



## Chapter 4: Grantee Requirements

### Overview

Grantees are responsible for several requirements that extend beyond administering the Community Development Block Grant project. These requirements include steps that local governments must take **before** applying for a grant and steps that may not be directly related to completing the project. For example, citizen participation requirements must be fulfilled before submitting an application and all Grantees must undertake annual actions to further fair housing even if their projects are not assisting or improving housing.

Fair housing and civil rights laws impact many aspects of CDBG projects. Nondiscrimination must be shown with relation to any benefits created with a Grantee's public facilities projects. In addition, the Grantee will be expected to show that the community in general is committed to nondiscrimination, equal opportunity, and affirmative action.

### Grantee Responsibilities

- Follow citizen-participation requirements and adopt a citizen participation plan
- Affirmatively further fair housing by adopting a Fair Housing resolution
- Implement fair housing activities to affirmatively further fair housing on a consistent basis
- Implement the CDBG project in a non-discriminatory manner which includes accessible communications and adopting a non-discrimination resolution
- Maintain records that document project beneficiaries
- Demonstrate compliance with fair housing, accessibility, and civil rights objectives

This chapter covers these requirements, imposed by Federal laws and regulations, in the following sections:

1. Citizen Participation
2. Affirmatively Furthering Fair Housing (AFFH)



3. Equal Employment Opportunity (EEO) Compliance
4. Economic Opportunity - Section 3
5. Limited English Proficiency
6. Conflict of Interest
7. Signage
8. Drug-Free Workplace Policy
9. Grievance Procedures

## Section 4.1 Housing Element Law

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments meet this requirement by adopting housing plans as part of their

[Housing Element  
Completeness Check](#)

"general plan" (also required by the state). General plans serve as the local government's "blueprint" for how the city and/or county will grow and develop and include seven elements: land use, transportation, conservation, noise, open space, safety, and housing. The law mandating that housing be included as an element of each jurisdiction's general plan is known as "housing-element law."

California's housing-element law acknowledges that, in order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements.

Jurisdictions are required to submit an annual progress report on the status and progressing in implementing the housing element to HCD. More information on the reporting requirements can be found in Chapter 9: Reporting and Recordkeeping.

Detailed information on the required housing element can be found on the [HCD Regional Housing Needs Allocation and Housing Elements](#) webpage.



## Eligibility for Award of State CDBG Funds

Pursuant to Health and Safety Code (HSC) Section 50829, applicants must submit a Housing Element of their General Plan to the Department to be eligible for the state CDBG Program. Specifically, an applicant must at least:

1. Submit a draft,
2. Consider the Department's findings,
3. Adopt the housing element in accordance with Government Code Section 65585; and
4. Meet ongoing reporting and compliance requirements.

At a minimum, step 1 above must be completed with evidence of submittal by the date specified in the NOFA. While no application for funds shall be denied because of the content of the housing element, applicants with growth controls are generally not eligible to receive funds unless meeting conditions specified in Health and Safety Code section 50830, such as a Housing Element found in substantial compliance by the Department.

Failure to complete the Housing Element compliance process will result in future program ineligibility and may result in a breach of the Standard Agreement for funds awarded through the State CDBG program. Jurisdictions who fail to complete the Housing Element compliance process in a timely manner will be ineligible for funding until the Housing Element is brought into compliance.

Applicants should verify the status of their Housing Element and the impact of growth control measures prior to submitting their application.

## Definition of Growth Control Measure HSC §50830

A general plan, ordinance, or other measure that directly limits by the number of:

1. building permits that may be used for residential construction; or
2. buildable lots that may be developed for residential purposes.

## Statutory Authority for Compliance

HSC §§50829 and 50830.



## Section 4.2 Citizen Participation Requirements

Local governments must provide reasonable opportunities for citizen participation, hearings, and access to information with respect to local community development programs. Certain citizen participation requirements are required to be met prior to application submission while other requirements apply throughout the course of the project. Grantees are expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities. (Section 4.6 below addresses required steps to assist limited-English proficient persons.)

### Citizen Participation Plan

All local governments receiving CDBG funds from the State of California, Department of Housing and Community Development (HCD) must adhere to the Citizen Participation Requirements set forth in the State's Citizen Participation plan and adopt it. Each Grantee must meet the following requirements:

[HCD Citizen Participation Plan](#)

1. Solicit input on local community development needs and proposed activities particularly by low- and moderate-income persons who reside within the local government in which the grant funds are proposed to be used;
2. Promote public comment on the proposed application and community development activities via a minimum of two public hearings (more if any substantial change is proposed);
3. Provide special technical assistance to groups representative of LMI persons;
4. Identify the needs of non-English speaking residents and reasonable accommodation for persons with disabilities;
5. Provide for a timely appropriate and effective written answer to complaints and grievances;
6. Provide citizens with reasonable and timely access to information, including the amount of funds available, the range of eligible activities, the activities being applied for, and amount of funds requested.



## Required Public Participation

Local governments should pay particular attention to the Public Participation Component of the Grant Process. No application will be reviewed if the Grantee has not complied with the procedures established and outlined below for public hearing notices and meetings. Two (2) public hearings are required at separate phases of the project. (Additional hearings may be required if substantial changes or amendments occur.)

[24 CFR 570.486](#)

1. Notice of public hearings must be published in a daily newspaper of general circulation in the local government. For example, the Fresno Bee is such a daily newspaper serving many communities of the central valley. Appendix 4-1 is a sample format for the public notice.
2. The public notice must be posted as a printed legal notice in three other public places within the local government. Such other places may include:
  1. Weekly papers (not a primary notice in a daily newspaper of general circulation).
  2. Use of social media accounts such as Facebook or Twitter.
  3. Website calendars that announce public events (may be the official municipal website).
  4. Local nonprofit websites such as Main Street organizations.
3. The notice must be published no less than 10 days prior to the date of the public hearing. When counting the 10-day period, you may NOT count the day the advertisement runs or the day of the hearing.
4. Notice of the Public Hearing must include a contact person/ADA coordinator's name and telephone number. Citizens should be advised to contact that individual, so the jurisdiction can provide accommodations for any persons with disabilities and provide assistance if a significant number of non-English speaking persons are expected. See Section 4.6 in this chapter for requirements regarding Limited English Proficiency (LEP).
5. Hearings must be scheduled during a time when citizens are generally available to attend. Morning or early afternoon sessions are unacceptable.
6. Grantees planning on earning Program Income (PI) or having PI on hand must provide

[Appendix 4-1:  
Sample Public Notice](#)



adequate information about the use of PI at this hearing. More information on Program Income can be found in [Chapter 6: Financial Management](#).

In addition to the required notices, applicants must also make every effort to inform those who might not be reached through the newspaper notice that the public hearing is to be held. Such efforts might include the distribution of leaflets, post notices on bulletin boards at town hall, notices to local organizations, clubs, and churches, and/or personal contact. These efforts should especially be conducted in the neighborhoods affected by the proposed project.

**NOTE: If a hearing is cancelled, the public noticing process must repeat. It is recommended that all public notices include potential rescheduling dates to avoid this situation.**

### First Public Meeting Content

The first public hearing is an opportunity to educate and inform local residents about the project, to provide a forum for citizen input, and to obtain any community development needs. This hearing must be held prior to submission of the application to HCD. The following information should be made available at public hearings:

1. Goals and objectives of the CDBG program,
2. Total amount of CDBG funds available,
3. Community development and housing needs of the applicant,
4. Proposed activities for the project and the amount to be requested; estimated beneficiaries (such as approximate number of homes to be rehabbed, dwelling units connected to infrastructure, persons served), qualification requirements, how the program is managed, role of Grantee and consultant, if any, type of improvements or construction proposed, timeframe to complete the project,
5. Proposed amount of funds to be used to benefit low- and moderate- income people,
6. Amount and source of local funds to be expended on the project, and
7. Adoption or update of a Residential Anti-displacement and Relocation Assistance Plan, as necessary per [24 CFR 42.325](#).
8. Review status of the local housing element.

[Sample Residential  
Anti-displacement  
and Relocation  
Assistance Plan](#)



A copy, scan, or digital attachment of the newspaper posting for the first public hearing must be included as part of the application submitted to HCD. The date that the posting was published must be clear on any submitted copy. Also, a final approved copy of the hearing minutes from the first public hearing must be included with the grant application. The Grantee should retain the same information for the second or any additional hearings held prior to project completion for monitoring by HCD. The final draft of the application must be made available to the public.

### Second Public Meeting Content

The second public hearing is for the Grantee to review the results of the project with citizens and to take comments about the local governments' performance. The public hearing must be held prior to the close out of the grant, but no earlier than the projected mid-point, to provide status of the program. The following information should be made available at public hearings:

1. Project progress/status of completion and expected timeframe to completion
2. Results to date and projected totals, such as number of beneficiaries assisted, housing units completed, portion of project in service, or persons served.
3. Funds expended, balance of funds available, and budget expectations to completion.

When a Grantee is planning to conduct a second hearing from one grant in conjunction with the first hearing for a new grant, the advertisement language must be clear in the dual purpose of the hearing.

### Additional Public Hearings Content

If the Grantee is required or chooses to hold additional public hearings, they must provide citizens with reasonable advance notice of, and opportunity to comment on, proposed changes to activities in an application to the state as described in the required notices for the first and second hearing. Grantees that propose substantial changes are required to hold an additional hearing. Substantially changed means changes to:

- Purpose
- Scope, adding or removing an activity
- Location
- Increase or Decrease funding by 25% or more



- Beneficiaries

The content of the additional public hearing would encompass all of the same elements of the first hearing with two changes. Replace item #3 Community development and housing needs of the applicant with “3. Explanation for the change(s).” Then, all other content items from the original hearing should be revisited and discussed in comparison to the proposed revision or amendment to the project.

## Complaints and Grievances

Occasionally Grantees receive complaints regarding their projects and activities. In order to respond, Grantees must develop procedures for responding to complaints. See Section 4.10 Grievance Procedures in this chapter.

## Section 4.3 Affirmatively Furthering Fair Housing (AFFH)

All recipients of CDBG funds must assure that they do not discriminate or permit others to discriminate in provision of housing for every individual regardless of:

- Race
- Color
- Ancestry/National Origin
- Religion
- Sex
- Familial Status
- Disability
- Age (62)

This list of protected classes has been expanded via HUD regulations and notices to include:

- Sexual Orientation
- Gender Identity
- Persons who use service or support animals

Additionally, California state law adds the following to the list of protected classes within the state:

- Age (40)



- Citizenship/Immigration Status
- Primary Language
- Source of Income
- Military or Veteran Status
- Genetic Information
- Medical Condition
- Sex/Gender (including pregnancy, childbirth, breastfeeding or related medical conditions)

**NOTE: Housing designed to meet the physical and/or social needs of senior citizens, and in compliance with California laws governing senior housing, may exclude households with minor children. Similar provisions are provided for senior citizen mobile home parks under federal fair housing laws.**

Every Grantee must promote fair housing practices within its jurisdiction for anyone within these protected classes.

The [California Department of Fair Employment and Housing](#) (DFEH) is a state agency established for the purpose of eliminating discrimination in employment, public accommodations and the sale or rental of housing or commercial property due to any of the above listed protections. The DFEH has the power to receive and investigate complaints of illegal discrimination. Grantees can consider coordinating their work to address discrimination with this state agency.

Going beyond prohibitions of discrimination, receipt of HUD funds requires that Grantees affirmatively further fair housing. While there are many ways that Grantees can promote fair housing practices, HCD has implemented the following practices: the following guidelines have been adopted by HCD:

### **Step 1: Impediments to Fair Housing**

Pursuant to AB 686, which amended Housing Element Law when it was passed in 2017, all local agencies are required to ensure that their laws, programs and activities affirmatively further fair housing. To comply with these requirements, all local governments are required to conduct a robust public outreach, a housing needs assessment, a site inventory, identification and prioritization of contributing factors, and goals and actions as components of their Housing Element. More information on the requirements of AB 686 can be found at: [AFFH / Fair Housing \(ca.gov\)](#).



Under federal law, Grantees are not required to perform their own Analysis of Impediments (AI) to Fair Housing but may use the analysis performed by HCD, a project partner, or by an adjacent entitlement community. The State completed a Housing Assessment in 2020 to comply with federal and state requirements. It can be found on the HCD's website. In concert with the locally prepared Housing Element components that comply with AB 686, these documents are useful to help determine actions in Step 3.

[California 2020  
Analysis of  
Impediments](#)

## **Step 2: Implement Activity that Affirmatively Furthers Fair Housing**

As a threshold requirement at application, each CDBG Grantee must select and implement at least one activity that affirmatively furthers fair housing (AFFH) pursuant to the State Objectives as described in Appendix 4-2. If a Grantee receives multiple grants in the same year, only one activity is required per year. If a Grantee receives grant awards in sequential or nearly sequential years, the AFFH Activity selected by the Grantee must be a different one each program year. Grantees must complete an AFFH Activity even if their projects do not entail housing activities. Appendix 4-2 provides Sample AFFH Activities.

[Appendix 4-2:  
HCD Sample AFFH  
Activities](#)

AFFH Activities must be sufficiently documented. For each completed action, Grantees must submit a description of the documentation type (e.g., resolution), relevant links and additional description, if necessary. Relevant links includes links to planning documents, zoning codes and other documents that demonstrate the action was completed. Additional description should be added only if necessary and provides additional information about the completed action. For example, additional description may include the location of a project to demonstrate investment in an area of low resource opportunity or may include detail about a policy type such as general plan policy number or title of a zoning ordinance.

Where appropriate, Grantees shall use Opportunity maps provided by the California Tax Credit Allocation Committee (TCAC) or HCD to show where strategies and efforts are implemented to affirmatively further fair housing. In cases where opportunity maps may not be applicable or efforts might be city-wide, Grantees should include that information in the additional description column or select that the pertinent type of resource opportunity area does not exist in the community. HCD will consider the use of local data and knowledge on a case-by-case basis.

Each year that a Grantee applies for CDBG funds, it must complete the supplemental section of the eCivis grant application that pertains to State Objective of Affirmatively Furthering Fair Housing certifying the implementation of applicable activities from the list in Appendix 4-2.



### Step 3: Display the Applicable Fair Housing Logo and Required Posters

The Grantee and its grant administrator are responsible for placing the applicable fair housing posters in conspicuous locations of public buildings, including municipal offices, and the posters must always be displayed at the job site. The required fair housing posters may be found on the HUD website. Other posters required for Equal Employment Opportunity are described in Section 4.3 of this chapter.

[HUD Fair Housing Posters](#)

All housing-related notices, advertising, and brochures must include the fair housing logo. HCD also recommends that the logo be displayed on all jurisdiction stationary.

Grantees must post the following documentation at the town/city hall in a prominent place for viewing by the general public:

- California Civil Rights Laws Certification
- Fair Housing Policy Statement with Discrimination Complaint Procedure (Local Resolution)
- Americans with Disabilities Act (ADA) Notice
- ADA Grievance Procedure
- Fair Housing Posters in both English and Spanish.
- Equal Employment Opportunity posters in both English and Spanish

Notices and posters may need to be provided in additional languages. See Section 4.5 on Limited English Proficiency in this chapter.

### Step 4: Contract Provisions

Include provisions for non-discrimination in all contracts issued to all recipients of CDBG funds, including businessmen, developers, contractors, and homeowners. Contractors should include non-discrimination language in any subcontract issued for a CDBG project as well. A Grantee should keep a copy of such provisions in its project file, along with any additional information documenting its own compliance. See [Chapter 5: Procurement](#).

### Step 5: Affirmative Marketing Plans

Affirmative marketing plans must be developed and implemented for all CDBG-assisted housing



with five or more units. An affirmative marketing plan must include:

- Methods for informing the public, property owners, and potential tenants about fair housing laws and the local governments' policies (for example, use of the fair housing logo or equal opportunity language);
- Description of what owners and/or the Grantee/subrecipient will do to affirmatively market housing assisted with CDBG funds;
- Description of what property owners and/or the Grantee/subrecipient will do to inform persons not likely to apply for housing without special outreach;
- Maintenance of records to document actions taken to affirmatively market CDBG-assisted units and to assess marketing effectiveness; and
- Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

Grantees and local administrators should assist municipal officials to become thoroughly familiar with the Fair Housing Activity undertaken and other fair housing provisions since the local government is ultimately responsible for ensuring compliance with fair housing requirements. Failure to do so can result in the Grantee being ineligible to apply for a grant in the future. Grantees may enlist public participation in carrying out the Fair Housing Activity and post information so that it is made available to the general public.

The Grantee must pledge to carry out the Fair Housing Activity to overcome the identified impediments to fair housing choice. Too often, local governments have made statements in contract assurances that they will fight housing discrimination but in actuality have done nothing to overcome housing discrimination or segregation in their communities.

[HUD Fair Housing Planning Guide](#)

For more information, please see the *HUD Fair Housing Planning Guide*. This document is a useful resource in understanding fair housing law and requirements.

## Section 4.4 Equal Employment Opportunity (EEO) Compliance

Local governments are required by Title VI of the Civil Rights Act of 1964 to prohibit discrimination on the basis of race, color, or national origin in all federal assisted programs. This law and Executive Order 11246, as amended, specifically prohibits discrimination in employment



practices. This Executive Order, applicable to any business or organization that has a federal contract/ subcontract or multiple contracts totaling greater than \$10,000, also imposes requirements for affirmative action. When procuring goods, construction contractors, or professional services, Grantees should incorporate equal opportunity in employment clauses in solicitation (bidding) and contract documents.

Executive Order 11246 and other statutes require Grantees, subrecipients, contractors, and subcontractors to prohibit discrimination based on the following:

- Race/Color
- Religion/ Creed
- Sex
- Sexual Orientation
- Gender Identity
- Ancestry/National Origin
- Age (62)
- Disability, mental and physical
- Genetic Information
- Military History

Additionally, California state law adds the following to the list of protected classes within the state:

- Age (40)
- Gender Identity, gender expression
- Marital Status
- Medical Condition
- Sex/Gender (including pregnancy, childbirth, breastfeeding or related medical conditions)

[California Department of Fair Employment and Housing](#)

EEO Posters must be displayed at the Grantee and all job sites supported with CDBG funds. It is the responsibility of the grant administrator to provide the posters to the Grantee, as well as any subrecipient of CDBG funds, and to verify that the posters are displayed at the job site. See DOL website for required Equal Employment Opportunity Posters.

[DOL Equal Employment Opportunity Posters](#)



## Section 4.5 Economic Opportunity – Section 3

Section 3 of the Housing and Urban Development Act of 1968 imposes requirements pertaining to employment/training opportunities and contracting arising from CDBG assistance, or other HUD funds, expended for rehabilitation, physical improvements, and public construction projects, both residential and non-residential.

Congress established Section 3 to ensure that the employment and other economic opportunities generated by federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very-low-income persons, particularly those who are recipients of government assistance for housing.

The requirements of Section 3 are discussed in greater detail in [Chapter 5: Procurement](#), [Chapter 7: Labor Standards](#), and [Chapter 11: Reporting and Recordkeeping](#).

## Section 4.6 Limited English Proficiency

Federally assisted Grantees are required to make reasonable efforts to provide language assistance to ensure meaningful access for Limited English Proficient persons to the Grantee's programs and activities. In compliance with Executive Order 13166, HCD has conducted the four-factor analysis for statewide purposes and developed the following Language Access Plan (LAP) for Limited English Proficiency (LEP) persons.

In certain situations, failure to ensure that persons who have limited English proficiency can effectively participate in, or benefit from, federally assisted programs may violate the federal prohibition against national origin discrimination.

All local governments are required to follow the measures outlined below for each CDBG assisted project or program.

### **Step 1: Conduct Analysis**

Conduct the *Four Factor Analysis* prior to advertising the initial public meeting. The steps for a Four Factor Analysis are included in Appendix 4-3.

[Appendix 4-3: Four  
Factor Analysis for  
Limited English  
Proficiency](#)

### **Step 2: If Required, Provide Language Assistance during Application Process**



If the Four Factor Analysis reveals one or more LEP populations (an LEP population of five percent but at least 50 persons or a LEP population of 1,000 or more persons) within the local government or other factor in the analysis dictates the need for language assistance, the Grantee will provide appropriate language assistance by 1) posting notices of the CDBG application public hearings in areas frequented by LEP persons of the threshold population(s) in the language(s) spoken, and 2) providing translation services at public hearings if requested to do so by LEP persons.

### Step 3: Develop Language Access Plan (LAP)

If an application is funded and if the *Four Factor Analysis* dictates, the community will be required to develop a LAP and provide a description of outreach efforts. Particular attention will be given to plan details for projects including acquisition, relocation or housing rehabilitation. Guidance to develop a Language Access Plan has been included in this Implementation Guide as Appendix 4-4.

[Appendix 4-4: Language Access Plan Template for LEP](#)

### Step 4: Documentation of LAP

If a LAP is required, the LAP will include certifications that Plans have been developed, adopted, and will be implemented for all CDBG funded projects. The Grantee's LAP will include an identification of all LEP populations exceeding 1,000 or five percent of total local government population, whichever is less, or other factor requiring language assistance, the identification of materials to be made available to LEP persons, the means by which the materials will be made available to LEP persons, and the identification of any other translation services which may be necessary. Grantees will be monitored for implementation of their LAP.

## Section 4.7 Conflict of Interest

HCD policy requires that conflicts of interest on CDBG projects be disclosed. These requirements apply to the procurement of supplies, equipment, construction services and professional services, the acquisition or disposition of real property, and providing direct benefits to municipal officials, subrecipient officials, or persons administering the CDBG project. Federal and

[24 CFR §570.611](#)

[24 CFR §570.489\(h\)](#)

state guidelines stipulate that no person who performs any CDBG function or who has any CDBG responsibility, who is in a decision-making position, or who has inside information may obtain a financial interest or benefit from an activity funded in whole or in part with CDBG funds.



In general, a conflict of interest would exist if any municipal employee or a person in a program decision-making capacity signs a contract funded with any portion of the CDBG State Program – including rehabilitation and consulting. This follows from the local government’s signed assistance agreement and from HUD regulations at 24 CFR §570.611.

In certain circumstances, HCD may grant an exception to conflict of interest, upon request, if specific criteria are met:

1. A disclosure of the nature of the conflict, including an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
2. A legal opinion (from local Counsel) is submitted stating that the potential for conflict of interest is minimal and that the situation does not violate either local or state conflict statutes or rulings.
3. The person applying for the waiver meets other program requirements. For example, low/moderate income guidelines for housing rehabilitation.
4. The person applying for the waiver is not in a decision-making position in the CDBG Program, either with the local government or subrecipient.
5. The local government must certify to all of the above, and also demonstrate that a system has been established to guarantee that no preferential treatment to the applicant has occurred. This might require a numbered and dated system for accepting and processing applications, for example.
6. Finally, the local government must submit a formal request to HCD seeking a waiver of conflict-of-interest requirements based on the above criteria. The waiver request should describe the circumstances for all five elements above. See Appendix 4-5 for the HCD Waiver Request Form.

[Appendix 4-5:  
Request for Exception  
to Conflict of Interest](#)

After review of the supporting documentation, if HCD agrees that the potential for conflict of interest is minimal and if the applicant meets the above criteria for a waiver, staff will recommend approval.

## Section 4.8 Project Signage

All HCD contracts require that HCD’s logo be displayed on all signage listing project funders. This



signage informs citizens that the project is being funded by HCD's CDBG Program, as well as listing the sponsor, architect and/or engineer, and contractor, as applicable.

When signs are posted, both the HCD and the HUD logos must be used for any project signage. The HCD and HUD logos may not be any smaller than 50% of the size of the largest logo displayed.

This signage requirement can be waived if *no other* partner/entity requires worksite signage and creating signage solely for HCD poses a hardship. Alternatively, if none of these are applicable/feasible, an alternative display of the HCD logo or public recognition must be approved by HCD.

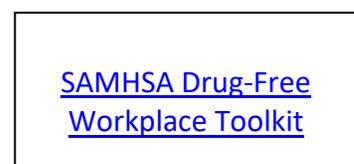


Photographic evidence of the signage must be made available at monitoring.

## Section 4.9 Drug-Free Workplace Policy

A Drug-Free Workplace Policy must be formally adopted by the Grantee, if one does not exist. The policy should include procedures for providing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

Grantees should work with their solicitor or other appropriate counsel to develop such a policy. Each local government is likely to have differing circumstances to consider in developing the procedures in its own local policy. The U.S. Department of Health of Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) provides guidance and information to help develop and sustain a successful drug-free workplace via its website toolkit.



## Section 4.10 Complaints and Appeals Procedures

Several federal regulatory compliance requirements instruct Grantees to develop and implement grievance procedures to address complaints or disputes that arise in administering CDBG or federal funds in general. The types of complaints include:



- discrimination
- citizen participation/public input
- contract and procurement disputes
- other program requirements such as acquisition and relocation actions or labor standards
- decisions about eligibility and providing assistance

Grantees must develop grievance procedures to address these situations. Appendix 4-7 contains Sample Grievance Procedures that local governments can adopt to cover any of these complaints. Each complaint and the resolution of the complaint should be well documented in the Grantee's files.

[Appendix 4-6: Sample Grievance Procedures](#)

If the Grantee chooses to create its own procedure, the Grantee must provide citizens with the name, address, and phone number of a contact person who can receive and respond to complaints. Complaints related to the scope and work of the project should be addressed by the Grantee. Where practical, the Grantee should respond to any complaints within 15 working days of its receipt. Because complaints and grievances are best handled at the local level, HCD will forward any complaints it receives about a project to the Grantee. HCD will notify the person filing the complaint that it has been forwarded to the Grantee and will direct the complainant to follow up directly with the Grantee. It is the responsibility of the Grantee to address the complaints regardless of whether a subrecipient or consultant is managing the local project.