



CITY OF ATLANTA

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Department of Grants & Community Development

Community Development Block Grant Program Policy Manual

Policy Version

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CHAPTER 1: INTRODUCTION

1.1 Purpose

The purpose of the City of Atlanta's (City) Community Development Block Grant (CDBG) Program Policy Manual (Manual) is to establish a framework that guides the operation of the Department of Grants and Community Development (DGCD) to ensure all federal, state, and local rules and regulations are adhered to. The Manual is specifically designed to guide City staff and to help CDBG funded entities understand the requirements that apply to the use of such federal funds for the delivery of the Program and its eligible activities. It provides an approach for making decisions, ensuring the Program is operated in a fair and consistent manner, as well as providing all Program participants with an understanding of how the City manages the Program.

This manual is intended to be used as a resource for implementing its CDBG program projects and for other interested parties who are contemplating applying for funding assistance under City's DGCD's CDBG Program.

Information included in this document is derived from three main sources:

1. Federal requirements that impact local policies and procedure;
2. Growth, demographic shifts, and changes in need that necessitate adjustments in the local program; and
3. Historical knowledge gained from managing the program in the City.

CDBG policies and procedures improve service delivery, provides for fair and equitable access to services, and alleviates problems of inconsistency associated with local program guidelines. The regulations of the program are governed by Title 24 Housing and Urban Development, Part 570, Community Development Block Grants; and any other policy alerts as mandated by HUD.

The Housing and Community Development Act of 1974 (HCDA), authorized HUD to create the CDBG Program. The program seeks to provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. To ensure proper execution of the CDBG program the City contractually acknowledges and follows the Housing and Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR 200.

The rules and regulations governing the activities of the CDBG Program include the Laws as enacted by Congress and the Regulations created by HUD to achieve the result prescribed by the Laws. HUD provides guidance on the CDBG Program through CPD Notices and Policy Memoranda.

1.2 Scope

This Document is written for City, all internal DGCD staff, Program Management Analysts, SR, and their partners including but not limited to Contractors, Housing Providers, Asset Management Companies and Property Managers. The contents of this Manual are organized around the life cycle of an annual CDBG grant and its eligible activities or projects from initial planning through implementation to closeout. Use of the content follows the premise that CDBG program requirements can be satisfied through timely preparation, completion, and recording or filing of required documentation. These requirements encompass regulatory, performance, administrative, financial, compliance, and record keeping functions.

The information and materials within this Manual are subject to change as local policy and HUD rules and regulations change. Moreover, the Manual does not replace or amend any of the provisions included in any agreement executed between the City and its funded entities. Should there be any disagreement between the executed agreement and this Manual, the provisions contained within that executed contract, service level agreement, or memorandum of understanding (MOU) will take precedence.

Additionally, all other City of Atlanta processes, policies, and procedures will support the implementation and management of CDBG and CDBG-CV funded projects. The policies and procedures contained in this Manual supersede any Program handbook or instructions, written or oral, issued previously. As part of the administration of the Community Development Block Program, the Program Operations Management Team will revisit this Manual annually to ensure it is current and relevant to the program. Any subsequent revisions will substitute and replace prior policy or procedure statements and become a part of this Manual.

For questions regarding this Manual, please contact the City of Atlanta's Director of Program Operations in the Department of Grants and Community Development.

The guidelines set forth in the policies and procedures manual provides readers with expectations in managing and the process of CDBG grant cycle. This document applies significant rules and regulations to be followed by agencies receiving public services, in addition other services and undoing through the Department of Housing and Urban Development (HUD) allocated through the CDBG program managed by the City's DGCD. The Policies and Procedures outlined in the manual are solely intended to facilitate uniform administration and accounting of CDBG funds and services.

The rules and regulations governing the activities of the CDBG Program include the Laws as enacted by Congress and the Regulations created by HUD to achieve the result prescribed by the Laws. HUD provides guidance on the CDBG Program through CPD Notices and Policy Memoranda.

These CDBG policies and procedures improves service delivery, provides a fair and equitable access to services, and alleviates problems of inconsistency associated with local program guidelines.

The primary objective of the CDBG Program is to develop sustainable communities for persons of low- and moderate-income (LMI), thereby improving the housing, quality of life, and economic conditions of the City community. HUD defines LMI as household income that is less than 80% of area median income. Eligible activities under the City CDBG Program must predominately benefit persons of low- and moderate-income, be eligible under the CDBG requirements, and meet a minimum of one of three HUD national objectives:

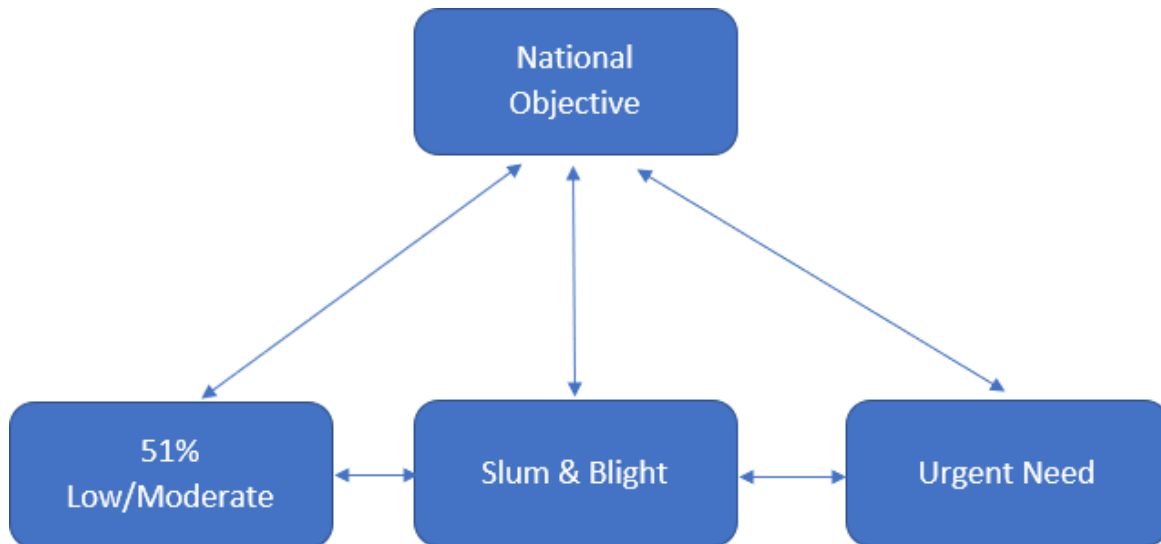
- Benefit LMI persons.
- Aid in the prevention or elimination of slum or blight.
- Meet an urgent need.

1. National Objective

Each activity, except for planning and administrative activities must meet one of the CDBG program's three (3) broad National Objectives:

1. Benefit low and moderate-income persons (24 CFR 570.208(a)).
2. Aid in the prevention or elimination of slum or bright (24 CFR 570.208(b))
3. Meet community development needs having a particular urgency (major catastrophes or emergencies due to natural or manmade disasters such as floods, tornadoes, terrorist acts, etc.) (24 CFR 570.208 (c)).

National Objectives are outlined in the chart below:



2. 51 % Low and Moderate Income

The Low-Moderate (LMI) national objective is the primary national objective because the statute requires that grantees 51% of the CDBG funds to meet LMI national objective. The City utilizes 70% of the CDBG funding annually towards serving LMI individuals and families. At least 51% or more of the persons and families benefiting must be low and moderate-income (LMI) for public projects and public facilities and 100% LMI for housing activities. LMI can be determined by HUD census data or by conducting a survey. LMI is generally calculated on an area basis, meaning either the entire jurisdiction of the County or a defined targeted area within the County must be at least 51% LMI.

- To be counted as a beneficiary of a project, LMI documentation must be obtained.
- For every separate activity funded under the same project, there must be 51% LMI or the removal of slum and blight achieved.
- For the purposes of determining eligibility, all persons and families must be counted. For the purpose of determining the amount of CDBG funding, all households must be counted.
- A project may not be designed to benefit moderate-income persons to the exclusion of low-income persons.
- HUD's Section 8 program income guidelines (as modified by the Housing and Community Development Act of 1987) shall be used to define low and moderate-income for the CDBG Program. The annual income limits are available from <http://www.huduser.org/portal/>. If HUD has not published the applicable year's limits, then the community may use the previous year to begin the survey work.

“Income” should be viewed as a family’s total adjusted gross income. Any person that belongs to an LMI family is considered an LMI person. Request a copy of the direct beneficiaries IRS Form 1040 or other equivalent income statements.

3. Elimination of Slum or Blight

To prove this HUD national objective, a project must propose one of two different methods.

- The first method occurs when a structure is blighted; when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety and public welfare. For the City to participate in this activity it must, at a minimum, determine blighted structures by applying existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation or code violation in a manner consistent with their ordinance. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.
- The second method covers area blight and includes submitting a resolution passed by the governing legislative body declaring the area blighted in accordance with 24 CFR 570. As stated, the definition of the national objective elimination of slum and blight reads as follows. The area meets the conditions of either (a) or (b):
 - At least 25% of the properties throughout the area experience one or more of the following conditions:
 - i. Physical deterioration of buildings or improvements,
 - ii. Abandonment of properties
 - iii. Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings.
 - iv. Significant declines in property values or abnormally low property values relative to other areas in the community, or
 - v. Known or suspected environmental contamination.
 - vi. The public improvements throughout the area are in a general state of deterioration.

4. Urgent Need

The use of the urgent need national objective is rare. It is generally used for activities to alleviate emergency conditions. According to “Basically CDBG” Course Training Manual examples include:

- Acquisition of property located in a flood plain that was severely damaged by a recent flood;
- Public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado;
- Demolition of structures that are severely damaged by a major earthquake.
- Urgent need qualified activities must meet the following criteria:
 - The existing conditions must pose a serious and immediate threat to the health or welfare of the community.
 - The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
 - The grantee is unable to finance the activity on its own; and
 - Other sources of funding are not available.

CHAPTER 2: CDBG REGULATIONS & GUIDANCE

The CDBG program was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. The program provides funding to states and local governments in support of three national objectives: benefit to low and moderate-income persons, the prevention and elimination of slums and blight, and meeting an urgent need (such as any immediate threat to the health or welfare of the community). There are 26 eligible activities, including housing activities, economic development, infrastructure, planning, public facilities, and public services.

2.1 Consolidated Plan & Annual Action Plan

The Consolidated Plan is a high-level, direction setting, five-year plan that describes the community needs, resources, priorities, and proposed activities to be undertaken by the City. It identifies the City's housing and community development needs, especially for its low-moderate income residents, and the strategies and resources to meet those needs. Elements include:

- A description of the entity responsible for overseeing the development of the Consolidated Plan and a description of the process undertaken to develop the plan.
- A housing and homeless needs assessment, which uses data provided in the IDIS e-Con Planning suite as well as local input to identify needs in the community.
- A housing market analysis, which analyzes characteristics of the jurisdiction's housing market in general, including the supply, demand, condition, and cost of housing as well as significant conditions of the community's economy.
- A strategic plan, which lists three to five-year goals created from the priority needs identified in the needs assessment, market analysis, and community outreach.
- A one-year Action Plan (i.e. the first year of the Consolidated Plan), which discusses how the City will address the goals of the Consolidated Plan in the first year and the specific CDBG funded activities that will be carried out. The City will create a new Action Plan annually, which outlines changes in needs and how the City will work toward the goals identified in the Consolidated Plan, including the identification of new CDBG funded activities.

The related Code of Federal Regulations (CFR) identifies the following four functions of the Consolidated Plan:

1. A planning document for the jurisdiction, which builds on a participatory process among citizens, organizations, businesses, and other stakeholders;
2. A submission for federal funds under HUD's formula grant programs for jurisdictions;
3. A strategy to be followed in carrying out HUD programs; and
4. A management tool for assessing performance and tracking results.

The Consolidated Plan provides a roadmap for activity selection in each program year, so it is important for it to be flexible enough to allow the City to meet local needs as identified by the community, respond to evolving priorities, and take advantage of partnership opportunities as they arise. At the same time, the Consolidated Plan must be focused enough to set benchmarks that measure program success, avoid spreading City resources too thin, and, at a minimum, establish the general direction for the Program. Stakeholder and public meetings are held during the planning process in accordance with the City's Citizen Participation Plan, which sets the minimum procedural requirements for community outreach.

Each year the City completes an Annual Action Plan (AAP), which outlines to HUD a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. The Annual Action Plan

Program Year (PY) begins July 1. Program Year correlates with the start date of the grant. The Annual Action Plan (yearly) and Consolidated Plan (once every five years) are due to HUD on May 15 of each year for review (at least 45 days before the start of each Program Year) and must be submitted no later than August 16 every year. August 16 is a hard deadline that could mean loss of funding if it is missed.

The Consolidated Plan and Annual Action Plan (AAP) must be submitted using the *eCon Planning Suite* within the Integrated Disbursement and Information System (IDIS). Additional narrative and AAP requirements are outlined at 24 CFR 91.220.

When HUD's review is complete, it will either provide comments back to the City requesting additional information/clarification or approve the Plan. If HUD has not required substantive changes to the AAP, the City will move forward with the submitted document. If HUD requires significant adjustments constituting a Substantial Amendment as described in the Citizen Participation Plan, then the Consolidated Plan/Action Plan changes may need to be presented to Council for approval.

City of Atlanta 2020-2024 Consolidated Plan Goals		
<u>Goal Name</u>	<u>Category</u>	<u>Indicator</u>
Affordable Housing and Support	Affordable Housing	Rental Units Constructed
Affordable Housing and Support	Affordable Housing	Rental Units Rehabilitated
Affordable Housing and Support	Affordable Housing	Homeowner Housing Added
Affordable Housing and Support	Affordable Housing	Homeowner Housing Rehabilitated
Affordable Housing and Support	Affordable Housing	Direct Financial Assistance to Homebuyers
Affordable Housing and Support	Affordable Housing	Tenant-Based Rental Assistance/Rapid Re-housing
Assistance for Currently Homeless Persons/Families	Homelessness	Public Service Activities Other Than Low/Moderate Income Benefit
Assistance for Currently Homeless Persons/Families	Homelessness	Tenant-Based Rental Assistance/Rapid Re-housing
Assistance for Currently Homeless Persons/Families	Homelessness	Homeless Person Overnight Shelter
Assistance for Currently Homeless Persons/Families	Homelessness	Overnight/Emergency Shelter/Transitional Housing
Assistance for Currently Homeless Persons/Families	Homelessness	Homeless Prevention
Public Facilities and Infrastructure	Non-Homeless Special Needs Non-Housing Community Development	Public Facilities and Infrastructure
Planning and Administration	Administration	Other
Blight Reduction and Neighborhood Cleanup	Non-Housing Community Development	Housing Code Enforcement
Blight Reduction and Neighborhood Cleanup	Non-Housing Community Development	Public Service Activities for Low/Moderate Income Housing Benefit
Public Services	Non-Homeless Special Needs Non-Housing Community Development	Public Service Activities for Low/Moderate Income Housing Benefit

Fair Housing, Housing Counseling, and Legal Services	Fair Housing	Public Service Activities for Low/Moderate Income Housing Benefit
Economic Development and Small Business Incentives	Economic Development	Economic Development and Small Business Incentives

2.2 Consolidated Annual Performance Evaluation Report (CAPER)

The CAPER is an IDIS-based report linking accomplishments from the current project year with the goals of both the Annual Action Plan and the Five-Year Consolidated Plan.

2.3 Notice of Funding Availability (NOFA)

A Notice of Funding Availability (NOFA) will be released and posted to the City’s website and/or on newspaper/online publications. The NOFA will include detailed guidelines and instructions for application submission for funding. Applications are submitted through the Neighborly Software system.

2.4 Environmental Review

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

As a Responsible Entity (RE) administering funds on HUD’s behalf, the City is required to prepare an Environmental Review Record (ERR) for all federally funded projects. Even when an activity is “Exempt”, like a program administration activity, the City must fill out the appropriate form and maintain it as part of the project file. The environmental review process is outlined in 24 CFR Part 58.

All applicable environmental review procedures must be completed for each CDBG funded program, project, or activity that is carried out with HUD grant awards to the City. Record of this review process must be completed for each project and maintained in an Environmental Review Record (ERR).

After indicating which National Objective, the proposed activity supports, the City will ensure records and reimbursements demonstrates compliance with the specific National Objective. The HUD Guide will serve as the key reference.

HUD provides LMI Summary Data for grantees to use in determining compliance with the Low/Mod Income Area national objective, and in situations where data is incomplete, the City may conduct a low- and moderate-income survey for projects providing an area benefit to determine if they meet the LMI threshold required by the “benefitting low- and moderate-income persons” national objective.

The Department of Grants and Community Development will follow the guidance found in CPD Notice 14-013 to develop acceptable survey methodologies. Applicants are given instructions and applicable forms to complete the survey prior to submission of their application. Any project with survey results that do not meet the 51% LMI threshold will not be considered for funding.

Applicants whose projects meet the low/mod limited clientele criteria report past beneficiary data in their application to determine if they meet the 51% threshold. They are then required to submit income (if not presumed eligible) and residency documentation with each report and/or reimbursement request after a grant is awarded and activities are being undertaken. Any project not meeting the 51% LMI threshold will

not be awarded a grant. If a subrecipient was awarded a grant based on prior year LMI data but can no longer meet the threshold with current clientele reporting, they will not be reimbursed through the CDBG program.

2.5 Eligible Activities & Provisions

Administration

No more than 20% of the sum of the annual entitlement grant plus any grant program income received during the grant year may be spent on planning studies or administration. The City calculates this amount when developing the Annual Action Plan and will not fund more than 20% of their entitlement grant on General Administration Activities. The City does not accept applications from outside agencies for administrative funds.

Public Facilities and Improvements

Under the CDBG Program, grantees may use funds to undertake a variety of public facilities and public improvement projects. In general, public facilities and public improvements are interpreted to include all facilities and improvements that are publicly owned, or that are owned by a nonprofit and open to the general public. The following is a summary of the topics in this section, applicable statutory and regulatory citations, and other reference materials available from HUD.

Public Services

The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to: Employment services (e.g., job training); Crime prevention and public safety; care; Health services; Substance abuse services (e.g., counseling and treatment); Fair housing counseling; Education programs; Energy conservation; Services for senior citizens; Services for homeless persons; and other eligible activities as detailed by HUD.

The review of public service requests will take into consideration the needs of people within our community who are currently experiencing homelessness or at-risk of experiencing homelessness.

No more than 15% of the annual entitlement grant plus any grant program income received in the previous grant year may be used for Public Service Activities. The City calculates this amount when developing the Annual Action Plan.

The Department of Grants will also identify any possible conflict of interest situations between the City and potential subrecipients, as defined in the CDBG program regulations at 24 CFR 570.611. Once a subrecipient has been selected, the City will require the subrecipient to certify that there are no conflicts of interest between the public service entity, its representatives and the City as detailed in their executed contract.

Acquisition & Disposition

CDBG funds may be used to acquire real property either in whole, or in part by purchase, long-term lease, donation, or otherwise for any public purpose. CDBG funds may be used under this category by the grantee; a public agency; a public nonprofit entity, or a private nonprofit entity. Real property to be acquired may include, but is not limited to:

- Land
- Air rights
- Easements
- Water rights

- Rights-of-way
- Buildings and other real property improvements.

CDBG funds may be used to pay for the cost of surveys to identify the property to be acquired, appraisals, the preparation of legal documents, recordation fees, and other costs that are necessary to the acquisition process.

Housing

CDBG funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units as well as the repair, rehabilitation, or reconstruction of multi-family structures. Multi-family structures must have at least 2 or more structures and may be privately owned.

General programs aimed at rehabilitation of existing structures, including substantial rehabilitation programs, which typically bring the property up to local codes and standards. Special purpose programs, including: Energy efficiency programs aimed at improving the energy efficiency of homes through additional insulation, new windows and doors and other similar improvements; Handicapped accessibility programs through which improvements, such as installation of ramps and grab bars, are made to homes of persons with disabilities to make the home more accessible; Emergency repair programs that provide for the repair of certain elements of a housing unit in emergency situations, such as repairs to a roof that is leaking, but the whole house is not rehabilitated; and Weatherization programs aimed at improving a home's ability to withstand the elements, including insulation and weather-stripping.

2.6 Ineligible Activities

The Program Operations and Fiscal Operations team will jointly ensure that the City is not using CDBG funds for activities that are prohibited under HUD rules or other laws. Even though an activity may appear to be eligible, it may be prohibited or ineligible. The Program Operations Team will assist by analyzing and recognizing projects during NOFA reviews and after approval for any program activities that are categorically ineligible. They will also identify certain other activities that are ineligible unless they are carried out by certain organizations. The Fiscal Operations Team will review all reimbursements for eligible costs and completed pre-requisites prior to payment.

The general rule is that any activity that is not authorized under the provisions of 24 CFR 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

The Department of Grants and Community Development (DGCD) will refer to the HUD Guide, Chapter 2 (page 2-87 through 2-91) and 24 CFR 570.204(b) to determine if the described activity falls within any category of ineligible or prohibited activities. If any doubt exists about the above conclusions or eligibility of a project, the Director of Program Operations will engage in further consultations with the appropriate local and Federal officials.

2.7 MBE/WBE & Section 3

Minority Own Enterprises and Women Business Enterprises

Minority Business Enterprises (MBE) is when at least 51% owned and controlled by a minority group and a and Women Business Enterprises (WBE) is being at least 51% owned and controlled by women.

The Contract and Subcontract Activity report is an annual report that is due 20 days after the end of the Federal fiscal year (ending August 31). This report lists all contracts over \$10,000 that the City has entered into, including professional services contracts. Section 3 and

Section 3

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u and 24 CFR Part 75) represents HUD's policy for providing preference for new employment, training, and contracting opportunities created from the usage of covered HUD funds to low- and very low-income resident of the community where certain funds are spent (regardless of race or gender), and businesses that substantially employ these persons.

Section 3 requirements apply to projects that involve work arising in connection with the construction or rehabilitation of a HUD-assisted project, regardless of how the grant funds are actually spent.

Section 3 applies when one or more of these thresholds are met:

1. Subrecipients that receive \$200,000 or more in grant funds and invests any amount of these funds to carry out new construction or rehabilitation activity (including demolition and lead-based paint abatement).
2. A contractor/subcontractor of a project receives a contract for \$100,000 or more in grant funding/assistance.

Section 3 requirements apply to the training, employment, and contracting activities of the PJ/grantee, or subrecipient but not to those of the contractor(s) of the project. This means new hiring and contracting opportunities generated by the PJ/grantee.

Pursuant to 24 CFR Part 75, direct recipients of HUD financial assistance submit Section 3 reports to HUD through IDIS for the purpose of determining the effectiveness of Section 3. Direct recipients include public housing authorities, entitlement communities, states, and certain NOFA Grantees that utilize HUD funding for construction and rehabilitation activities.

Documentation and reporting for both Section-3 and WBE/MBE is due with all reimbursements monthly. Before the final reimbursement is paid, all documentation and final Section 3/WBE-MBE reporting must be submitted. Please see Chapter 3.7 Reimbursements.

2.8 Davis Bacon

The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on non-housing Federally assisted construction contracts over \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. Non- housing activities include construction or rehabilitation of a public facility (e.g., a homeless shelter, senior center), or installation of public improvements to support affordable housing or provide benefit to low-income neighborhoods (e.g., streets, water/sewer lines).

Federal Davis-Bacon prevailing wage rate requirements may also apply to a CDBG funded housing project involving the rehabilitation of multifamily housing containing eight (8) or more assisted units.

These requirements often have an impact on the cost of projects, and carry with them significant recordkeeping procedures, so applicants are encouraged to contact staff early in their project planning for further information if a proposed project will be subject to Davis-Bacon. If it is a covered project, your solicitation documentation will need to alert contractors that Davis-Bacon requirements will apply and will need to include the appropriate Federal wage decision and other required labor provisions.

The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Federal wage decisions will be made available by staff for project cost feasibility determinations upon request or can be found here: <https://sam.gov/content/wage-determinations>.

The Department of Grants and Community Development is responsible for ensuring project compliance with labor laws. Information about Davis Bacon and related labor acts is available in Chapter 16 of “Basically CDBG.” Additional information is available online at: https://www.hud.gov/program_offices/davis_bacon_and_labor_standards.

Davis Bacon documentation and reporting is due weekly through the life of construction activity.

2.9 Build America Buy America Act (BABAA)

BABAA is the Build America, Buy America Act. It was enacted on November 15, 2021, as part of the Infrastructure Investment and Jobs Act. In general, BABA requires that, when Federal agencies provide new “Federal Financial Assistance” (FFA), the Federal agencies impose a condition on the use of that FFA in an “infrastructure project” to make sure that all iron, steel, manufactured products, and construction materials used are subject to a domestic content procurement preference, which means that those items and materials were produced in the United States. This requirement to purchase materials made in America is called the “Buy American Preference” (BAP).

According to 2 CFR 184.4(d), the definition of “infrastructure” includes the structures, facilities, and equipment for, in the United States—(A) roads, highways, and bridges; (B) public transportation; (C) dams, ports, harbors, and other maritime facilities; (D) intercity passenger and freight railroads; (E) freight and intermodal facilities; (F) airports; (G) water systems, including drinking water and wastewater systems; (H) electrical transmission facilities and systems; (I) utilities; (J) broadband infrastructure; (K) buildings and real property; and (L) structures, facilities, and equipment that generate, transport, and distribute energy including electric vehicle (EV) charging.

BABA requirements do not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed by the completion of the infrastructure project. Additionally, it does not apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are not an integral part of or permanently affixed to the structure.

As of 2/29/2024, there is no official label or certifying body for BABA compliant products. When reviewing products to determine if they are made in America, please refer to the definitions for American made products stated in 2 CFR 184.

2.10 Fair Housing & Non-Discrimination

When seeking HUD approval of CDBG funding, the City and subrecipients must make assurances that it will satisfy affirmatively further fair housing and ensure equal opportunity under Federal law. As such, the following procedures must be followed in conformance with those assurances and all related HUD guidelines that enforce such Federal law. The applicable requirements include:

Federal and State Law and Regulations	Fair Housing & Nondiscrimination	Accessibility	Equal Employment & Contracting
Title VI of the Civil Rights Act of 1964	X		
Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act)	X	X	
Section 109 of Title 1 of the HCD Act of 1974	X		X
The Fair Housing Amendment Act of 1988	X		
The Age Discrimination Act of 1975	X		X
Section 504 of the Rehabilitation Act of 1973	X	X	X
The Americans with Disabilities Act of 1990 (ADA)	X	X	X
Section 109 of Title 1 of the HCD Act of 1974	X		X
The Equal Employment Opportunity Act			X
Section 3 of the Housing and Urban Development Act of 1968			X
Executive Order 11246			X
2 CFR Part 200 (Uniform Administrative Requirements)			X

The City and its subrecipient, partner or other parties must adhere to all the basic tenets of fair housing and equal opportunity regulations. All subrecipients are prohibited from practicing discrimination on the grounds of race, color, national origin, religion, sex, handicap, or familial status. This prohibition applies to all project contractors or subcontractors. Beneficiary information should be determined, and demographic data compiled, with this information made available in the project file for public review.

Fair Housing - § 570.601

According to HUD's Fair Housing Planning Guide the broad objectives of Affirmatively Furthering Fair Housing can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities; and
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Fair Housing is the right of all people to be free from discrimination in the rental, sale, or financing of housing. Equal access to rental housing and homeownership opportunities, regardless of race, color, religion, national origin, sex, familial status (the presence of children under 18) or disability, is the

cornerstone of the Federal Fair Housing Policy. Local cities and counties that receive certain federal housing or community development funds have a role in affirmatively furthering Fair Housing opportunities and may carry additional protections for additional protected classes.

The Fair Housing Act provides that, in connection with the design and construction of multifamily housing, the public use and common areas must be accessible and usable by persons with handicaps, all doors must be designed to be wide enough for wheelchair accessible, and all premises should be of adaptive design (e.g., reinforcements within a bathroom to allow installation of grab bars).

Grantees undertaking housing projects and activities must ensure fair housing rules are followed in the provision of housing services and assistance. Opportunities for purchase or rental, terms and conditions, advertising and marketing information, and availability of real estate services should not discriminate.

Some examples of possible actions to ensure fair housing are listed below:

- Developing and implementing a fair housing resolution;
- Marketing information concerning housing services and activities to be disseminated through agencies and organizations that routinely provide services to protected groups;
- Criteria for selecting recipients of housing services or assistance should be evaluated for any discriminatory effect;
- Policies guiding the provisions of relocation housing and services for persons displaced by housing activities should be evaluated for discriminatory effect; and
- Legal documents used by grantees and lending institutions should be reviewed and revised, if necessary, to eliminate any discriminatory intent or practice.

Affirmative marketing is required for all CDBG assisted housing with five or more units.

Accessibility - § 570.614

Architectural Barriers Act

Americans with Disabilities Act

The City shall abide by HUD regulations in Section 504, HUD's implementation of the Americans with Disabilities Act, to ensure that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving CDBG funds. The City shall include monitoring for Section 504 compliance as part of the annual monitoring of CDBG subrecipients. Monitoring shall include inspection of facilities in which CDBG-funded programs are offered to ensure that the facilities are accessible to persons with disabilities.

Housing

Section 504 provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation in (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funding assistance. Section 504 also contains design and construction accessibility provisions for certain new multi-family dwellings developed for first occupancy, requirements for new construction, and substantial rehabilitation of multi-family rental housing.

Facilities

"Facility" is defined under Section 504 as any portion of a building, equipment, roads, walkways, parking lot or other real property. "Accessible" for non-housing purposes means that a facility or portion of a facility can be approached, entered, and used by individuals with physical disabilities. Non-housing programs, as well as existing facilities in which they are situated, must be readily accessible to and usable by persons

with disabilities. Accessibility programs will be determined once again under self-evaluation. The focus of program access is providing programs in the most integrated setting possible. Providing separate or different programs is illegal unless necessary to achieve equal opportunity.

Methods of improving program access in existing facilities can include the following:

- Relocating programs to accessible facilities or accessible portions of facilities;
- Acquiring or building new facilities;
- Selectively altering facilities;
- Changing operating policies and procedures;
- Assigning aides to assist beneficiaries;
- Adding or redesigning equipment or furnishings; and
- Conducting home visits.

Americans with Disabilities Act of 1990 (ADA)

Guarantees must provide equal opportunities for persons with disabilities in employment, public accommodations, transportation, State and local government services, and telecommunications.

- Title II requires that new or rehabilitated facilities be accessible; and
- Title II requires new or altered streets, roads, highways, and pedestrian walkways to contain curb ramps or other sloped areas at intersections w/ curbs or other barriers to entry from street level or pedestrian walkway. Curb ramps at intersections.

Self-Evaluation Plan

Subrecipients are to conduct an evaluation of accessibility to determine whether their current programs, services, policies, and practices meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act.

Equal Opportunity - § 570.607

Nondiscrimination is a requirement of employment and employment practices. Employment opportunities may not be denied based on race, color, national origin, sex, age, religion, familial status, or disability. Affirmative action and equal employment opportunity policies are fundamental aspects of CDBG funded activities.

The Americans with Disabilities Act modifies and expands the Section 504 Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

The Equal Employment Opportunity Act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in Federal court against private sector employers after the EEOC has investigated the charge, found “probable cause” of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings Federal, State, and local governments under the Civil Rights Act of 1964.

Section 504 reasonable accommodation in employment is determined on a case-by-case basis. It means reasonable modifications on the job or in the workplace to enable a disabled person to perform the job for which she/he is qualified. Section 504 does not require the hiring or promotion of someone simply because she/he has a disability.

2.11 Lead Based Paint

For any project involving an existing residential structure that was built before 1978, the project must meet the requirements of the HUD regulation to control lead-based paint hazards in housing receiving federal assistance, 24 CFR Part 35. This regulation, effective September 15, 2000, establishes procedures for evaluating whether a lead-based paint hazard may be present, controlling or eliminating the hazard, and notifying occupants of what was found and what work was done in such housing.

The City of Atlanta will provide technical assistance in determining the regulations that apply and the required lead abatement process. However, the subrecipient is responsible for conducting all required lead-based paint abatement procedures and should accommodate these activities in the project found at 24 CFR 35.

2.12 Uniform Relocation Act (URA)

An acquisition or rehabilitation project may trigger Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) requirements even when it may seem they are unrelated. It is important to have a clear understanding of these and other important terms as defined in the URA and the regulations. The phrase “program or project” is defined in 49 CFR Part 24 as, “any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines.”

Generally, a displaced person under the URA is an individual, family, partnership, association, corporation, or organization, which moves from their home, business, or farm, or moves their personal property, as a direct result of acquisition, demolition, or rehabilitation for a federally funded project. Displaced persons are eligible for relocation assistance under the URA.

The URA regulations require three notices to be issued to eligible persons. These notices provide important information about the project, the affected persons’ resulting rights, their protections, and their eligibility for relocation assistance and payments under the URA. It is critical for agencies to issue appropriate notices to affected persons at the appropriate time and one of the first notices must be issued at the time a project application is submitted to the City. Refer to the Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378.0) for more information on this topic.

Any application for HUD funds must contain an accurate determination of the number of households or businesses to be potentially displaced, their incomes, and an estimate of relocation costs associated with the project. Early in the process of project planning, relocation concerns must be explored so decisions about rents, construction timing (phasing), and project feasibility can be fully explored.

All documentation regarding URA must be submitted to the Department of Grants and Community Development to be reviewed and approved prior to any activities being initiated.

2.13 Required Information

The City must ensure entities are eligible to receive federal funding. The following are required for any subrecipient, contractor, landlord, etc. that will receive CDBG funding:

Unique Entity ID (UEI) Standard (SAM’s Number)

The Unique Entity ID is the official identifier for doing business with the U.S. Government as of April 4, 2022. It is a 12-character alphanumeric ID assigned to an entity by SAM.gov. Any entity that wants to apply for federal contracts or receive federal funds must have an active registration with SAM.gov.

System for Award Management (SAM)

The System for Award Management (SAM) includes information regarding entities debarred, suspended, proposed for debarment, excluded, or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. To be eligible to receive a grant, applicants must register on SAM. Registration must be renewed and revalidated at least every 12 months.

To register go to: <https://sam.gov/content/home> and create an account by clicking the “Create User Account” and follow the directions. You will need your DUNS number and about 30 minutes to complete the process. If you need help call 1-866-606-8220. Registration is FREE.

2.14 Other Project Requirements & Information

Violence Against Women's Act (VAWA)

The Violence Against Women Act (VAWA) is a federal law that, in part, provides housing protections for people applying for or living in units subsidized by the federal government and who have experienced domestic violence, dating violence, sexual assault, or stalking, to help keep them safe and reduce their likelihood of experiencing homelessness.

VAWA's housing protections, in part, are available to someone who has previously or is currently experiencing domestic violence, sexual assault, dating violence, or stalking. The survivor does NOT have to be married to, related to, or living with the perpetrator to be protected by VAWA. It does not matter how long ago the survivor experienced the violence. A survivor's immigration status in itself does not impact a survivor's right to VAWA's housing protections. VAWA's housing protections, in part, apply to a survivor if they are applying for or living in shelter, transitional housing, or permanent housing that is subsidized by a federal homeless assistance program or federal affordable housing program. See below for a list of HUD programs covered by VAWA.

VAWA protects survivors, regardless of their sex, gender identity, or sexual orientation AND regardless of the sex, gender identity or sexual orientation of the person who caused harm.

Under VAWA, someone who has experienced domestic violence, dating violence, sexual assault, and/or stalking (VAWA violence/abuse):

- **Cannot be denied admission to or assistance** under a HUD-subsidized or assisted unit or program because of the VAWA violence/abuse committed against them.
- **Cannot be evicted** from a HUD-subsidized unit **nor have their assistance terminated** because of the VAWA violence/abuse committed against them.
- Cannot be denied admission, evicted, or have their assistance terminated for **reasons related to the VAWA violence/abuse**, such as having an eviction record, criminal history, or bad credit history.
- **Must have the option to stay** in their HUD-subsidized housing, even if there has been criminal activity directly related to the VAWA violence/abuse.
- **Can request an emergency transfer from the housing provider for safety reasons** related to the VAWA violence/abuse committed against them.
- **Must be allowed to move with continued assistance**, if the survivor has a Section 8 Housing Choice Voucher.
- **Must be able to provide proof to the housing provider by self-certifying** using the HUD VAWA Self-certification (**Form HUD-5382**), and not be required to provide more proof unless the housing provider has conflicting information about the violence/abuse.
- **Must receive HUD's Notice of VAWA Housing Rights (Form HUD-5380)** and HUD's VAWA Self-certification Form (**Form HUD-5382**) from the housing provider, when they are denied admission to a HUD-subsidized unit or HUD program, when they are admitted to a HUD-subsidized unit or HUD program, and when they receive a notice of eviction from a HUD-subsidized unit or notice of termination from a HUD program.
- **Has a right to strict confidentiality** of information regarding their status as a survivor.
- **Can request a lease bifurcation** from the owner or landlord to remove the perpetrator from the lease or unit, and if the housing provider bifurcates, it must be done consistent with applicable federal, state, or local laws and the requirements of the HUD housing program.
- **Cannot be coerced, intimidated, threatened, or retaliated against** by HUD-subsidized housing providers for seeking or exercising VAWA protections.
- **Has the right to seek law enforcement or emergency assistance** for themselves or others without being penalized by local laws or policies for these requests or because they were victims of criminal activity.

It is required that subrecipients have documentation signed by the subrecipient, client, and any business or organization providing or leasing housing to a client that the above guidelines will be followed. This information can be detailed with a Lease or as a separate document (VAWA Lease Addendum).

Geographic Areas

For Low- and Moderate-Income Benefit: Activities like job training or social services, which provide services directly to low or moderate-income persons or households, can occur anywhere in the City. Activities such as a new park, which provides benefits to a neighborhood or other geographic area, rather than to individuals, are targeted to the Community Development Impact Area (CDIA). The CDIA is made up of all areas in which at least 51% of the population has incomes at or below 80% of the Atlanta area median income. Contact the Department of Grants and Community Development 404-3306390 if needed to verify an area's geographic eligibility. (for translation services contact iSpeak Atl). More information about translation accommodations available at www.welcomingatlanta.com

Protection of Federal Interest for Capital Project

When CDBG funding is used to acquire, improve or construct facilities, infrastructure, or housing, it is necessary for the City to record a lien or Land Use Restriction Agreement (LURA) in the amount of the funding against the assisted property for a period of five years to guarantee eligible use of the property during that time. For substantial CDBG funding, the City may lengthen the time period beyond the federal five-year period. If for any reason the property is sold during that period, the City shall be reimbursed the amount equal to the current market value of the property less the portion of value attributable to non-CDBG funding.

Inspection Requirements

DGCD requires that Inspection findings must be documented using HUD-52580-A HQS inspection checklist or an equivalent format, including the CDBG Habitability Standards form, and kept in the client file. All units must be compliant with fire safety standards and each level of the residence must contain at least one battery-operated or hard-wired smoke detector in proper working condition. Units built prior to 1978 to be occupied by a family with a child under the age of 6 must comply with lead paint regulations. The family must be provided with the HUD brochure, "Protect Your Family from Lead in The Home." Other standards include but are not limited to:

- Space and security: Each resident must be afforded adequate space and security for themselves and their belongings. An acceptable place to sleep must be provided for each resident.
- Interior air quality: Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents.
- Water supply: The water supply must be free from contamination at levels that threaten the health of individuals.
- Thermal environment: The housing must have adequate heating and/or cooling facilities in proper operating condition.
- Illumination and electricity: The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Sufficient electrical sources must be provided to permit the use of essential electrical appliances while assuring safety from fire.
- Food preparation and refuse disposal: All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.
- Sanitary condition: The housing and any equipment must be maintained in sanitary condition.
 - Lead Based Paint
 - Sanitary facilities
 - Smoke detectors
 - Site and neighborhood

The Department of Grants and Community Development does not allow painting under their contracts for emergency repairs. All properties being rehabbed under other CDBG funding must have a lead-based paint inspection conducted and receive clearance from a NLLAP laboratory when disturbing painted surfaces. Safe work practice requirements must be always adhered to.

Other Federal Requirements Not Listed

All other federal, state, or local government requirements not listed in this policy are required to be followed as applicable to the CDBG grant. As HUD and other governmental entities release additional provisions and regulations, both the City and the Subrecipient are responsible for ensuring all applicable guidelines are followed. Generally, the City will do its best to inform all subrecipients of new guidelines and regulations to ensure compliance.

CHAPTER 3: FINANCIAL MANAGEMENT

The City is responsible for the stewardship of its Federal grant awards in a way that fully complies with Federal guidelines and regulations. All CDBG grantees and subrecipients must have financial management systems in place that comply with standards specified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in 2 CFR 200. Financial management guidance for the CDBG program is contained in the CDBG regulations at 24 CFR Part 570.502.

The City's financial management system will to provide for a comparison of expenditures with budget amounts for each HUD award. For a financial management system to meet Federal standards, it must:

- Provide effective control over and accountability for all cash, real and personal property, and other assets
- Identify the source and application of funds for Federally sponsored activities
- Permit the accurate, complete, and timely disclosure of financial results in accordance with HUD reporting requirements or, for subrecipients, Grantee reporting requirements
- Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the Grantee or subrecipient

The City will use the current financial management system (Oracle) to generate monthly financial status reports showing the dollar amounts allocated, obligated and expended for each CDBG activity. The monthly report will provide a comparison of actual expenditures and revenues against budgeted amounts.

3.1 Accounting System (Oracle)

The City is required to have accounting records that sufficiently identify the source and application of CDBG funds provided to them. To meet this requirement, the City's accounting system should include at least the following elements:

- Chart of accounts – This is a list of account names and the numbers assigned to each of the account names. The names provide a description of the type of transactions that will be
- recorded in each account (e.g., an account titled “cash” denotes that only transactions affecting cash should be recorded in that account).
- Cash receipts journal - A cash receipts journal documents, in chronological order, when funds were received, in what amounts and from what sources.
- Cash disbursements journal - A cash disbursements journal documents, in chronological order, when an expense was incurred, for what purpose, how much was paid and to whom it was paid.
- Payroll journal - A payroll journal documents payroll and payroll-related benefit expenses on salaries and benefits, including distinguishing between categories for regulatory purposes.

- General ledger - A general ledger summarizes, in chronological order, the activity and financial status of all the accounts of an organization. Information is transferred to the general ledger after it is entered into the appropriate journal. Entries transferred to the general ledger should be cross-referenced to the applicable journal to permit the tracing of any financial transaction.

3.2 Subrecipient Agreement

Several elements are covered in our subrecipient agreements all of which are identified in Chapter 3 of **“Managing CDBG: A Guidebook for CDBG Grantees on Subrecipient Oversight”**. Subrecipient agreements will be drafted in the form of a contract and are referred to as a “Contract”. Requirements aside, the City frequently references several pieces of each subrecipient agreement. These include but are not limited to:

- Statement of Work/Project Description: a description of the work to be performed, a schedule for completion of work, and a budget, all in sufficient detail to monitor subrecipient performance;
- Reporting and Payment Procedures: discusses the process by which subrecipient will request payments and/or receive reimbursement for eligible expenses. This section typically discusses Progress Reports, Reimbursement Requests, and supporting documentation required to process payment/reimbursement requests; and
- Subcontractor Information: if the activity includes subcontractors, the agreement includes mandatory contract language and other related requirements.

The City will use the subrecipient agreement as part of its pre-activity orientation, also referred to as the “entrance/kickoff meeting” to ensure expectations of the subrecipients are clearly articulated and understood. The City may also provide any applicable materials that may be useful to the subrecipient including: (1) Playing by the Rules Subrecipient Guidebook, (2) Contractors Guidebook to Davis Bacon and Prevailing Wages, and (3) any other applicable reference materials or website links.

When the City funds internal projects, the responsible Department assumes a project management role. Examples include improvements to a city park, or water/sewer infrastructure projects in an LMI area, which would be managed by the Department of Parks and Recreation or Public Works Department respectively. For those activities, the interested Department assigns a project manager who oversees the day-to-day progress of the activity. This includes all project correspondence, invoice receipt and approval, project budget and schedule monitoring, internal coordination with the project team, weekly/bi-weekly meetings with the DGCD Analysts, etc. These subrecipient agreements will be drafted in the form of a Memorandum of Agreement and not as a standard contract. This will also be referred to as a “Contract” internally.

3.3 Subrecipient Payments

The City operates on a monthly reimbursement basis and the subrecipient may incur the initial CDBG expense (whether those entails paying a vendor, reimbursing a subrecipient, etc.) only applicable to the stated performance period detailed from HUD. Subrecipients are expected to have at least 90 days of liquid capital to incur initial expense for projects. Reimbursement requests, along with the appropriate documentation, are submitted to the Department and reviewed by DGCD who then reviews and submits the costs to be reimbursed by the City. Under our current guidelines, the City will wait until a CDBG agreement with HUD is in place to move activities forward. Previously awarded projects with no change in scope are eligible for reimbursements outside of the performance periods between HUD grants/contracts to prevent gaps in services. All new subrecipients that are not previously awarded must follow the performance period as stated in the contract/agreement.

3.4 Subrecipient Reimbursements

The federal government expects the City to maintain a system that ensures effective control over and accountability for all funds, property, etc., and accurate, complete, and timely disclosure of financial activities in accordance with HUD reporting requirements. Federal requirements aside, accuracy, openness, simplicity, and transparency should always be the goal.

The City provides reimbursement payments to subrecipients based on verification of expenditures. Currently, the City's process for CDBG reimbursements of subrecipient/contractor expenses can be found here: <https://www.atlantaga.gov/government/departments/grants-and-community-development/reimbursement-request-requirements>.

Subrecipients of CDBG funds for capital projects may request that funds be paid directly to a contractor or vendor; however, such request must be made at the beginning of the project and is subject to City approval. Our preferred method of reimbursement is to the subrecipient first and contractor second. Payments will be made only upon presentation of invoices from the contractor or vendor and approved for payment by the subrecipient and DGCD staff responsible for Davis-Bacon payroll reporting, and after ensuring all documentation requirements are current. Final payments to subrecipients will be made only upon submission of final program reports that document the achievement of program goals and satisfactory completion of the CDBG-funded activity.

Each request for payment must have adequate documentation for the costs incurred including but not limited to payroll records, purchase orders, copies of canceled checks, timesheets reflecting time spent directly on CDBG activities, etc. Requests must be only for costs directly related to the approved activity and included in the approved budget attached to the contract. If approved by the Director of Program Operations, costs related to additional activities, or an increased scope of work may also be eligible for reimbursement not readily included in the contract.

Subrecipients are required to submit requests for reimbursement monthly or as approved by the Office of Fiscal Operations for their program design so that the City may demonstrate its timely use of CDBG funds.

Administrative expenditures are reviewed monthly by the Fiscal Operations Team as part of the accounts payable drawdown of funds through the city's accounting system (Oracle) and the IDIS reporting system. The IDIS Fiscal Analyst prepares the request for funds and the Director of Fiscal Operations approves the drawdown. Administrative expenses are subsequently entered into IDIS and requested as a draw from the CDBG Line of Credit (LOC) to reimburse the City's general fund.

The City will not request CDBG funds in advance or as "float" funds from the U.S. Treasury and disburses payment on a reimbursement basis.

3.5 Timeliness

Timeliness refers to how quickly the grantee (i.e. City) commits and expends CDBG funds. On a national level, needs far outweigh available resources, so if one grantee is unable to advance activities that meet national objectives then HUD reserves the right to shift future funding elsewhere. CFR requirements on timeliness are available at §570.902.

The rule for timeliness is that a grantee cannot have more than 1.5 times its most recent annual allocation in its line of credit at any given time. HUD checks the amount available in the line of credit several times each year, but the "official" check for timeliness is on November 1st. The City, therefore, plans the annual calendar with this date in mind to make sure that enough activities can advance and drawdown funds in time to avoid a timeliness infraction. The City also makes subrecipients aware from the outset that

timeliness is an important aspect of the CDBG Program, and failure to advance activities within a reasonable and predetermined timeframe can result in reallocation of funds.

DGCD will maintain a spreadsheet tracking the City's drawdowns by activity and calculates the current timeliness ratio after the draw is submitted. When HUD runs the timeliness check they do it through IDIS. If CDBG funds are obligated and general funds are spent for an activity, that expenditure will not count toward the timeliness calculation until the City has requested reimbursement in IDIS. In addition to any allocation and expenditure summary maintained by the Community Development and Finance Departments, the City can check timeliness through the year in IDIS by running report PR56.

3.6 Procurement

The City is responsible for ensuring that its procurement of goods and services with CDBG funds conform to or exceed Federal procurement standards, especially as it relates to subrecipient performance and procurement. A matrix of applicable federal requirements for procurement of goods and services is provided below.

All procurements made in whole or in part with CDBG funds must comply with the applicable Federal requirements found in 2 CFR Part 200.318 (General Procurement Standards). The requirements governing the purchasing process are designed to ensure that City staff and subrecipient's:

- Follow a free and open competitive process in securing products or services.
- Properly document purchasing activities and decisions.
- Understand the requirements for different kinds of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurements).
- Properly bond and insure work involving large construction contracts and/or subcontracts.
- Use local businesses with low-and-moderate income owners and employees and contract with small, minority and/or women-owned businesses to the maximum extent feasible.

Matrix of Applicability: Rule and Types of Federal Award Recipients			
<i>Rule</i>	<i>All Federally Funded Recipients</i>	<i>Local Governments and Subrecipients</i>	<i>State Governments and Subrecipients</i>
2 CFR Part 200.317, 200.322, 200.326 Appendix II	NA	Yes	Yes
2 CFR Part 200.318 – 326, Appendix	NA	Yes	Limited to Above
Debarment	Yes	Yes	Yes
Davis-Bacon	Yes, if program threshold met	Yes, if program threshold met	Yes, if program threshold met
Work Hours and Safety	Yes	Yes	Yes
Equal Opportunity	Yes	Yes	Yes
Section 3	Yes, according to the thresholds	Yes, according to the thresholds	Yes, according to the thresholds

3.7 Reconciliation

IDIS will need to be reconciled with the City’s accounting system (Oracle). Both systems of tracking funds must be coordinated and tell similar stories about funding allocations and drawdowns. Obligations, expenditures, and program income submitted to HUD in the Consolidated Annual Performance and Evaluation Report (CAPER), or other applicable reports will need to reconcile with the accounting records.

The DGCD will work with the City of Atlanta’s Finance Department to reconcile IDIS and Oracle (City Finance System) on a quarterly basis. DGCD is responsible for reconciling all HUD funded projects. Internal offices will collaborate and thoroughly assist in reconciliation. After the completion of reconciliations, the analysis will be signed by the Commissioner or Deputy Commissioner of the Department to ensure reconciliations are completed for that quarter.

3.8 IDIS

The Integrated Disbursement and Information System (IDIS) is the HUD system that the City is required to use to fund and report on its CDBG program. IDIS generates standard CDBG program reports that provide financial and performance information. There are 110 different PR reports available in a noncontiguous range from PR01 to PR110, and 27 CDBG-specific reports. The PR05 and PR07 provide drawdown details by project and activity and voucher number, respectively. IDIS commits and disburses funds on a grant-specific basis, regardless of when the funds were appropriated. This is known as grant-based accounting which replaced the first in, first out drawdown methods used in the past.

The City will use the eCon Planning Suite to integrate the development of the Action Plan and the IDIS Activity Setup and Funding processes. This ensures that all the key reporting elements of the grants management cycle are integrated into one system and ensures cohesiveness between the goals described in the Consolidated Plan and Action Plan and the outcomes tracked in IDIS and reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

3.9 Reallocation and Reprogramming

If it is determined that a subrecipient will or may not expend the awarded funds timely for any reason, funds may be reprogrammed or reallocated to other subrecipients that have the capacity and additional needs for funding or in the next NOFA. This reprogramming and reallocation of funding is done by carefully assessing the risk and burn rate of each awarded subrecipient. Funding may only be awarded through currently awarded subrecipients of the reallocated grant year. Any funding not awarded with these processes will be allocated into a NOFA for subrecipients to apply. Reallocation/reprogramming are only approved by the Commissioners of the office. The City will follow all guidelines regarding reallocation and reprogramming in accordance with 2 CFR 200.308.

3.10 Audit

The City's Finance Department oversees the annual audit. Audit requirements ensure independent review and full transparency. An audit does not just look at the numbers but looks at program performance and compliance. There are specific compliance requirements that are inspected in a CDBG audit. It may include:

- Activities allowed and unallowed
 - National Objectives fulfilled
 - Eligible Activities funded
- Compliance with the Davis-Bacon Act
- Matching, Level of Effort and Earmarking
 - Including at least 70% funds expended for low-income
- Compliance with the CDBG timeliness test
- Procurement, Suspension and Debarment
- Program Income
- Compliance with Reporting Requirements
- Subrecipient Monitoring
- Special Tests and Provisions
 - Citizen Participation
 - Environmental Review
 - Rehabilitation work is completed

CHAPTER 4: SUBRECIPIENT MONITORING & COMPLIANCE

During the implementation of the CDBG Program, the Department of Grants and Community Development is responsible for internal reviews. Oversight and monitoring of subrecipients is not a one-time event, but rather an ongoing process during which staff have an opportunity to ensure their internal systems are sound and to build relationships with subrecipients. While monitoring activities differ depending on the type of CDBG program or project being administered, monitoring begins with determining whether projects are eligible and concludes with closing out grants and/or long-term monitoring of certain projects. DGCD oversees the following sub-recipient flow of activities to ensure compliance with CDBG regulations and procedures:

- Eligibility Verification
- Procurement
- Pre-Construction
- Construction
- Reimbursement requests
- Invoice/change order requests
- Project completion

The City's monitoring process follows the standards and procedures detailed in HUD monitoring handbooks, guidelines, and technical assistance publications. See CPD Monitoring Handbook 6509.2. Monitoring exhibits can be found in this handbook. The objectives are to ensure that subrecipients:

- Carry out their CDBG-funded projects in a timely manner, as described in their agreements (as modified or amended);
- Determine if any conflicts of interest exist in the operation of the CDBG program, per 24 CFR 570.611;
- Comply with all regulations governing their administrative, financial, and programmatic operations;
- Achieve their performance objectives within schedule and budget;
- Have continuing capacity to carry out the approved program or project;
- Maintain required records to demonstrate compliance with applicable regulations; and
- Comply with the Federal monitoring requirements of 24 CFR 570.501(b) and with 24 CFR 200.329 as applicable.

Monitoring subrecipients will maximize the City resources by directing efforts to those subrecipients that are at the greatest risk for non-compliance. To ensure full compliance with the regulations, the City takes a proactive approach to monitoring, including desk monitoring and on-site monitoring that involves several tasks throughout the program year.

Monitoring provides information for making informed judgments about program effectiveness and management efficiency, as well as identifies internal weaknesses that may contribute to fraud or abuse. The procedures established are to ensure program compliance with the requirements of all other applicable laws and regulations. Monitoring of subrecipients shall concentrate on program, financial, and regulatory performance of the subrecipients, including subrecipients of capital improvement project funds. Primary monitoring objectives are to make sure that subrecipients comply with all regulations governing administrative, financial, environmental review and programmatic operations.

In conducting monitoring and performance reviews, staff will primarily rely on information obtained from the subrecipient's performance reports, records, audits, allowed costs, review of financial reports, eligibility and number of beneficiaries served, compliance with federal regulations and City program requirements. Staff may also consider relevant information pertaining to a recipient's performance gained from other sources, including litigation, citizen comments, and other information provided by or concerning the subrecipient. Monitoring may be a combination of on-site monitoring and desk monitoring.

4.1 Desk Monitoring

The Office of Program Operations will desk monitor all subrecipients within 90 to 120 days of a Purchase Order. Desk monitoring takes a snapshot of a subrecipients project to determine efficiency and identify identifies programmatic weaknesses. All desk monitoring's are virtual.

The following is the minimum number of items that should be part of a desk monitoring review:

1. All client file documentation with supporting documentation
2. Single Audit or Financial Statement document
3. Other requested supporting documentation

The following summarizes the minimum actions needed to complete a desk monitoring review:

1. City sends notification letter.
2. City Desk Monitoring review.
3. Follow-up monitoring letter and report.

4.2 Full/On-Site Monitoring

On-site monitoring reviews are more comprehensive. Subrecipients that have managed prior CDBG funded projects or activities will generally not need on-site reviews unless they have had problems with their program, e.g., staff turnover, unresponsive, untimely, etc. by scoring high on their risk assessments. The following summarizes the minimum actions needed to complete an on-site monitoring review:

1. City sends notification letter.
2. Entrance conference.
3. Monitoring visit.
4. Exit conference.
5. Follow-up monitoring letter and report.

4.3 Monitoring Results

A “Post Desk Monitoring” letter will be sent after any monitoring (desk or full) within 60 days of monitoring or earlier, if possible, particularly if there are major findings. Deficiencies may be in the form of findings or concerns, and each may result in recommendations with varying consequences depending upon the nature of the issue.

- i. Finding: A Finding is a deficiency in program performance based on a statutory, regulatory, or program requirement for which sanctions or other corrective actions are authorized. Sanctions and actions may include time to correct the issue giving rise to the finding, repayment of funds, conditions on future funding, etc.
- ii. Concern: A Concern is a deficiency in program performance not based on a statutory, regulatory, or other program requirement. The City issues a Concern about program design or operations, when upon review, the practice could, if not corrected, result in noncompliance with a statutory, regulatory, or program requirement.

These are the definitions listed within a “Finding”:

1. Condition: Details the problem.
2. Criteria: Cites statutory, regulatory, or HUD Handbook requirements that were not met.
3. Cause: Explains why the condition occurred.
4. Effect: Describes what happened or may happen as a result of the condition.
5. Corrective Action: Address the cause of the finding to prevent reoccurrence. Each corrective action will include a timeframe for the program participant to respond.

Subrecipients must confirm via written response, addressing any issues, upon receipt of monitoring finding letter. Copies of supporting documentation demonstrating that corrective action has been taken will be required. Failure by the subrecipient to correct deficiencies may result in funds being withheld and possible restrictions on future grants.

4.4 Corrective and Remedial Action (Non-Compliance)

A subrecipient’s failure to perform under the terms of the contract with the City, maintain records in the prescribed manner, or fail to respond to any requests made by the City may result in a “Non-compliance Letter” that the subrecipient has failed to meet the applicable requirement to which the contract with the

subrecipient pertains or request was made. If staff finds that a recipient has failed to comply with program and/or contract requirements or has failed to meet a performance criterion, staff may take the following actions:

1. Issue a letter of non-compliance, advising the recipient of the deficiency and putting the recipient on notice that additional action will be taken if the deficiency is not corrected or is repeated;
2. Recommend, or request the recipient to submit, proposals for corrective actions, including the correction or removal of the causes of the deficiency. City staff will offer technical assistance to subrecipients when monitoring indicates less than complete compliance with CDBG regulations or contract requirements. Such assistance may include, but is not limited to, providing applicable copies of regulatory standards for CDBG and the Uniform Administrative Standards at 2 CFR 200. In addition, a copy of the Playing by the Rules guidebook for subrecipients may be provided.
3. Withhold any CDBG funding until issues are corrected and/or terminate Subrecipient Agreement.

If the subrecipient fails to undertake appropriate corrective or remedial actions which resolve the deficiency to the satisfaction of the City, DGCD may take actions to either mitigate, to the extent possible, the adverse effects or consequences of the deficiency, or prevent a recurrence of the deficiency by terminating the Subrecipient Agreement, suspending disbursement of any funds, and seek reimbursement from the subrecipient of all grant funds improperly expended.

4.5 Risk Assessment

For programs and projects, grantees should perform a risk assessment to identify which subrecipients require comprehensive monitoring. High-risk subrecipients include those that are:

- New to the CDBG program;
- Experiencing turnover in key staff positions or a change in goals or direction;
- Encountering complaints and/or bad press;
- Previous compliance or performance problems including failure to meet schedules, submit timely reports, or clear monitoring or audit findings;
- Carrying out high risk activities (e.g., economic development), and/or undertaking multiple CDBG-funded activities for the first time;
- Program Management – City staff experiences persistent difficulties with respect to management of the subrecipient;
- Subrecipients not monitored during the previous year; and
- The subrecipient receives CDBG Program Income from its activity.

For experienced subrecipients that are successfully carrying out activities, the City may plan a more narrowly focused monitoring effort to examine areas where the regulations have changed, new activities that are being undertaken, or program aspects that led to problems in the past. This plan is not guaranteed for all experienced subrecipients.

4.6 Personal Identifiable Information (PII) Protections

The City and its subrecipients must be committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with the Privacy Act of 1974, as amended, and other federal privacy-related laws, guidance, and best practices.

HUD expects its third-party business partners (grantees, subrecipients, project sponsors, developers, etc.) who collect, use, maintain, or disseminate HUD information to protect the privacy of that information. All subrecipients are required to have a privacy policy and procedure which includes handling Personal Identifiable Information Protection Standards.

All compliance regulations for PII can be found here and must be adhered to by all federally funded subrecipients: <https://www.hud.gov/sites/dfiles/OCHCO/documents/1325.1admnh.pdf>

In the event that there is a PII data breach or leak, the City of Atlanta Department of Grants and Community Development should be notified immediately in writing detailing the status of the incident and what steps were taken to mitigate the incident. The steps taken must be in accordance with the Subrecipient's Privacy Policy.

CHAPTER 5: CDBG-CV REGULATIONS & GUIDANCES

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed to provide immediate and direct response to the emerging crisis impacting our country as a result of the COVID-19 global pandemic. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. A Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants and Other Formula Programs was published on August 7, 2020. Of the total CARES allocation, 70% must directly benefit low to moderate income persons.

5.1 General Guidance and Oversight

All projects must demonstrate the direct tie-back to the COVID-19 Pandemic. The need and/or direct impact from the pandemic must be clearly and concisely described and documented, as Households must be economically impacted shown through significant financial hardship. CDBG-CV funding is only available for eligible activities that address the prevention of preparation for, or response to the Coronavirus.

Subrecipients must ensure there has not been and will not be a Duplication of Benefits (DOB) with each before assistance is provided. Each subrecipient will complete a Duplication of Benefits document (see Appendix 1) agreeing and/or affirming that there are no duplications of benefit and that any person or entity receiving assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative.

The Subrecipient must review each application they deem to be eligible to ensure DOB has not occurred. Personally Identifiable Information (PII) must remain in the project file and should not be shared electronically or to the public. Protecting this information is crucial; therefore, the Subrecipient should review the files in-person to ensure all requirements are being followed.

Unless stated otherwise, all other federal, state, and local regulations apply to all CDBG-CV projects approved by the City. All projects must minimally follow all HUD regulations and guidelines as detailed in 24 CFR 570, 2 CFR 200, and within this policy.

5.2 National Objectives

A proposed or approved activity meets one of the national objectives of the CDBG-CV program. Program Operations Team will establish that a proposed activity is eligible and not otherwise prohibited, they will also address the program's national objectives.

The DGCD will determine if the activity described in the Worksheet meets the criteria for one or more of the national objectives of the CDBG-CV program, except for activities carried out under the basic eligibility categories.

The three national objectives are as follows:

- Low- and Moderate-Income Individuals - Benefiting low- and moderate-income persons;
- Slum & Blight - Preventing or eliminating slums or blight; or
- Urgent Need - Meeting other community development needs which have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

5.3 Eligible Activities

Administration

No more than 20% of the sum of the annual entitlement grant plus any grant program income received during the grant year may be spent on planning studies or administration. The City calculates this amount when developing the Annual Action Plan and will not fund more than 20% of their entitlement grant on General Administration Activities.

Public Facilities and Improvements

Under the CDBG-CV Program, grantees may use funds to undertake a variety of public facilities and public improvement projects. In general, public facilities and public improvements are interpreted to include all facilities and improvements that are publicly owned, or that are owned by a nonprofit and open to the general public.

Eligible CDBG-CV Public Facility and Improvement activities may include construction of a facility for testing, diagnosis, or treatment of COVID-19, rehabilitation of a community facility to establish an infectious disease treatment clinic, construction or rehabilitation of a group living facility that may be used to centralize patients undergoing treatment, rehabilitation of a commercial building to establish an infectious disease treatment clinic, (e.g., by replacing the HVAC system), construction or renovation of a health care facilities to better respond to the Coronavirus, construction or renovation of a senior, youth, childcare, and community centers to better respond to the Coronavirus or renovation of public schools to better respond to the Coronavirus.

Public Services

The CDBG-CV regulations allow the use of grant funds for a wide range of public service activities. Public services activities include labor, supplies, material, and equipment. Eligible equipment must (1) constitute all or part of the public service, (2) be owned by the Subrecipient or Sub-awardee that provides the public service, and (3) show a need that it responds, prepares, or prevents COVID-19. Examples of public service equipment include ventilators or other medical equipment and supplies that will be used in providing health care at a field clinic, or a vehicle outfitted with medical equipment to provide mobile health care. Other eligible activities include the support operations of food banks/pantries including staffing, supplies, utilities, insurance, any travel fuel, with supporting mileage documentation - not to exceed State per diem rate, emergency assistance payments or subsistence payments (i.e. rent, mortgage, utilities, food, clothing, housing,) that do not exceed six (6) consecutive months. These emergency payments must be made to the provider of such items or services on behalf of an individual or family, and not directly to an individual or family in the form of income payments, debit cards, or similar direct income payments.

CDBG statute has a 15% cap on the amount of a grantee's yearly allocation that may be obligated for all public services. However, the CARES Act suspends the statutory 15% cap, as long as the public service prevents, prepares for, or responds to the coronavirus. As outlined in the CARES Act, the 15% cap of public service activities has been removed from all CARES Act funding as well as Fiscal Year FY2019 and FY2020 funds.

5.4 Ineligible Activities

The general rule is that any activity that is not authorized under the provisions of 24 CFR 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development. In addition, the following activities are also ineligible with CDBG-CV funding:

1. Funding for activities already provided by a city or state or ongoing funding for municipal services.
2. Maintenance of vehicles or facilities.
3. Income payments in the form of grants.
4. Political or religious activities such as campaigning for legislative reform or for activities that include religious worship, instruction, or counseling is ineligible.
5. Household groceries- past receipts or future bills.

CHAPTER 6: REPORTING

6.1 Accomplishment Report

As described in this policy and as established in the specific Subrecipient Agreement, each subrecipient is required to submit accomplishment reporting data on a monthly basis. All accomplishment reports are due in the subsequent month. For example, January's accomplishment report will be due in February. February's accomplishment report is due in March. The City may issue a non-compliance letter and withhold reimbursements if a subrecipient fails to report according to the established schedule. The City may also withhold a percentage of the grant award for all subrecipients until the end of the program year to ensure all reporting requirements are met.

6.2 IDIS Reporting

DGCD will input data and accomplishments into IDIS throughout the project year. DGCD will also evaluate reported data for accuracy and consistency and confirm with subrecipients. This should help improve the accuracy and timeliness of the overall Consolidated Annual Performance and Evaluation Report (CAPER) prepared at the end of the year.

6.3 SF-425 Federal Financial Report

HUD requires CPD grant recipients to periodically submit reports on the financial progress of the CDBG grant. The Office of Management and Budget consolidated the two most common financial reports, the Financial Status Report (FSR or SF-269/SF-269A) and the Federal Cash Transaction Report (FCTR or SF-272/SF-272A), into a single form known as the SF-425 Federal Financial Report.

This consolidation established government-wide standards for reporting periods and due dates. Entitlement Communities are required to complete the Cash on Hand Quarterly Report and submit it to the grantee's HUD local field office through IDIS.

Instructions for IDIS Cash on Hand Quarterly Report can be found here: <https://www.hudexchange.info/resource/5947/instructions-for-idis-cash-on-hand-quarterly-report/>.

6.4 Contractor-Subcontractor Activity Report

The Contractor-Subcontractor Activity Report is used by HUD to monitor and evaluate minority business enterprise (MBE) activities against the total program activity and the designated (MBE) and Women

business enterprise (WBE) goals. HUD requires information to provide guidance, oversight and for the development of MBE and WBE goals.

Form HUD-2516 reports contractor and subcontractor activities under the CDBG program for projects of \$10,000 or more. Information reported includes the dollar amounts of contracts/subcontracts, the type of service or trade, racial and gender information of the majority owner of the business, the CDBG funded project ID number or location, and name, address, and ID number of contractors and subcontractors. The Department uses the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development.

This report is submitted by the City **annually for each fiscal year and is due within 10 days after the end of the federal fiscal year**. Submit this report to the Atlanta CPD office via e-mail to the CPD Representative. DGCD will file all reports for recordkeeping purposes.

6.5 Labor Standards Enforcement Report

The Labor Standards Enforcement Report (form HUD-4710) is required by Department of Labor (DOL) to ensure compliance with Davis-Bacon, Contract Work Hours and Safety Standards Act, and other related labor acts and standards. HUD collects information from state and local agencies to document enforcement activities of all HUD programs, and reports to DOL. HUD's Office of Davis-Bacon & Labor Standards' national home page includes a fill-able form and instructions for all reports.

The information reported consists of two parts:

1. Part I is about contracting activity for work awarded during the reporting period. The number of primary contracts and total dollar amount is entered into the report. Each project name is listed with brief descriptive information including the bid opening date, contract award date, and construction start date.
2. Part II gathers enforcement activity information for all contracts, regardless of the award date or when construction began. If any complaints have been made against contractors/subcontractors, the names of these individuals are listed along with the projects of concern. If any employee was referred to HUD Labor Relations of DOL staff for investigations, for hearings on appeal and/or debarment hearings the employee is listed in this report along with the project and the agency (HUD or DOL) to which the case was referred and the reason for referral. Information on wage restitution collected and/or disbursed during the reporting period is also collected.

This report is required semi-annually. Reporting periods are from October 1 through March 31 and April 1 through September 30. They are due on those dates to HUD. The City must send them directly to the HUD Labor Relations Specialist. It is important that City and subrecipients track the data necessary to complete this report all year or fill it out periodically with new information to make it easier to meet the deadlines. HUD typically may send a reminder e-mail shortly before the reporting period ends.

Timeline Summary for Federal Financial Report and Other Reports	
SF-425 Federal Financial Report	January, April, July, October
Contract and Subcontract Activity	December 29
Federal Financial Report	January, April, July, October
Semi-Annual Labor Standards Enforcement	March 31 & September 30

CHAPTER 7: CLOSE OUT

The City must close out each project once a final invoice is submitted by the subrecipient, all activities have been completed, all monitoring issue(s) are resolved, all reporting is submitted, and all other requirements and issues have been resolved.

Closeout is an integral internal management process by which programmatic, financial, and compliance staff verify that appropriate records demonstrating compliance with all applicable HUD regulations is on file and ready for audit. These documents should provide a comprehensive record of project activities, beneficiaries, and total cost. The City must maintain these records to demonstrate that it has met its obligations to HUD as delineated in the Action Plan certifications that are signed and submitted to HUD with form SF-424 and the CDBG grant agreements terms and conditions.'

7.1 Completion in IDIS

The Integrated Disbursement & Information System (IDIS) provides HUD with current information regarding Community Planning and Development (CPD) activities underway across the nation. HUD uses this information to report to Congress and to monitor grantees. IDIS is the drawdown and reporting system for CPD's CDBG, HOME, ESG, and HOPWA formula grant programs and for the HOPWA Competitive grant program. Grantees use IDIS to request their grant funding from HUD and report on what is accomplished with these funds. Grantees also use IDIS for Consolidated Planning. Review IDIS for CDBG Entitlement Communities Manual for a full understanding of the system.

All final accomplishment data must be submitted from subrecipients to be entered into IDIS to close all activities.

7.2 Record Keeping and Retention

Subrecipients must adhere to HUD's recordkeeping requirements as contained in 24 CFR Part 570 Subpart J. The City of Atlanta has a 7-year recordkeeping requirement for all subrecipients. HUD requires all subrecipients to follow the most stringent guidelines regarding recordkeeping. In general, records are to be retained for 7 years from the date of submission of the grantee's award in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which have started before expiration of the 7-year period. In such cases, the records must be retained until completion of the action and resolution of all issues that arise from it or the end of the regular 7-year period, whichever is longer.

CHAPTER 8: RESOURCES AND TRAININGS

8.1 HUD Exchange Resources

Please see all HUD Exchange resources below:

1. <https://www.hudexchange.info/programs/cdbg-entitlement/>
2. <https://www.hudexchange.info/trainings/basically-cdbg/>

8.2 DGCD Trainings

The Department of Grants and Community Development (DGCD) will offer at least one training for all awarded subrecipients annually. The training is designed to provide the necessary tools and strategies and refresh the knowledge and skills in continuing to manage HUD grant programs. The City continues to hold weekly/bi-weekly meetings for technical assistance, best practices, and education. It is encouraged that all awarded subrecipients attend the annual training.

8.3 Definitions

- **The Act:** The Housing and Community Development Act of 1974 makes funds available to qualified cities to develop viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities.
- **Action Plan:** An annual plan that outlines proposed housing and community development objectives, activities, and City's budget. The plan includes information regarding federal, state, and local funding resources, a description of each activity to be implemented, and other actions that the City will take to address barriers to affordable housing, support anti-poverty strategies, and facilitate fair housing.
- **Administrative Cap:** A maximum of twenty (20%) percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on planning and administration costs.
- **CDBG:** The program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to twelve hundred and nine (1209) general units of local government and States.
- **CDBG Recipient:** Local governments are known as grantees or recipients, and also referred to as units of general local government (UGLGs). Under the Entitlement CDBG Program, the City receives funding directly from HUD.
- **CFR:** The Code of Federal Regulations (CFR) is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.
- **Citizen:** Unless otherwise distinguished by HUD or applicable statute, citizen and resident are used interchangeably.
- **Conflict of Interest:** When an individual or organization is involved in multiple interests, one of which could corrupt or be perceived corrupt fair and objective allocation of funds or procurement of goods and services.
- **Consolidated Annual Performance and Evaluation Report (CAPER):** An annual report prepared by the City in accordance with 24 CFR Part 91, on the objectives, activities, and budget set forth in the Annual Action Plan and the progress on the three-to five year. Consolidated Plan: The Consolidated Plan is a five-year strategic plan prepared by the City in accordance with 24 CFR Part 91, and describes needs, resources, priorities, and proposed activities to be undertaken with respect to HUD's Office of Community Planning and Development CPD formula programs, including CDBG. An approved Consolidated Plan is one which has been approved by HUD.
- **Contractors:** A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.
- **Cost Allocation:** The identification, aggregation, and assignment of centralized costs.
- **Cost Allocation Plan:** A description of a process whereby services provided on a centralized basis (e.g., motor pools, computer centers, purchasing and accounting services) can be identified and assigned to benefited departments/agencies (e.g., the department/agency administering the CDBG program) on a reasonable and consistent basis.
- **City of Atlanta (City):** The recipient of entitlement funding from HUD.
- **CPD:** The Office of Community Planning and Development (CPD) is an office within HUD. CPD administers and provides federal oversight of the CDBG program, along with other federal programs that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.
- **Davis-Bacon Act:** Establishes the requirement for paying the local prevailing wages and fringe benefits, as determined by the U.S. Department of Labor, laborers and mechanics. It applies to

contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000.

- **Draw Down:** Refers to the process of requesting and receiving CDBG funds. Grantees draw down funds from a line of credit established by HUD, while SRs typically draw down funds from grantees.
- **Economic Development:** Activities to improve the economic health and standard of living in the City. Depending on the nature of the activity, eligible economic development activities may be subject to the Public Services or Administrative caps.
- **Entitlement Community:** A city in a metropolitan area with a population of fifty thousand (50,000) or more, a principal city of a metropolitan area, or an urban county with a population of at least two-hundred thousand (200,000) (excluding the population of metropolitan cities located therein) that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program. An Entitlement Community is sometimes referred to by HUD as a grantee or recipient.
- **Entitlement Grant:** Federal funds received by an entitlement community in a program year.
- **Household:** All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.
- **Housing Rehabilitation:** Activities that assist homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.
- **HUD:** CDBG funds are provided to states through the U.S. Department of Housing and Urban Development (HUD). HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.
- **HUD Guidelines:** All tools, guidebooks, trainings, notices, and other guiding materials and correspondence provided by HUD or CPD regarding the laws and regulations of CDBG Program.
- **Integrated Disbursement and Information System (IDIS):** A nationwide database that provides HUD with current information regarding program activities and funding data. The City uses IDIS to fund and report on its CDBG Program.
- **Income:** Adjusted gross income as defined by the IRS Form 1040.
- **Indirect Costs:** Costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.
- **Indirect Cost Rate:** A device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.
- **Indirect Cost Rate Proposal:** The documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.
- **Low – and Moderate Income:** Low- and moderate income (also referred to in this manual as LMI) means family or household annual income less than the Section 8 Low Income Limit, generally 80 percent of the area median income, or a person within such household, as established by HUD.
- **Low-Income Household/Family:** A household/family having an income equal to or less than the Section 8 Very Low-Income limit (50% of the area median income) as established by HUD.
- **Microenterprise:** A business that has five or fewer employees, one or more of whom own the enterprise.
- **Minimum Contracting Standards:** A set of standards required before the execution of a SR Agreement. The standards indicate the minimum administrative and financial framework required to manage public funds.
- **Minority Business Enterprise (MBE):** A business concern that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian Pacific American or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners.

- **Moderate-Income Household/Family:** A household/family having an income equal to or less than the Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low-Income limit (50% of area median income) established by HUD.
- **Monitoring Visits:** Visits to SR and city partner programs by Department of Library and Community Services staff to evaluate the progress/performance of the program and/or to provide technical assistance.
- **Neighborhood Services:** Services that benefit an entire neighborhood and correspond with the neighborhood's or census tracts' geographic boundaries.
- **OMB:** The Office of Management and Budget (OMB) is the largest office within the Executive Office of the President of the United States (EOP). The main function of the OMB is to assist the President in preparing the budget. The OMB issues budget instructions or information, known as circulars, to Federal agencies.
- **Personal Identifiable Information:** As defined in OMB M-07-16 as, "information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc.. alone or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.:"
- **Presumed Benefit:** Benefit a group of clientele that is presumed to be principally Low – and moderate income. Presumed benefit groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDs, migrant farm workers, and elderly persons over 62-years-of-age.
- **Program Income:** Program income is the gross income received by the City and its SRs directly generated from the use of CDBG funds.
- **Program Year:** City's Program Year begins July 1 and concludes June 30 of the following year.
- **Public Service Activity:** Eligible public service activities including but not limited to those concerned with employment, crime prevention, childcare, health, homelessness, drug abuse, education, fair housing counseling, energy conservation, and welfare. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase.
- **Public Services Cap:** A maximum of fifteen (15%) percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on public service activities.
- **Resident:** Unless otherwise distinguished by HUD or applicable statute, resident and citizen are used interchangeably.
- **Section 3:** Section 3 of the Housing and Urban Development (HUD) Act of 1968 established the Section 3 Program, which requires recipients of HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.
- **Sensitive Personally Identifiable Information:** PII that when lost, compromised, or disclosed could substantially harm an individual. Examples of sensitive PII include social security or driver's license numbers, medical records, and financial account numbers (credit, debit cards, etc.)
- **Small Business:** The U.S. Small Business Administration is responsible for defining small businesses. Small Businesses are commonly identified by five hundred (500) employees or less for manufacturing and mining industries and \$7.5 million or less in average annual receipts for non - mining industries. However, there are a few exceptions.
- **Statement/Scope of Work:** An exhibit of the SR agreement which must include a project description, the national objective claimed, activity descriptions, intended beneficiaries (number and type), detailed budget and location(s) of program-related activity.
- **Subrecipient:** An entity charged with implementation of one or more activities funded with City's CDBG dollars.

- **Subrecipient Agreement:** A written agreement between City and the SR that is required before CDBG funds are disbursed. **Substantial Amendment:** An amendment to the Action Plan or the Consolidated Plan as required when twenty-five (25%) percent of the original award for an activity or plans to utilize funds under a different activity category are proposed.
- **Technical Assistance:** Assistance to an entity by another entity more knowledgeable in the applicable subject field, resulting in increased capacity or knowledge of the assisted entity.
- **Timeliness:** Carrying out CDBG-funded activities in a timely manner.
- **Timeliness Spending Test:** A test conducted sixty days prior to the end of the current program year, to ensure that the amount of entitlement grant funds available to the City under grant agreements but undisbursed by the U.S. Treasury is not more than 1.5 times the entitlement grant amount for the current program year.
- **Urgent Need:** Activities designed to alleviate existing conditions of recent origin eighteen (18) months that pose serious threats to the health and welfare of the community; this objective may only be used if the community cannot finance necessary activities with other source.
- **Women's Business Enterprise (WBE):** A business concern that is at least fifty-one percent (51%) owned by one or more women and whose management and daily business operations are controlled by one or more of these own.