



THE CITY OF  
SPRINGFIELD, MASSACHUSETTS

January 5, 2017

Robert D. Shumeyko, Director  
U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Thomas O'Neill, Jr. Federal Building  
10 Causeway Street, Fifth Floor  
Boston, MA 02222-1092

Dear Mr. Shumeyko:

The City of Springfield is submitting a clarification of the National Objective for job training activities within the National Disaster Resilience Grant.

Please let me know if you have any questions or require additional information.  
And as always, thank you for all your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Cathy K. Buono".

Cathy K. Buono  
Director of Administration and Finance

## **Overview**

This memorandum is intended to clarify the City of Springfield's classification of its CDBG-NDR funded job training initiatives with respect to eligible activity. The City will use the original National Objective outlined in the Grant Application for both job training activities. These activities will be Public Services eligible activities and will be completed within the standard two-year expenditure timeline associated with funds appropriated under Public Law 113-2.

## **Background**

In order to address the critical need for low skill jobs which provide a job ladder to better jobs, the City has incorporated job training opportunities in its portfolio of NDR activities. The Regional Employment Board of Hampden County (REB) will provide job training in the areas of home rehabilitation, lead hazard reduction, and healthy homes. The REB will operate three sessions of the Safe Homes Training Program, which will provide training to low-income individuals. Tech Foundry will operate the Information Technology job training program.

In the City's Phase II NDRC application, it listed the job training initiatives under the Public Services eligible activity. Subsequent to the NDRC award announcement, HUD requested that the City submit an expenditure deadline extension request that covered all NDR-funded projects and programs. In reviewing HUD's guidance relative to deadline extensions, it was determined that the deadlines for Public Service activities are not able to be extended. As such, the City consulted with HUD to determine the best course of action. Following those discussions, the City re-classified the job training programs as Special Economic Development activities in order for them to be eligible for the expenditure deadline extension. The City's extension request was submitted to HUD and approved in July 2016.

However, upon further review of the requirements associated with Special Economic Development activities, the City raised concerns relative to the hiring commitments that would be needed from businesses. Specifically, the grants administration requirements for 24 CFR Part 570.203(c) are described in 24 CFR Part 570.506(5)(i) or 24 CFR Part 570.506(5)(ii), depending on the City's choice to document if businesses are solely making jobs available to LMI persons ((5)(i)) or jobs that are filled by LMI persons ((5)(ii)). Both sections would require the City's subrecipients to enter into a written agreement with private, for-profit businesses that states the following:

- 1) *Commitment by business that at least 51% of jobs, on an FTE basis, will be held by LMI persons; and*
- 2) *Listing, by job title, of the permanent jobs to be created, identifying which are part-time, if any.*

## **Resolution**

The intent of the City's NDR job training programs differs from the standard process in which such programs under 24 CFR Part 570(203)(c) are conducted given that Springfield will be funding subrecipients to train individuals who will be hired by a large number of businesses (versus funding a single business to train employees for specific positions).

Given this difference, Springfield will need to conduct significant outreach to businesses throughout the region prior to the delivery of trainings to market trainees and identify businesses willing to hire

individuals after the training and enter into an agreement with the two subrecipients. Many of these businesses will be small and micro businesses and the City is concerned that they will be hesitant to enter into a written agreement to hire trainees after the training is completed. The lack of such commitments would put the City at risk of not complying with the requirements for this activity set forth in 24 CFR Part 570.209.

Springfield originally proposed these job training programs as Public Service activities, which does not require the written agreement and is in keeping with the City's general practice of using subrecipients to develop and deliver job training programs. The City understands that Public Service activities are ineligible for a deadline extension and commits to completing the job training programs within the standard two-year expenditure timeline associated with funds appropriated under Public Law 113-2.