



## NOTIFICATION

**Related to:** Community Development Block Grant Program  
**Subject:** Administrative Rules Initiative  
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### Overview

The New Hampshire Community Development Finance Authority (CDFA) administers the State of New Hampshire's annual federal allocation of Community Development Block Grant (CDBG) funds for eligible municipalities. Since July 2003, CDFA has administered the federal program. As a result, the organization also inherited rules related to the CDBG program established by the Office of State Planning.

In accordance with RSA 162-L:16, IV, CDFA is responsible for adopting rules, pursuant to RSA 541-A, to include:

- a) Application process;
- b) Criteria and procedures for evaluating applications from eligible municipalities;
- c) Procedures for the administration of program activities and funds by grantees; and
- d) Procedures for monitoring grantees and hearings.

CDFA's public outreach, application review and rating process has led the organization to an evaluation of the methods been using under the longstanding Administrative Rules to award and administer funds. The result is the undertaking of the CDBG Administrative Rules Initiative – an important measure towards increasing the effectiveness of New Hampshire's program while reducing the regulatory burden.

The CDBG Administrative Rules Initiative will assist the organization in accomplishing the following goals relative to the CDBG program:

- Increase accessibility to and ease-of-use of CDBG funds;
- Create flexible structure to better adapt to evolving needs in New Hampshire;
- Adjust to new funding levels and a technology-driven world; and
- Continue to integrate CDFA resources to support critical, community-driven projects.

As funding levels for the CDBG program continue to remain uncertain, it's critical to ensure New Hampshire's program is well-positioned to make the most impact possible with limited resources. This includes breaking down barriers to using the CDBG program, one of which are lengthy, cumbersome state administrative rules overlaid on already complicated federal regulations.

### Administrative Rules Initiative Process

CDFA is in the process of restructuring its state administrative rules related to the CDBG program. As part of this initiative, the following steps have been completed or will be underway within the next 18 months.

1. **Due Diligence** (complete). Conducted due diligence and in-depth research to inform the rule change process, including:
  - a. Gathered and evaluated input from stakeholders;
  - b. Researched best practices and program models from across the United States;

- c. Engaged expert consultant with extensive HUD knowledge; and
  - d. Coordinated with Legislative Services to develop timeline and understand state-level policy needs.
2. **Restructuring** (underway). Simplified CDBG state-wide program rules in accordance with CDFA's founding legislation and pursuant to RSA 541-A. Proposed administrative rules, which are subject to JLCAR's formal rule change process to be undertaken this fall, now include:
- a. Application process;
  - b. Criteria and procedures for evaluating applications from eligible municipalities;
  - c. Procedures for the administration of program activities and funds by grantees;
  - d. Procedures for monitoring grantees, hearings; and
  - e. Updates to ensure consistency with HUD regulations.
3. **New Program Tools** (underway). Development of new program tools is currently underway, including a CDBG Program and Application Guide and CDFA Implementation Guides focused on compliance. These new tools will be hosted on a new CDFA Compliance Website to be launched within the coming year.

The CDBG Program and Application Guide will include information on the following:

- a. Eligible applicants;
  - b. National objectives;
  - c. Federal / state requirements;
  - d. Program policies and definitions;
  - e. Application procedures;
  - f. Eligible uses;
  - g. Rating and ranking (scoring); and
  - h. Administrative reviews.
4. **Community Listening** (planned for 2017 – 2018). To better adapt to the needs of New Hampshire communities and our partners, CDFA will enhance the community listening and input process relative to the CDBG Program and Application Guide. This will include ongoing engagement with stakeholders to discuss challenges and opportunities related to the CDBG program, determine community priorities, and create a system of distributing funds that responds to those priorities.

#### **Additional Information and Comments**

We welcome your comments on the proposed CDBG administrative rules. For more information on the CDBG rule change initiative or to provide comments, please contact Meena Gyawali, Director of Community Development at [mgyawali@nhcdfa.org](mailto:mgyawali@nhcdfa.org) or 603-717-9112.