**Special Attention of:**

**Transmittal** for Handbook No: 6509.2 REV-6 CHG-2

CPD Staff

CPD Program Participants/Grantees **Issued:** December 2015

1. This Transmits: HUD Handbook 6509.2 REV-6 CHG-2, *Community Planning and Development Monitoring Handbook*.
2. Explanation of Significant Changes: The primary purpose of this change is to provide updated guidance for monitoring the Shelter Plus Care Program, Supportive Housing Program, Emergency Solutions Grants, Continuum of Care Program, and Emergency Shelter Grants, as a result of changes to the McKinney-Vento Act Homeless Assistance Act made by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, enacted on May 20, 2009. In addition, this change provides updated guidance for monitoring the Disaster Recovery Community Development Block Grant Supplemental Grants, including the requirements established by the Disaster Relief Appropriations Act, 2013 (the Act), enacted on January 29, 2013.
3. Description of Specific Changes:
4. Table of Contents: Conforming changes have been made, where necessary, to reflect the modifications noted here.
5. Chapter 1, *Introduction*: Changes have been made to Section 1-3.A, *Programs*, to reflect additions and deletions to the programs covered by this Handbook. Minor changes have been made to update URLs in Section 1-2, in Section 1-4 to reflect that monitoring may be carried out by either Headquarters or Field Office staff, and in Section 1-7 to allow for different methods of completing the Exhibits.
6. Chapter 6, *Disaster Recovery Community Development Block Grant (CDBG-DR) Supplemental Grants*: Exhibits 6-1 through 6-8 have been revised to reflect requirements applicable to all CDBG-DR grants, including the most recent requirements applicable to grants provided under the Disaster Relief Appropriations Act, 2013 (P.L. 113-2) (the “Act”) for recovery from Hurricane Sandy and other disasters occurring in 2011, 2012, and 2013. A new financial management exhibit (Exhibit 6-9) has been added to reflect requirements applicable to all CDBG-DR grants. Exhibits 6-1 through 6-8 have been revised to clarify if a question is applicable to grants provided under a specific CDBG-DR appropriation. Exhibits 6-2 through 6-6 contain new questions to record improper payments required under the Act for the City of New York, the State of New York and New Jersey, per the protocol approved by the Office of Management and Budget.

* Attachment 6-1, *Disaster Recovery CDBG Supplemental Grants Document Reference Tool*: This Attachment has been updated to include the Major Disasters in 2011, 2012, and 2013 (including Hurricane Sandy) and the corresponding public law(s) and Federal Register Notices and Regulations.
* Exhibit 6-1, *Guide for Review of Overall Management of CDBG Disaster Recovery Grants*: This Exhibit has been revised to: 1) focus on overall management of CDBG-DR grants; 2) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; and 3) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable).
* Exhibit 6-2, *Guide for Review of Flood Zone and Floodway Buyouts and Non-Buyout Acquisitions*: This Exhibit has been revised to: 1) include flood zone and floodway buyouts and non-buyout acquisitions; 2) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; 3) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable); and 4) collect pertinent information for the monitoring of improper payments.
* Exhibit 6-3, *Guide for Review of New Construction of Housing*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable); and 3) collect pertinent information for the monitoring of improper payments.
* Exhibit 6-4, *Guide for Review of Infrastructure*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable); and 3) collect pertinent information for the monitoring of improper payments.
* Exhibit 6-5, *Guide for Review of Economic Development*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable); and 3) collect pertinent information for the monitoring of improper payments.
* Exhibit 6-6, *Guide for Review of Housing Rehabilitation and Reconstruction*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable); and 3) collect pertinent information for the monitoring of improper payments.
* Exhibit 6-7, *Guide for Review of Written Agreements*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; and 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable).
* Exhibit 6-8, *Guide for Review of Procurement*: This Exhibit has been revised to: 1) reflect requirements applicable to all CDBG-DR grants, including those provided under the Act; and 2) clarify when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable).
* Exhibit 6-9, *Guide for Review of Financial Management*:  This Exhibit is new to Chapter 6, and is an extensive update to Exhibit 3-18. This Exhibit reflects requirements applicable to all CDBG-DR grants, including those provided under the Act, and specifies when a question is applicable to grants provided under a specific CDBG-DR appropriation (if applicable).

1. Chapter 8, *Economic Recovery Programs*: References to the Homelessness Prevention and Rapid Rehousing Program (HPRP) have been removed from the introductory text to Chapter 8 and HPRP Exhibits 8-1 through 8-9 have been removed because the program, which was funded through the American Recovery and Reinvestment Act of 2009 (ARRA), ended September 30, 2012. HPRP has also been removed from the FY 2015/2016 Risk Analysis Notice (CPD-14-04) and no further monitoring of this program is required.
2. Chapter 9: *Emergency Shelter Grants*: This Chapter, formerly comprised of twelve Exhibits, is being removed. All grants are being closed and no monitoring of these grants should continue.
3. Chapters 12: *Shelter Plus Care (S+C) Program*: A new Exhibit 12-8, *Guide for Review of S+C Homeless Determination/Recordkeeping Requirements*, has been added to this Chapter to include a review of the recipient’s and its subrecipients’ compliance with program participant eligibility and documentation in terms of their homeless status upon entry into the program as required by the McKinney-Vento Act. This Exhibit is MANDATORY when also completing any one of Exhibits 12-1, 12-2, 12-3, 12-5, or 12-6.
4. Chapter 13: *Supportive Housing Program (SHP)*: A new Exhibit 13-13, *Guide for Review of SHP Homeless Determination/Recordkeeping Requirements*, has been added to this Chapter to include a review of the recipient’s and its subrecipients’ compliance with program participant eligibility and documentation in terms of their homeless status upon entry into the program as required by the McKinney-Vento Act.This Exhibit is MANDATORY when also completing any of Exhibits 13-1, 13-2, 13-3, 13-4, 13-6, or 13-7.
5. Chapter 19, *Citizen Participation*: An “N/A” option has been added to any question in Exhibits 19-1, 19-2, 19-3, and 19-4 which did not have this previously. These four Exhibits have also been revised as follows:

- Exhibit 19-1, *Guide for Completeness Review of Local Government Citizen Participation Plan*: Question 7 has been revised to include references to the Continuum of Care, non-profit organizations, and philanthropic organizations included in the Emergency Solutions Grants Program rule.

- Exhibit 19-2, *Guide for Completeness Review of State Citizen Participation Plan*: Question 4 was split into two parts, with a new “b” to add a question about whether the State government was prepared to provide the Citizen Participation Plan in a format accessible to persons with disabilities, upon request. Question 5 has been revised to include references to local, regional, and statewide institutions, Continuums of Care, nonprofit organizations, and philanthropic organizations included in the Emergency Solutions Grants Program rule.

- Exhibit 19-3, *Guide for Review of Local Government Citizen Participation Plan Performance*: Question 6 has been revised to include references to Continuums of Care, nonprofit organizations, and philanthropic organizations included in the Emergency Solutions Grants Program rule.

- Exhibit 19-4, *Guide for Review of State Citizen Participation Plan Performance*: Question 3 has been revised to include references to local, regional, and statewide institutions, Continuums of Care, nonprofit organizations, and philanthropic organizations included in the Emergency Solutions Grants Program rule. Question 4 was split into two parts, with a new “b” to add a question about whether the State government had taken actions to provide the Citizen Participation Plan in a format accessible to persons with disabilities, upon request.

1. Chapter 21: *Environmental Monitoring:* The introductory text to Chapter 21 has been revised to reflect the new Emergency Solutions Grants program and the applicable statutory authority governing environmental reviews for this program. The name of Exhibit 21-1 has also been revised to reflect the Emergency Solutions Grants program name.
2. Chapter 28: *Emergency Solutions Grants (ESG)*:  A new Chapter has been created to monitor the Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments Interim Rule. It includes ten monitoring Exhibits, some of which are mandatory, as described below.

* Exhibit 28-1, *Guide for Review of Homeless and At-Risk Determination/ Recordkeeping Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with the ESG requirements for documenting program participants’ homeless and at-risk of homelessness status. This Exhibit is MANDATORY when also completing any one of Exhibits 28-2, 28-3, 28-4, 28-5, or 28-6.
* Exhibit 28-2, *Guide for Review of ESG Recipient’s Overall Grant Management*: This Exhibit reviews the recipient’s overall grant management and administration. The reviewer must also complete Exhibit 28-1. When answering question 25 regarding procurement transactions, the reviewer must also complete Exhibit 28-9.
* Exhibit 28-3, *Guide for Review of ESG Subrecipient Grant Management*: This Exhibit reviews the recipient’s subrecipients and their compliance with grant requirements. The reviewer must also complete Exhibit 28-1. When answering question 11 regarding procurement transactions, the reviewer must also complete Exhibit 28-9.
* Exhibit 28-4, *Guide for Review of ESG Street Outreach Requirements*: This Exhibit reviews compliance with the ESG requirements regarding essential services related to street outreach. The reviewer must also complete Exhibit 28-1.
* Exhibit 28-5, *Guide for Review of ESG Emergency Shelter Requirements*: This Exhibit reviews compliance with the ESG requirements that apply to activities carried out under the emergency shelter component. The reviewer must also complete Exhibit 28-1.
* Exhibit 28-6, *Guide for Review of ESG Rapid Re-housing and Homelessness Prevention Requirements*: This Exhibit reviews compliance with the ESG requirements that apply to activities carried out under the homelessness prevention and rapid re-housing components. The reviewer must also complete Exhibit 28-1.
* Exhibit 28-7, *Guide for Review of ESG Match Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ compliance with match requirements. The reviewer must also complete Exhibit 28-8 to review financial management and cost allowability.
* Exhibit 28-8, *Guide for Review of ESG Financial Management and Cost Allowability*: This Exhibit reviews the recipient’s and its subrecipents’ financial management systems as well as the eligibility of the program’s expenditures. The reviewer must also complete Exhibit 28-7 to review match expenditures.
* Exhibit 28-9, *Guide for Review of ESG Procurement Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ procurement transactions.
* Exhibit 28-10, *Guide for Review of ESG Equipment and Equipment Disposition Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ equipment management policies.

1. Chapter 29: *Continuum of Care (CoC) Program*: This Chapter was created to provide guidance for monitoring the Continuum of Care (CoC) Program. It includes fourteen monitoring Exhibits, some of which are mandatory, as described below.

* Exhibit 29-1, *Guide for Review of Homeless and At-Risk Determination/ Recordkeeping Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with program participant eligibility and documentation in terms of their homeless status upon entry into the program as required by the McKinney-Vento Act.This Exhibit is MANDATORY when also completing any one of Exhibits 29-2, 29-3, 29-4, 29-5, 29-6, 29-7, 29-8, 29-9, or 29-10.
* Exhibit 29-2, *Guide for Review of CoC Collaborative Applicant Responsibilities*: This Exhibit reviews the collaborative applicant’s compliance with CoC planning activities and Unified Funding Agency (UFA) costs. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-3, *Guide for Review of CoC Recipient Overall Grant Management*: This Exhibit reviews the recipient’s overall grant management and administration. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-4, *Guide for Review of CoC Subrecipient Grant Management*: This Exhibit reviews the recipient’s subrecipients and their compliance with grant requirements. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-5, *Guide for Review of CoC Rapid Rehousing Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with providing rapid rehousing. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-6, *Guide for Review of CoC Safe Haven Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with providing a safe haven. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-7, *Guide for Review of CoC Permanent Supportive Housing Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with providing permanent housing. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-8, *Guide for Review of CoC Supportive Services-Only Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with providing supportive services only. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-9, *Guide for Review of CoC Transitional Housing Program Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with providing transitional housing. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-10, *Guide for Review of CoC Homeless Management Information System (HMIS) Requirements*: This Exhibit reviews the recipient’s and its subrecipients’ compliance with the homelessness management information system (HMIS) standards and requirements. The reviewer must also complete Exhibit 29-1.
* Exhibit 29-11, *Guide for Review of CoC Match Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ compliance with match and expenditure requirements. The reviewer also must complete Exhibit 29-12 to review financial management and cost allowability.
* Exhibit 29-12, *Guide for Review of CoC Financial Management and Cost Allowability*: This Exhibit reviews the recipient’s and its subrecipents’ financial management system as well as the eligibility of the program’s expenditures. The reviewer must also complete Exhibit 29-11 to review match expenditures.
* Exhibit 29-13, *Guide for Review of CoC Procurement Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ procurement transactions.
* Exhibit 29-14, *Guide for Review of CoC Equipment and Equipment Disposition Requirements*: This Exhibit reviews the recipient’s and its subrecipents’ equipment management policies.

1. Transition Instructions: 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) that is being revised here, 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. The GMP Monitoring Module will be updated as quickly as possible to reflect the changes noted herein, at which point notification will be provided to CPD staff. Because the new Exhibits in Chapters 6, 12, 13, 28, and 29 are not yet incorporated into the GMP Monitoring Module, CPD staff are to 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, 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.

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

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