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CHAPTER 1. INTRODUCTION

- 1-1. PURPOSE. This Handbook provides guidance for Area Office staff in monitoring the various fair housing and equal opportunity requirements that are applicable to the Community Development Programs listed in paragraph 1-2. In addition to the statutes and executive orders set forth in paragraph 2-1, the fair housing and equal opportunity requirements include those contained in HUD regulations governing the Community Development programs covered by this Handbook, such as 24 CFR 570.307, 570.601, 570.900 and 570.907(f) for the Community Development Block Grant program. Monitoring of fair housing and equal opportunity requirements entails a systematic assessment of many aspects of a grantee's HUD-approved program and its impact on minorities, women and other identifiable segments of the population. Monitoring of grantee performance serves several purposes for both HUD and grantees:
- a. Monitoring is the primary means by which the Department carries out its program management responsibilities. These responsibilities include insuring that programs are carried out in accordance with applicable fair housing and equal opportunity laws and regulations. Monitoring is the principal method by which the Area Office Fair Housing and Equal Opportunity (FHEO) staff can determine the extent to which the grantee has taken actions to conform with these laws and regulations and the results of actions taken. Substantial evidence, gained as a result of monitoring activity, which indicates nonconformance with any of the applicable fair housing and equal opportunity requirements may result in a monitoring finding and in appropriate corrective and remedial actions. (See 24 CFR 570.909(a), (e), (f) and (g) which describe these program management responsibilities as well as the requirements of 24 CFR 570.907(f), 570.601, 570.307(1) and (m) and 570.900(c).)
  - b. Monitoring provides information which will allow FHEO staff to carry out its responsibilities to review a grantee's subsequent applications, including determinations regarding acceptability of certifications to civil rights and equal opportunity laws. (See 24 CFR 570.311(a) and (b)(1) and (2) which set forth pertinent application review responsibilities as well as the requirements of 24 CFR 570.304(a)(2) and (b)(2)(iii) and 570.307(1) and (m).)

- c. Monitoring activities also should be helpful to grantees. FHEO monitoring activities should assist grantees in systematically assessing the progress of their programs, in identifying potential or existing obstacles to accomplishment of fair housing and equal opportunity objectives and in developing strategies to overcome such obstacles. Thus, monitoring is an important part of HUD's effort to work with communities in a cooperative manner toward common objectives.
  - d. Information gained from monitoring can assist the Regional FHEO staff to target compliance reviews.
- 1-2. APPLICABILITY. This Handbook on Fair Housing and Equal Opportunity (FHEO) monitoring applies to grantee performance, including activities implemented by subgrantees, under the programs indicated below.
- a. The following programs authorized by Title I of the Housing and Community Development Act of 1974, as amended:
    - (1) Community Development Block Grants (CDBG) - Entitlement Program;
    - (2) Community Development Block Grants (CDBG) - Small Cities Program; both single purpose and comprehensive (and discretionary metropolitan and non-metropolitan grants approved with appropriations made in Fiscal Years 1975-1977);
    - (3) Urban Development Action Grants (UDAG);
    - (4) Categorical Program Settlement Grants;
    - (5) Grants under the Secretary's Discretionary Fund for Innovative projects, Areawide Programs, Disaster Relief, Guam, the Virgin Islands, American Samoa, and the Trust Territories of the Pacific Islands; New Communities; and Technical Assistance Grants and Contracts.
  - b. Rehabilitation loans made under Section 312 of the Housing Act of 1964, as amended;
  - c. Urban Homesteading Programs approved under Section 810(g) of the Housing and Community Development Act of 1974, as amended; and

- d. Urban Renewal projects closed under Section 213 of the Housing and Urban Development Act of 1970 and under Section 112 of the Housing and Community Development Act of 1974, as amended.
  
- 1-3. BASIC REFERENCES RELATING TO MONITORING. This Handbook may be viewed as a companion to the Community Planning and Development Monitoring Handbook 6509.2 REV-2. On occasion, it also may be necessary to refer to some of the basic statutory, regulatory or other references for the program(s) being monitored. The basic references that apply to each program covered by this Handbook are provided in Chapter 1, Exhibits 1-1 through 1-11 of 6509.2 REV. The primary source of Departmental policy for programs covered by the FHEO Monitoring Handbook is the published regulations for the respective programs. The Handbooks referenced in Exhibits 1-1 through 1-11 serve as supplemental guides for use in the implementation of each respective program, consistent with the applicable regulations. In the event of an inconsistency between a Handbook provision and a regulation, the regulation shall prevail.
  
- 1-4. AUDIENCE. This Handbook is primarily for the use of Fair Housing and Equal Opportunity (FHEO) staff in Area Offices involved in the monitoring of the community development programs listed in paragraph 1-2; at the Regional level involved in complaint investigations and compliance reviews in these programs; and in Headquarters responsible for providing technical and management assistance to Area and Regional FHEO staff. Because the monitoring described relates to Community Planning and Development (CPD) programs, as well as assisted housing programs carried out to fulfill Housing Assistance Plan goals, Headquarters and Area Office CPD, Housing and Economic Marketing and Analysis Division staff may also find this handbook helpful.
  
- 1-5. MONITORING OBJECTIVES. The objectives of fair housing and equal opportunity monitoring are to determine:
  - a. Whether the program is being carried out substantially as described in the application, including amendments, if any, as the program impacts on persons protected by civil rights laws and executive orders.
  
  - b. Whether the grantee's performance conforms with applicable fair housing and equal opportunity requirements as set forth in statutes, regulations, executive orders and grant agreements.

1-6. ROLE OF HUD AREA OFFICE STAFF. It is important to remember that communities are responsible for selecting, planning and carrying out programs, projects, and activities in accordance with applicable laws, HUD regulations and grant agreements. The role of HUD staff is to insure that grantees are carrying out their programs in accordance with these laws and regulations and to help grantees identify actual or potential problems in program implementation, their causes, and possible corrective actions. Whenever possible, deficiencies should be corrected through discussion, negotiation and technical assistance in a manner that preserves local discretion. However, if these efforts are unsuccessful, it will be necessary to take appropriate remedial or corrective actions in accordance with applicable regulations.