**Special Attention of:**

 **Transmittal** for Handbook No: 6509.2 REV-7 CHG-2

CPD Staff

CPD Program Participants/Grantees **Issued:** 09/25/2020

1. This Transmits: HUD Handbook 6509.2 REV-7 CHG-2, *Community Planning and Development Monitoring Handbook*.
2. Explanation of Significant Changes: The primary purpose of this change is to incorporate the *Community Compass Technical Assistance and Capacity Building Program* *(TA Program)* into this Handbook. To this end, Chapter 17, which was removed in February 2017, has been re-incorporated with program-specific exhibits for the *TA Program*. Minor conforming changes were made to the following chapters to ensure applicability to the *TA Program*: Chapter 1, *Introduction*; Chapter 2, *Management of Monitoring Activities*; and Exhibit 2-2 of Chapter 2, *Program and Technical Area Sanction References for Noncompliance Remedies*. In addition, Chapter 23, *Labor Standards Administration*, was updated to include the *TA Program* as an excluded program.

This set of changes to the Handbook also includes a minor change was made to Chapter 2, *Management of Monitoring Activities*, to update language regarding the development of individual monitoring strategies considering modifications to the electronic information technology (IT) system for documenting monitoring results. In addition, Exhibit 2-2 of Chapter 2 was also updated to add a citation for Citizen Participation and NSP-2 Nonprofit Grantee, and to make clear that citations related to Chapter 22 (FHEO) requirements are listed for information only. Further, throughout Chapters 1, 2, and 17, references to “CPD Reviewers” was updated to “HUD Reviewers,” which includes persons from HUD-delegated organizations.

1. Chapter 17, *Community Compass Technical Assistance and Capacity Building Program (TA Program)*: As part of REV-7, CHG 1 to this Handbook, which was issued in February 2017, HUD removed Chapter 17 when the TA Program was expanded to other funding sources outside of CPD. This REV-7, CHG 2 to the Handbook re-establishes monitoring guidance for the *TA Program* and is intended to address findings in HUD’s Office of Inspector General Report (Audit Report # 2018-PH-0003).

The *TA Program* is defined as all funding sources and technical assistance programs linked to the Catalog of Federal Domestic Assistance (CFDA) number 14.259. The seven exhibits in Chapter 17 include all regulatory citations and references to the *TA Program* cooperative agreements. They include instructions on how the HUD reviewer must evaluate compliance with the *TA Program* requirements. The questions are also conclusive in nature as they are designed to create data that are easily quantifiable, which will help HUD to understand the significance of monitoring results more quickly. The organization of the exhibits are like the exhibits for other CPD programs that include capacity building activities. The comparable organization is expected to help with coordinating monitoring activities for *TA Program* participants that are also participants of other CPD programs that include capacity building activities.

1. The Chapter 17 Exhibits do not reflect HUD’s on-going program management policies and procedures for the *TA Program*; a separate “on-going program management” document is used to evaluate compliance with internal procedures and submission requirements.
2. Description of Specific Changes:
3. Table of Contents: Conforming changes were made, where necessary, to reflect the modifications noted here.
4. Chapter 1, *Introduction*: the *TA Program* is included in section 1-3 and 1-6, and “awardee” is added to the definition of a “Program Participant.”

C. Chapter 2, *Management of Monitoring Activities:*  Changes were made to Section 2-2 to reference the recent Office of Inspector General Report for the *TA Program*. Section 2-3 includes a reference to the *TA Program* risk analysis notice. Section 2-6 references HUD staff who may coordinate on monitoring activities of the *TA Program*. A change was also made to Section 2-5.A to remove a reference to supervisory approval of individual monitoring strategies. This is no longer necessary, given changes to the IT system for recording results and because the signed notification letter to the program participant signifies supervisory approval.

* Exhibit 2-2, *Program and Technical Areas Sanction References for Noncompliance Remedies*: Changes were made to add references to the *TA Program*. Also, a citation was added for Citizen Participation and NSP 2 Nonprofit Grantee. A note was included under the FHEO section, to make clear that the citations were added for information only. Further, a conforming change in Exhibit 2-2, removing a reference to the Consolidated Plan was made since the Consolidated Plan Chapter 20 had been removed by REV-7, also in February 2017.
1. Chapter 17, *Community Compass Technical Assistance and Capacity Building Program (TA Program)*. This chapter is restored and repurposed for the *TA Program*. The *TA Program* represents a consolidation of the technical assistance funding sources Congressionally appropriated to various offices within HUD. The *TA Program* provides funding to for-profit and not-for-profit organizations that provide technical assistance and capacity building services to grantees of other HUD offices. This chapter contains the following seven (7) exhibits, for the purpose of providing monitoring guidance for the *TA Program*. The exhibits include the appropriate questions for the corresponding regulations based on the award year. Awards made on or before December 26, 2014 are subject to 24 CFR part 84, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*, in addition to the following four OMB Circulars A-50, A-110, A-122, and A-133. Exhibits 17-4, 17-5, 17-6 and 17-7 include requirements that are only applicable to awards made prior to December 26, 2014. Exhibits 17-1, 17-2, and 17-3 are applicable to all *TA Program* awards. Awards made after December 26, 2014, are further subject to the uniform administrative requirements, cost principles, and audit requirements at 2 CFR part 200. The exhibits and questions pertaining to financial management/audits, cost allowability, procurement, and equipment requirements from 2 CFR part 200 are not included in Chapter 17. Instead, the *TA Program* will use the corresponding exhibits and questions from Chapter 34 of this Handbook, which represents compliance monitoring for 2 CFR part 200. The following exhibits are included in Chapter 17.
* Exhibit 17-1, *Guide to Review of Overall Management*
* Exhibit 17-2, *Guide to Review of Subrecipient Management and Agreements*
* Exhibit 17-3 *Guide to Review of Leveraging (Distressed Cities TA)*
* Exhibit 17-4, *Guide to Review of Financial Management-Audits*
* Exhibit 17-5, *Guide to Review of Cost Allowability*
* Exhibit 17-6, *Guide to Review of Procurement*
* Exhibit 17-7, *Guide to Review of Equipment and Disposition Requirements*
1. Chapter 23, *Labor Standards Administration*. The *TA Program* is included under 23-6.E., *CPD Programs Not Covered*. Also, references to the Office Labor Standards and Enforcement (OLSE) is replaced with Office of Davis-Bacon and Labor Standards (DBLS). Regulation referenced under section 23-6 part C and part D are updated to 24 CFR 882.804(e). Further, DBLS field assignments website is updated.
2. Transition Instructions: This Handbook change becomes effective upon enactment. **CPD staff are, therefore, to use these new and revised Exhibits upon issuance of this change.** Within three (3) months of issuing the changes in this Handbook, HUD will incorporate the new exhibits into its Grants Management Program (GMP) module of the Disaster Recovery Grant Reporting (DRGR) System, which is CPD’s system for recording monitoring results. The exhibits in GMP will mirror those included within this Handbook.
3. Filing Instructions: As noted below, replace obsolete chapters and exhibits with the revised ones.

Remove: Insert:

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Chapter 1 Chapter 1

Chapter 2 Chapter 2

Exhibit 2-2 Exhibit 2-2

 Chapter 17 introduction

Exhibit 17-1

Exhibit 17-2

Exhibit 17-3

Exhibit 17-4

Exhibit 17-5

Exhibit 17-6

Exhibit 17-7

Chapter 23 Chapter 23