CDBG GRANT ADMINISTRATOR TRAINING

September 29, 2015

TN Department of Economic & Community Development

CDBG INCOME SURVEYING

Guidance and Methodology

TN Department of Economic & Community Development

Purpose

- To analyze the current process for CDBG income surveys, and determine the soundness of the methodology.

- HUD Notice: CPD-14-013 (September 23, 2014)

Low and Moderate Income Household

- Family or household income less than or equal to the Section 8 Low Income limit, usually 80% of the area median income, as established by HUD.

- Can be a single person or group of people living together

- Does not discrimination against actual or perceived sexual orientation, gender identity, or marital status.

Determining the Service Area

- The service area is the entire area that will be served by the CDBG-funded activity.

- The service area must have a minimum of 51% LMI persons to qualify as LMI Area Benefit (LMA).

- Area boundaries must be set <u>before</u> deciding data to be used to determine LMI percentage.
  - Boundaries cannot be drawn to specifically enhance LMI numbers

Ways to Determine LMI

- Use the HUD Low and Moderate Income Survey Data (LMISD)
- Conduct a census of the service area
- Conduct a sampling of the service area

Using HUD LMISD

<u>Pros</u>

- HUD published figures
- No additional surveying needed
- Published at multiple geographic levels (county, city, & block group)
  - Block group data can be aggregated to determine census tract data

<u>Cons</u>

- May not accurately depict LMI (based on ACS data)
- Only published for US Census geographic boundaries

Conducting a Census

- A census is when the entire population of an area is surveyed.

  (Example: Sending out income surveys with the utility bill.)

- A census provides for the most accurate measure, but is typically the most costly and time intensive.

- If conducting a census, the percentage of LMI persons must be taken from the total population of the service area, not the total number of respondents.

  (Example: Area population = 500. 400 households respond to the survey. Minimum LMI households = 255 (500 x .51)

  NOT 204 (400 x .51))

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Conducting a sampling

- A sampling can be conducted by surveying a smaller sample of the service area population to represent the population as a whole.
- Easier to conduct than a census
- Must be truly random
- Be aware of seasonal residents and if the activity is of incidental benefit

Steps to Conducting LMI Surveys

1. Select the Type of Survey
2. Develop the Questionnaire
3. Select the Sample
4. Conduct the Survey
5. Analyze the Results
6. Document and Save the Results

Step 1: Select the Type of Survey

- The type of survey you select will depend on multiple factors like staff size, cost, time constraints, sample size, etc.

- Four basic types
  1. Mail Questionnaire
  2. Face-to-Face (Door-to-Door) Interview
  3. Web-based Survey
  4. Telephone Interview

Survey Types: Mail Questionnaire

Advantages

- Covers a large area
- Opportunity for more honest answers
- No travel
- Allows for respondent convenience

Disadvantages

- Coverage errors
- Not suitable for detailed or written responses
- Low return rate if poorly designed
- Easy to disregard
- Costly
- Longer collection time
- Lack of control of respondent

Survey Types: Face-to-Face Interview

Advantages

- Reliability
- Full range and depth of available information
- Interview scheduling
- Ability clarification of questions or responses
- Easy to target and locate the target population

Disadvantages

- Less candid responses
- Possible bias responses due to interviewer presence
- Amount of travel
- Time-consuming
- Smaller sample size
- Can be costly
- Respondent reluctance

Survey Types: Web-based Survey

Advantages

- Protection of respondent identity
- Efficient
- Inexpensive
- No travel by surveyor or respondent
- Automatic response validation
- Easily accommodate persons with disabilities or Limited English Proficiency (LEP)

Disadvantages

- Lack of internet access
- Easy to disregard
- Difficult to follow-up to improve response rate
- Equipment malfunction or slow speed can lead to impatience and incompleteness
- Nearly impossible for post-disaster surveys
- Lack of control over who completes survey

Survey Types: Telephone Interview

Advantages

- Easy to conduct
- Efficient
- Inexpensive
- Potential for more candid responses
- Allows for follow-up questions
- No fear for personal safety
- Appearance won't influence responses

Disadvantages

- Hostility of respondent based on past telemarketing calls/surveys
- Hang ups
- Call screening
- Difficult to reach unlisted numbers and cell phones
- Scheduling conflicts
- Difficulty with LEP respondents

Step 2: Develop the Questionnaire

- Determine the question content, scope, and purpose.
- Choose the response format to be used for data collection.
- Word the questions to get at the issue of interest.
- Determine the best order and placement for the questions.

Step 3: Select the Sample

- Define the population (service area)
  - The population is defined as households not persons.

- Determine the sample needed for an accurate representation
  - How are you going to make it random?
    - Tax rolls
      - Cannot use for mail or telephone
      - Be aware of renters
    - Phone books
  - How will you replace unresponsive people?

How to Calculate Sample Size

- Confidence Interval (CI) – the range of values within which a population parameter is estimated to lie (margin of error).
- Confidence Level (CL) – the estimated probability that population parameter lies within a given confidence interval.
- Recommended values: CI <= 5 and CL >= 95%
- Sample size does not adjust proportionally with population size.
- http://surveysystem.com/sscalc.htm

Sample Size Calculation Examples

Example 1

Population: 1,500 houses
Confidence Interval: 5
Confidence Level: 95%

Sample Size Needed: <u>306 houses</u>

Example 2

Population: 7,500 houses
Confidence Interval: 5
Confidence Level: 95%

Sample Size Needed: <u>365 houses</u>

- Notice the large increase in population results in a relatively small increase in the sample size needed.

Unavailable Households & Non-responses

- 100% is nearly impossible and unexpected
- Be sure to follow-up with and retry unavailable and unresponsive households
  - At least 2 tries should be made for in-person interviews
  - 3 or 4 attempts should be made for telephone surveys
  - Possibly adjust the time of day when retrying to contact a household
- If replacements have to be made for unreachable households, make sure they are also randomly selected
- Non-response rates over 20% may affect validity

Step 4: Conduct the Survey

- Publicize the survey and purpose. Advance notice may increase participation. (Be sure not to create bias)

- Prepare and train interviews.
  - In-person v. telephone interviews
  - Interview kits may be necessary
  - Be aware of the population you are surveying
  - Train interviewers how present questions in an unbiased manner
  - Income information is personal and sensitive
  - All interviewers should ask the same questions in the same order
  - Record answers and data without omitting or editing

- Replacements should be used for surveys with errors or that are incomplete and cannot be resolved.

Step 5: Analyze the Results

- Tabulate the results of the completed surveys.
- Analyze the results to verify LMI percentage of the service area.

Step 6: Document & Save Your Results

- The survey results must be documented and retained for monitoring and auditing.

- Keep all survey documentation
  - Surveys (complete and incomplete)
  - List of persons/households sampled and interviewed
  - List of replacements
  - Documentation of methodology used

Recommendations & Considerations

- Use multiple survey types for better success
- HUD does not recommend mail surveys without a follow-up letter or phone call
- For in-person interviews, interviewers may want cards with the income levels for the corresponding family size
- Keep sensitive and non-sensitive information separate with corresponding identifiers

2016 APPLICATIONS

Department of
Economic &
Community Development

Expectations

- Approximately $24M in funding from HUD
- Will continue to be competitive
  - Only 40% of the 2015 applications will be funded
  - 53 out of 131
- If you are reapplying, you must talk with someone at our office about the problems with the application before you can resubmit it

Schedule

- Applications are due February 26, 2016
- Public Meetings must be held by January 26, 2016
- Closeouts due February 12, 2016
- Final RFPs due February 5, 2016
- Final change orders due January 29, 2016

Process

- Will be online in October
- Hit “Submit” and then add application and other documents to the FTP site
- We’ll get you access to the FTP site in November – keep up with your password
- We’ll do Application Notices this year as well
- There will be a new Ability-to-Pay

General Concerns

- Date of Application Completion
  - Revised submission refers to corrections that are made (not if you turned it in in 2015)
  - We need to be able to see what is the most current version

- Multi-jurisdiction
  - In one county – county and city or two cities
  - In more than one county – spreads across county lines
  - This prepopulates where you need to do the M-J calculations for unemployment rates

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General Concerns

- ThreeStar
  - We updated the budget to help you figure this out
  - Several fields on page 1 populate other pages
  - Only 5 counties are not Three-Star this year (goes back to July 1, 2015
  - No reason to decline the decrease in match

- Ability to Pay
  - Connected to ThreeStar
  - We are showing the communities how much they are saving since this has not been understood

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General Concerns

- FEIN and DUNS
  - Check them please!
- Description
  - Summary of the Narrative
  - Need to be able to see what the project is in just a few sentences
  - Not technical
  - Tell us why this project needs to be done

General Concerns

- Legislators
  - Make sure you get them in the right place
  - If you have more than are listed here, be sure to let us know
- Narrative
  - We need to be able to understand what the project will accomplish and what problem will be solved
  - Describe how all of the pieces fit together
  - Note anything unusual

General Concerns

- National Objective
  - This is included in the Narrative – describe how you are meeting an NO – typically LMI
  - Also include benefits to minority groups

- Economic Development
  - Much more strict this year (but consistent)
  - 0 points – businesses are served by this sewer system
  - 5 points – on a moratorium so we can't add any new customers
  - 10 – We have XYZ industry that will locate but it depends on this project, or we can document economic loss due to not having this in place

General Concerns

- Outputs and Outcomes
  - These will be added to the closeout documentation – you will have to show what was proposed and what was met
  - Outputs – a count; what is actually produced
    - Linear feet of lines repaired, number of houses rehabbed, equipment installed, number of fire trucks purchased, sq feet of building completed, households served
  - Outcomes – impact or benefit of the outputs
    - Lower I/I or water loss, number of people/families with safe, affordable housing, number of people with improved fire protection, services out of the new building, households improved
  - They should relate to each other

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General Concerns

- Budget
  - Engineering (other than design) – need a breakout of what that is – can include surveying, TV'ing
  - Legal, appraisals placeholder – would prefer it to be not just $1
  - Professional fee – typically administration, but if there is more, describe it
  - ERR - $1500 – can revise later if you do an EA
  - Other Non-Personnel Expenses – typically this is for permits, equipment, fees for ads
  - Don't add to the budget

- Length of Construction is actual construction so fiscal can check Inspection amount

General Concerns

- Housing and Community Development Needs
  - This is not a repeat of the Narrative
  - Use CEDS, Strategic Plan, TACIR, etc. (NOT public meeting)
  - Address housing! Have to justify why you are not asking for housing funds
  - Also discuss how this benefits other groups – not just a repeat of the Narrative
  - Include documentation if you have it

General Concerns

- Beneficiary Information Sheet
  - This will be revised – we need to know all of the communities that are beneficiaries, even if they are less than 5% of the beneficiaries
    - Still do not have to do M-J calculations

- PCI
  - We are using 2013 numbers now – the others were too old
  - Will be on website in the next few weeks
  - Calculates everything for you!

General Concerns

- Project Impact
  - This has been moved from the supplemental pages
  - Will be calculated based on page 1
  - For M-J projects, you will only be able to type in these boxes if it is an M-J project

- Randomness Methodology
  - Explain your process thoroughly
  - What happens when no one answers, what did you do when you got an incomplete survey, when did you stop collecting surveys, who made the calls, etc.
  - Need to know when you did the surveys – in general

General Concerns

- TASS
  - If the project has multiple target areas, the TASS in the application is the overall TASS
  - We still need one for each target area
  - Use the Sample Size calculator before you start surveying
  - The Sample Size calculator can be based on HHs
  - If you are using census data, just check the box at the bottom of the page and list the LMI % you get from the census data
  - We'll add the link to the data on this page

General Concerns

- Racial Breakdown
  - Will have a total and that number will come from the TASS – include all beneficiaries

- LMI Breakdown
  - These totals will also come from the TASS
  - It is BB and DD – it was wrong on the 2015 application

General Concerns

- Title VI
  - Planning Commission is not the same as the JECDB
  - Why isn't the mayor included on the City/County Commission list

- Public Meeting
  - No change in requirements for the ads
    - 2 ads for the application meeting, one at least "14 days" before the meeting
    - Should be a **display ad** – not something buried in the classifieds section
    - Include statement of non-discrimination

General Concerns

- Public Meeting – cont'd
  - Timeline:
    - Public meeting then engineer procurement and resolution
  - Have to do additional outreach to try and get minorities and potential beneficiaries to come
  - Be careful when you have it (Water Board meeting?)
  - If housing, let the people in the affected area know specifically
  - You must document feedback – especially if there are several people there, don't just send an agenda
  - Explain the CDBG process and ask for potential projects

General Concerns

- JECDB
  - The community should have a meeting in each quarter
  - Must meet at least 4 times per year, 8 if Exec Cmte meetings are not at the same time
  - Will have a space for notes if additional information is needed

- Displacement Plan
  - Will see if we can get rid of it and just ask if there will be any displacement

General Concerns

- Formatting
  - Naming Convention – same – Just list what the document is – brief – list name of doc then city/county
  - No subfolders
  - No spaces before you start typing
- Reapplying
  - Talk to us first to see what was wrong with the last application
  - Procurement is good for 2 years
  - Indirect beneficiary surveys are good for 3 years (adjust to new PCI intervals)
  - Direct beneficiary surveys need to be done every year
  - Public meetings and resolutions need to be done every year

Additional Documents

- Supplemental Questions
  - Trying to cut back on these as much as possible
  - Will be required for each type of project

- PER
  - Please make sure the budgets match!
  - Does not need to be lengthy – need to know why this project in the context of their system, other options considered, budget

Additional Documents

- Map Survey Forms
  - Very few changes for this year
  - For indirect beneficiaries need to know how many TARGET AREAS
    - Considered numbering the MSFs for you but some of you still use map numbers – don't need additional info like streets
  - For direct beneficiaries – **be more careful**
    - They should easily match the TASS's and surveys
    - The surveys have to be complete for them to count
    - Check them and then recheck them

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Additional Documents

- Target Area Surveys
  - Very little confidence in the Indirect Beneficiary surveys based on our experience with the Direct Beneficiary ones
  - Need to check them all carefully
  - Make sure the people collecting/accepting them understand the process and what makes a good survey
  - We changed the intervals
  - We changed several of the other questions to make sure it was clear that a blank was not appropriate
  - We need numbers, not check marks

Additional Documents

- Target Area Surveys – cont’d
  - Make sure there is a date
  - Answer all of the questions and then check them ALL to make sure it was done correctly
  - For Direct Beneficiary projects, need a survey that says No to Service, Commercial, etc. so we can match them with the map
  - Don’t change the form
  - If reapplying, don’t forget to update the intervals using the midpoint

Additional Documents

- Maps
  - MUST have a key
  - A map with the city limits drawn on does not explain anything
    - If the city or county limits are the same as the service area / beneficiaries, note that
  - Need to be able to look at map and tell if project is multiple target areas and/or multiple jurisdictions
  - Map has to match beneficiary breakdown and TASS's

Additional Documents

- Utility Letter
  - Will have a form to be filled out and signed by the Utility Manager this year
  - Even if the system is owned by the city, the utility manager needs to sign
  - Still base the rates on 5,000 gallons of water/wastewater
  - INCLUDE taxes and fees

Specific Projects

- Water Lines
  - Need a list of samples that isn't handwritten then faxed then scanned
  - Double check the letter from the sampler to make sure they include everything they are supposed to
  - Need to be able to match the map to the MSF
  - Test about 35% for the best score – have to test at least one HH in each target area and at least 10% in each target area
  - What can we do to make sure we have fewer scope changes on these projects?

Specific Projects

- Sewer Lines
  - If you are extending a sewer line to a school or other facility, call us first to make sure the survey process is done correctly
  - If there is a sewer use ordinance (that will be enforced) then it doesn't matter how they answer the TAS questions
  - Include all homes and structures on the map
  - Will do site visits as soon as we get the applications this year

Specific Projects

- Community Livability
  - Use numbers whenever possible in the Supplemental Questions
  - Use 2-3 years of calls and amount of loss
  - Insurance savings for a home should be based on a $150,000 house
  - No need to repeat information in the supplemental questions, you can refer back
  - Lots of fire truck applications! To separate an application from the pack show number of calls, property loss, ISO improvement, age of truck

Specific Projects

- Water and Sewer Systems
  - Priority List Letters are due January 22, 2016
    - You won't get an award if this isn't turned in on time
  - Make sure the PER matches the application – especially the budgets
  - Have some outcomes for these projects – particularly if this is Phase IV
  - Include brief information on moratoriums, violations, consent decrees, etc.
  - Good example: "If it rains more than 1.5 inches in 12 hours, overflows occur"
  - We are improving the supplemental questions formats

Specific Projects

- Housing
  - How do you choose houses – need, who will complete survey, something else?
  - How can we score these better?
  - Getting better about doing the number of houses you say you are going to do, but this still needs work

Your Suggestions

- What else would you recommend change on the application?
- On the supplemental questions or other additional documents?
- In the review process?
- To make things easier?
- To make the scoring more fair?

CDBG - GENERAL

Department of
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Community Audits

- We are now required to review the community's audit each year
  - We'll be getting in touch with the community if they have any grant/financial management findings
  - Those will have to be cleared before another award can be made

- OMB Supercircular is now the standard for grant management for federal funds

Invoices

- Programmatic staff are reviewing all invoices
- Fiscal staff is doing their same review and checklist
- Things will be changing! Just because you have gotten away with it in the past doesn’t mean you’ll continue to!
- Make sure backup documentation is sound and that there are signatures on everything
- If we request corrections, make sure you send them to us

Invoices

- Please submit quarterly invoices
- Cannot submit them more than monthly
- Explain any abnormalities in the email

- THANK YOU for your work on the Accrued Liabilities this year. We did a MUCH better job
  - Remember that this will happen every year now
  - We'll do some additional training this year based on the problems we see from last year

Change Orders

- Still trying to figure out how to cut back on these
  - The problem is that we can't pay for more than has been approved – linear feet, manholes, etc.
  - Suggestions welcome – does 25% make sense
- We are allowing you to increase work by more than 25% if the attorney is ok with it
  - There will still need to be scope changes for a decrease in work of 25% or more

Contractors

- Help manage expectations
  - It takes about 2 weeks to get paid if everything is in order
  - That is AFTER it is submitted to ECD and if everything is correct

Contracts

- There are still a lot of hiccups in this process
  - We are trying to get it down to a science
- For this year, you will get an email within about a week of the announcement with the contract, the financial documents that we need, and additional questions – like how much federal money will the community get this year
- All contracts will be under the Delegated Authority so they approval process should be quick
- Feel free to check with us if you haven’t seen an approval in a few weeks

ERRs

- These are looking better!
- No major changes this year
- New manual will go out in the coming weeks with some clarifications
- Can charge $2500 for an EA IF it was required
- If you have a question about the level of review, check with us before you do the ERR
- We will continue to refine this process annually

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ERRs

- Send it in a binder or binder clips so pages can be replaced easily
- Every ERR needs an A-1
- For tribal consults – when the A-20 says "Consulting Agency", you need to consult them if you consult SHPO
- For the Chickasaws, be sure to use the language in the A-20

ERRs

- Plan ahead so you can aggregate projects and grants
  - Check with us for approval before you send in the documentation
  - Attach a copy of the original LOREC
- Do not include any documents not required
- There is a new form for the Addendum of Validity
- Contact Karla for directions for the Web Soil Survey and Envirofacts

ERRs

- If there is no response from the initial contact on the NEPA checklist, then check with us to see who to contact next
  - Turn in the initial request and label it with "no response" so we'll know
- Follow directions for the language that should be on the A-3
- Start tribal and SHPO consults immediately after the grant announcement

Section 3

- We have a Section 3 report due this year for the first time in over 2 years so we'll be looking more closely at this documentation
- Make sure the contractors understand what Section 3 means and how to comply
- We can't turn in all "0's" forever without having to do some additional work

Davis-Bacon

- HUD or DOL has released some guidance on independent contractors
- Make sure you do interviews often at the beginning of the project and if you see problems, keep doing them very regularly
- Review the first few payrolls CLOSELY and fix the problems early on
- If subs are only on the job for a few days, document why you couldn't do interviews and that you reviewed the payrolls more closely

Disaster

- 77% drawn down on 08 and 10 Disasters!!!!!
- 17 awards for 11-D + 4 in Shelby County – have to get that money spent down quickly
- Disaster awards are going to be harder to get, likely to have more competitive program in the future
- Will not give out disaster awards in the future without considering how the projects affect the entire area and resiliency
- Will likely see some intense monitoring from HUD as the 08 and 10 grants close out

Monitoring

- More findings than ever – we are looking more closely at all compliance areas
- D-B seems to be the biggest problem area followed by FH
- Please help us get the monitoring visits scheduled further out as we get to closeout – we'll need your help!

Closeouts

- We expect about 75 between now and February!
- Our goal is to close 50% of the 2014s!
- Have to closeout ‘08 (‘12) and ’10 disaster projects to apply for funds this year
- Have closeout and application public hearings at the same time
- Closeout public hearings should be held within 30 days of the end of construction – we’re following construction dates more closely now

Disaster Resiliency

- We will submit an application in October for the National Disaster Resiliency Competition
- One of about 40 applicants for $1B
- Will hear back in December
- Accepting public comments starting this week
- New model for HUD and other federal funding

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