

Chapter 10 STATE RESPONSIBILITY FOR CDBG STATE-ADMINISTERED
SMALL CITIES PROGRAM AND HUD FIELD OFFICE
RESPONSIBILITIES FOR URBAN DEVELOPMENT ACTION GRANT
PROGRAM AND COINSURANCE PROGRAM

10-1 STATE PROGRAM PROCEDURES. The CDBG State-Administered Small Cities Program (State Program) gives the States primary and direct responsibility for overall administration of funds distributed under this program pursuant to 24 CFR Part 570, Subpart 1. In accordance with the policy and objectives of this program, HUD has delegated to the States certain labor standards procedural and program responsibilities. HUD retains its overall labor standards responsibilities consistent with Reorganization Plan No. 14 of 1950 and 29 CFR Part 5. Refer to State Community Development Block Grant Program: A Guide to Federal Requirements, for additional information.

Each State administering CDBG funds:

- a. Must certify that it will comply with the requirements of Title I of the Housing and Community Development Act of 1974, as amended, and other applicable law which includes Section 110 of the Act covering Davis-Bacon and Related Acts, the Contract Work Hours and Safety Standards Act, and the Copeland Act. By so certifying, the State assures that methods of administration at the State level as well as those of recipients will be adequate to meet the requirements of labor standards statutes and implementing regulations (24 CFR Section 570.496);
- b. Must maintain records which demonstrate that recipients were informed about all applicable labor standards provisions and that all construction work was performed in accordance with the applicable labor standards provisions;
- c. Should assign responsibility for assuring effective labor standards administration and enforcement to a specific staff;
- d. Must maintain records demonstrating that technical assistance has or will be provided to recipients;
- e. Processes through the Department of Labor wage determination requests and additional job classifications and assures that small cities are notified of all wage determination modifications;

10-1

12/86

- f. Performs prime contractor eligibility checks for small cities;

- g. Receives labor standards enforcement reports from small cities, pursuant to 29 CFR Section 5.7(a)(2) and paragraph 6-1 of this Handbook, and transmits to the Department of Labor;
- h. May refer potential criminal or complex investigations to HUD for appropriate action;
- i. Refers CWHSSA liquidated damages assessment cases and debarment recommendations to HUD for appropriate action;
- j. Assures that worker complaints are handled with dispatch;
- k. Makes reviews of its grantees to determine compliance with labor standards.

10-2 URBAN DEVELOPMENT ACTION GRANT PROCEDURES. Special efforts will be made by HUD Field Office Labor Relations Staffs to assure that all UDAG construction projects which are covered by the Davis-Bacon and Related Acts contain Federal Labor Standards Provisions and a current prevailing wage determination in the relevant construction contracts. Labor Relations staff will also provide any necessary technical assistance to grantees and recipients. Questions concerning the applicability of the Davis-Bacon and Related Acts must be referred through the HUD field Office of Labor Relations and, if necessary, to the Headquarters Office of Labor Relations.

10-3 COINSURANCE PROGRAM PROCEDURES (HUD HANDBOOK 4561.1).

HUD Handbook 4561.1, Coinsurance for Mortgage Lenders (Section 221 (d)), identifies the labor standards and prevailing wages requirements and compliance procedures associated with that program. With regard to certain administrative/technical activities, the Handbook also refers program participants and departmental staff to Handbook 1344.1.

The normal duties and responsibilities for routine labor standards administration of the coinsurance lender are the same as those enumerated in this Handbook for any other HUD assisted program. However, because of the unique nature of the coinsurance program all findings or disputes involving labor standards issues must be resolved and referred by the Field Office Labor Relations Staff to the Office of the Assistant to the Secretary for Labor Relations for his or her disposition.