|  |  |  |  |
| --- | --- | --- | --- |
| Appendix G - HCD CDBG Section 3 Monitoring Checklist | | | |
| Name of Grantee: | | | |
| Name of Subrecipient (if applicable): | | | |
| Grant Numbers and/or Program Income Reviewed: | | | |
| Staff Consulted: | | | |
| Name(s) of Reviewer(s) |  | Date |  |

**NOTE: All questions that address requirements contain the citation for the source of the requirement. If the requirement is not met, the reviewer must make a “finding” of noncompliance.** Questions that do not contain the citation for the requirement do not address requirements but are included to assist the reviewer in understanding the Grantee’s program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "finding.”

**Instructions:** Section A covers the Grantee's compliance with Section 3 of the Housing and Community Development Act. Section B summarizes the reviewer’s determinations regarding the Grantee’s need for technical assistance and/or training in this program function.

**Review Documents:** Prior to monitoring, reviewer should review the Closeout Package and Certification submitted by the Grantee.

Additional **Review Documents:** Documentation of Section 3 Hours and Qualitative Efforts (weekly payrolls or other tracking system, contractor statements of employment and Section 3 employees, certified best faith estimate of hours, documentation of all qualificative efforts, certification of Section 3 business)

**Questions:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | Was the funded activity a **construction** project that received funds from HUD programs that provide housing and community development financial assistance and the total amount of assistance to the project exceeded a threshold of $200,000. (The threshold is $100,000 when any assistance is from the Lead Hazard Control and Healthy Homes programs.) [**24 CFR 75.3(a)(2)**](https://www.ecfr.gov/current/title-24/part-75#p-75.3(a)(2))  *If yes, continue with Question #2.*  *If no, skip to Question #6.* |  |  | | |  |  |  |  | | |  |
|  | Yes | | |  | No |  |  | | |  |
| **2** | Has the Grantee correctly indicated the need to comply with Section 3 on the ***Section 3 Compliance Acknowledgement*** (part of the ***CDBG Combined Closeout Package***)? |  |  | | |  |  |  |  | | |  |
|  | Yes | | |  | No |  |  | | |  |
| **2** | Looking at the ***Section 3 Closeout Report*** (part of the ***CDBG Combined Closeout Package***) does Grantee indicate that they have met or exceeded the **Safe Harbor Benchmark for Total Section 3 Labor Hours**? Indicate percentage shown. |  |  | | |  |  |  |  | | |  |
|  | Yes | | |  | No |  | % | | |  |
| **3** | Looking at the ***Section 3 Closeout Report*** (part of the ***CDBG Combined Closeout Package***) does Grantee indicate that they have met or exceeded the **Safe Harbor Benchmark for Targeted Section 3 Labor Hours**? Indicate percentage shown**).** |  |  | | |  |  |  |  | | |  |
|  | Yes | | |  | No |  | % | | |  |
| **4** | If the Grantee did not meet the Safe Harbor Benchmark for **EITHER OR** **BOTH** Total Section 3 Labor Hours and Targeted Section 3 Labor Hours, did the Grantee complete the ***Section 3 Qualitative Efforts Description***, indicating at least one qualitative effort taken? |  | |  | |  |  |  | |  | |  |
|  | | Yes | |  | No |  | | N/A | |  |
| **4a** | If not, did the Grantee provide source documentation of all qualitative efforts made? |  | |  | |  |  |  | |  |  | |
|  | | Yes | |  | No |  | | N/A |  | |
| **5** | Did the official authorized in the resolution sign the CDBG Combined Closeout Package Signature Based page, certifying all representations made in the package? |  | |  |  | |  |  | |  |  | |
|  | | Yes |  | | No |  | | N/A |  | |
| **Comment (if needed):** | | | | | | | | | | | | |
| **6** | Based upon your review of forms submitted, including an appropriate signature certifying the representations made, has the Grantee complied with Section 3 requirements on the reviewed award/contract.   * If your response is “No,” you must enter a finding in the monitoring report citing **HUD Section 3 Final Rule, effective on November 30, 2020, codified at 24 CFR part 75**. |  |  | | |  |  |  |  | | |  |
|  | Yes | | |  | No |  |  | | |  |
| **Describe Basis for Conclusion:** | | | | | | | | | | | | |