



THE CITY OF SAN DIEGO

FAQs #2– FY 2015 CDBG Applications

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General Questions

- 1. What do HOME, ESG, and HOPWA mean?** These are other entitlement grants from HUD. HOME = Affordable Housing, ESG = Emergency Solutions Grant, and HOPWA = Housing Opportunities for Persons with AIDS. See the [City's webpage](#) for further details.
- 2. Are LMI tables different than CDBG eligible?** Appendix A of the [FY 2015 CDBG RFQ Handbook](#) identifies income levels in relation to households' sizes which meet the "low/moderate income" (LMI) criteria as defined by HUD. HUD also identifies a population presumed to be LMI –see pg. 23 for further details under the *Limited Clientele Activities* heading.
- 3. If project is city-wide, how do we respond to page 3 – low/moderate areas served? In section B3a – “estimate the % to the area serviced by the project for each census tract.” What is being looked for here?** Projects that serve households and/or individuals that may reside throughout the City of San Diego, must respond to Q3b (Q3a is neither applicable nor suitable). Where we ask for the “percentage of service area,” we asked for reasonable/best judgment estimation for the percentage of the area within each census tract that overlaps with the service area of the project (given service areas may NOT fully coincide within the boundaries of census tracts). Refer to [FY 2015 CDBG RFP Instructions for Question B. General Project Information 3.a](#) which was updated on 1/17/14 for further details and considerations.
- 4. If we service residents throughout San Diego and other cities such as El Cajon, are we required to identify census tracts for these regions, as well (in Q3)?** No. Please note however that you must respond to all questions in Q3b (Q3a is not applicable –see Q2 above).
- 5. Are fonts automatically set in the Application for Funding form? The font on the submittal checklist is Times New Roman and I was not able to change.** The application forms are generally preformatted so that every respondent has to abide by the set margins, the font type and size (Calibri, 11 points size) and the set line spacing. Where the font and/or any other formatting may not be changed, respondents must exceed (nor reduce) the font size asked for (11 points), keep responses within the space allocated to each question (as shown in the blank forms) and ensure the page limit of their responses is consistent with that of the blank forms.
- 6. Are the checklist and certification forms available in Word format?** Yes, the website has been updated to include the forms in Word format.



- 7. In our RFQ submittal, we described two Capital Improvement Projects on one form. Should we submit one consolidated RFP application for these two projects or provide two separate applications?** An RFP response must be submitted for **each** project that is proposed. Proposed projects are reviewed and scored on an **individual** basis, hence the need for project-specific RFP submittals.
- 8. Do we have to request the same dollar amount in the RFP as we did for the RFQ?** No.
- 9. What, if any, proof do we need to show for secured funding in budget?** Documentation must be submitted in order to demonstrate other funds have been fully secured. Proof of funds may include award letter(s), copies of contracts and/or similar documentation. Where documentation is not self-explanatory in relation to the “secured funds” identified (in terms of moneys, CDBG project scope and/or CDBG project period), include along with your submittal a brief letter that explains how said documentation supports the “secured funds” within the context of the CDBG project.
- 10. Is there a way to show in-kind leverage resources?** Yes. You must document, describe and identify the dollar value of any such leverage resources. Additionally, you must describe how the dollar amount was determined –its basis. Note that many in-kind resources (especially those that affect other projects/programs of the applicant agency) should be prorated in relation to the full applicant agency budget and the amount of CDBG funds requested.
- 11. Is the “amount secured” question referring to amount secured for the period 7/1/14 – 6/30/15?**
The amount secured must coincide with the period during which the project will be carried out, as applicable: 7/1/14 – 12/31/15 for CIP projects OR 7/1/14 – 6/30/15 for CED and PS projects. Other secured funds may extend beyond those dates but these dates must fall within the schedule within which the secured funds are intended for.
- 12. Among the criteria considered by the Board in rating the applications, the following is included: “The CDBG funds requested represent less than 50% of the overall project costs.” Are applicants required to ask for no more than 50% of the project costs?** No, this is not a requirement, but it is part of the criteria to be considered by the Board for scoring the applications and arriving at the list of projects that will be recommended for funding to the City Council. As such, those applications that come within reach, meet or surpass the 50% mark in terms of leveraged funds are likely to be more competitive.
- 13. The RFP calls for CDBG Project Performance Outcome Measures RFP questions with outcomes table – Do we only pick one?** Yes, only one outcome, objective and client type may be chosen. You may want to refer to the [CPD Outcome Performance Measurement System](#) developed by HUD for guidance in answering this questions as well as providing information about “*quantifiable and measurable outcomes for the proposed project.*”
- 14. Do all CDBG activities require direct support assistance to individual persons, households or businesses?** It depends on the type of CDBG project and related activities. For further details, refer to the list of City of San Diego CDBG [eligible activities](#) to identify the primary activity proposed by your project. Once the primary activity (and/or secondary activities, as applicable) is identified, you may want to refer to the [CPD Outcome Performance Measurement System](#) developed by HUD for a



list of the most suitable outcomes for different projects. Specific outcome indicators are listed beginning on pg. 4.

- 15. Can you provide an example of a good outcome statement?** The [CPD Outcome Performance Measurement System](#) developed by HUD provides a number of such examples.
- 16. Is acquisition of real property an eligible activity?** No.
- 17. Does the City fund existing projects/programs with CDBG funds or will the funding this year be for new programs/projects only?** In order to utilize CDBG funds, the service(s) received by the projects' beneficiaries must be either: (1) A new service; or, (2) A quantifiable increase in the level of an existing service. Refer to 24 CFR § 570.201 for further details.
- 18. Can Agency XX reference/rely on information/documentation submitted as part of the RFQ or should we resubmit? For example, "Resumes of key personnel."** Previously submitted materials should not be resubmitted and may be referenced as part of the responses to the RFP unless changes have taken place. With that said, all of the documentation and forms required as part of the RFP process **must** be submitted –refer to the [RFP Submittal Checklist](#) for a comprehensive listing of RFP requirements.
- 19. With reference to the *Certification Regarding Use of Real Property* and the *Certification Regarding Property Owner Authorization to Complete CDBG Activities on Property*, our project is not on property acquired or improved in whole or in part using CDBG funds? Should we just mark NA on the checklist?** Said certifications apply specifically to **all** CIP projects (except for "Housing Rehabilitation Programs" CIP projects). The *Certification Regarding Use of Real Property* ensures the affected property will yield a minimum of 5 years of benefit in accordance with federal standards and the *Certification Regarding Property Owner Authorization to Complete CDBG Activities on Property* ensures the property owner has permitted the proposed improvements to be carried out. Where forms or documents listed in the Checklist do not apply to your project, enter "N/A" next to the item.
- 20. Why is there an * by the Youth Services?** It was considered "highly vulnerable" in the Consolidated Plan, Goal #5.
- 21. Does CDBG fund phased CIP projects?** No. Per City Council Policy 700-02, we don't fund phased projects.

Fiscal/Budget & Related Questions – ALL PROJECTS

- 22. What is the time frame for receiving reimbursement once the invoice is approved?** Upon receipt of the request for reimbursements by the City, the City typically is able to issue payment within 20 calendar days provided the request can be fully approved.
- 23. Do we complete the salary portion of the budget if we are not requesting funding for salary, or put N/A?** Enter N/A.



24. **Considering the new budget form, where should we list the indirect staff FTE and costs?** Indirect staff FTE and costs should be listed in the Indirect Cost/Administrative Overhead line item for PS & CED.
25. **Should we keep a set percentage between Personnel and Non-Personnel?** No – depends on how you structure your project.
26. **If an applicant would like to add lines for additional expenses (e.g., more personnel) in the applicable PS form should they re-create the form in Word and add it as an attachment to the application?** RFP respondents must confine responses to the space/format provided in the RFP. It is recommended that similar positions be grouped together given space constraints.
27. **Is reimbursement done after all funds have been expended, or is reimbursement done on an on-going basis?** Requests for reimbursement are required to be submitted on a monthly basis.
28. **If agency XX is applying for two projects, should they put the total of budgets for both projects on the form “D. Project Budget Info” and column “Amount not secured” for both projects budget or just the related amount for each project on the each form?** If the agency is applying for 2 different projects, two distinctive RFPs must be submitted. Only the budget information that relates to **each** project should be entered in the respective RFP.
29. **Do you have any resources that list eligible and ineligible expenses for CDBG funds? The [FY 2013 Operating Manual](#)** (page 25) identifies eligible and ineligible expenses. You may also want to refer to:
- [OMB Circular A-122](#) (or 2 CFR Part 230): Cost Principles for Non-Profit Organizations – This circular establishes principles for determining allowable costs under grants, contracts, and other agreements with non-profit organizations; or,
 - [OMB Circular A-21](#): Cost Principles for Educational Institutions – This circular establishes principles for determining allowable costs under grants, contracts, and other agreement with educational institutions.

It is noted that CDBG CIP funds may not be used to cover *general use areas* (not limited to clients' use) and/or *repair/maintenance activities*. CDBG moneys may only be used towards CIP improvements **in areas of the structure that benefit the CDBG clients and are utilized and accessed by said population** –CDBG funds may not be used towards office space or similar areas that do not result in a direct benefit to the population being served. Activities intended to address regular maintenance or deferred maintenance needs **may not be funded with CDBG moneys** unless they serve to remedy issues related to public health and safety (such as lead paint, asbestos or such) or improve a facility to address ADA needs. Further, it should also be noted that project elements funded with CDBG moneys must be reasonable and commensurate to the direct benefits they provide. Items deemed superfluous or excessive will not be funded.

Additionally, there are other items that may not be covered with CDBG moneys:

- Architect and design fees (design professionals and related expenses, including preparation of plans/drawings are not permitted)



- Hard and soft costs' contingency moneys
- General contractors' fees
- Overhead and profit (such line items are typically identified in bids)
- General conditions (typical bid line item)

Please note the above is **NOT** intended to be a comprehensive list of resources and/or eligible expenses. Please contact us at CDBG@sandiego.gov for project-specific questions. Note that the City of San Diego will NOT award funds for non-eligible expenses and requested funds' amounts will be adjusted accordingly.

CIP Projects Questions

- 30. Can you review the 6% rule?** CIP Construction Management Services are capped at 6% of the total CDBG project request amount.
- 31. May design services be covered with CDBG funds? There is a line for CONSULTANT & PROFESSIONAL SERVICES in the budget information requested in the RFP. Does design not fall under that category?** You are correct on both accounts; however, the City does not cover design expenses. Note, however, that modification of existing plan drawings required by the Development Services Department to approve/issue permits to complete the Scope of Work called out for in the Agreement is an allowable expense.
- 32. If Agency XX planned on submitting only an application for public series but then decided to submit applications for both public services projects and a CIP project, would that be permitted. Similarly, if we planned on submitting a CIP project for property A (and stated such in the RFQ process) but decided we prefer to improve property B, may we do so?** Yes, but please note that additional information related to agency capacity and staffing (as required in the RFQ) is needed to be submitted given the RFQ package was evaluated in relation to the proposed project(s) as described –you must contact the City of SD HUD Program via CDBG@sandiego.gov in order to discuss specifics related to your project(s)/agency. Additionally, note that staff from your agency must have attended the correct CDBG project category workshops (PS/ED and CIP) which pertain to the proposed project as part of the RFP process. Attendance at appropriate workshop(s) is **mandatory in accordance with Council Policy**.
- 33. If Agency XX is awarded funds, can internal staff act as the construction manager?** No, the construction manager task has to be competitively bid out.
- 34. If the required *signed construction bid* is in process, can we submit after the deadline if it is not completed in time?** No. A current signed construction bid from a California licensed contractor to arrive at project budget is required. The bid must take into consideration federal prevailing wages and fringe benefits applicable to the project due to the Davis-Bacon Act and related provisions. The bid must explicitly state that the Davis-Bacon Act and related provisions have been taken into consideration.
- 35. Does the five years of site control referenced in the CIP RFP include options to extend leases?** Options to extend are **not** acceptable. Eligibility (and conformance with the 5-year site control requirement) will be determined by the termination date on the lease agreement.



- 36. If the project is not shovel ready by July 1, 2014 but would be completed prior to December 31, 2015 is this project still eligible for funding?** Yes, provided the completion date can be achieved. An evaluation will be made by staff based on the information provided. The more complex a project is, the more readiness to construction it should demonstrate.
- 37. If building permits, accessibility survey report or similar documents are not available at the time of RFP submission, is it acceptable to stipulate that they will be provided prior to the execution of the contract?** It is acceptable but it is not recommended. The expectation of a shovel ready project is that accessibility surveys and similar documents such as lead and asbestos reports and environmental assessments have been obtained and that the work prescribed by those documents is already included in the project scope of the RFP response and/or are being addressed. Example: An accessibility survey prescribes that 32 items are needed for the site to meet federal, state and local accessibility regulations. The cost to make the improvements is \$57,000 and includes improvements in the entrance, path or travel, parking and common areas. The \$57,000 and the items listed on the survey are incorporated in the RFP response or are being addressed through other means in order for the CDBG funded project to proceed. Agencies that submit RFP responses without the above mentioned documents (and/or similar documentation required to demonstrate project readiness) may risk losing points in the activity/timeliness portion of the review criteria.
- 38. What is the difference between Projects and Programs in the *Capital Improvement Projects-Housing Rehabilitation Programs & Projects* forms?** Per the FY 2015 CDBG RFP Handbook, references to "Housing Rehabilitation **Projects**" refer to projects that have housing units identified in their FY 2015 RFP submittal packet. These projects will typically result in completing improvements to multi-unit structures which are rented by households that qualify as LMI. References to "Housing Rehabilitation **Programs**" refer to projects that have not identified affected units prior to the submittal of the FY 2015 RFP response. These projects will typically complete an application process to determine the housing units/LMI households that will result from the project. These projects will have the targeted number of households that will be assisted with the proposed budget requested, but will not have any information on the housing units that the other CIP projects are able to provide. This information is listed in the FY 2015 CDBG RFP Handbook on Page 11.
- 39. For construction projects are bonds required to be obtained?** Yes, for construction projects exceeding a \$100,000 bid, performance and payment bonds are required. The estimated costs of the performance and payment bonds should be included in the construction bid as part of your RFP submittal. The responsibility to obtain the bonds is that of the general contractor and the costs associated with obtaining the performance and payment bonds are an eligible CDBG reimbursable expenditure. Please refer to the FY 2014 Operating Manual Section II Procurement Requirements Subsection C. Bonding Requirements for specific detail.
- 40. Can the general contractor who prepared the construction bid (for submittal as required with the RFP) subsequently bid on the job (provided CDBG funds are awarded)?** No. Agencies are required to demonstrate that they've conducted a fair, open and competitive procurement process for the construction work. If a GC prepares the project assessment, scope of work, project specifications for the RFP, budget and/or bid, and that GC subsequently bids on the job, the agency is jeopardizing



transparency and fairness in the procurement process by accepting the GC's bid. The GC that prepared the assessment has an unfair advantage over the competition.

- 41. If awarded funds, can the applicant agency act as general contractor?** No. The State of California requires that any construction work over \$2,000 be performed by a licensed contractor. The minimum grant request amount for CDBG funded CIP projects is \$100,000, thus the State's requirement above mentioned applies to all CIP projects. Agencies should consider individual elements of their project scope as one project with multiple trades. In addition, Federal regulations require that all construction work also over \$2,000 be subject to Davis Bacon Prevailing Wages for the trade that will perform the job. Example: Painting must be performed by an individual working in the "painter" construction trade classification typically working under a licensed contractor (GC or subcontractor) and the worker must be paid the wages specified on the Wage Determination Decision issued by the Department of Labor.
- 42. Will cost of Bid publication be approved? It is generally a cost prior to notice to proceed (NTP).** Yes, the cost of publication is a CDBG reimbursable expense and yes it is generally a cost reimbursed prior to the issuance of the NTP.
- 43. How many bids do we need for a CIP Project?** One signed/dated construction bid (see Handbook for full requirements) is required for the RFP. A minimum of 3 bids are required if CDBG funds are awarded.

Public Service & Economic Development Projects

- 44. Can funds allocated to Public Services projects be used for wages and fringe?** Yes, Public Services projects are expected to have expenses related to salaries and wages as they directly apply to the clients served. Many times these expenses make up most of the budget. Do note that indirect costs and administrative expenses are limited to 15% of the CDBG budget.
- 45. What if our organization has a federally negotiated indirect rate greater than 15%? City of San Diego CDBG projects cannot use the federal indirect cost/fringe benefits rate approved for other federal grants.**