Defining Expenditures
- Subrecipients and Developers
- Homeowners and Housing Counseling
- Recordkeeping and Reports



Administrative Options

Administrative Options

- Grant recipient has responsibility for grant administration (see 570.501)



Administrative Options

Options that may be used:

- (a) Join together with other NSP grantees as part of a consortium, designating either yourself or another grantee as the administering entity.
- (b) Contract out the management of your NSP program.



Other Administrative Options

- (c) Designate one or more public agencies, such as a redevelopment or housing authority, to undertake activities assisted with grant funds.
- (d) Elect to carry out some or all of the assisted activities with your own staff
- (e) Select one or more private nonprofit entities to operate as subrecipients in carrying out NSP activities.

Other Administrative Options

(continued)

- (f) Create a holding company for land banking.
- (g) Procure the services of contractors to carry out an activity such as housing counseling.
- (h) Provide funds to a developer to use to accomplish an objective in your local strategy.
- (i) Contract with a developer through your procurement process.



Administrative Options Considerations

- Grantee is ultimately responsible.



Options for Administering Property Acquisition and Rehab

Eligible Activity	Entity	Selection Criteria		Treated as Program Income?	OMB Requirements		
		C	NC		Part 85/ A-87	Part 84/ A-I22	A-133

C - Competitive NC - Non-competitive NA - Not applicable GD - Grantee determination

CBDO - Community-Based Development Organization Individual Beneficiary - a homeowner who will occupy an NSP home as a primary residence



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570.201(a) Property Acq	NSP Grantee	NA	NA	Yes	Yes	No	Yes
	Subrecipient	GD	GD	Yes	No	Yes	Yes

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	Subrecipient	GD	GD	Yes	No	Yes	Yes
570.202(b) Rehab plus New Construction	NSP Grantee	NA	NA	Yes	Yes	No	Yes
	Developer: For Profit Private Nonprofit	GD	GD	No	No	No	No
	Subrecipient: Public Entity	GD	GD	Yes	Yes	No	Yes
	Private Nonprofit			No	No	Yes	
	Individual Beneficiary	GD	GD	No	NA	NA	NA

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	Individual Beneficiary	GD	GD	No	NA	NA	NA
570.201(n) Homeowner Assistance	Individual Beneficiary	GD	GD	No	NA	NA	NA
570.204 CBDO's	CBDO	GD	GD	No	No	Yes	No

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Administration

- Using CDBG funds for administering NSP





Timeliness of Use

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- Use funds—4 years



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- Understanding the starting point
- Based on grant amount only



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- Use funds—4 years
- Understanding the starting point
- Based on grant amount only
- The role of DRGR
- Same Requirement for States and their subrecipients



Defining Expenditure of Funds



Subrecipients and Developers

Subrecipients and Developers

- Pros and cons
- Background of 'subrecipients' term



What Makes an Entity a Subrecipient?

- Public or private nonprofit agency, authority, or organization; or for-profit organization
- Receiving CDBG/NSP funds from a grantee (or another subrecipient) to carry out eligible activities
- Specifically excludes contractors providing supplies, equipment, construction, or services subject to procurement process
- Also, specifically excludes CBDOs (see 570.204), unless the grantee explicitly so designates



Subrecipients and Developers

- Local governments can be subrecipients
- Issues with developers



Issues with Developers

- Definition
- Procurement
- Program income/reasonable fees/
administrative costs



Issues with Developers

- Definition
- Procurement
- Program income/reasonable fees/administrative costs
- Underwriting to avoid undue enrichment
- Importance of written agreements with all parties
- Ensuring all applicable requirements are met



Remaining Topics

- Homeowners and Housing Counseling
- Recordkeeping and Reporting



Homeowners and Housing Counseling

- Determine NSP income eligibility



Homeowners and Housing Counseling

- Determine NSP income eligibility
- Determining if prospective homeowners qualify for a mortgage



Homeowners and Housing Counseling

- Determine NSP income eligibility
- Determining if prospective homeowners qualify for a mortgage
- Using a pre-qualified pool as a strategy



Homeowners and Housing Counseling

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- Determining if prospective homeowners qualify for a mortgage
- Using a pre-qualified pool as a strategy
- Minimum of 8 hours of counseling

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- Counseling agency must be HUD-approved
- Eligibility of counseling under NSP



Homeowners and Housing Counseling

- Determine NSP income eligibility
- Determining if prospective homeowners qualify for a mortgage
- Using a pre-qualified pool as a strategy
- Minimum of 8 hours of counseling
- Counseling agency must be HUD-approved
- Eligibility of counseling under NSP
- Ensuring third-party compliance



Recordkeeping and Reporting

- Grantee bears responsibility



Recordkeeping and Reporting

- Grantee bears responsibility
- Ensure availability of documentation by third parties
- Getting reports with accurate and timely information



Recordkeeping and Reporting

- Grantee bears responsibility
- Ensure availability of documentation by third parties
- Getting reports with accurate and timely information
- Leaving a clear audit trail



Module Summary

- Administrative Options
- Timeliness of Use
- Defining Expenditures
- Subrecipients and Developers
- Homeowners and Housing Counseling
- Recordkeeping and Reports

