

DATE

RE: Monitoring Report

FY 2\_\_\_\_LCDBG Program

Contract Number 101-0000

Dear Mayor Mayor:

On June 7, a visit to the City of \_\_\_\_\_ was conducted for the purpose of monitoring the FY XXXX Louisiana Community Development Block Grant (LCDBG) Program. This office appreciates the courtesy and cooperation extended to the staff members during their visit.

A review was conducted in the following areas: Acquisition, Anti-displacement and Relocation, Citizen Participation, Civil Rights, Environmental Review, Financial Management, Labor Standards, National Objectives, Procurement, Program Performance, and Record Keeping.

The monitoring review indicated that the City has the continuing capacity to carry out the program activity in a timely manner. The Program has been implemented in accordance with the requirements and primary objectives of the Housing and Community Development Act (HCDA) of 1974 as amended and other applicable laws and regulations, with the exceptions identified herein. Although other deficiencies may exist, none were detected.

FINDING(S) OF DEFICIENCY

LABOR STANDARDS

As required by Section 110 of the HCDA of 1974, a review of files were conducted to ensure compliance with the federal labor standards for federally assisted construction contracts found in 29 CFR Parts 3 and 5 and HUD Handbook 1344. The review of the files included the bid document, payroll sheets, employee interviews, the applicable federal wage decision(s) and inspection reports for the XXXX project..

Finding Number 101-0000-1-1-030

The Statements of Compliance for the payrolls of Oops, Inc. were signed by Ms. Dizzy Deshotel, payroll clerk. All Statements of Compliance must be signed by a company official or an "authorized" payroll signor as required in *Section B: Labor Compliance* of the Grantee Handbook.

Corrective Action Required: In order to clear this finding, the City must submit a copy of the written authorization from Oops, Inc. designating Ms. Deshotel as the authorized payroll signor.

FINANCIAL MANAGEMENT

A review of the financial management records of the FY XXXX LCDBG Program was conducted to determine that the funds received under this award comply with all applicable statutory and regulatory provisions, are only spent for reasonable and necessary costs of operating this program and are not used for general governmental expenses as provided by 24 CFR 570.489(d). In addition, the financial records were reviewed for compliance with the standards for financial management systems found in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards [2 CFR 200.300-309].

#### Finding Number 101-0000-1-2-010

In reviewing the financial management records, it was noted that bank statements were missing for the months of December, 2\_\_\_\_, January, 2\_\_\_\_, February, 2\_\_\_\_, August through December, 2\_\_\_\_, and January, 2\_\_\_\_. Also there were no canceled checks for check numbers 1003, 1004, 1005, 1006, and 1007. Without this documentation, the City cannot be considered as having a complete set of financial records.

Corrective Action Required: The City must provide us with copies of the missing bank statements and canceled checks identified herein. Following our review of those items, we will advise you if any other action must be taken.

#### Finding Number 101-0000-1-1-011

One of the LCDBG program requirements is that all local officials and employees who sign checks and/or handle the program funds be bonded in accordance with State law (refer to *Section A: Program Administration* in the Grantee Handbook). There was no evidence in the files to indicate that any of the elected officials in your City who are authorized to sign checks are bonded.

Corrective Action Required: Please provide us with documentation to support that those persons signing the LCDBG checks are bonded.

#### CIVIL RIGHTS

The City's files were reviewed for compliance with Sections 104(b)(2), 109 and 118 of the HCDA of 1974 and the implementing regulations found at 24 CFR 570.601, 24 CFR 570.602, 24 CFR Part 8, 24 CFR Part 135, and 24 CFR 570.607. The review of this area encompassed recipient and contractor(s) employment, fair housing, equal opportunity, Section 3, and Section 504 requirements.

#### Finding Number 101-0000-1-1-040

When the Statement of Assurances in your application for funding was signed, the City committed to affirmatively further fair housing. There was no evidence that such effort(s) was or is being made.

Corrective Action Required: If any efforts have been made to further fair housing during the current LCDBG contract period, documentation of such efforts must be sent to this office. If efforts to further fair housing have not been made, the City must perform and document such effort(s) and send a copy of the documentation to this office. For further information about various fair housing activities which meet LCDBG program requirements, see Exhibit A-49 of the Grantee Handbook.

## PROCUREMENT

The City's general files on procurement were reviewed in addition to the procurement procedures utilized in hiring engineering, administrative consulting, and construction services. Compliance with the requirements of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards 2 CFR 200.317-326, Louisiana State Bid Law and Office of Community Development policies were examined.

### Finding Number 101-0000-1-2-080

The contract between the City and the engineering firm did not contain the following required language: Termination for Cause; Termination for Convenience; Equal Opportunity; Title VI; Access to Records; Conflict of Interest; Section 3; and Section 109.

Corrective Action Required: The contract must be amended to include all the provisions listed above and a copy submitted for our review.

## FINDING(S) OF CONCERN

### PROGRAM PERFORMANCE

The following finding, from the Finding of Deficiency section above, is considered “very serious”: XXXX. The “seriousness” level is identified as follows: minor findings receive a 0; serious findings receive a 1; very serious findings receive a 2. This seriousness of the finding is noted within the finding number as the second single digit number, preceding the compliance area number (e.g. Finding Number 20001234-1-2-041). If the OCD issues any of these findings to the City within the next six years regarding another federally funded grant, then the City may be sanctioned from participating in any federally funded programs administered by this office.

## FINDING(S) OF MERIT

### NATIONAL OBJECTIVES

The City's files were reviewed to determine whether the program complies with one or more of the national objectives as required by Section 104(b)(3) of the HCDA of 1974. This program was funded to meet the national objective of area benefit activity to a target area where at least fifty-one percent of the residents are low and moderate income persons. Program benefit was reviewed by the staff of the Office of Community Development. Based on the local survey forms and an onsite inspection of the area served by the project, we determined the area was primarily residential and the benefits would be available to all the residents of the area, of which seventy-five (75) percent of the persons benefiting from the City's project are of low and moderate income.

### PROGRAM PERFORMANCE

The City's actual progress in completing the program activities in accordance with the time schedule submitted with the original application for funding under the LCDBG Program was reviewed in accordance with Section 104(e)(2) of the HCDA of 1974. The City's project has progressed in a timely manner. The project will be completed prior to the contract termination date of September 30, 2025.

## ENVIRONMENTAL REVIEW

The files were reviewed for compliance with Section 104(g) of the HCDA of 1974 and HUD's implementing regulations found at 24 CFR Part 58. No activities or project sites have changed from those cleared in the original Environmental Review Record; therefore, the Environmental Review Record remains relevant and complete.

## RECORDKEEPING

The City is maintaining the program records in accordance with Section 104(e)(2) of the HCDA of 1974 and LCDBG Program requirements as provided for by 24 CFR 570.490@.. When the staff requested specific information during the monitoring visit, the supporting documentation was easily retrievable.

## ANTI-DISPLACEMENT AND RELOCATION

The City's files were reviewed to ensure that the program's activities were in compliance with the Residential Anti-displacement and Relocation Plan, certification, and resolution as required by Section 104(d) of the HCDA of 1974. Additionally, no displacement or relocation occurred as a result of the project.

## CITIZEN PARTICIPATION

In accordance with Section 104(a) of the HCDA of 1974, the citizen participation files were reviewed for completeness in compliance with the program requirements of 24 CFR 570.486. Based upon the documentation in these files, it appears that the City is in compliance with the requirements for citizen participation.

Please submit the items required to address the findings of deficiency to the Office of Community Development no later than August 30, 2\_\_\_\_\_. Also, please make a copy of this letter available to the City's auditor, who will determine which of the noted deficiencies, if any, are material and should be included in the any of the applicable financial reports. If the City has any questions, please contact Dolly Dolittle at 225/342-7412.

Sincerely,

U.R. Good

State LCDBG Director