**CHAPTER I. OVERVIEW**

**Introduction:**

This manual is prepared for local government officials and staff; and grant administrator who will be implementing an Idaho Community Development Block Grant (CDBG) funded project. The manual outlines the procedures and processes; and contains forms that will help the Grantee (City or County) and/or the sub-recipient comply with the federal and state requirements that are applicable to the federal CDBG program.

The manual is divided into ten individual chapters that represent the major compliance areas that a CDBG funded project must meet.

Chapters and their Objective:

1. Overview – Chapters, Grant Administrator Responsibilities, File Set-Up, Monitoring
2. Environmental – Assess your project’s environmental impacts.
3. Financial Management and Grant Closeout – Ensuring CDBG funds spent on eligible CDBG activities, the Grantee has the proper financial management controls, and documentation that the Grantee has successfully completed the project.
4. Acquisition – Required steps to acquire property and meet the requirements of the Uniform Property Acquisition and Relocation Act “Uniform Act.”
5. Procurement – Full and open competition for CDBG services and construction.
6. Labor Standards – Protecting and ensuring the rights and requirements of construction workers related to Davis-Bacon and Related Acts.
7. Citizen Participation – Ensure the public is aware of CDBG project and provided an opportunity to comment and have input.
8. Civil Rights – Equal Access – Proactively promote participation in the CDBG program and its projects.
9. Fair Housing – Grantee steps to affirmatively promote the Fair Housing Act.

X. Section 504 / ADA – Grantee steps to ensure non-discriminatory treatment, outreach, and access to its facilities, programs, services, and activities.

**Grantee (City or County) Administration of CDBG Projects:**

*Grantee Administrative Capacity*: Administrative capacity is the level of skill and professional competence required to administer, manage, coordinate, and implement all components of the CDBG program. All Grantees and their sub-recipients must demonstrate an administrative capacity to carry out the CDBG requirements. Administrative performance is demonstrated by:

* Stability and competency in governance.
* Leadership
* Ability to implement proper financial management practices and protocols.
* Understanding of contractual relationships.
* Ability to monitor projects regularly and keep files current.
* Ability to submit timely and complete reports.
* Ability to negotiate problems and conflicts.
* No previous unresolved Commerce sanctions.

Each city or county receiving a CDBG grant contract must have a certified grant administrator who will administer and ensure implementation of the CDBG requirements on the project.

At a minimum these certified grant administrators are responsible for keeping the grantee in compliance with CDBG regulations, process and procedures. Successful administrators are not only certified by Commerce but have knowledge of environmental laws, federal labor standards, real estate, construction methods, land-use planning, contracting, financial management, building codes, survey methods, and infrastructure financing programs.

**Typical Grant Administrator Tasks:**

1. Development Stage to include: (services not eligible for CDBG funding)
   1. Project planning and development
      1. Meet with local governments and non-profits to discuss financing options to address identified needs.
      2. Explain about the various funding programs. Detailing eligibility, application process, funding requirements, timelines, etc.
      3. Conduct scoping with funding agencies to determine funding availability, verify eligibility, and probability. May include meeting with funding agency representatives.
      4. Working with stakeholders to define “the project”, for which funding will be applied for.
      5. Assess project impacts on the community – environmental, socio-economic, and affordability / costs.
      6. Procurement tutoring. Explain to community the RFP requirements for hiring consultants and bidding requirements for hiring contractors. Assist in setting up the procurement process.
      7. Bond financing assessment and advancement. Assess with community the need, desire, and probability of pursuing debt financing (passing a bond). Educating and communicating to the general public bond financing including household cost. Presenting at public meetings.
   2. Conducting an income survey, if necessary
      1. Verify with funding agencies if survey is necessary.
      2. Determine survey method. Set-up survey - includes selecting methodology, developing questionnaire, determining sample size, establishing random process, verify process with funding agencies, conduct survey, analyze results, and create survey report.
      3. Coordinate surveying methodology with other funding agencies.

Document and explain survey results to local government and funding agency officials.

c. Assisting the Applicant in establishing their RD Apply account and walking them through the application and submittal process.

d. Preparing and writing CDBG application, including the public hearing.

2. Grant Administration to include: (services eligible for CDBG funding)

1. Project Set-Up – file set-up, facilitating financial management procedures including cost allocation plan, meetings with grantee and stakeholders, submission of pre-contract documents, responding to inquiries, and explaining CDBG requirements to Grantee and/or sub-recipient.
2. Environmental Review – Conducting an environmental review that complies with 24 CFR Part 58. Duties include, but are not limited to, assessing project site, touring the site, gathering and verifying documentation, determining clearance level, preparing an environmental review record. Publishing and posting public notices. Gathering and tracking comments. Debriefing Grantee on the review. Establishing mitigation measures. Securing IDC’s environmental concurrence.
3. Acquisition and Relocation – Ensure Grantee complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act for any property, permanent easements or long-term leases acquired for the CDBG project. Touring of the project site, determining acquisition activity, ensuring grantee meets either the voluntary, basic, or donation requirements as per the Uniform Act. Meeting with property owners. Submission of documentation.
4. Labor Monitoring – Ensuring construction contractors are meeting the requirements of the Davis Bacon Act and Related Acts, Copeland Act, CWHSSA and Fair Labor Standards Act. Duties include, but are not limited to educating contractors about the labor requirements, providing labor documents and forms to contractors and their sub-contractors, identify appropriate wage determination, requesting additional wage classifications, reviewing and tracking payrolls, conducting employee interviews on-site or mail, traveling to project site, observing workers, comparing payroll information to interview, documenting payroll reviews, identifying and investigating errors with contractor, reporting and facilitating the correction of errors or problems to Commerce, and completion of required labor reports.
5. Project Monitoring (during procurement and construction) – Assist Grantee in setting up the procurement and then the selection of a design professional and/or contractors in accordance with CDBG requirements. Participating in pre-bid, pre-construction and construction progress meetings. Review of bidding documents, construction progress monitoring, reporting, and construction close-out. Ensuring proper disbursement and documentation of CDBG expenditures. Observing construction progress. Monitoring of design professional procurement process.
6. Financial Management duties which includes coordinating contractor and design professional pay applications, preparation of CDBG request for funds, submission of request to IDC and ensuring proper disbursement of CDBG expenditures.
7. Civil Rights - Equal Access – Completing CDBG civil rights activities and documents. Duties include explain and educating contractors on complying with Section 3 requirements and hiring of disadvantage business enterprises. Submission of RFP to Idaho PTAC. Ensuring accurate completion of Section 3 Reports and the Contractor / Sub-contractor Activity Report. Assist the Grantee in conducting a Limited English Proficiency (LEP) four-factor analysis. Promoting disadvantage business enterprises and fair bidding practices. Ensure public display of EEO posters.
8. Fair Housing Actions – Helping to ensure the Grantee is taking steps to affirmatively further fair housing. Duties include ensuring the Grantee understands and adopts the fair housing resolution, proclaims April as fair housing month, and displays fair housing information. Assist and guide the Grantee in completing a fair housing assessment including identifying contributing factors and actions to mitigate the contributing factors.
9. 504 / ADA Actions – Helping the Grantee to meet CDBG required section 504 and ADA requirements. Duties include to help develop (or update) an ADA transition plan. Assist the Grantee in review and completion of the effective communication checklist. Ensure the Grantee has in-place a 504 coordinator, non-discrimination policy and ADA grievance procedure. Ensure the Grantee understands and publishes the – Notice under the ADA Act. If necessary, assist the Grantee in conducting (or updating) a self-evaluation of its facilities, services, and programs.
10. Project Close-Out – Documentation that the Grantee has met their CDBG national objective and contractual performance requirements. Complete for review and signature CDBG closeout documents. Ensure all project and close out documents are submitted and approved by IDC. Ensure requested documents, concerns, and findings are addressed and resolved.

Note: all tasks identified may not need to be complete on every project. Depending on the scope of the project some tasks may not be necessary or reduced in scope.

**Grantee File Structure:**

The following list identifies the major file categories and materials to be contained in each:

*Application*

* Application and Addendum
* Grant Award Letter
* Compliance with HUD National Objectives including income surveys

*CDBG Contract*

* Executed CDBG Contract and any Contract Amendments
* Documentation regarding completion of any contractual special conditions

*Environmental Review Record*

* Environmental Review Record
* Evidence of compliance with all mitigation measures, including copies of comments received and grantee responses. Also project bidding documents and drawings that identify mitigation measures.
* Request for Release of Funds and Certification
* Commerce’s Notice of Release of Funds

*Acquisition (and Relocation)*

* Notices
* Property Appraisals and Appraisal Review
* Documentation determining Property Value
* Written Offer to Purchase letter or Donation Letter
* Commitment to Title Insurance
* Preliminary Settlement Statement
* Real Estate Purchase and Sale Agreement
* Recorded Property Deed
* Executed Settlement Statement
* Copies of all notices and correspondence sent
* If relocation, all related documents

*Civil Rights – Equal Access*

* Steps to Comply with Section 3 forms
* Section 3 Summary Report
* Contractor / Subcontractor Activity Report
* Limited English Proficiency (LEP) Four-Factor Analysis
* Equal Employment Opportunity statement

*Financial Management*

* Requests for Funds
* If necessary, Request for Funds authorized Signature
* Payment Request source documents (invoices, application for payment)
* CDBG Progress Reports including

Attachment A - Grantee Disbursement Report

Attachment B- Labor Standards Update

Attachment C - Acquisition

* Record of expenditure of matching funds
* General Ledger, Cash Receipts Record, Disbursement Record, and Property Inventory

*Procurement*

* Small purchase

1. Request for Proposal or Invitation to Bid
2. PTAC Solicitation Notice
3. Bids or price quotes received
4. Record of Selection
5. Commerce’s Debarment Clearance
6. Certificate of Insurance
7. Contract / Work Order / Agreement

* Competitive negotiation / RFP

1. Request for Proposal
2. Published Request for Proposal
3. PTAC Solicitation Notice
4. Copies of all Proposals Received
5. Evaluation Sheets (individual and summary) ranking proposals
6. Record or Justification of Selection
7. Commerce’s Debarment Clearance
8. Contract/Agreement

* Competitive sealed bids

1. Bidding Document and Drawings (electronic versions allowed)
2. Invitation to Bid
3. Published Invitation to Bid
4. Bidding Document Certification
5. Contractor Bids
6. Bid Tabulation and Design Professional’s Analysis
7. Commerce’s Debarment Clearance
8. Award Notice
9. Construction Contract, Certificate of Insurance, Performance Bond, Payment Bond, and Power of Attorney
10. Pre-Construction Meeting Minutes
11. Notice to Proceed
12. Contract Change Orders

*Labor Files*

* Ten (10) Day Wage Update
* Prime and Subcontractor Certifications
* Additional Wage Classification Requests
* Contractor and Subcontractor Payrolls
* Documentation of fringe benefit plans
* Employee Interviews
* Apprenticeship Certifications
* Employee Voluntary Deduction Authorization form
* Proof of any restitution
* Labor Standards Enforcement Report
* CWHSSA Liquidated Damages Report

*Section 504/ADA Requirements*

* Designation of 504/ADA Coordinator
* Copy of published Notice Under the American with Disabilities Act
* Record of the Self-Evaluation of facilities, programs, and services
* ADA Transition Plan
* Effective Communication Checklist
* ADA Grievance Procedure

*Fair Housing*

* Adopted and published Fair Housing Resolution
* Fair Housing Assessment
* Fair Housing Proclamation
* Photo of Fair Housing Posters as posted

*Commerce Monitoring*

* Commerce letters of findings and recommendations
* City/County response to letter of findings

*Project Closeout*

* Grantee Closeout Agreement, Final Performance Report, and Final Financial Reports
* Certificate of Substantial Completion

*Audit*

* Financial Audit (electronic version allowed)
* If necessary Corrective Action Plan

**Monitoring:**

Monitoring is an ongoing evaluation process. All project components including but not limited to national objective, eligible activities, financial management, procurement, federal labor standards, environmental review, acquisition & relocation, civil rights, fair housing, citizen participation, LEP, ADA / 504 standards, and performance are monitored. Monitoring is conducted per desk and on-site reviews of application and project information and documentation. Each CDBG funded project will receive a monitoring letter from Commerce. This letter will identify the finding of each project component: Following are the potential findings:

1. *Determination of Compliance:* Refers to full program compliance and outstanding performance.
2. *Follow-up Action Required:* Refers to additional information needed to make a determination.
3. *Determination of Concern:* Refers to a performance problem unrelated to statutory requirements. A concern is identified to alert the grantee of a practice that could lead to more serious problems.
4. *Finding of Noncompliance:* Refers to a violation of statutory or regulatory requirements. Corrective actions will be required. Possible sanctions may result from this finding.

**On-site Monitoring Procedure:**

The monitoring visit will consist of:

1. Review of pertinent files for required documentation, compliance with program regulations, and verification of the accuracy of information in the performance reports.
2. Interviewing members of the grantee’s (and sub-recipient) staff as appropriate to discuss performance.
3. A visit to the project site to observe activities and ensure consistency with the application.
4. Results of the monitoring visit will be submitted to the grantee in writing.

**Follow-up or Corrective Actions:**

In the event the grantee fails to meet a target date for follow-up or corrective action, the grantee will be contacted by telephone, letter or e-mail requesting a status report. A new due date may be established subject to good faith efforts by the grantee.

When the grantee’s response has been received, Commerce staff will review the follow-up or corrective action taken. If the review indicates the action was not satisfactory, the grantee will be notified of additional action needed and the due date. A follow-up visit may be necessary to verify a corrective action or to provide technical assistance.

When Commerce’s review indicates the grantee has provided satisfactory information, a letter will be sent to the grantee stating compliance has been achieved. If the grantee fails to comply, Commerce can bar a grantee from applying for CDBG funds, withhold unallocated funds, require return of unexpended funds or require repayment of expended funds.

It is important to approach a grant project as a partnership. To that end, Commerce staff is available to explain and help grantees meet the grant requirements. It is Commerce’s policy to help resolve issues or problems as they occur.