

City of Shasta Lake
Monitoring Procedures

Program Staff:

The personnel listed in the Standard Agreement (SA) are the points of contact for day-to-day grant administration and for coordination on monitoring efforts. City staff organize grant files and provide documentation requested from HCD staff for desk monitoring or during the on-site monitoring. The City may acquire a contractor to work in collaboration with staff to implement monitoring policies and procedures, in conjunction with technical assistance from HCD.

Monitoring Procedures:

The CDBG-DR Infrastructure Program Policies and Procedures and the CDBG-DR Multifamily Housing Program Policies and Procedures published by the California Department of Housing and Community Development (HCD) document the requirements monitoring grant activities described in the SA scope of work. The City is responsible for the following:

- Complying with the terms and conditions of the Standard Agreement with HCD, specifically anti-fraud and abuse;
- Following procurement processes in accordance with 2 CFR 200 or local standards if higher;
- Monitoring any subrecipients for federal compliance standards;
- Monitoring construction contractors for equal opportunity, federal and state labor standards and Section 3 requirements;
- Performing sufficient financial controls to ensure DR costs are eligible, allowable, reasonable, and allocable;
- Multifamily monitoring and compliance as detailed in Section 4.10 of the CDBG-DR [Multifamily Policies and Procedures](#) published by HCD; and
- Documenting national objective compliance for all activities.

City staff, or designee, visit each funded project during the construction process in any month in which housing sponsors intend to request disbursement of funds. If draws are infrequent, we may also visit the site in between funding disbursements. For rental housing developments, we typically try to schedule our site visits during a regularly scheduled Owner-Architect-Contractor's meeting so that we can review project status, listen to the issues and concerns discussed, review the change order log and walk the construction site. We also review environmental mitigation identified during the NEPA review process and monitor compliance during construction.

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Project sponsors submit documentation demonstrating that no hired contractors and subs have been federally debarred (SAM certification), as well as documentation of any contractors/subs that qualify as MBE/WBE or Section 3 at the time they request disbursement of funds. This information is reviewed by City staff prior to disbursement of funding.

For projects that require federal and state prevailing wage compliance, the City, in conjunction with Technical Assistance, will ensure compliance with federal CDBG procurement standards that incorporate prevailing wage language and processes, including submission of labor reports. Prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. The City has included a line item in our budget to hire a consultant to assist us in monitoring labor standards, including but not limited to prevailing wages.

Long-Term Affordability Monitoring

All completed projects require annual compliance monitoring during the period of affordability. The City will establish a project monitoring schedule to ensuring physical property, program, and financial compliance. City staff/consultant will meet with the development's management staff and review performance under the contract for the following topics:

1. Initial Affordable Rents and subsequent rents during the period of affordability
2. Initial and annual certification of tenant income
3. LMI benefit (minimum 4 or 30% Affordable Units)
4. Affirmative Marketing requirements
5. Fair Housing requirements
6. Fiscal Responsibility (annual review of financial statements)

All records relating to the initial development phase of the project will be retained for a minimum period of five (5) years after the Department notifies the City that the grant agreement between HUD and the State of California has been closed. After closeout of the grant agreement between HUD and the State of California, all records relating to the operational phase of the Development will be retained for the most recent five (5) year period, until five years after the affordable period terminates. All records will be maintained in such a manner as to ensure that the records are reasonably protected from destruction or tampering. All records shall be subject to inspection and audit by the City, HCD, HUD, or its representative.

The City may charge Developers a reasonable annual fee for compliance monitoring during the term of affordability period. Fees will be based on the average actual cost of performing the monitoring of CDBG-DR assisted approved projects. The basis for determining the amount of the fee will be documented and the fee will be included in the cost of the project as part of the project. If a monitoring fee is charged, the City shall remit 10% of the monitoring fee collected from the project to HCD not less than annually and within 90 days of receipt of the fees.