



**THE CITY OF SAN DIEGO**

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

**FY 2017  
REQUEST FOR PROPOSALS (RFP)  
HANDBOOK**

**Economic Development Department  
Community Development Division  
January 2016**

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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 2017. 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. Information provided in this handbook may be changed as needed.

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), 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.

## II. GENERAL INFORMATION

The City of San Diego receives annual CDBG entitlement funds. The FY 2017 entitlement estimates have not been released to date. The City received \$11,026,482 FY 2016 CDBG entitlement funds and this amount will be used to estimate the FY 2017 entitlement budget. The City also anticipates receiving CDBG Program Income funds related to a CDBG Repayment Agreement with the former Successor Agency. A portion of these funds will be used to stabilize the City's entitlement allocation to \$12,500,000 annually and to create a new RFP category – Challenge Grant (see Page 4 for additional information).

The City of San Diego's FY 2015-2019 Consolidated Plan for HUD Programs established budgetary priorities for the City's annual CDBG entitlement funds. These include:

**Public Services** – 15% (HUD regulatory cap)

**Community & Economic Development** – 10%

**Capital Improvement Program** – 55%

*Includes: Nonprofit Capital Improvement Projects & Housing Rehabilitation*

**Administration and Planning** – 20%

Please note that the 15% of CDBG funds designated for Public Service projects will be reduced as outlined in Resolution No. R-307701, adopted by the City Council on September 25, 2012, and modified by Council Resolution No. R-309666, adopted by the City Council on April 28, 2015. Per the resolutions, paragraph 16 of City Council Policy 700-02 is waived for specific homeless services programs, which are anticipated to receive Public Services funding in an amount not to exceed \$1,318,078.

Based on the additional resources, the **estimated budget** for the FY 2017 CDBG RFP Process is:

1. \$556,922 for Public Services projects;
2. \$654,726 for Public Service - Challenge Grant projects;
3. \$1,250,000 for Community & Economic Development projects; and
4. \$2,750,000 for Nonprofit Capital Improvement Projects & Housing Rehabilitation.

**NOTE: The budget estimate is based on anticipated amounts received and may be changed as needed.**

For FY 2017, CDBG funding recommendations will be based on a two-phase application process: Request for Qualifications (RFQ) and Request for Proposals (RFP). All FY 2017 CDBG Applicants must successfully complete both phases, in order to be considered for FY 2017 CDBG funding. Applicants that do not successfully complete the RFQ process will not be allowed to participate in the RFP process. The RFQ process was completed in December 2015. Notifications were sent to participating agencies confirming whether they were deemed **eligible** or **ineligible** to participate in the FY 2017 RFP process.

A total of 57 agencies submitted FY 2017 CDBG RFQ packets, and all were deemed eligible to participate in the City of San Diego's FY 2017 CDBG RFP process.

A RFP will be deemed **eligible** if the RFP submittal packet is complete by meeting all requirements and the application does not describe activities that are inconsistent with all applicable HUD regulations and City requirements. Any RFP that is deemed ineligible by the Community Development Division will not be forwarded to the Consolidated Plan Advisory Board (CPAB) for their review and approval. The CPAB will review each application in accordance with the approved FY 2017 Scoring Criteria for each category of funding. The Challenge Grant applications will be reviewed using the Public Service Scoring Criteria.

Each proposed CDBG project **must**:

1. Target one of the Goals listed in the City of San Diego's FY 2015-FY 2019 ConPlan. Please refer to the six (6) ConPlan Goals that may be supported with CDBG funds:
  - GOAL 1: Enhance the City's economic stability and prosperity by increasing opportunities for job readiness and investing in economic development programs.
  - GOAL 2: Strengthen neighborhoods by investing in the City's critical public infrastructure needs.
  - GOAL 3: Improve housing opportunities by creating and preserving affordable rental and homeowner housing in close proximity to transit, employment and community services.
  - GOAL 4: Assist individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness by providing client-appropriate housing and supportive service solutions.

- GOAL 5: Invest in community services and non-profit facilities that maximize impact by providing new or increased access to programs that serve highly vulnerable populations such as youth, seniors and food insecure households.
- GOAL 6: Meet the needs of persons with HIV/AIDS and their families through the provision of housing, health, and support services.

2. Be an Eligible Activity consistent with the provisions of [Title 24 - CFR 570](#) (Subpart C) and [City Council Policy 700-02](#); and,
3. Demonstrate compliance with meeting the National Objective of benefitting low and moderate-income persons.

#### **Implementation FY 2017 CDBG Public Service - Challenge Grant**

The Challenge Grant is a new RFP category designed to target resources to serve highly vulnerable populations. These funds are made available through anticipated one-time CDBG Program Income repayments. This distinct funding opportunity (separate from the annual CDBG Entitlement budget) is made available to nonprofit providers creating Youth Workforce Training opportunities and/or provide direct services to Veterans. Activities completed under this category must qualify under the CDBG Public Service category. Specific reporting requirements will be mandatory for projects funded under this category. More details regarding the Challenge Grant can be found in Section V of this RFP Handbook.

#### **Mandatory FY 2017 CDBG RFP Workshops**

**All Qualified CDBG applicants are required to attend ONE session of the Mandatory FY 2017 CDBG RFP Workshops.** There will be five (5) workshop sessions offered to meet this requirement. Each session will cover **all RFP categories** and all of the same materials.

In order to accommodate all applicants, participation in the RFP workshops will be limited to **4 attendees per applicant**. It is highly recommended that the following attend the workshop session(s): 1) the applicant personnel who will be designated as the RFP contact; 2) applicant personnel responsible for completing RFP program and budget information; and 3) applicant personnel responsible for implementation of proposed project activities.

All attendees must sign-in prior to the start of the workshop session. Confirmation of mandatory attendance will be based on the sign-in sheets. Workshops will start promptly at the times listed in the following page. All agencies must submit an RSVP confirmation to the Community Development Division's e-mail ([CDBG@sandiego.gov](mailto:CDBG@sandiego.gov)) and provide the following information prior to the applicable workshop session:

1. Applicant Agency name;
2. Workshop date and number (i.e. Workshop #1, Workshop #2, etc.); and
3. Name and title of each attendee.

The workshop information is as follows:

<b>Location</b>		<b>Date</b>	<b>Sign-In</b>	<b>Workshop</b>
War Memorial Building Auditorium (Balboa Park) 3325 Zoo Dr. San Diego, CA 92101	Workshop 1	Wednesday, January 6, 2016	9:00 - 9:30 AM	9:30 - 11:30 AM
	Workshop 2	Wednesday, January 6, 2016	12:30 - 1:00 PM	1:00 - 3:00 PM

<b>Location</b>		<b>Date</b>	<b>Sign-In</b>	<b>Workshop</b>
Central Library-Shiley Special Events Suite, 9 <sup>th</sup> Floor 330 Park Blvd. San Diego, CA 92101	Workshop 3	Monday, January 11, 2016	9:00 - 9:30 AM	9:30 - 11:30 AM
	Workshop 4	Monday, January 11, 2016	12:30 - 1:00 PM	1:00 - 3:00 PM
	Workshop 5 (only if needed)	Tuesday, January 12, 2016	12:30 – 1:00 PM	1:00 PM – 3:00 PM

<b>FY 2017 CDBG RFP Submittals</b>
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A complete Online Grants Portal (OGP) RFP submittal includes the following:

- **Completion of all required data entry information within the Online Grants Portal (OGP) system; AND**
- **OGP submittal of all required documents listed on the FY 2017 CDBG RFP Checklist, as applicable (those documents requiring signatures must include original signatures on the uploaded forms). [NOTE: All required documents must be scanned to one (1) PDF document and uploaded as one (1) PDF document only.]**

**NOTE: HARD COPY, FAXED, E-MAILED OR LATE RFP SUBMITTALS WILL NOT BE ACCEPTED**

In order to expedite the RFP process, the following should be taken into consideration:

1. Ensure that all required fields are completed on the online application forms and all required documents are uploaded. **If any required fields are blank, the OGP system will not allow the RFP submittal to be completed.**
2. The RFP contains maximum character counts (not word count) for each of the required fields based on Scoring Criteria sections. Each section of the RFP is limited by a character count. For the purposes of the online submission, a 'character' is defined as a letter, number, punctuation, or space (a blank space caused by hitting the space bar on the keyboard). **[NOTE: The OGP system will not allow characters to be entered beyond the limit designated for each required response.]**
3. When cutting and pasting from a Word document into the required fields, the font used must be Arial size 12 and the line spacing must be single. **The field should be limited to text characters only. No tables, symbols, images should be entered, due to the character count limitations designated for each of the required fields. Failure to do so may cause formatting issues.**
4. Ensure that the applicable materials are scanned in the order listed on the FY 2017 CDBG RFP Submittal Checklist as **one (1) PDF document** and uploaded. The OGP system is set to accept a 60MB document. Applicants should check their copier/scanner user guide. Most



copiers/scanners allow you to continue to scan documents until you're ready to close the scan job. **[NOTE: All required documents must be scanned as one (1) PDF document (in the order listed on the FY 2017 CDBG RFP Submittal Checklist) and uploaded as one (1) PDF document only. The OGP system will not allow multiple PDF uploads.]**

5. **The party authorized to do so on behalf of the applicant Agency must sign and date all of the certifications.** Prior to uploading the one (1) PDF document into the OGP, ensure that complete information and original authorized signatures were included on all applicable forms.
6. Ensure that the Master Account designee is the one that submits the FY 2017 CDBG RFP through the OGP system by the designated deadline. [NOTE: The "Save and Submit" process must be completed, in order for the FY 2017 RFP to be considered submitted in the OGP system.]
7. The Master Account designee will receive an E-mail confirmation that shows receipt of the FY 2017 CDBG RFP by the OGP system. Applicants that do not receive an E-mail confirmation should send an E-mail to [CDBG@sandiego.gov](mailto:CDBG@sandiego.gov) if no confirmation is received after submittal.

Applicants needing access to a computer or internet to complete their RFP submittal may utilize resources in the Community Development Division Office (i.e. computer, scanner, etc.). Applicants requiring this access must submit a request to the Community Development Division's e-mail ([CDBG@sandiego.gov](mailto:CDBG@sandiego.gov)) and provide the following:

1. Applicant Agency name;
2. Name(s) and title(s) of agency staff; and
3. Three (3) Optional Dates and Times (minimum 48 hour notice). These dates/times must be on or before Friday, January 22, 2016 at 2:00 p.m.

Additional details regarding computer/internet access appointments will be provided when agencies receive confirmation of a scheduled date and time to meet with Community Development Division staff.

**The RFP submittals must be submitted on or before Monday, January 25, 2016 at 3:00 PM** via the OGP system. Due to using an online technology system such as the OGP, which is dependent on a working internet connection, it is highly encouraged that RFPs are submitted well in advance of the deadline. **Late submittals will not be accepted.** The City is not responsible for RFPs submitted after the due date and time. It is the responsibility of applicants to be sure their RFPs are submitted via the OGP system ahead of time. Paper copies of the RFP materials will not be accepted.

<b>Pre-Award Costs</b>
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Please note that any premature commitment or expenditure of funds for proposed activities is prohibited. No project expenses will be eligible for CDBG reimbursement if they have been incurred or commissioned prior to an environmental review and clearance. Project expenses will also not be eligible for CDBG reimbursement if they have been incurred or commissioned prior to the project start date identified in the executed FY 2017 CDBG Agreement with the City of San Diego.

### **III. RFP PROCESS AND RELATED REQUIREMENTS**

The City of San Diego's FY 2017 CDBG RFP was made available to the public on Monday, January 4, 2016.

Four separate RFPs were issued as follows:

- 1) Public Services;
- 2) Public Service - Challenge Grant;
- 3) Community & Economic Development; and
- 4) Nonprofit Capital Improvement Projects & Housing Rehabilitation.

**Complete RFP submittal packets must be received by the online system on or before 3:00 PM, January 25, 2016 in order to be considered. All RFP submittals will be tracked by date and time. Late submittals will not be accepted. It is highly recommended applicants submit RFPs prior to January 25<sup>th</sup> to avoid any technical difficulties that may arise with the online submission.**

<b>TECHNICAL ASSISTANCE AND QUESTIONS</b>
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All questions related to the RFP submittal packet need to be submitted in writing no later than January 21, 2016 and must be e-mailed to [CDBG@sandiego.gov](mailto:CDBG@sandiego.gov) with a subject title of "RFP Question" listed. To expedite the response to your question, please provide the following in your e-mail:

1. Applicant Agency name;
2. RFP category (PS; PS-CG; CED; NCIP)
3. Topic of the question:
  - a. Online Grants Portal System;
  - b. Project Specifics and Eligibility;
  - c. Budget;
  - d. General Administration; and/or
  - e. Other (Specify).
4. Listing of actual question(s) and/or clarifications needed.

The Community Development Division Office will provide a written response. Common questions will be grouped into Frequently Asked Questions (FAQs) and it is anticipated that these will be posted on the City's CDBG website on Monday, January 11, 2016 and Wednesday, January 20, 2016. However, questions will be **accepted until Thursday, January 21, 2016 at 5:00 PM**, with a written response provided by January 22, 2016.

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) with a subject title of "TA Request" listed. Technical assistance will consist of discussing CDBG eligibility and RFP requirements. **Assistance WILL NOT be provided in developing a project or providing recommendations and/or feedback on draft written RFP responses completed by applicants.** The technical assistance appointments will be available Monday through Friday, during the period of January 7-22, 2016. Please note that this service **will not be offered on January 18, 2016** as our offices are closed in observance of the Martin Luther King Jr. holiday. To expedite your request, please provide the following in your e-mail:

1. Applicant Agency name;
2. Name and title of each agency staff to attend the meeting;
3. RFP category (PS; PS-CG; CED; NCIP); and

4. Identify whether the questions are regarding:
  - a. Online Grants Portal System;
  - b. Project Specifics and Eligibility;
  - c. Budget;
  - d. General Administration; and/or
  - e. Other (Specify).

**NOTE: All feedback and guidance provided during these meetings is limited to the extent of project details presented by the applicants.**

Meetings will be scheduled on a first-come, first-served basis. Community Development Division staff will promptly respond to the written appointment requests with a confirmed date and time. Meetings will be held at the Community Development Division Office located at 1200 Third Avenue, Suite 1400, San Diego, CA 92101. **[NOTE: Parking validations will not be provided.]**

<b>COMMUNITY DEVELOPMENT DIVISION RFP REVIEW</b>
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Community Development Division staff will review all RFP submittals received by the designated deadline for completeness and eligibility. Applicants will automatically be deemed ineligible for FY 2017 CDBG funding consideration if the following is determined: 1) the RFP was not submitted into the Online Grants Portal system by the designated submittal deadline **[NOTE: The online system does not allow RFP submittals after the designated deadline.]**; 2) the applicant did not attend one of the five (5) Mandatory FY 2017 CDBG RFP Workshop sessions conducted; 3) the applicant was not deemed Qualified by the FY 2017 RFQ process; OR 4) the application describes activities that are inconsistent with all applicable HUD regulations and/or City requirements. These RFP submittal packets will not be reviewed. Written notifications will immediately be sent to applicants regarding ineligibility determinations.

It is anticipated that on or before February 8, 2016, agencies will receive written notification regarding one of the following determinations resulting from the RFP submittal reviews, which will be sent to the Head of Agency, the Head of Fiscal and the Agency's designated RFP Contact Persons:

1. Eligible – Compliance with all submittal requirements verified and no eligibility issues identified. These RFPs will be made available to the City's Consolidated Plan Advisory Board for review and scoring.
2. Ineligible – Project eligibility and feasibility are unable to be determined based on the RFP submittal received by the Online Grants Portal system.

Upon conclusion of this staff review process, Community Development Division staff will make available all applicable FY 2017 CDBG RFP materials for projects determined to have met the RFP eligibility requirements to the [Consolidated Plan Advisory Board \(CPAB\)](#) for their review and scoring.

<b>RFP REVIEW PROCESS: <i>Consolidated Plan Advisory Board Review and Recommendation to City Council, City Council Approval, and Execution of FY 2017 CDBG Agreements</i></b>
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Each Consolidated Plan Advisory Board (CPAB) member will review and score the eligible FY 2017 CDBG RFPs received. Ad Hoc Committees may be formed if deemed necessary by CPAB.

Upon completion of their RFP reviews, each CPAB member will submit their resulting individual scores to the Community Development Division Office. Each application's score will be averaged and ranked from highest to lowest for each category: 1) Public Service projects; 2) Public Service - Challenge Grant projects; 3) Community & Economic Development projects; and 4) Nonprofit Capital Improvement Projects & Housing Rehabilitation. Once compiled, these scores will be posted on the CDBG Program website.

City staff will present the scores and recommendations for funding to CPAB during the regularly scheduled meeting on March 9, 2016. CPAB members will ratify rankings after discussion and public input. RFP scores and funding recommendations will be approved by the CPAB for submission to the City Council for their approval. **Pertinent information regarding dates, times and/or locations of these meetings will be posted on the CDBG Program [website](#)** as soon as it is available.

The City of San Diego endeavors to be in compliance with the Americans with Disabilities Act. If you require assistance or auxiliary aids in order to participate at the community meetings or Public Hearings, please contact the City Clerk's Office at (619) 441-1763 as far in advance of the meeting as possible. Furthermore, if you require language translation, please contact the Community Development Division office at 619-236-6322 as far in advance of the meeting as possible.

Staff will present CPAB's funding FY 2017 CDBG funding recommendations to the City Council for its consideration and approval during a public hearing. The time and date for this meeting will be provided as soon as it is available.

This Council Action will be followed by subsequent public hearings to complete the City's FY 2017 Annual Action Plan. The Action Plan will include a description of how all CDBG resources will be allocated among all funding categories and, in fact, constitutes the application to HUD for receipt of the City's 2017 CDBG entitlement. The Annual Action Plan must be submitted to HUD on or before May 15, 2016.

Concurrent to the Annual Action Plan process, the Community Development Division will conduct mandatory pre-contract meetings with applicants awarded with FY 2017 CDBG funding to complete the FY 2017 CDBG Agreement Execution process. **Agencies recommended for funding will be required to submit documentation prior to executing agreements. All contracts must be executed July 1, 2016 and failure to do so may result in future point deductions related to the Performance Indicator portion of the Scoring Criteria. Please note insurance documents must be submitted to the Community Development Division by early June 2016, to ensure agreements can be executed by July 1, 2016.**

#### IV. FY 2017 RFP PROCESS SCHEDULE

01/04/16	FY 2017 CDBG RFP released
01/06/16	Mandatory FY 2017 CDBG RFP Workshop – Two (2) Sessions Available
01/07/16-01/22/16	One-on-One Technical Assistance Meetings
01/11/16	Mandatory FY 2017 CDBG RFP Workshop – Two (2) Sessions Available

01/12/16	Mandatory FY 2017 CDBG RFP Workshop – One (1) Session Available
<b>01/25/16</b>	<b>FY 2017 CDBG RFP submittal due to Online Grants Portal system on or before 3:00 PM</b>
01/26/16-02/04/16	Community Development Division (CDD) RFP Review
02/05/16	FY 2017 CDBG RFP materials available to Consolidated Plan Advisory Board (CPAB) members for review and scoring
02/08/16	Applicable agencies are notified of final eligibility determination based on CDD staff review of RFP materials
02/10/16	CPAB Meeting
02/29/16	CPAB FY 2017 CDBG RFP scoring results submitted to CDD Office
03/09/16	CPAB Meeting <ul style="list-style-type: none"> <li>• FY 2017 CDBG RFP scores and funding recommendations approved to be forwarded to City Council for consideration</li> <li>• FY 2017 CDBG City Projects approved to be forwarded to City Council for approval</li> </ul>

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

## **V. INFORMATION SPECIFIC TO PROJECT CATEGORIES FOR THE RFP PROCESS**

There are four (4) types of CDBG Project Categories, as described below, along with application information specific to each:

**1. Public Services (PS) Projects.** These generally refer to projects that provide social services and/or other direct assistance to individuals or households. Applicants shall consider the following with regard to the project activities described in the RFP:

- a. Assistance provided with CDBG funds is limited to City of San Diego residents.
- b. No allocation of CDBG funds less than \$50,000 will be made to Public Service projects.
- c. Public Services projects must demonstrate direct benefits/services provided by applicants to low- or moderate-income persons.
- d. Applicants must be able to demonstrate that the project meets a National Objective Criteria and that fifty-one percent (51%) or more of the clients served by the project must have incomes below 80% of Area Median Income. Applicants awarded FY 2017 CDBG funding must maintain written documentation on unduplicated City of San Diego low-income clients (including household income, race & ethnicity data, and head of household status). Data will be required to be submitted monthly.
- e. Presumed Low/Moderate Income Persons includes the following: abused children, battered spouses, elderly persons (62 years or older), severely disabled adults (as defined by the Bureau of Census), homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Household income will not be required to be documented, but written

documentation of race & ethnicity data and head of household status will be required for project serving 100% Presumed Low/Moderate Income Persons.

- f. Direct cash payment to individual clients is not an eligible project activity.
- g. The provision of tenant subsidies exclusively for rental payments is not an eligible project activity.
- h. **It is highly recommended that agencies that are new applicants under the Public Services category schedule One-on-One Technical Assistance with Community Development Division immediately at the start of the designated period and ensure that detailed descriptions of the proposed CDBG activities are presented for discussion.**

**2. Public Service - Challenge Grant (PS-CG) Projects:** The Challenge Grant was created to fund innovative projects that provide effective solutions to address the challenges related to the following targeted service categories: 1) Youth Workforce Training; and 2) Veteran Services. Funds provided for this category are not part of the City's annual CDBG entitlement funds. The Challenge Grant category is limited to activities that are eligible under the Public Services category. Applicants should consider the following related to the project activities described in the RFP:

- a. Assistance provided with Challenge Grant funds is limited to Youth (ages 14-24) and Veterans who are City of San Diego residents.
- b. The Youth Workforce Training target population to be served under this category is as follows: Youth ages 14 through 24 from Low to Moderate Income (LMI) households which may include: 1) disconnected from school or work at least six months prior to service; 2) attending school and are one or more of the following: homeless, a runaway, or a foster child; pregnant or parenting; an offender; basic skills deficient; require additional assistance to secure and hold employment; or at risk of not achieving their high school/college educational goals; 3) a high school dropout; 4) youth transitioning from juvenile justice and criminal justice systems; or 5) require additional education, career and technical education or training, or workforce preparation skills to be able to obtain and retain employment that leads to economic self-sufficiency. Youth Workforce Training services to be provided under this category are as follows: Paid and unpaid work experiences that have as a component academic and occupational education, which may include: 1) summer employment opportunities and other employment opportunities throughout the school year; 2) pre-apprenticeship programs; 3) internships and job shadowing; and 4) on the job skills training.
- c. The Veterans target population to be served under this category as follows: Low to Moderate Income (LMI) Veterans who served in the armed forces of the United States on federal active duty for reasons other than training and were discharged or released therefrom. People who served in the National Guard or Reserves are classified as veterans only if they were called or ordered to active duty, not counting the 4-6 months for initial training or yearly summer camps. Service as a civilian employee or civilian volunteer for the Red Cross, USO, Public Health Service, or War or Defense Department are not considered active duty. For Merchant Marine service, only service during World War II is considered active duty, and no other period of service.
- d. No allocation of Challenge Grant funds less than \$50,000 will be made to Public Service - Challenge Grant projects.
- e. Public Service - Challenge Grant projects must demonstrate direct benefits/services provided by applicants to low- or moderate-income persons, and not through the hiring of subcontractors.

- f. Applicants must be able to demonstrate that the project meets a CDBG National Objective Criteria and that fifty-one percent (51%) or more of the clients served by the project must have incomes below 80% of Area Median Income. Applicants awarded FY 2017 Challenge Grant funding must maintain written documentation on unduplicated City of San Diego low-income clients (including household income, race & ethnicity data, and head of household status). Data will be required to be submitted monthly.
- g. Presumed Low/Moderate Income Persons includes the following: abused children, battered spouses, elderly persons (62 years or older), severely disabled adults (as defined by the Bureau of Census), homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Household income will not be required to be documented, but written documentation of race & ethnicity data and head of household status will be required for project serving 100% Presumed Low/Moderate Income Persons.
- h. Direct cash payment or stipends to individual clients is not an eligible project activity.
- i. The provision of tenant subsidies exclusively for rental payments is not an eligible project activity.
- j. Specific reporting requirements will be mandatory for projects funded under this category.
- k. **It is highly recommended that agencies that plan to apply under the Public Service – Challenge Grant category schedule One-on-One Technical Assistance with Community Development Division immediately at the start of the designated period and ensure that detailed descriptions of the proposed CDBG activities are presented for discussion.**

**3. Community & Economic Development (CED) 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. Applicants should consider the following related to the project activities described in the RFP:

- a. Assistance provided with CDBG funds is limited to City of San Diego residents and/or businesses located in the City of San Diego.
- b. No allocation of CDBG funds will be made to Community and Economic Development projects of less than \$50,000.
- c. Community and Economic Development projects must demonstrate direct benefits/services provided by applicants to low- or moderate-income persons or direct technical assistance services provided by applicants to individual businesses owned by low- or moderate-income persons, and not through the hiring of subcontractors.
- d. Applicants must be able to demonstrate that the project meets a National Objective Criteria.
- e. For Direct Homeownership Assistance activities, projects will be required to document that 100% of the households assisted are LMI households. **Household income verification and eligibility determination is required prior to the provision of CDBG assistance under this category.** Applicants awarded FY 2017 CDBG funding under this category must maintain written documentation on unduplicated City of San Diego low-income households (including household income, race & ethnicity data, and head of household status).
- f. 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. Eligible microenterprise assistance activities refers to technical assistance or general support services to owners and developers of microenterprise businesses. **Projects that provide workshops and/or on-the-job training as services to assist individual clients and refer them for job placements will not qualify as a microenterprise assistance project. In addition, projects**

**that provide workshops and/or classroom curriculum with no direct individual assistance provided to clients in the establishment of a new business or in the expansion of an existing business will not qualify as a microenterprise assistance project.** Funding requests for such activities must be submitted under the Public Services category.

- g. For Microenterprise Assistance, 100% of the clients assisted must be LMI persons. **Client household income verification and eligibility determination is required prior to the provision of CDBG assistance under this category.** Applicants awarded FY 2017 CDBG funding under this category must maintain written documentation on unduplicated City of San Diego low-income households (including household income, race & ethnicity data, and head of household status).
- h. Direct cash payment to individual clients, households and/or business owners is not an eligible project activity.
- i. Non-Profit Organization Capacity Building is not an eligible project activity for the FY 2017 RFP process.
- j. **It is highly recommended that agencies that were not funded under the Community/Economic Development category in FY 2016 schedule One-on-One Technical Assistance with Community Development Division immediately at the start of the designated period and ensure that detailed descriptions of the proposed CDBG activities are presented for discussion.**

**4. Nonprofit Capital Improvement Projects (NCIP) & Housing Rehabilitation (HR):** These generally refer to projects that would result in improvements to nonprofit facilities or the completion of housing rehabilitation improvements to single housing units and/or multi-unit housing structures. Applicants should consider the following related to the project activities described in the RFP:

- a. Project sites must be located in the City of San Diego and serve City of San Diego Residents.
- b. No allocation of CDBG funds of less than \$100,000 will be made to NCIP projects.
- c. Applicants must be able to demonstrate that the project meets a National Objective Criteria and that at least 51% of the beneficiaries are low-and moderate income for the area.
- d. Applicants requesting funding to complete improvements to centers serving seniors, centers serving persons with disabilities, homeless facilities, centers serving youth, child care centers, abused and neglected children facilities, and facilities for AIDS patients must ensure that fifty-one percent (51%) or more of the clients served by the project must have incomes below 80% of Area Median Income. Applicants awarded FY 2017 CDBG funding must maintain written documentation on unduplicated City of San Diego low-income clients (including household income, race & ethnicity data, and head of household status) utilizing the facility after completion of improvements (i.e. received direct services on-site). At minimum, data will be required to be submitted for a duration of two months after the facility improvements are made accessible to City of San Diego clients. Presumed Low/Moderate Income Persons includes the following: abused children, battered spouses, elderly persons (62 years or older), severely disabled adults (as defined by the Bureau of Census), homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Household income will not be required to be documented, but written documentation of race & ethnicity data and head of household status will be required.
- e. Housing Rehabilitation projects will be required to document that 100% of the households assisted are LMI households. **Household income verification and eligibility determination is required prior to the provision of CDBG assistance.** Applicants awarded FY 2017 CDBG funding under this category must maintain written documentation on unduplicated City of



San Diego low-income households (including household income, race & ethnicity data, and head of household status).

- f. Funding to complete improvements to temporary shelters and transitional housing for the homeless (including battered spouses, disaster victims, runaway children, drug offenders, and parolees) are not considered to be housing rehabilitation activities.
- g. Funding to complete improvements to neighborhood clinics, hospitals, nursing homes, and convalescent homes are not considered to be housing rehabilitation activities.
- h. Funding to complete improvements to water/sewer improvements, street improvements and other public-right-of-way improvements are not eligible to be requested for this RFP process.
- i. 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.
- j. Housing improvements for areas outside of the primary structure or unit are not allowable and may not be included in the description of project activities to be conducted.
- k. Funding for design and plan development are not allowable and may not be included in the description of project activities to be conducted.
- l. Funding for Applicant administration, including personnel, expenses are not allowable and may not be included in the description of project activities to be conducted.
- m. 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.
- n. Applicants will be required to confirm project site control to provide direct client services or assistance at the time of RFP submittal through a period of not less than 5 years from the date of proposed project completion with written authorization from the property owner.
- o. 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).
- p. For leased facilities, applicants will be required to document written approval for their proposed scope of work, by submittal of the Certification Regarding Property Owner Authorization to Complete CDBG Activities Property form.
- q. [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 listed in the RFP. **[NOTE: If the project is awarded the full funding request, but the project budget presented in the RFP document is later determined to be insufficient to complete the bidding process necessary to implement construction activities, the funds awarded may be subject to reprogramming.]**
- r. State Prevailing Wage laws and requirements shall also apply for the upcoming RFP process. Applicable state prevailing wage rates and fringe benefits must also be taken into consideration in the determination of the total project budget listed in the RFP. **[NOTE: The highest applicable wage rate must be considered.]**
- s. When determining the total project budget, the length of time between the RFP submittal and the bid award and potential increases in labor and material costs should be factored into the amount requested.
- t. HUD rules prohibit contractors involved in developing and drafting specifications, requirements, statement of work, invitation to bid, or request for proposals from competing for such procurements. Doing so may result in the appearance of possible unfair competitive advantage to that bidder, as a well improper selection of the lowest and most responsive bidder. Full efforts must be made to ensure all procurement processes completed do not result in, or give an appearance of, an unfair competitive advantage to any potential bidder.

As such, **contractors assisting RFP Applicants in the development of the project descriptions/scope of work described in the FY 2017 CDBG RFP will be prohibited from submitting a bid to complete project activities should the project be approved for FY 2017 CDBG funding.**

- u. All facilities and/or services assisted with CDBG funds must 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 site 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. ADA upgrade needs may be included in the description of project activities to be conducted.]**
- v. Housing Rehabilitation projects are required to issue to all tenants a General Information Notice (Notice of Nondisplacement or Notice of Eligibility for Relation Assistance) that informs affected persons of the project and whether or not they may be displaced by the project.
- w. **It is highly recommended that agencies that were not funded under the Nonprofit Capital Improvement Projects & Housing Rehabilitation category in FY 2016 schedule One-on-One Technical Assistance with Community Development Division immediately at the start of the designated period and ensure that detailed descriptions of the proposed CDBG activities are presented for discussion.**

### **Project Completion**

Public Services Projects; Public Service – Challenge Grant Projects; and Community & Economic Development Projects

- All projects must be completed on or before June 30, 2017.
- All proposed services must be completed and project beneficiaries documented (National Objective met) for period ending June 30, 2017. **It is anticipated that FY 2017 CDBG Agreements will be executed on or prior to July 1, 2016 and work must proceed immediately thereafter.**
- **Projects that do not complete on time may have points deducted in future scoring based on the Performance Indicators Section of the FY 2017 CDBG Scoring Criteria.**

Nonprofit Capital Improvement Projects & Housing Rehabilitation

- The proposed funding requested will be required to represent the amount needed to complete the project activities described in the RFP AND project beneficiaries (National Objective met) must be documented for period ending December 31, 2017. Completion of CDBG activities and the reporting of project beneficiaries after period ending December 31, 2017 will not be acceptable.
- The proposed scope of work must be completed and project beneficiaries reported within 18 months of the start of FY 2017 (July 1, 2016). **It is anticipated that FY 2017 CDBG Agreements will be executed on or prior to July 1, 2016 and work toward the implementation construction activities must proceed immediately thereafter.**

- Projects that do not complete on time may have points deducted in future scoring based on the Performance Indicators Section of the FY 2017 CDBG Scoring Criteria. This will also apply to the Project Schedule described in the FY 2017 CDBG RFP (5.b.)

**NOTE:** Projects are considered completed when all required closeout reports are approved by Community Development Division staff and project beneficiaries (National Objective met) have been confirmed.

## VI. RFP SECTIONS

### APPLICANT AGENCY INFORMATION

#### General Information

Provide complete and accurate responses under this section. Ensure that the contact information listed for Head of Agency, Head of Fiscal, and RFP Contact is current and accurate. This information will be utilized for distribution of correspondence regarding the City's FY 2017 CDBG RFP process.

### 1. PROJECT CHARACTERISTICS

#### a. Project Summary

Provide the information requested in each of the sub-sections. Ensure that the responses provided represent the CDBG portion of the project. Provide clear, specific, detailed, and succinct descriptions. The information listed should represent only the proposed CDBG-funded portion of your agency's overall project.

#### b. Confirmation of a New Service or Expansion/Improvement of Existing Services (PS; CED; CG)

Provide the information requested. If a new service, include an explanation of why there is a new demand or an unmet need in the City of San Diego LMI community for the new service. If an improvement/expansion of an existing service, demonstrate how the project will result in a quantifiable increase in access and/or the level of an existing service provided to the City of San Diego LMI community.

**New Service Definition:** A new service would be one that was not provided by the applicant during the FY 2016 period.

**Existing Service Definition:** An existing service would be one that was provided by the applicant during the FY 2016 period. Examples of quantifiable increases include: a) an increase in the total number served, without an increase to the unit cost; b) an increase to what is being provided (i.e. adding distribution of additional food items to meals); or c) a reduction to the cost per client for same level of service provided. Applicants must ensure that all clients/households to be served in FY 2017 are proportional to the level of service currently being provided in FY 2016 to document quantifiable increases. For example, if the FY 2016 goal was to serve 100 clients and the project is projected to serve 200 clients by the end of FY 2016, the proposed FY 2017 total to be served should represent a quantifiable increase from the 200 clients anticipated to be served for period ending June 30, 2016.

Confirmation of a New Public Facility or Expansion/Improvement of Existing Public Facility (NCIP)  
Provide the information requested.

New Public Facility Definition: A new facility would be one that will be made accessible to the public for the first time, once improvements are completed through the proposed project.

Existing Public Facility Definition: An existing facility is one that is currently made accessible to the public for the provision of agency services and/or programs. Examples of improvements to expand services or programs include: a) an increase in the size of area made accessible for public use (i.e. conversion of storage room into a client meeting room); b) an increase to the project facility size (i.e. improvements made to newly acquired project/program space connected to the existing project site; c) the provision of a new service, once improvements are completed through the proposed project; and d) an increase in the capacity of current services or programs provided (i.e. increased number of clients served or quantity/frequency of services/programs made available), once improvements are completed through the proposed project.

c. Project Goals

Provide the information requested. Ensure each project goal listed provides a statement of quantifiable and measureable benefits to City of San Diego LMI individuals/households. Ensure that the goal(s) listed represents what your project can realistically deliver within the timeframe presented in the RFP. The information listed will be applied toward the development of project scope of work/scope of services, should the project be approved for funding.

d. Project Results (PS & PS-CG)

Provide the information requested. The information listed will be applied toward the development of the City of San Diego's Annual Action Plan and project scope of services, should the project be approved for funding. "Unduplicated" refers to counting an individual served by the project once during the FY 2017 one-year period, regardless of the quantity of services provided. Make sure your totals are accurate.

Project Results (CED)

Provide the information requested. The information listed will be applied toward the development of the City of San Diego's Annual Action Plan and project scope of services, should the project be approved for funding.

On the first field, "unduplicated" refers to counting the LMI households served by the project once during the FY 2017 one-year period, regardless of the quantity of services provided. For Direct Homeownership Assistance activities, the number of households listed must represent those that will be receiving direct financial assistance services and result in successful homeownership during the FY 2017 one-year period. For projects providing Direct Homeownership Assistance activities, "N/A" should be listed for the second field.

For Microenterprise Assistance activities, "N/A" should be listed for the first field. On the second field, "unduplicated" refers to counting the total number of new businesses owned by LMI City of San Diego residents that will be established or expanding during the FY 2017 one-year period.

### Project Results (NCIP & HR)

Provide the information requested. The information listed will be applied toward the development of the City of San Diego's Annual Action Plan and project scope of work, should the project be approved for funding.

On the first field, ensure that the total number of unduplicated City of San Diego LMI individuals or households listed represent the anticipated total number that will be reported as having access to the improved facility/property for a period of two months after completion of construction. Ensure that the totals listed represent what your project can realistically accomplish by period ending December 31, 2017. [NOTE: Income verification of each individual LMI status will be required to be obtained and maintained by the project, if approved for funding.] For NCIP projects that will be completing improvements to facilities serving City of San Diego LMI individuals or households, "N/A" should be listed for the second field.

For NCIP projects that will be completing improvements to facilities serving businesses, "N/A" should be listed for the first field. On the second field, ensure that the total number of unduplicated City of San Diego businesses represent the anticipated total number that will be reported as having access to the improved facility/property for a period of two months after completion of construction. Ensure that the totals listed represent what your project can realistically accomplish by period ending December 31, 2017. Projects that complete improvements to facilities serving businesses will be required to ensure and document that LMI job creation or retention resulted from the improvements completed.

## **2. ORGANIZATIONAL CAPACITY**

Provide the information requested. Applicants must describe their experience in successfully implementing projects of similar scope and of comparable complexity. Provide confirmation on whether your agency has any open City of San Diego CDBG projects (i.e. projects that have not been closed by the Community Development Division on or prior to the RFP submittal deadline (January 25, 2016), as a result of pending status/confirmation that the project National Objective has been met. This would be due to pending completion of project activities or pending approval of all required closeout reports and confirmation of beneficiaries (project National Objective met). If not applicable, list "N/A" in this section. In addition, applicants must describe their experience in providing services to low and moderate income residents. Applicants must also describe their efforts to collaborate with other service agencies including organizations that provide similar services and resources.

## **3. BUDGET**

Provide the information requested on the separate Excel form. Ensure that the information provided represents a budget necessary for your agency to realistically complete the project activities described in Section 1. and 5. of the FY 2017 CDBG RFP. Under Section 3.b., the budget listed for the entire project should be identified and a detailed breakdown of the types of costs that are necessary to complete the project. For each source of funding identified, indicate whether the source is formally committed or pending approval. If a source is identified as secured (committed), applicants are certifying that the amounts listed represent cash designated to the proposed project and that the cash will be expended during the FY 2017 contract period (PS/PS-CG/CED Projects: July 1, 2016 – June 30, 2017; NCIP & HR: July 1, 2016 – December 31, 2017). The secured fund amounts must not include: lines of credit; funds expended prior to July 1, 2016; in-kind support/match; future pledges;

and/or multi-year contract options to renew funding. Applicants listing secured funding amounts will be required to complete and submit the Certification Regarding Secured Funding form.

For NCIP projects, applicants should ensure that the proposed project budget is provided by a professional engineer or architect and that the length of time between the RFP submittal and the bid award and potential increases in labor and material costs should be factored into the amount requested (using the most current State and Federal prevailing wage rates and material costs as a base).

#### **4. PROJECT BENEFITS**

Applicants should describe the ways in which the proposed project aims to benefit high-need areas and/or populations. Organizations may use data and the analysis included in the City of San Diego's FY 2015-2019 Consolidated Plan as well as other pertinent statistics, information and data they may have regarding their project. All sources for information included should be cited.

The CDD Office has established a Geographic Targeting initiative that identified six Community Planning areas as high need areas and populations based on a number of indicators. These six Community Planning areas are: Barrio Logan, San Ysidro, Linda Vista, Encanto, Southeastern and City Heights. (See Attachment – Geographic Targeting Map for additional information.) Applicants should describe the ways in which the proposed project will benefit these Geographically Targeted areas. Organizations may cite collaborative efforts with local non-profits within those geographic boundaries, specific resources and/or services deployed within those boundaries, or targeted outreach and educational efforts to residents of those areas.

#### **5. PROJECT SPECIFICS**

PS/PS-CG/CED Projects: List each type of service to be provided separately and include detailed information. The information listed should represent only the proposed CDBG-funded portion of your agency's overall project. The services listed should correlate with the information listed in 1.a. Ensure explanation and justification for the total amount of CDBG funds requested is clearly described. The explanation should include how the funds requested were determined (i.e. cost per client calculated, based on prior year actual accomplishments and expenditures-same cost applied to FY 2017). Include information on any fees charged to clients served by the proposed project. [NOTE: A maximum of two (2) points will be recommended by CDD for verification of compliance with meeting a National Objective and other HUD requirements, based on project eligibility review of the RFP.] For the Project Schedule section, provide details of anticipated project milestones that will be completed for each of the listed months. Ensure the required activities referenced are included. The Anticipated Cumulative Total Number of Unduplicated Clients that will be served should be included, as applicable, for each of the listed month.

NCIP Projects: Provide an explanation regarding your agency's determination of the amount of CDBG funds requested for the proposed project. Confirmation should be provided that required federal prevailing wages were taken into consideration. [NOTE: A maximum of two (2) points will be recommended by CDD for verification that the level of Environmental Review needed has been identified and planned for by the applicant, based on the information provided in Section 5.a.ii. In addition, a maximum of two (2) points will be recommended by CDD for verification of compliance

with meeting a National Objective and other HUD requirements, based on project eligibility review of the RFP.] Provide information regarding applicable project permits. For the Project Schedule section, provide details of anticipated project milestones that will be completed for each of the listed months. In addition to the referenced milestones listed as a minimum, others include: a) required permit approvals; b) completion of a competitive bidding process; c) execution of contractor and subcontractor agreements; d) Pre-Construction Meeting conducted; e) Notice to Proceed issuance; f) start of construction; g) completion of construction; h) successful completion of City inspections of work completed; i) client access to improved facility/property; and j) Notice of Completion issuance.

## **VII. 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.
- [2 CFR Part 200 Subpart E](#) – Establishes principles and standards for determining allowable costs under Federal grants.
- [2 CFR Part 200 Subpart B](#) – Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.
- [2 CFR Part 200 Subpart F](#) – 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 Labor Code Sections 1720 through 1861: Compliance with Prevailing Wage Requirements.
- [California Environmental Quality Act \(CEQA\)](#) - Statutes, guidelines and other information from the State of California on the law governing environmental review.

## VIII. INFORMATION SPECIFIC FOR THE AGREEMENT EXECUTION PROCESS

Applicants awarded FY 2017 CDBG funding will be required to meet with Community Development Division staff regarding the FY 2017 Agreement Execution process. There are requirements and processes that will be discussed, which include the following:

### HUD CDBG PROJECT PERFORMANCE OUTCOME MEASURES

The following will be incorporated into the Scope of Services/Scope of Work developed for approved FY 2017 CDBG projects, based on the FY 2017 CDBG RFP project details:

#### PROJECT OBJECTIVE

- 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/retention.

#### PROJECT OUTCOME

- 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.

#### CDBG BENEFIT CATEGORIES

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 blight 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. (Please see the Attachment – Low/Moderate Income Persons National Objective for more details.) 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.

### INSURANCE REQUIREMENTS

- a. Commercial General Liability [CGL] Coverage Document Accompanied with Endorsement. The insurance must include coverage for liability arising from any and all personal injury, bodily injury, and property damage in the amount of \$1,000,000 per occurrence, and subject to an annual aggregate of \$2,000,000 with no endorsement or modification of the CGL limiting the scope of coverage for either the insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy. The policy providing coverage for CGL must be endorsed to include as an Insured, the City of San Diego and its respective elected officials, officers, employees, agents, and representatives. In addition, the policy must also be endorsed to expressly provide that the policy is primary and non-contributory to any insurance that may be carried by the City.
- b. Commercial Automobile Liability [CAL] Coverage Document Accompanied with Endorsement. For all of Contractor's automobiles (including owned, hired, and non-owned automobiles), the insurance must provide coverage at least as broad for bodily injury and property damage, for a combined single limit of \$1,000,000 per occurrence. The insurance certificate should reflect coverage for any automobile [any auto]. The policy providing coverage for CAL must be endorsed to include as an Insured, the City of San Diego and its respective elected officials, officers, employees, agents, and representatives.
- c. Workers Compensation Insurance [WCI] Coverage Document Accompanied with Endorsement. For all of the Contractor's employees who are subject to the Agreement with the City of San Diego, Contractor must keep, in full force and effect, a Workers' Compensation policy to the extent required by the applicable federal or state law. The policy must provide a minimum of \$1,000,000 of employers' liability coverage. The City must be provided with an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents, and representatives.

**NOTE: DOCUMENTATION OF THE REQUIRED INSURANCE COVERAGE FOR THE FY 2017 PERIOD MUST BE SUBMITTED TO THE COMMUNITY DEVELOPMENT DIVISION OFFICE BY JUNE 2016 (A SPECIFIC DATE WILL BE DESIGNATED).**

### NCIP SITE INSPECTION

A site inspection by CDD staff may be conducted on NCIP Projects with sites identified, prior to the execution of a FY 2017 CDBG Agreement between the City and agencies awarded with FY 2017 CDBG funding.

### CDBG BUDGET ITEMS

RFP applicants should note the following for the development of FY 2017 CDBG project budgets:

- a. Eligible Expenditures

Project expenditures must meet the following requirements to be eligible for reimbursement:

1. They must be approved in detail as part of the executed Agreement, budget justification forms and HUD regulations.
2. They must be essential to the proper and efficient performance of the service as required by the executed Agreement.
3. The invoices, receipts and other supportive documents should be dated during the month requested for reimbursement.
4. During fiscal monitoring and/or audits, original receipts/invoices must be reviewed for authenticity and funding sources that reimbursed the expense. All original, unmarked

documents MUST be maintained at the local office address listed in the CDBG Agreement for immediate monitoring review and/or audits. CDD staff will not travel to national offices for this purpose.

5. They must be reasonable and comparable to the expenditures paid by the Agency or other Agencies providing similar services.
6. They must be expended against the authorized line items in each category contained in the executed contract budget that has been approved by the City.
7. They must be thoroughly documented, and the net expenditures must reflect all applicable credits to the Agency, such as purchase discounts, rebates, and allowances, receipts from the sale of publications or materials, and any other types of income or credits.
8. They must comply with the written policies of the Agency, as approved by its governing body, in regard to the employment, salaries and wage rates, working hours, holidays, fringe benefits, vacation and sick leave privileges, military leave, jury duty, travel, and other personnel matters as stated in the detailed budget forms in the executed Agreement. If a unique payment is made for an employee, agency shall document and explain clearly how it relates to the project, how the Agency policies support the payment and what funding source would normally pay this item. Example: Fringe Payment made to an Agency other than an insurance company or other fringe provider.
9. Agency is to keep in mind that the expenditure must be for direct services to the project or client. **TEST:** Is the expense paid as part of Agency operating expenditures, if CDBG funding were not available? If it is, then this would be considered too high a level for indirect or direct cost and would be ineligible.

b. Ineligible Expenditures

Anticipated expenditures that do not clearly meet the eligibility requirements stated above are ineligible for reimbursement. Any of these expenditures submitted for payment will be disallowed and cannot be resubmitted. Ineligible costs include, but are not limited to the following:

1. Bad Debts  
Loss resulting from uncollectible accounts or claims.
2. Commingling of Funds  
Expenditures related to services funded by sources other than CDBG or ESG funds are ineligible, if they are charged against the CDBG or ESG funds.
  - a. For Agencies who operate many programs, or have more than one funding source, the Agency shall allocate expenditures to the various programs or funding sources according to an approved Cost Allocation Plan.
  - b. The costs should be allocated on the basis most appropriate and feasible under the circumstances. Examples: include number of hours spent, number of employees, or square footage utilized for the project.
  - c. The Agency shall maintain proper documentation related to the allocation of expenses (i.e., time cards, time summaries, square footage measurements, etc...).
3. Contingency Funds  
The transfer or contribution of funds to a contingency reserve, or similar provisions for meeting future unforeseen expenses.
4. Fund Raising  
Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses paid to raise capital or obtain contributions for the project

and/or Agency, regardless of the purpose for which the funds shall be used. In addition, expenditures to solicit contributions or donations for the project and/or Agency, including salary expenses.

5. Contributions and Donations

Cash or in-kind contributions or donations to any Agency or cause.

6. Entertainment/Agency Events

Expenditures for social activities, amusement, entertainment, and general Agency events (i.e., space rentals, flyers/brochures, staff time/salaries, lodging, meals, refreshments, beverages, and gratuities). Examples of such events include, but are not limited to, Agency fundraising events, groundbreaking events, open house events, Agency staff meetings or staff development meeting/retreats, and staff/client birthday or other parties.

7. Fines and Penalties

Expenditures to pay fines or penalties resulting from violations or noncompliance with Federal, State, or local laws, rules, or regulations.

8. Late Fees and Interest

Late fees and interest charged by vendors for invoices paid after the due date and/or fees associated with returned checks. Also credit card interest or fees cannot be paid using CDBG funds.

9. Interest and Professional Fees

Interest on any type of loan, bond discounts, financing and refinancing fees, and legal/professional fees related thereto.

10. Membership Fees/Subscriptions

Fees for membership in any organization that is substantially involved in advocacy, lobbying and other activities which are intended to influence legislation at the Federal, State, or local levels, as well as fees for membership for which the purpose does not support the scope of work/scope of services of the executed Agreement. Any memberships or subscriptions that are not directly associated with the clients in the project or project completion.

11. Meeting Attendance Fees

Fees and/or salaries claimed for attending meetings that are not open to attendees on a non-segregated basis. In addition, fees and/or salaries for attending workshops and/or training sessions that do not support the scope of work/scope of services of the executed Agreement; or are attended by personnel not budgeted under the executed Agreement or are attended by project volunteers.

12. Training/Conference Expenses

Training/conference expenses and/or salaries that do not clearly support the scope of services/scope of work of the executed Agreement.

13. Out of Area Training

Expenditures for travel outside the San Diego metropolitan area for administrative and/or project staff to attend training activities or conferences.

14. Credit Cards

Credit Cards, business or personal, cannot be used to purchase materials or services to be reimbursed by CDBG. Many credit cards have points, mileage, percent reductions on purchases or other bonuses for use of the card. All of these benefits are considered program income and would have to be returned to CDBG. It would be difficult to measure and detail the program income received in relation to the CDBG eligible expenditure claimed, therefore, the use of the credit cards is ineligible.

15. Gift Certificates/Cash Awards

Gift Certificates and/or cash awards given to clients and/or staff, including cash payments to staff for compensatory time earned or bonus payments to employees, subcontractors or consultants. NOTE: Any project-related gift certificates must be approved in the executed Agreement, inventoried and detailed documents of how they are used for the clientele are required monthly to be submitted with the RFR submittal packet.

16. Deposits

Deposits for rent, equipment, utilities or other Agency expenditures are not allowed. Expenditures to pay for a past deposit for rent, equipment, or any other items are not eligible.

17. General Expenses

General expenses for carrying out the non-project-related functions of the Agency or expenses unrelated to the direct scope of work/scope of services.

18. Purchases Paid with Personal Accounts

Expenses paid by Agency personnel utilizing personal cash, personal checking accounts and/or personal credit cards.

19. Services for Other City Departments/Agencies

Expenses for performing services for any other City department, or governmental, nonprofit, or private Agency during the current executed Agreement period or any previously executed Agreement period.

20. Costs for Goods or Services

Costs for goods or services not incurred within the executed Agreement period. (Incurred expenses are defined as those expenses that have actually occurred and may or may not have been paid.) Expenditures incurred prior to the start date and/or after the end date listed in the executed Agreement between the City and the Agency are not eligible.

21. Mortgage Payments and Property Taxes

Mortgage payments and property taxes are not eligible expenditures. CDBG funds can only reimburse rent or lease payments to property owners.

22. Automobile Purchase

An automobile purchase is not an eligible expenditure.

23. Accrued Vacation and Sick Leave

If applicable, Agencies must track accrued vacation and sick leave during the Agreement period for each CDBG -funded staff. This record must be included with the reimbursement request, when utilized and claimed to CDBG. CDBG funds will not be reimbursed for any vacation time, sick leave, pay-in-lieu or other labor-related cash distributions not accrued during the Agreement period when terminating the CDBG -funded employee and/or when the CDBG -funded employee submits it on their labor card/time sheet.

24. File Storage Fees

Fees to store project files. Compliance with records retention requirements is an administrative responsibility of Agencies expending CDBG funds.

25. Monthly Parking Fees

Monthly parking fees paid for/by Agency staff for place of employment.

26. Any expenditure not approved as part of the executed Agreement and not clearly explained in the budget justification will be disallowed and the reimbursement amount will be reduced to reflect this disallowance.

## **IX. ATTACHMENTS**

**ATTACHMENT – LOW/MODERATE INCOME PERSONS NATIONAL OBJECTIVE**

**ATTACHMENT – GEOGRAPHIC TARGETING MAP**



### LOW/MODERATE INCOME PERSONS NATIONAL OBJECTIVE

January 4, 2016

Any CDBG project funded by The City of San Diego must meet the CDBG Program's National Objective of benefiting Low/Moderate Income Persons (LMI). The Low/Moderate Income Limited Clientele (LMC) is a subset of the LMI National Objective used for activities which provide benefits to a specific group of persons rather than everyone in a particular area. The Department of Housing and Urban Development (HUD) has defined two methods to meet LMC:

- 1) Presumed Low Income Clientele
- 2) Direct Benefit to Low Income Persons

#### **Presumed Low Income Clientele**

To meet the Presumed Low Income Clientele category, an applicant must fully describe how the proposed activity will serve a population from the following predefined list from HUD:

PRESUMED CATEGORY
Abused Children
Battered Spouses
Elderly Persons (62 and over)
Severely Disabled Adults*
Homeless Persons
Illiterate Adults
Persons Living with AIDS
Migrant Farm Workers

*NOTE: This recognition only applies to projects reporting LMC. Further, the presumed category is NOT eligible to be utilized for economic development projects (e.g. microenterprise assistance projects) or projects providing assistance to households (e.g. Housing Rehabilitation and Direct Financial Assistance to Homebuyers).*

#### **\*U.S. Census Bureau Definition of Severely Disabled –**

An individual is considered severely disabled if he or she:

- Uses a wheelchair or another special aid for 6 months or longer;
- Is unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking);
- Needs assistance with activities of daily living (getting around inside the home, getting in or out of bed or chair, bathing, dressing, eating and toileting) or instrumental activities of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone);
- Is prevented from working at a job or doing housework; or
- Has a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation.





### **Direct Benefit to Low Income Persons**

To meet the Direct Benefit to Low Income Persons category, an applicant must fully describe how they will document the income status of beneficiaries to ensure that at least 51% of the clientele are persons whose household income is in compliance with the current HUD LMI income limits. This requirement applies to activities that are restricted to exclusively to L/M income persons as well. The following table outlines the current applicable income limits for the City of San Diego's CDBG Program:

### **HUD INCOME LIMITS\* FOR CITY OF SAN DIEGO (Effective 03-06-15)**

HOUSEHOLD 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 - \$17,050	\$17,051 - \$28,350	\$28,351 - \$45,400
2	\$0 - \$19,450	\$19,451 - \$32,400	\$32,401 - \$51,850
3	\$0 - \$21,900	\$21,901 - \$36,450	\$36,451 - \$58,350
4	\$0 - \$24,300	\$24,301 - \$40,500	\$40,501 - \$64,800
5	\$0 - \$28,410	\$28,411 - \$43,750	\$43,751 - \$70,000
6	\$0 - \$32,570	\$32,571 - \$47,000	\$47,001 - \$75,200
7	\$0 - \$36,730	\$36,731 - \$50,250	\$50,251 - \$80,400
8	\$0 - \$40,890	\$40,891 - \$53,500	\$53,501 - \$85,550

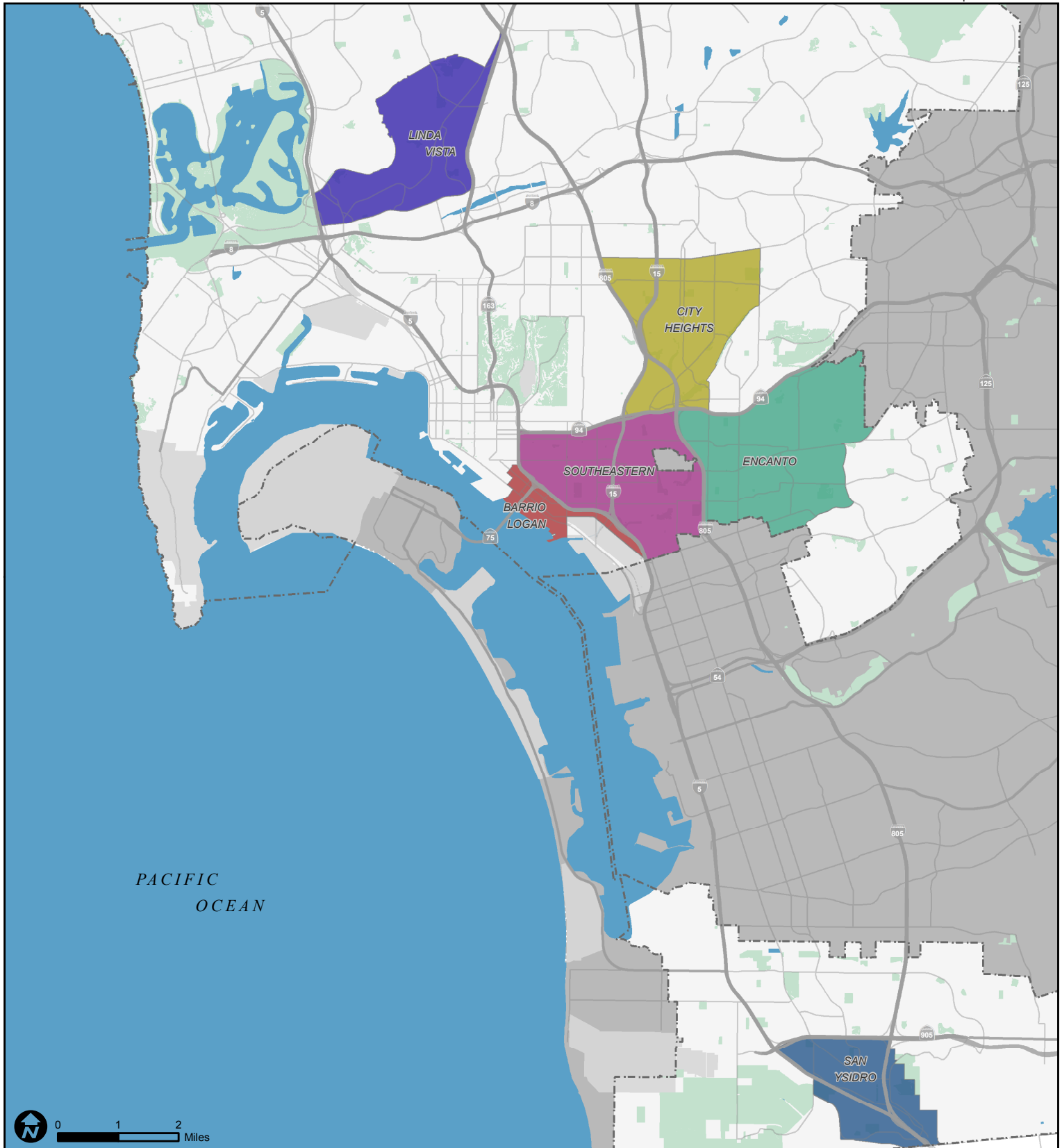
*\*Income limits are set by HUD and are subject to change. The income limits listed above are the most current as of the printing of this handout.*



# Draft: HUD Programs - CDBG

## Recommended Geography for Geographic Targeting

Last updated: 4/16/2015



### Legend

- |              |              |                            |
|--------------|--------------|----------------------------|
| Barrio Logan | Linda Vista  | City of San Diego          |
| City Heights | San Ysidro   | Active Parks / Open Spaces |
| Encanto      | Southeastern | Military Facilities        |



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