



**THE CITY OF SAN DIEGO**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
PROGRAM**

**FY 2015  
CDBG REQUEST FOR QUALIFICATIONS (RFQ)  
HANDBOOK**

**CITY OF SAN DIEGO  
PLANNING, NEIGHBORHOODS & ECONOMIC DEVELOPMENT DEPARTMENT  
HUD Programs Administration/CDBG Program  
October 2013**

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## I. INTRODUCTION

The purpose of this handbook is to guide interested parties through the City of San Diego's Community Development Block Grant (CDBG) Request for Qualifications(RFQ)/Request for Proposals (RFP) process for FY 2015. This handbook provides a general overview of this process and applicable requirements and is for informational purposes only. It is not intended to be a full disclosure of all applicable federal, state and/or local rules, regulations, procedures and/or reporting requirements.

The CDBG Entitlement Communities Program provides federal assistance from the U.S. Department of Housing and Urban Development (HUD) to nearly 1,000 of the largest localities in the country. The statutory primary objective of the CDBG Program is the development of viable urban communities, principally for [low to moderate income persons](#) (LMI)<sup>1</sup>, through:

1. Decent housing
2. Suitable living environment
3. Expanded economic opportunity

Since 1974, the CDBG Program has provided a flexible source of annual funding to communities nationwide. The program offers local governments, with citizen participation, the opportunity to fund certain projects, programs and/or public services provided that these meet one of three national objectives:

1. Benefit low/moderate-income (LMI) persons, OR
2. Prevent or eliminate slums and blight, OR
3. Meet an urgent need.

**NOTE: The City of San Diego currently has no HUD designated slum or blighted areas nor recognized "urgent needs."**

## II. GENERAL INFORMATION

The City of San Diego receives annual CDBG entitlement funds. A total of \$11,327,381 in CDBG funding was awarded to the City for FY 2014 and the FY 2015 estimates have not been released yet. The funds available to applicants annually exclude such requirements as 20% for administration. In addition, 15% is designated for Public Service projects. (NOTE: A portion of the 15% represents an amount set aside for City Homeless Services projects, per Council Policy 700-02. The remaining balance, after the set-aside amount is determined, will be the amount available for applicants participating in the RFQ/RFP process.)

For FY 2015, CDBG funding recommendations will be based on a two-phase application process: Request for Qualifications (RFQ) and Request for Proposals (RFP). All FY 2015 CDBG Applicants must successfully complete both phases, in order to be considered for FY 2015 CDBG funding. Applicants that do not successfully complete the RFQ process will not be allowed to participate in the RFP process. The RFQ

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<sup>1</sup> Please refer to Appendix A for the current City of San Diego Income Limits published by HUD.

process will result in an agency being deemed either **eligible** or **ineligible** to participate in the upcoming RFP process.

The RFQ submittal **must demonstrate**:

- (1) Compliance with the CDBG Program's fiscal requirements, including the "Three Month Cash Rule" test used by the CDBG Program Office to determine a level in which an agency is solvent and has enough liquidity to manage projects in accordance with City standards;
- (2) Eligibility of proposed project activities with the provisions of [Title 24 - CFR 570](#) (Subpart C);
- (3) Sufficient agency capacity (administration; fiscal; program) to carry out eligible CDBG activities; and
- (4) Compliance with RFQ submittal requirements.

A complete RFQ submittal includes:

- **One (1) complete original, signed RFQ Submittal Checklist;**
- **One (1) complete original copy of the RFQ; AND**
- **One (1) copy of required Fiscal Documents, Certifications, and Agency Documents listed in the RFQ Submittal Checklist, as applicable (those requiring signatures must include original signatures).**

**NOTE: FAXED, E-MAILED OR LATE RFQ SUBMITTALS WILL NOT BE ACCEPTED**

In order to expedite the new RFQ process:

1. Do not use binders, folders or similar products to submit the RFQ and supporting documentation.
2. Do not 3-hole punch the RFQ form and/or any of the RFQ supporting documents.
3. Do not staple any RFQ sections and/or supporting documentation.
4. Use paper clips and/or binder clips to separate RFQ materials/documents from one another.
5. As needed, use a rubber band or such to keep all materials together and place the RFQ Submittal Checklist on top, prior to enclosing into an envelope.
6. Use strictly 8.5" X 11" paper and print using the Portrait orientation setting, double-sided if feasible.
7. The font used must be Calibri size 10, and line spacing must be single. The application form is formatted to abide by these specifications – do not change.

Place the complete RFQ submittal package in one envelope and address it to:

Lydia Goularte, CDBG Fiscal Project Manager  
ATTN: FY 2015 CDBG RFQ Submittal  
City of San Diego, CDBG Program  
1200 Third Avenue, Suite 1400  
San Diego, CA 92101

The RFQ submittal package may be hand-delivered to the listed address or sent via US Mail taking the deadline listed below into account.

**In order for your agency to be considered for the upcoming RFP process, the RFQ submittal package must be received by the CDBG Program Office on or before 10:00 AM, November 18, 2013. Late submittals will not be considered.**

### **III. INFORMATION SPECIFIC TO PROJECT CATEGORIES FOR THE RFQ PROCESS**

There are three types of CDBG Project Categories, as described below, along with application information specific to each:

- a) Public Services Projects.** These generally refer to projects that provide social services and/or other direct assistance to individuals or households. (NOTE: Direct cash payment to individual clients is not an eligible project activity.)
- b) Community & Economic Development Projects.** These primarily include microenterprise assistance (technical assistance and general business support) and direct homeownership assistance programs. These may also include assistance provided to businesses and organizations. Agencies shall consider the following with regard to the project activities described in the RFQ:
  - 1) Funding for code enforcement activities may only be requested by City Departments; and
  - 2) Direct cash payment to individual clients is not an eligible project activity.
- c) Capital Improvement Projects (CIP):** These generally refer to projects that would result in improvements to public facilities/infrastructure and other qualified improvements, including housing rehabilitation. Agencies shall consider the following with regard to the project activities described in the RFQ:
  - 1) Funding for improvements to City-operated facilities, water/sewer improvements, street improvements and other public-right-of-way improvements may only be requested by City Departments;
  - 2) Facility improvements for areas not utilized by clients served are not allowable and may not be included in the description of project activities to be conducted;
  - 3) Funding for design and plan development are not allowable and may not be included in the description of project activities to be conducted; and
  - 4) Agencies must have prior authorization from property owners to conduct improvement activities, if proposed improvements are to be completed on properties not owned the agency.

## IV. RFQ PROCESS AND RELATED REQUIREMENTS

The City of San Diego's FY 2015 CDBG RFQ is made available to the public on Monday, October 28, 2013. **Complete RFQ Submittal Packages must be received by the CDBG Program Office on or before 10:00 AM, November 18, 2013 in order to be considered. All applications will be time and date stamped. Late applications will not be considered.**

<b>TECHNICAL ASSISTANCE</b>
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All questions related to the RFQ submittal package need to be submitted in writing no later than November 14, 2013. All questions must be in writing in order to track and distribute common questions. Written questions may be e-mailed to [CDBG@sandiego.gov](mailto:CDBG@sandiego.gov).

One-on-One Technical Assistance may be requested for this RFQ process. The CDBG Program office will provide one-on-one technical assistance to any agency desiring further consultation in completing the RFQ and/or ensuring all requirements are met. The technical assistance service will be available Monday through Friday from 10/30/13 through 11/14/13. Note the service **will not be offered** on 11/11/13 since City offices are closed in observance of the Veterans Day holiday.

A 30-minute One-on-One Technical Assistance meeting may be requested by sending an e-mail to [CDBG@sandiego.gov](mailto:CDBG@sandiego.gov). The e-mail must provide the following information for staff to be able to schedule the One-on-One Technical Assistance:

- a) Applicant Agency name;
- b) Name and title of agency staff to present at the meeting; and
- c) Identify whether the questions are regarding:
  - (1) specific RFQ and submittal requirements;
  - (2) specific RFQ Agency requirements;
  - (3) RFQ fiscal requirements; and/or
  - (4) specific project activities information requested in the RFQ

A representative of the CDBG Program Office will promptly respond with an appointment day and time. Meetings will be held at the CDBG Program Office located at 1200 Third Avenue, Suite 1400, San Diego, CA 92101.

<b>CDBG PROGRAM RFQ REVIEW</b>
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The CDBG Program staff will review all RFQ packages submitted for completeness and eligibility. Applicants who submit RFQ packages after the designated deadline will automatically be deemed ineligible to participate in the upcoming FY 2015 CDBG RFP process consideration. These packages will not be reviewed. Written notifications will immediately be sent to agencies regarding ineligibility determinations resulting from late submittals.

During the week of December 2, 2013, Agencies will receive written notification regarding one of the following determinations resulting from the RFQ submittal reviews:

1. Qualified – Compliance with all submittal requirements verified; no issues identified. These agencies will be eligible to participate in the RFP process.
2. Not Qualified – Compliance with completeness requirements verified; however, non-compliance with other RFQ submittal requirements verified.
  - a) Notifications will be sent to the Head of Agency, the Head of Fiscal and the Agency's designated RFQ Contact Person;
  - b) Applicants will have seven (7) calendar days to submit a written appeal to dispute a Not Qualified determination;
  - c) Additional submittal instructions will be provided in the notification correspondence;
  - d) All appeals received will be reviewed no later than three business (3) days from receipt;
  - e) Written notifications of the appeal results will be sent thereafter; and
  - f) Final determinations will be made by the HUD Program Manager.

**NOTE: NO LATE SUBMITTALS OF WRITTEN APPEALS WILL BE ACCEPTED**

3. Undetermined Qualification – Applicants found to be in non-compliance with completeness requirements (missing/incomplete RFQ information and/or missing/incomplete required supporting documents) and/or information submitted needs further verification.
  - a) Notifications will be sent to the Head of Agency, the Head of Fiscal and the Agency's designated RFQ Contact Person;
  - b) Applicants will have seven (7) calendar days to submit missing and/or incomplete RFQ information and/or RFQ supporting documents;
  - c) Submittal instructions will be provided in the notification correspondence;
  - d) Document submittals will be reviewed no later than three (3) business days from receipt;
  - e) Written notifications of the results will be sent thereafter; and
  - f) Final determinations will be made by the HUD Program Manager, which may not be appealed.

**NOTE: NO LATE SUBMITTALS WILL BE ACCEPTED**

Upon conclusion of the RFQ review process, a written notification to agencies regarding their eligibility to participate in the upcoming RFP process will be provided to the Head of Agency, the Head of Fiscal and the Agency's designated RFQ Contact Person in December 2013. The upcoming FY 2015 CDBG RFP will only be issued to these eligible agencies in January 2014.

## V. TENTATIVE SCHEDULE

<b>Tentative Schedule – Subject to Change</b>		<b>Steps &amp; Related Tasks</b>
<b>From</b>	<b>To</b>	
10/25/13	N/A	FY 2015 CDBG RFQ released
11/18/13	N/A	CDBG RFQ due to CDBG Program Office on or before 10:00 AM
MID NOV 2013	EARLY DEC 2013	CDBG Program Staff RFQ Review
WEEK OF 12/02/13		Applicable agencies are notified of determination based on CDBG Program staff review of RFQ materials. Applicants will have up to seven (7) calendar days to submit an appeal or address any issues identified, based on the date the notification is sent by the CDBG Program Office.
LATE DEC 2013		Agencies are notified of final eligibility determination to participate in the upcoming RFP process.
EARLY JAN 2014		FY 2015 CDBG RFP released
JAN 2014		Mandatory CDBG RFP Workshop
LATE JAN 2014		CDBG RFP due to CDBG Program Office
FEB 2014		CPAB Review Process

Note all of the dates outlined in this application are tentative and may be subject to change. Check the CDBG Program website (CDBG@sandiego.gov) for timely updates.

## VI. RFQ SECTIONS

The RFQ form is formatted to allow applicants to add text and/or bullet points in text boxes that state “Type response here.” Further, the font used must be Calibri size 10 and line spacing must be single. All text boxes have a line limit of 4-8 lines, depending on the question. The application form is formatted to abide by these specifications – do not change.

### Project Category

Selection(s) should be based on the Section C. Proposed Project Category Information completed in the RFQ form.

### A. APPLICANT AGENCY INFORMATION

1. General Agency Information



Provide complete and accurate responses under this section. The DUNS number requested is required by the federal government. You may obtain a number by calling 1-866-705-571 or by registering for a DUNS number via the website dedicated to serve [US Federal Government Contractors and Grantees](#) for this purpose. You are strongly encouraged to pursue obtaining a number promptly as there may be delays associated with this process. Ensure that the listed RFQ Contact is available during the RFQ process to respond to inquiries from the CDBG Program Office.

2. CURRENT TARGET POPULATION INFORMATION

This section provides confirmation of the types/categories of beneficiaries to whom your agency **currently** serves/provides assistance. Multiple selections may be provided, as applicable to your agency.

3. CURRENT SERVICE DELIVERY INFORMATION

This section provides confirmation of how services/assistance is **currently** provided (individuals; households; businesses; organizations) and what types of services are **currently** provided to your beneficiaries. Multiple selections may be provided, as applicable to your agency. Your agency may also enter up to five other service types that are not listed (in the “Other Service Types” section).

4. CURRENT SERVICE LOCATION /PROJECT SITE INFORMATION

This section provides confirmation of all **current** locations/addresses where **current** beneficiaries are able to access agency services/assistance. Ensure complete addresses with zip codes are listed. If your agency currently serves targeted areas/neighborhoods or multiple households as a citywide program, provide specific details in the “Neighborhood/Communities Served” section.

5. CURRENT ROSTER OF BOARD MEMBERS & PROFESSIONS

This section provides confirmation of your agency’s **current** Board of Directors. For each member, agencies must list the member’s name, position, profession/affiliation, indicate whether the member represents the Target Population currently served, and indicate whether the member resides in the Service Location/Project Site areas or Neighborhood/Communities Served areas listed in the previous section on Page 2 of the RFQ form.

**B. APPLICANT AGENCY CAPACITY**

1. FINANCIAL INFORMATION

The first section provides a listing of Fiscal documents and financial information agencies are required to submit. Provide the information requested for the next two sections.

2. AGENCY EXPERIENCE

Provide the information requested. Evaluation Tools refers to reporting systems and procedures

utilized by agencies to track and monitor the progress of all direct client services/activities conducted. Agencies are also requested to describe how they ensure their compliance with federal policy and procedural requirements.

3. STAFFING

Provide the information requested. NOTE: Resumes for persons listed in this section will be required to be submitted in response to this RFQ. Ensure individual resumes include the person's employment history (to include the date of agency hire), relevant experience, and relevant education.

NOTE: In the RFP process, agencies will be asked to certify that there were no changes in the staffing information provided in this section and the resumes submitted herein. If changes do occur, the agency will need to resubmit Section B.3. of this RFQ during the RFP process. The re-submittal will be evaluated to confirm the agency's "Qualified" status before the RFP will be reviewed.

### C. PROPOSED PROJECT CATEGORY INFORMATION

Provide the information requested for each applicable section ("Public Services Projects"; "Community/Economic Development Projects"; "Housing Rehabilitation Projects"; "Public Facilities/Infrastructure Improvements Projects"), based on the types of activities your agency plans to include in its RFP, should the agency be deemed eligible to proceed.

## VII. OTHER RFQ SUBMITTAL CHECKLIST ITEMS

### FISCAL DOCUMENTS

All documents submitted must be fully signed copies. NOTE: This requirement is not applicable for government agencies.

- Audited financial statements with unqualified opinion
- If applicable, Single Audit Report for agencies that spent over \$500,000 in federal funds (no older than FY12/CY12)
- Federal Tax Form 990 (no older than FY12/CY12)
- State Tax Form 199 (no older than FY12/CY12)

The "Three Month Cash Rule" is used as a guideline to determine whether an agency is solvent and has enough available cash to take a CDBG project from beginning to end in the twelve (12) or eighteen (18) months allowed by the executed agreement. CDBG projects should not harm the day-to-day operations of the agency, so enough funds must be available for both purposes. This rule was implemented to ensure that the agency has the capital to execute agency operations and the CDBG project on a reimbursement basis and considers the following:

- Cash balance from the Balance Sheet will be used to compute the Three Month Cash Rule test;

- The opinion represents an independent certified analysis of the agency’s cash status for the past year and the current year **(NOTE: Must have unqualified opinion referenced. Any other opinion is deemed ineligible.)** ;
- Reserved funds and receivables are **not used** to determine cash per Generally Accepted Accounting Principles (GAAP);
- The cash flow statement is also reviewed to determine solvency and track cash patterns;
- Tax forms are also reviewed for exemption and status compliance and to assure they match the financial statements;

The Three Month Cash Rule is determined by the following:

- 1) One (1) month to expend funds on the project;
- 2) One (1) month to report the expended funds with proper supportive documents due on the 15<sup>th</sup> (monthly) or 30<sup>th</sup> (annually for final project submission); and
- 3) One (1) month for the City to review documents, resolve issues, and pay agency/department by mail or transfer of funds to agency banking institution.

The Three Month Cash Rule is calculated by multiplying the cash in the balance sheet times 4 and that is the most your agency may request, should your agency be deemed eligible to participate in the upcoming RFP process.

**Example:** Application requests \$100,000. Agency Balance Sheet Cash is \$32,000.

Agency can apply for up to \$128,000 ( $\$32,000 \times 4 \text{ quarters}^* = \$128,000$ ) in the RFP process.

\*1 quarter represents 3 months of operating budget; 4 quarters represents 1 year of operating budget)

#### Assurance of Audit Requirements

Complete this document and ensure an original signature is included.

#### Agency Financial Management Procedures

The “Financial Management Procedures” called for in the Checklist is presumed to already exist as part of the applicant agency’s documents. A copy of the pertinent pages of said document with “Financial Management Procedures” handwritten on the first page can be submitted.

This section is to determine the agency’s capacity to manage federal funds, as well as learn about the agency’s past experience with managing federal funds.

- Financial Management Procedures Manual. Adequate financial management is required per OMB Circular A-110 and is referenced in Chapter 2 of HUD’s Playing by the Rules Handbook. The manual should include the following:
  - Internal Controls-A set of policies and procedures that define staff qualifications and duties, lines of authority, separation of functions and access to assets and sensitive document; accounting procedures for approving and recording transactions; and a system to periodically compare financial records to actual assets and liabilities to check for completeness and accuracy.

- Benefits Policy-Include requirements for employer contributions for social security, employee insurance, workers' compensation insurance, pension plan costs, vacation and similar items.
- Accounting records-A financial system/software should contain the following elements: a) chart of accounts, b) general ledger, c) cash receipts journal, d) cash disbursements journal, e) payroll journal, f) payable and receivable ledgers, and g) job costs journal (if involved in construction). Ability to provide reliable, complete, and up-to-date information about sources and uses of all funds.
- Allowable Costs-A clearly defined set of standards and procedures for determining the reasonableness, allowability and allocability of costs incurred that's consistent with basic Federal rules (OMB A-87 or A-122).
- Source Documentation-A system for maintaining source documentation for all financial transactions and the use of program income.
- Budget Controls-A system to maintain an up-to-date (approved) budget with actual expenditures for each budget category.
- Cash Management-A regular procedure for accurately projecting the cash needs of the agency that will serve to minimize the time between receipt of funds from the grantee and the actual disbursement and tracking of program income for permitted activities and ensure program income is used before further entitlement disbursement.
- Reconciliation-A system for reconciling bank statements, check, credit card, payroll, and petty cash transactions.
- Financial Reporting-Ability to provide accurate, current and complete disclosure of the financial results of each federally funded program in accordance with the reporting requirements for the grantee and HUD.
- Board of Directors-Level of involvement in fiscal oversight.
- Audit Requirements-schedule of audit reviews and types of audits that should be completed.
- Inventory Control-A system that tracks inventory purchased with federal funds.

### Agency Procurement Procedures

Agencies receiving CDBG funds from the City shall purchase goods and services or subcontract for same to the maximum extent possible from firms which employ a substantial percentage of target area residents, or are located within the target area, or are owned to a substantial degree by target area residents. Agencies shall follow a free and open competitive process in securing those goods and services. Agencies shall also document the procurement activities and decisions, observe special rules for particular types of purchases (small purchases, competitive sealed bids, competitive proposals, and sole source procurement), properly bond and insure work involving large construction contracts and/or subcontracts, and contract with minority and/or women-owned businesses to the maximum extent feasible. Nonprofit agencies shall comply with 2 CFR Part 215.44 and 24 CFR 84.40-48 and government agencies shall comply with 24 CFR Part 85. Agencies shall ensure that a current copy of their Procurement Policy complies with federal requirements. A copy of your agency's Procurement Procedures must be submitted.

### **CERTIFICATIONS**

Complete each of these documents and ensure original signatures are included.

## **AGENCY DOCUMENTS**

### Agency Organization Chart

A copy of your agency's current organization chart for the entire agency must be submitted. Agency Organization Chart for Each Division/Section That Will Administer FY 2015 CDBG Projects

A copy of your agency's current organization chart for each specific division/section that will be responsible for the direct administration of proposed FY 2015 CDBG activities must be submitted.

### Personnel Resumes (Agency Key Executive or Management Personnel)

Resumes for each applicable person must be submitted.

### Personnel Resumes (Agency Designated Fiscal Personnel)

Resumes for each applicable person (to be responsible for financial oversight of expenditures, fiscal compliance and/or fiscal reporting of proposed FY 2015 CDBG activities) must be submitted.

### Personnel Resumes (Agency Designated Project Management/Administration Personnel)

Resumes for each applicable person (to be responsible for program oversight, program compliance and/or program reporting of proposed FY 2015 CDBG activities) must be submitted.

## **VIII. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS**

CDBG programs are subject to numerous Federal and local requirements. These include, but are not limited to, those that are listed below. Additional requirements can be found in the CDBG regulations in [HUD's website](#) and the [City's CDBG Program website](#). Applicants are encouraged to familiarize themselves with these requirements to ensure their organization has the adequate administrative systems in place.

- [24 CFR Part 570, as amended](#) - The regulations governing the Community Development Block Grant Program.
- [Fair Housing Act](#) - Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.
- 24 CFR Part 1 and 6, Public Law 90-284, Fair Housing Act - The regulations issued following Title VI of the 1964 Civil Rights Act (as amended by Executive Orders 11246, 11375, and 12086) and Section 109 of the 1975 Housing and Community Development Act that prohibits discrimination in HUD programs based on sex, race, color, national origin, and religion. Further, applicable programs and activities must be administered in such a manner as to affirmatively further the policies of the Fair Housing Act.
- 24 CFR Part 7 and 41, CFR Part 60 – The regulations on equal employment opportunity without regard to race, sex, color, religion, age, national origin, and disability in federally assisted construction projects.

- ADA Compliance – [Americans with Disabilities Act](#) (42 U.S.C. 12101-12213) and implementing regulations at 28 CFR Part 35.
- [Section 504 of the Rehabilitation Act of 1973](#), 24 CFR Part 40 and 41 - The regulations that set forth policies and procedures for the enforcement of standards and requirements for accessibility to individuals with disabilities. The Architectural Barriers Act of 1968 and the American with Disabilities Act (ADA) provide additional laws on accessibility and civil rights to individuals with disabilities.
- [Age Discrimination Act of 1975](#) (42 U.S.C. 6101) - The regulations that prohibit discrimination on the basis of age.
- [24 CFR Part 135](#) – Regulations outlining requirements of [Section 3](#) of the Housing and Urban Development Act of 1968 providing for economic opportunities for low and very low income local residents. All projects funded with CDBG funds must comply with Section 3 of the Housing and Urban Development Act of 1968, revised, requiring that to the greatest extent feasible opportunities for training and employment be given to low and moderate-income persons residing within the City of San Diego, and that contracts or works in connection with the project be awarded to eligible business concerns which are located in or owned in substantial part by persons residing in the City of San Diego. Special documentation is required for project receiving CDBG funding over \$100,000.
- 29 CFR Part 3 and 5 - The regulations on labor standard provisions that include the payment of prevailing wages on federally assisted projects as mandated by the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act. CFR 24 Part 70 provides information on the use of volunteers.
- [Copeland “Anti-Kickback” Act](#) (18 U.S.C. 874 and 40 U.S.C. 276c) – The regulations on contracts for construction or repair awarded by sub-recipients shall include a provision for compliance with the Copeland “Anti-Kickback” Act.
- [24 CFR Part 58](#) – The regulations prescribing the Environmental Review procedure under the National Environmental Policy Act of 1969.
- National Flood Insurance Act of 1968, 24 CFR Part 55 under Executive Order 11988 – The regulations for proposed projects and properties located in a floodplain.
- [36 CFR Part 800](#) – The regulations outlining the procedures for the protection of historic and cultural properties.
- [Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970](#) – These policies provide for displacement, relocation assistance, and real property acquisition as defined by 42 U.S.C. 4601 (URA) (42 U.S.C. 4601), and implementing regulations issued by the Department of Transportation at 49 CFR Part 24 and Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304d).
- [Residential Lead Based Paint Hazard Reduction Act of 1992](#) - The regulations implemented by 24 CFR

Part 35, Subpart B imposes certain requirements on disclosure of lead base paint hazards.

- 24 CFR Part 24 – The regulations that prohibit use of debarred or suspended contractors on federally assisted projects and Drug Free Workplace requirements; issued according to Executive Order 12459.
- 24 CFR Part 84 and [OMB Circular A-110](#) – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Non-Profit Organizations. These regulations include the Conflict of Interest provision 24 CFR 84.42 and 570 as it applies to procurement.
- [OMB Circular A-87](#) – Establishes principles and standards for determining allowable costs under Federal grants.
- [OMB Circular A-110](#) – Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.
- [OMB Circular A-133](#) – Audits of States, Local Governments and Non-Profit Organizations federal awards. This includes the single audit requirement for agencies that expend \$500,000 or more of federal awards during the fiscal year.
- HUD requirements - All other required reports, circulars, and procedures when applicable.
- Administrative Procedures – The rules issued by the City in relation to process and procedures.
- All applicable provision of the [City of San Diego Municipal Code](#)
- [California Environmental Quality Act \(CEQA\)](#) - Statutes, guidelines and other information from the State of California on the law governing environmental review.
- Insurance – The City requires all entities receiving funding to provide proof of insurance. A handout of these requirements will be distributed at the RFP application workshops.

Useful Resources:

- [HUD – CDBG Portal](#)
- [Code of Federal Regulations \(CFR\)](#)
- [HUD – Economic Development Toolkit](#)
- [Community Development & Planning \(CDP\) Notices](#) provide detailed guidance on a specific CPD subject. Notices relating to Community Development explain how the [CDBG program regulations](#) should be interpreted or applied.
- [HUD Basically CDBG Manual](#)
- [CPD Outcome Performance Measurement System](#)

## **IX. INFORMATION SPECIFIC FOR THE UPCOMING RFP PROCESS**

If an agency is deemed eligible to continue with the RFP process, information specific to each of the three types of CDBG Project Categories is provided below:

### **a) Public Services Projects**

- 1) Assistance provided with CDBG funds is limited to City of San Diego residents.
- 2) No allocation of CDBG funds less than \$50,000 will be made to Public Service projects.
- 3) All proposed services must be completed by June 30, 2015. It is anticipated that FY 2015 CDBG Agreements will be executed on or prior to July 1, 2014 and work must proceed immediately thereafter.
- 4) Unexpended funds will be subject to reprogramming (allocated to other uses) by the City Council.

### **b) Community & Economic Development Projects**

- 1) Assistance provided with CDBG funds is limited to City of San Diego residents and/or businesses located in the City of San Diego.
- 2) No allocation of CDBG funds will be made to Community and Economic Development projects of less than \$50,000.
- 3) Note that the CDBG definition of a microenterprise is a business that has five (5) or fewer employees, one or more of whom owns the enterprise. All part-time and full-time employees on the business payroll at the time of loan application must be counted.
- 4) For Microenterprise Assistance, 100% of the clients assisted must be LMI persons;
- 5) For Direct Homeownership Assistance activities, projects will be required to document that 100% of the households assisted are LMI households (household income verification is required, since presumed LMI reporting does not apply for housing projects);
- 6) The proposed funding requested must represent the amount needed to complete the project on or before June 30, 2015. It is anticipated that FY 2015 CDBG Agreements will be executed on or prior to July 1, 2014, and work will proceed immediately thereafter.
- 7) Unexpended funds are subject to reprogramming (allocated to other uses) by the City Council.

### **c) Capital Improvement Projects (CIP) – Housing Rehabilitation and Public Facilities/Infrastructure Improvements**

- 1) Project sites must be located in the City of San Diego.



- 2) CIP projects will be required to request for an amount that is not less than \$100,000 in CDBG funds. The proposed funding requested will be required to represent the amount needed to complete the project on or before December 31, 2015. Unexpended funds will be subject to reprogramming (allocated to other uses) by the City Council.
- 3) Applicants may be required to confirm project site control at the time of RFP submittal through a period of not less than 5 years from the date of proposed project completion.
- 4) Applicants will be required to confirm with the City's Development Services Department on whether City permits are required for the proposed scope of work to be completed with CDBG funds (or provide information regarding existing permits or their status as applicable).
- 5) Applicants will be required to provide environmental assessments, accessibility surveys, inspection reports, historic resources surveys and/or hazardous materials surveys conducted on proposed project sites (facilities/structures/housing units).
- 5) For City-owned facilities, applicants will be required to obtain approval for their proposed scope of work and a Real Property Certification from the City's Real Estate Assets Department. Applicants may also be required to obtain a Construction Bond prior to the execution of a CDBG Agreement.
- 6) [Davis-Bacon and Related Acts](#) requirements shall apply for the upcoming RFP process. Applicable prevailing federal wage rates and fringe benefits must be taken into consideration in the determination of the total project budget presented for the upcoming RFP process.
- 7) A copy of one bid obtained from a licensed contractor (dated within 30 days of the RFP submittal date) that includes applicable [prevailing federal wage rates](#) and fringe benefits in the determination of the total project budget will be required to be submitted.
- 8) The proposed scope of work must be completed within 18 months of the start of FY 2015 (July 1, 2014).
- 9) **City Department applicants will be required to submit documentation of RFP submittal approval. Prior to the submission of a FY 2015 CDBG RFP from a City Department, the project must be approved by Capital Improvement Project Review and Advisory Committee (CIPRAC) and demonstrate the proposed project is 'shovel/construction ready'.**
- 10) HUD rules prohibit contractors involved in developing and drafting specifications, requirements statements of work, invitations to bid, or request for proposals from competing for such procurements.
- 11) For the RFP Process, the following questions may be included:
  - a) How old is the property/building in terms of years?
  - b) If constructed prior to December 31, 1978: Has a lead hazard inspection report been issued for the facility? Has the facility been abated for lead paint? Will children occupy the facility?

- c) Has the property been designated or been determined to be potentially eligible for designation as a local, state, or national historic site?
  - d) Is the building/structure located on a Historic Site?
  - e) Is the building/structure located in a Historic District?
  - f) Is the building/structure in a Flood Zone?
  - g) Is the building/structure in a Flood Plain?
  - h) Does your agency have flood insurance?
  - i) Will there be demolition required for the project to be proposed?
  - j) Are there known hazards (e.g., asbestos, storage tank-underground/above ground)?
- 12) Federal regulations require that all facilities and/or services assisted with CDBG funds be accessible to the disabled. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, top of toilet seats that meet required height from the floor, drain lines under lavatory sink either wrapped or insulated, space for wheelchair maneuverability, accessible water fountains, access between floors (elevators, ramps, lifts), and other improvements needed to assure full access to funded facilities/programs, including serving the blind and deaf. Applicants will need to confirm whether proposed project sites meets federal standards for accessibility by the disabled. **NOTE: The project site must first be fully ADA-compliant before other construction activities can be implemented with CDBG funding.**
- 13) Housing Rehabilitation activities, projects will be required to document that 100% of the households assisted are LMI households (household income verification is required, since presumed LMI reporting does not apply for housing projects); and
- 14) Unexpended funds will be subject to reprogramming (allocated to other uses) by the City Council.

For the RFP Process, applicants will be required to select one of the following Project Objectives for each RFP submitted:

- **Creating Suitable Living Environments** relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low to moderate income (LMI) persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or elderly health services.
- **Providing Decent Housing** covers the wide range of housing activities that could be undertaken with CDBG funds. This objective focuses on housing activities where the purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under Suitable Living Environments.
- **Creating Economic Opportunities** applies to activities related to economic development, commercial revitalization, or job creation.

For the RFP Process, applicants will be required to select one of the following Project Outcomes for each RFP submitted:

- **Availability/Accessibility** applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to LMI people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to LMI people where they live.
- **Affordability** applies to activities that provide affordability in a variety of ways to LMI people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate objective whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household.
- **Sustainability** applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of LMI or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Note that in accordance with the CDBG program statutory requirements, each project funded must meet one of three national objectives: (1) Benefit to low to moderate income (LMI) persons; (2) Aid in the prevention or elimination of slums or blight; or, (3) Meet a need having a particular urgency (referred to as urgent need). The City of San Diego has no designated slums or blights nor any urgent needs in accordance with applicable HUD standards and regulations and, as such, projects funded with CDBG moneys within the City must benefit LMI persons. For the RFP process, applicants will be required to select one of the following to demonstrate that the project benefits LMI persons for each RFP submitted:

- **Area Benefit Activities.** An activity that benefits all residents in a particular area, where at least 51% of the residents are LMI persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but the entire area must be served by the activity. **An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.** CDBG regulations require documentation of area boundaries served.
- **Limited Clientele Activities.** An activity that benefits a limited clientele, at least 51% of whom are low- or moderate-income persons or benefit a client presumed to be low- or moderate-income persons. Presumed benefit clients are abused children, battered spouses, elderly persons (age 62 years or older), adults meeting the Census Bureau's current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. CDBG regulations require the sub-recipient to document the demographics and income levels of clientele provided such activities.
- **Housing Activities.** An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, shall be occupied by 51% low- or moderate-income households. CDBG regulations require the sub-recipient to document number of households served, number of units completed and demographics and income level of the household occupying the unit.
- **Job Creation or Retention Activities.** An activity designed to create or retain permanent jobs, where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of

low- or moderate-income persons. CDBG regulations require the sub-recipient to document one of the following: **(1)** for an activity that creates jobs, the recipient must document that at least 51% of the jobs will be held by, or will be available to, low- or moderate-income persons, and **(2)** for an activity that retains jobs, the recipient must document that the jobs would have been lost without CDBG assistance and that either both i) the job is known to be held by a low- or moderate-income person or the job can reasonably be expected to turn over within the following two years and ii) that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

APPENDIX A: CITY OF SAN DIEGO INCOME LIMITS

**FY 2014  
HUD INCOME LIMITS  
FOR CITY OF SAN DIEGO**

FAMILY SIZE	EXTREMELY LOW INCOME LIMITS (0-30% of median)	VERY LOW INCOME LIMITS (31-50% of median)	LOW/MODERATE INCOME LIMITS (51-80% of median)
1	\$0 - \$16,950	\$16,951 - \$28,250	\$28,251 - \$45,150
2	\$0 - \$19,400	\$19,401 - \$32,250	\$32,251 - \$51,600
3	\$0 - \$21,800	\$21,801 - \$36,300	\$36,301 - \$58,050
4	\$0 - \$24,200	\$24,201 - \$40,300	\$40,301 - \$64,500
5	\$0 - \$26,150	\$26,151 - \$43,550	\$43,551 - \$69,700
6	\$0 - \$28,100	\$28,101 - \$46,750	\$46,751 - \$74,850
7	\$0 - \$30,050	\$30,051 - \$50,000	\$50,001 - \$80,000
8	\$0 - \$31,950	\$31,951 - \$53,200	\$53,201 - \$85,150

**NOTE: The HUD Income Limits for the City of San Diego are subject to change for FY 2015.**

**APPENDIX B: CITY OF SAN DIEGO FY 2014 CDBG ELIGIBLE CENSUS TRACTS**  
**City of San Diego: LMA-CDBG Eligible 2000 Census Tracts**  
**Council Districts as of October 2012 -**

IMPORTANT: The new census data will be changing during 2013. Should your project fall out of an eligible census tract, CDBG funds allocated to your project are subject to reprogramming. Census data may be found at the US Census Bureau, [Fact Finder Website](#).

<b>District 1</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	83.05	64.75
2	170.35	51.48
<b>District 2</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	51.00	82.10
2	52.00	67.42
3	53.00	67.47
4	56.00	76.61
5	57.00	74.36
6	58.00	71.26
7	59.00	56.93
8	62.00	62.21
9	65.00	58.72
10	66.00	82.78
11	75.01	56.00
<b>District 3</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	9.00	70.20
2	10.00	56.11
3	11.00	55.68
4	12.00	71.04
5	13.00	65.50
6	15.00	58.67
7	16.00	76.27
8	17.00	71.05
9	18.00	68.82
10	21.00	67.21
11	22.01	87.32
12	22.02	86.43
13	23.01	76.68
14	23.02	82.52
15	24.01	77.49
16	24.02	82.83
17	25.01	77.27
18	25.02	60.29
19	26.01	80.84
20	26.02	77.90
21	28.03	61.04
22	34.01	57.62
23	44.00	55.61
24	56.00	76.61

<b>District 5</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	83.59	56.76
2	94.00	61.04
3	207.09	57.14
4	207.10	75.00
5	208.01	52.38
<b>District 6</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	86.00	73.53
2	87.01	53.89
3	88.00	59.05
4	91.02	53.69
5	92.01	62.86
<b>District 7</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	27.02	58.12
2	27.03	57.87
3	27.07	87.14
4	27.08	87.72
5	27.09	88.65
6	27.10	77.49
7	28.01	57.14
8	28.03	61.04
9	29.04	60.51
10	29.05	55.56
11	94.00	61.04
12	95.08	68.53
<b>District 8</b>		
	<b>Census Tract</b>	<b>L/M Pop %</b>
1	36.01	81.69
2	36.02	83.86
3	36.03	85.44
4	39.01	81.55
5	39.02	82.63
6	40.00	86.09
7	41.00	75.65
8	45.01	75.47
9	45.02	75.34
10	46.00	66.93
11	47.00	88.61
12	48.00	90.22
13	49.00	83.38

District 4		
1	27.06	66.69
2	30.04	70.52
3	31.01	53.47
4	31.03	55.21
5	31.11	70.18
6	31.12	52.37
7	32.01	56.68
8	33.01	69.70
9	33.02	78.82
10	33.03	79.62
11	34.01	57.62
12	34.03	73.85
13	34.04	84.86
14	35.01	81.89
15	35.02	73.43

Cont. District 8		
14	50.00	78.22
15	51.00	82.10
16	100.05	67.18
17	100.09	73.14
18	100.10	51.55
19	100.12	77.20
20	100.13	84.74
21	100.15	76.50
22	101.03	67.13
23	101.06	66.19
24	101.07	53.37
25	101.11	63.23
26	101.12	72.31
27	133.08	98.73