The City of SAN DIEGO

FY28 CDBG NOFA RFQ Q&A

The questions and answers below were compiled during the FY28 Community Development Block Grant (CDBG) Notice of Funding Availability (NOFA) Requests for Qualification (RFQ) phase, which was open from Oct 5, 2026 through Oct 30, 2026.

Need more help?

Email City Staff at CDBG@sandiego.gov. Program guides and attachments are posted at https://www.sandiego.gov/cdbg/apps. Always check the current RFQ application guide, timeline, and requirements as they are subject to change each year.

Topics in this guide

1	Getting Started Eligibility, project types, and where to get help.	9 Qs
2	Audits and Financial Requirements Audits, cash balance, and how much you can request.	7 Qs
3	Applying for More Than One Project or With Partners Multiple projects, open projects, and partnerships.	6 Qs
4	Nonprofit Capital Improvement Projects (NCIP) Site control, prevailing wage, and project requirements.	9 Qs
5	Documents and ED Grants What to upload and how to show active registrations.	9 Qs

1. Getting Started

Eligibility, project types, and where to get help.

What does my organization need to know to be ready to apply?

Answer: Our RFQ Checklist provides an itemized list of requirements to be eligible for the CDBG NOFA. This includes information about preparing an audit financial-statement, having an appropriate project type, meeting the cash balance requirement, and having your organizational foundation and systems in place. All organizations must also provide proof that they are in good standing, are not debarred, and are registered on SAM.gov.

What kinds of programs or activities are eligible, and what is the grant period?

Answer: The following project categories are anticipated for FY28: Public Services (PS), Community Economic Development Microenterprise Technical Assistance (CED), and Nonprofit Capital Improvement Projects (NCIP). The grant period runs from July 1, 2027, to June 30, 2028 for PS and CED, and July 1, 2027 to June 30, 2029 for NCIP. All these project types must primarily serve low- and moderate-income beneficiaries in the City of San Diego.

Can an organization located outside the City qualify if it serves City residents?

Answer: Yes. As long as the direct beneficiaries of the CDBG-funded services are City of San Diego residents, the organization would qualify.

How much funding will be available for the Public Services category?

Answer: It is not known yet. Funding is based on the CDBG allocation the City receives from HUD each year, which is usually set in the spring. Federal requirements limit Public Services to 15% of the total allocation.

Are RFQ technical assistance meetings with City staff mandatory?

Answer: No. They are an optional resource. Staff highly recommend that organizations new to CDBG sign up to learn the requirements in more detail.

Is there an email we can use to ask quick questions?

Answer: Yes. Email CDBG@sandiego.gov.

Would a nonprofit focused on recovery support and housing stability potentially qualify for CDBG funding?

Answer: These activities may align with the Public Services category, although eligibility would depend on the specific activities proposed and whether they primarily benefit low- and moderate-income residents of the City of San Diego.

Does the City's two-year organizational existence requirement prevent a newly established 501(c)(3) from applying?

Answer: For the current FY28 NOFA, organizational capacity is a key part of the qualification process. Applicants must have at least two years of operating history and submit an audited financial statement prepared by an independent CPA. This helps demonstrate the financial capacity to administer federal CDBG funds, particularly because CDBG is reimbursement-based and organizations must first incur and pay eligible costs before requesting reimbursement from the City.

We are interested in providing OSHA certification training and cards, along with meals for eligible participants attending workforce training. Would these expenses qualify under the Public Services category or stipends?

Answer: These costs may be eligible under a Public Services project if they directly support the proposed program and benefit eligible low- and moderate-income participants. We recommend reviewing the City's current CDBG Operating Manual, particularly the sections on eligible and ineligible expenditures, as a general reference for how these types of costs are treated.

↑ Back to topics

2. Audits and Financial Requirements

Audits, cash balance, and how much you can request.

What are the audited financial statement requirements, and are there exceptions?

Answer: Applicants must submit board-approved audited financial statements dated June 30, 2025, or later, prepared by an independent Certified Public Accountant (CPA). These statements are used to verify the organization's financial capacity, including its cash balance, which determines the Maximum Funding Request Threshold (MFRT). There are no exceptions, and other financial documents cannot substitute for the required audited financial statements.

Does a recent state program audit (a 3-year review) count?

Answer: No. A state program audit or financial review does not replace the required board-approved audited financial statements prepared by an independent CPA.

Does board approval of the audited financial statements need to be submitted separately?

Answer: Not necessarily. The audited financial statement must be board-approved, with supporting documentation included in the RFQ submission. Proof of board approval may be included within the audited financial statement or submitted as a separate attachment.

What is the minimum cash balance?

Answer: $12,500 for PS and CED project types. For capital projects (NCIP), the minimum is $50,000, because your organization needs upfront capital to support construction.

How is the funding threshold calculated? Is it based on income?

Answer: No, it is not based on income. The funding threshold is your organization's cash balance multiplied by four.

Grant award documentation be considered when evaluating our financial capacity?

Answer: Grant award documentation would not replace the audited financial statements or minimum cash balance requirements for the RFQ. However, if you advance to the RFP phase, documentation of other secured funding may be included to demonstrate leveraged funding for the proposed project. Projects that can demonstrate other funding sources in addition to CDBG may be more competitive, depending on the applicable RFP scoring criteria.

We are preparing to apply for the upcoming CDBG RFP and would like to clarify the audit requirements. Since our 2025 audit is not yet available, would it be acceptable to submit our 2024 audit with the proposal and provide the 2025 audit once it is completed? Alternatively, once we submit our proposal, are we permitted to make updates or submit additional documents at a later date, or must all required documents be included in the initial submission?

Answer: For the FY28 CDBG NOFA, organizations must submit Board-approved audited financial statements dated June 30, 2025, or later. Unfortunately, a 2024 audit would not meet this requirement, and all required documentation must be included with the RFQ submission by the November 6 deadline. Organizations are welcome to submit their RFQ application with the documentation currently available so that the City can review it and make a formal determination through the RFQ process.

↑ Back to topics

3. Applying for More Than One Project or With Partners

Multiple projects, open projects, and partnerships.

Can we apply for more than one grant, such as a capital improvement and a Public Services grant?

Answer: Yes, provided your organization has sufficient cash balance under the Maximum Funding Request Threshold (MFRT) calculation. Organizations may apply under multiple funding categories but are limited to one proposed project per category.

We have an open NCIP project. Can we apply for NCIP again?

Answer: Your organization may apply for another NCIP project only if its current NCIP project is completed and officially closed out before the RFP submission deadline. Organizations may only have one active NCIP project at a time. If you are nearing project completion, coordinate with your City Project Manager to ensure all closeout requirements are met before applying.

We have an open NCIP project. Can we still apply for Public Services?

Answer: Yes. An organization with an open NCIP project may still apply for a Public Services project.

Can two separate organizations located in the same building each apply for CDBG funding through the RFQ process?

Answer: Yes. They each must submit a separate RFQ application, provided they are legally distinct entities with their own Unique Entity IDs, audited financial statements, and other required documentation.

Could we participate as a subcontractor under a qualified CDBG lead applicant? Would we need to meet the same audit and RFQ requirements?

Answer: An organization may participate as a subcontractor or consultant under a qualified CDBG applicant without independently meeting the RFQ and audit requirements. However, the lead applicant must meet all eligibility requirements and is responsible for the Subrecipient Agreement with the City. For PS and CED projects, the funded organization must provide direct services and cannot subcontract those activities. Any allowable subcontracted work must align with the approved project scope and comply with applicable CDBG procurement and contracting requirements.

If our organization cannot meet the audit requirement independently, is there an option to participate through an eligible nonprofit partner or fiscal sponsor?

Answer: No. The organization submitting the RFQ application must independently meet the audit and other eligibility requirements. Fiscal sponsorships or partnerships cannot be used to satisfy these requirements.

↑ Back to topics

4. Nonprofit Capital Improvement Projects (NCIP)

Site control, prevailing wage, and project requirements.

For a capital project, does the organization need to be shovel-ready to submit the RFQ?

Answer: Not necessarily at the RFQ stage. However, organizations considering an NCIP project should begin planning early to meet the project-readiness requirements for the RFP phase, including obtaining a Facility Needs Assessment prepared by a licensed architect or engineer.

What site control is required?

Answer: You must own the property or have a lease with the property owner that extends at least 5 years beyond project closeout. Whether an MOU or a lease amendment is acceptable would require review and approval by the City Attorney's Office.

Who must the facility serve?

Answer: The project must demonstrate that it meets an applicable CDBG National Objective, generally benefitting low- and moderate-income residents. Documentation requirements depend on the approved activity and eligibility method. Facilities must also continue meeting applicable CDBG use and beneficiary requirements during the required post-closeout monitoring period.

Would rehabbing a residential building as interim housing qualify for NCIP?

Answer: Potentially. The property would need to qualify as a public facility, such as an emergency or interim shelter, rather than traditional residential housing. Applicants should consult with the City's Development Services Department (DSD) to determine whether a change of use, additional permits, or ADA accessibility improvements are required. Eligibility would depend on the proposed use of the facility and compliance with applicable CDBG requirements.

Does prevailing wage apply?

Answer: Yes. NCIP projects are subject to federal Davis-Bacon and applicable prevailing wage requirements. These can increase construction labor costs, so applicants should account for them in their project budgets.

Is leveraged funding required for a building rehab?

Answer: Yes. NCIP applicants must demonstrate leveraged funding of at least 10% of the total proposed project budget, with a minimum of $50,00, to support expenses not covered by CDBG.

Is improving a space a program or an improvement project?

Answer: It depends on the project. Public Services should support direct services, and NCIP covers the facility improvements needed to facilitate services for low- and moderate-income beneficiaries.

What letters of support would help a full NCIP application?

Answer: Letters of support are optional and not required for NCIP applications. However, letters from community partners, neighboring businesses, or other stakeholders may help demonstrate community support for the proposed project, particularly if construction activities could affect surrounding properties or businesses.

↕ Back to topics

5. Documents and ED Grants

What to upload and how to show registrations.

Some items are not in the document index. Do they need to be uploaded?

Answer: No. Upload only the attachments listed in your ED Grants application (11 in FY28, including the single audit and, if applicable, a Federal Audit Clearinghouse screenshot). If you use information from other documents to answer procurement questions, enter it directly in the application.

Should we upload the entire single audit or only the page for our program?

Answer: Upload the entire single audit document.

Does a SAM.gov screenshot meet the requirement?

Answer: Yes. The screenshot must show an active registration and its expiration date, along with your organization's UEI.

Is the CA Attorney General Registry of Charities and Fundraisers (formerly Charitable Trusts) the correct registry?

Answer: Yes. Staff will update materials to reflect the new name and website.

Do we need to upload an org chart tied to our project proposal?

Answer: Project proposals are not considered in the RFQ phase. However, both the agency-wide and applicable division/section org charts are required.

Can an organization submit California Entity Status Letter instead of a Tax-Exempt Status Determination Letter?

Answer: Yes. A California Franchise Tax Board Entity Status Letter may be accepted to verify an organization's current tax-exempt status. The City will review the submitted documentation as part of the RFQ eligibility determination.

Our organization needs assistance with a password reset and can I be added as an additional user on ed grants?

Answer: The City can assist with a password reset for any active user on ED Grants. There are two ways to become an active user for an existing organizational account:

1. Any existing user can create an account on behalf of an organization in ED Grants by creating a new contact record in the Contacts section on the Overview tab. Once the record is created, they can send the confirmation email with account activation and login instructions.
2. The City can create a new user account for an organization and will need contact details. Depending on who is submitting the request, an updated org chart or authorization from the organization may be requested to permit change of ownership to an existing organizational account in ED Grants.

We recently renewed our SAM.gov registration, but I am unsure if it will be updated by the due date. Will this be acceptable?

Answer: The City will need to see an active status in the screenshot you attached by the RFQ deadline on Nov 6, 2026, at 5 PM. In the meantime, organizations can include an attachment or note in their application indicating that a renewal is pending. Organizations are encouraged to submit their RFQ application so the City can complete a formal eligibility determination.

We confirmed with our Finance & Accounting department that our organization has consistently extended its filing deadline to mid-November, since our annual audits are not finalized until July and our CA Attorney General Status is tied to our annual tax returns that we extended through mid-November. Would our organization still be eligible to apply for the CDBG RFQ as we wait for our CA Attorney General status to update?

Answer: Your organization may submit its RFQ application with supporting documentation explaining the filing extension. However, organizations required to register with the California Attorney General must have a Current registration status at the time of RFQ submission. The

City will review the application and will make an eligibility determination during the RFQ review process.

↑ Back to topics