



THE CITY OF SAN DIEGO

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

**FY 2016
REQUEST FOR PROPOSALS (RFP)
HANDBOOK**

**Economic Development Department
HUD Programs Administration
January 2015**

[Page Intentionally Left Blank]

TABLE OF CONTENTS

I.	Introduction	2
II.	GENERAL INFORMATION	2
III.	RFP PROCESS AND RELATED REQUIREMENTS	6
IV.	RFP CRITERIA FOR REVIEW	8
V.	FY 2016 RFP PROCESS SCHEDULE	9
VI.	INFORMATION SPECIFIC TO PROJECT CATEGORIES FOR THE RFP PROCESS	10
VII.	RFP SECTIONS	13
VIII.	COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS	17
IX.	INFORMATION SPECIFIC FOR THE AGREEMENT EXECUTION PROCESS	19

[Page Intentionally Left Blank]

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 2016. This handbook provides a general overview of this process and applicable requirements and is for informational purposes only. It is not intended to be a full disclosure of all applicable federal, state and/or local rules, regulations, procedures and/or reporting requirements.

The CDBG Entitlement Communities Program provides federal assistance from the U.S. Department of Housing and Urban Development (HUD) to nearly 1,000 of the largest localities in the country. The statutory primary objective of the CDBG Program is the development of viable urban communities, principally for low to moderate income persons (LMI), 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 2016 entitlement estimates have not been released to date. A total of \$10,978,461 in CDBG funding was awarded to the City for FY 2015. The estimated budget that will be utilized for the FY 2016 RFP process will be \$10,429,538, which represents a 5% reduction from the FY 2015 CDBG Entitlement amount of \$10,978,461.

Please note that the 15% of CDBG funds designated for Public Service projects will be reduced as outlined in Resolution No. 2013-129, adopted by the City Council on September 25, 2012. Per said action, paragraph 16 of City Council Policy 700-02 was waived for specific homeless services programs, which are anticipated to receive Public Services funding in an amount not to exceed \$1,318,078.

Additional allocations will also be designated for Community/Economic Development projects and Capital Improvement projects per the City of San Diego's FY 2015 - FY 2019 Consolidated Plan (ConPlan). Up to 10% of the annual CDBG entitlement funds will be designated for Community/Economic Development projects. Up to 55% of annual entitlement funds will be designated for Capital Improvement Projects. A portion of these funds (up to 60%) will be allocated to City infrastructure projects to support neighborhood safety and improved livability such as sidewalks, streetlights, and other community enhancements. The other portion (up to 40%) will be allocated through the RFP process to improve non-profit facilities as well as to fund housing rehabilitation programs.

As a result, the estimated budgets for the FY 2016 CDBG RFP Process are as follows:

- 1) \$246,353 for Public Services projects;
- 2) \$1,042,954 for Community/Economic Development projects; and
- 3) \$2,294,498 for Nonprofit Capital Improvement Projects.

For FY 2016, CDBG funding recommendations will be based on a two-phase application process: Request for Qualifications (RFQ) and Request for Proposals (RFP). All FY 2016 CDBG Applicants must successfully complete both phases, in order to be considered for FY 2016 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 2014. Notifications were sent on to participating agencies that confirmed whether they were deemed **eligible** or **ineligible** to participate in the FY2016 RFP process.

A total of 59 agencies that submitted RFQ packets, but one (1) withdrew during the RFQ process. The remaining 58 agencies were deemed eligible to participate in the City of San Diego's FY 2016 RFP process.

A RFP will be deemed **eligible** if all federal requirements are addressed and the RFP submittal packet is **complete** in accordance with the HUD Programs Administration requirements.

Each proposed CDBG project **must**:

- (1) Target one of the Goals listed in the City of San Diego's FY 2016-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.

The party authorized to do so on behalf of the applicant Agency must sign and date all of the certifications.

Mandatory FY 2016 CDBG RFP Workshops

All Qualified CDBG applicants are required to attend ONE session of the Mandatory FY 2016 CDBG RFP Workshops. There will be workshops specific to Public Services and Community/Economic Development projects and workshops specific to NCIP projects. Applicant personnel must attend the workshop that is specific to each proposed project type, in order to meet this requirement. **If an applicant intends on submitting multiple RFPs for different CDBG project categories, then attendance at each project category workshop is required.**

In order to accommodate all applicants, participation will be limited to **4 attendees per applicant** for each project category RFP workshop. 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 and provide the proposed project name and agency affiliation. Confirmation of mandatory attendance will be based on the sign-in sheets. Workshops will start promptly at the times listed. All agencies must submit an RSVP confirmation to the HUD Programs Administration's e-mail (CDBG@sandiego.gov) and provide the following information prior to the applicable workshop session:

- a) Applicant Agency name;
- b) Name of the project that will be listed on the RFP;
- c) Workshop category (PS; CED; NCIP)
- d) Workshop date; and
- e) Name and title of each attendee.

The workshop information is as follow:

Public Services Projects AND Community/Economic Development Projects:

<i>Room Location</i>	<i>Date</i>	<i>Sign-In</i>	<i>Workshop</i>
Auditorium	Tuesday, January 6, 2015	9:00 AM – 9:30 AM	9:30 AM – 11:30 AM
Auditorium	Friday, January 16, 2015	9:00 AM – 9:30 AM	9:30 AM – 11:30 AM

Nonprofit Capital Improvement Projects (NCIPs):

<i>Room Location</i>	<i>Date</i>	<i>Sign-In</i>	<i>Workshop</i>
Auditorium	Tuesday, January 7, 2015	9:00 AM – 9:30 AM	9:30 AM – 11:30 AM
Room 3	Thursday, January 15, 2015	9:00 AM – 9:30 AM	9:30 AM – 11:30 AM

Location:

**All workshops will be held at: War Memorial Building (Balboa Park)
3325 Zoo Drive
San Diego, CA 92101**

FY 2016 CDBG RFP Submittals

A complete RFP submittal includes the following (single-sided):

- One (1) complete original, signed RFP Submittal Checklist;
- One (1) complete original copy of the RFP within designated Page Lengths; AND
- One (1) copy of required Fiscal Documents, Certifications, Agency Documents, and Project-Specific Requirements listed in the RFP Submittal Checklist, as applicable (those requiring signatures must include original signatures).

As an option (not required of any applicant), your agency's RFP submittal may also include:

- No more than to two (2) letters of support for the project containing original signatures (single-sided).

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

In order to expedite the RFP process, each submittal must:

1. Use 8.5" X 11" paper and print using the Portrait orientation setting, single-sided.
2. The font used must be Calibri size 11, and line spacing must be single. The RFP form is formatted to abide by these specifications – DO NOT CHANGE.
3. The RFP contains maximum page lengths based on Scoring Criteria Sections. These limits are inclusive of RFP questions. **[NOTE: Any pages beyond the limit will not be forwarded to the Consolidated Plan Advisory Board for review.]**
4. Do not use binders, folders or similar products to submit the RFQ and supporting documentation.
5. Do not 3-hole punch the RFP form and/or any of the RFP supporting documents.
6. Do not staple any RFP sections and/or supporting documentation.
7. Do not use paper clips and/or binder clips to separate RFP materials/documents from one another.
8. The materials should be packaged in the order listed on the RFP Submittal Checklist.

Place the complete RFP submittal package in a 10 x 13 envelope with your organization's name and address it. Submit the envelope package to:

Liza Fune
ATTN: FY 2016 CDBG RFP Submittal
City of San Diego, HUD Programs Administration
1200 Third Avenue, Suite 1400
San Diego, CA 92101

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

The RFP submittal packet must be received by the HUD Programs Administration Office on or before 3:00 PM, January 26, 2015. Late submittals will not be considered.

Pre-Award Costs

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 2016 CDBG Agreement with the City of San Diego.

III. RFP PROCESS AND RELATED REQUIREMENTS

The City of San Diego's FY 2016 CDBG RFP is made available to the public on Monday, January 5, 2015. Four separate RFPs were issued as follows:

- 1) Public Services;
- 2) Community/Economic Development;
- 3) Nonprofit Capital Improvement Projects – Public Facilities/Improvements; and
- 4) Nonprofit Capital Improvement Projects – Housing Rehabilitation.

Complete RFP submittal packets must be received by the HUD Programs Administration Office on or before 3:00 PM, January 26, 2015 in order to be considered. All RFP submittals will be tracked by date and time. Late applications will not be considered.

TECHNICAL ASSISTANCE AND QUESTIONS

All questions related to the RFP submittal packet need to be submitted in writing no later than January 22, 2015 and must be e-mailed to 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:

- a) Applicant Agency name;
- b) Name and title of agency staff to attend the meeting; and
- c) Topic of the question:
 - (1) Project Specifics and Eligibility;
 - (2) Budget;
 - (3) General Administration; and/or
 - (4) Other (Specify).
- d) Listing of question(s).

The HUD Programs Administration 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 12, 2015 and Wednesday, January 21, 2015. However, questions will be accepted **until Thursday, January 22, 2015 at 5 PM**, with a written response provided by January 23, 2015.

A 30-minute One-on-One Technical Assistance meeting may be requested by sending an e-mail to 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, between the period of January 8-23, 2015. Please note that this service **will not be offered** on January 19, 2015 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:

- a) Applicant Agency name;
- b) Name and title of agency staff to attend the meeting; and
- c) Identify whether the questions are regarding:
 - (1) Project Specifics and Eligibility;
 - (2) Budget;
 - (3) General Administration; and/or
 - (4) Other (Specify).

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

HUD PROGRAMS ADMINISTRATION RFP REVIEW

HUD Programs Administration staff will review all RFP submittal packets received by the designated deadline for completeness and eligibility. Applicants will automatically be deemed ineligible for FY 2016 CDBG funding consideration if the following is determined: 1) the RFP packet was received after the designated submittal deadline; or 2) the applicant was not determined to be Qualified to participate in the FY 2016 CDBG RFQ process. These RFP submittal packets will not be reviewed. Written notifications will immediately be sent to applicants regarding ineligibility determinations.

It is anticipated that on February 9, 2015, 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 forwarded 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 packet submitted.

Upon conclusion of this staff review process, HUD Programs Administration staff will forward a copy of all applicable FY 2016 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.

RFP REVIEW PROCESS: *Consolidated Plan Advisory Board Review and Recommendation to City Council, City Council Approval, and Execution of FY 2016 CDBG Agreements*

Each Consolidated Plan Advisory Board (CPAB) member will review and score the eligible FY 2016 CDBG RFPs received. Three (3) Ad Hoc Committees will be convened for general discussion on the RFPs being reviewed.

Upon completion of their RFP reviews, each CPAB member will submit their resulting individual scores to the HUD Programs Administration Office. Each application's score will be averaged and ranked from highest to lowest for each category : 1) Public Service projects; 2) Community/Economic Development projects; and 3) Nonprofit Capital Improvement Projects (Public Facilities/Improvements; Housing Rehabilitation Projects; Housing Rehabilitation Programs). Once compiled, these scores will be posted on the CDBG Program website (prior to the CPAB public meetings described below).

During CPAB's regularly scheduled meeting on March 11, 2015, 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. **Public comments will be welcomed at these meetings. Note the time and locations of these meetings have yet to be determined. Pertinent information 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 HUD Programs Administration office at 619-236-6322 as far in advance of the meeting as possible.

Upon acceptance and confirmation of all final RFP application scores and funding recommendations, the Board will present the funding recommendations to the City Council for their consideration and approval of FY 2016 CDBG funding allocations during a public hearing.

This Council Action will be followed by subsequent public hearings to complete the City's FY 2016 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 2016 CDBG entitlement. The Annual Action Plan must be submitted to HUD on or before May 15, 2015.

Concurrent to the Annual Action Plan process, the HUD Programs Administration will conduct mandatory pre-contract meetings with applicants awarded with FY 2016 CDBG funding to complete the FY 2016 CDBG Agreement Execution process. Agencies will be required to ensure required insurance documents are submitted to HUD Program Administration in May 2015, to ensure agreements can be executed by July 1, 2015.

IV. RFP CRITERIA FOR REVIEW

All RFPs deemed eligible for funding will be reviewed and scored by the [Consolidated Plan Advisory Board](#) (CPAB). The CPAB scoring will be the basis for the Board's recommendation to the City Council for funding. The Review and Scoring Criteria was developed and approved by CPAB meetings and presented to the City Council Committee on Public Safety and Livable Neighborhoods (PS&LN) on October 29, 2014.

V. FY 2016 RFP PROCESS SCHEDULE

01/05/15	FY 2016 CDBG RFP released
01/06/15	Mandatory FY 2016 CDBG RFP Workshop – Public Services & Community/Economic Development Projects
01/07/15	Mandatory FY 2016 CDBG RFP Workshop – Nonprofit Capital Improvement Projects (NCIP)
01/08/15-01/23/15	One-on-One Technical Assistance Meetings
01/15/15	Mandatory FY 2016 CDBG RFP Workshop – Nonprofit Capital Improvement Projects (NCIP)
01/16/15	Mandatory FY 2016 CDBG RFP Workshop – Public Services & Community/Economic Development Projects
01/26/15	FY 2016 CDBG RFP due to HUD Programs Office on or before 3:00 PM
01/27/15-02/04/15	HUD Programs Administration Staff RFP Review
02/05/15	FY 2016 CDBG RFP Binders distributed to each Consolidated Plan Advisory Board (CPAB) member for review and scoring
02/09/15	Applicable agencies are notified of final eligibility determination based on HUD Programs Administration staff review of RFP materials
02/11/15-02/27/15	CPAB Ad Hoc Meetings
03/02/15	CPAB FY 2016 CDBG RFP scoring results submitted to HUD Programs Office
03/11/15	CPAB Meeting <ul style="list-style-type: none"> • FY 2016 CDBG RFP scores approved and funding recommendations approved to be forwarded to City Council for approval
03/23/15 OR 03/24/15	FY 2016 CDBG funding recommendations presented to City Council for approval
LATE MARCH 2015	Public Notice – Draft City of San Diego FY 2016 Annual Action Plan available for review and public comment period <ul style="list-style-type: none"> • HUD Programs Administration Office (website, E-mail, on-site) • HUD Programs Administration Contact List • Survey Monkey
EARLY APRIL 2015	Draft City of San Diego FY 2016-FY 2019 Consolidated Plan and FY 2016 Annual Action Plan is completed and released for required 30-day public review period
EARLY APRIL 2015	Draft City of San Diego FY 2016 Annual Action Plan presented at Consolidated Plan Advisory Board Meeting, as part of outreach during Public Review period
04/15/15	Draft City of San Diego FY 2016-FY 2019 Consolidated Plan and FY 2016 Annual Action Plan presented to Public Safety and Livable Neighborhoods (PS&LN) Committee, as part of outreach during Public Review period

04/27/15 or 04/28/15	Draft City of San Diego FY 2016 Annual Action Plan presented to City Council for consideration and adoption
05/15/15	Deadline for submission of the City of San Diego FY 2016 Annual Action Plan (hard copies) to HUD

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) for timely updates.

VI. INFORMATION SPECIFIC TO PROJECT CATEGORIES FOR THE RFP PROCESS

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

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

- 1) Assistance provided with CDBG funds is limited to City of San Diego residents.
- 2) No allocation of CDBG funds less than \$50,000 will be made to Public Service projects.
- 3) Direct cash payment to individual clients is not an eligible project activity.

b) Community/Economic Development Projects. These primarily include microenterprise assistance (technical assistance and general business support) and direct homeownership assistance programs. These may also include assistance provided to businesses and organizations. Applicants shall consider the following with regard to the project activities described in the RFP:

- 1) Assistance provided with CDBG funds is limited to City of San Diego residents and/or businesses located in the City of San Diego.
- 2) No allocation of CDBG funds will be made to Community and Economic Development projects of less than \$50,000.
- 3) Direct cash payment to individual clients is not an eligible project activity.
- 4) Funding for code enforcement activities may only be requested by City Departments.
- 5) For Direct Homeownership Assistance activities, projects will be required to document that 100% of the households assisted are LMI households (household income verification is required, since presumed LMI reporting does not apply for housing projects).
- 6) 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.** Funding requests for such activities must be submitted under the Public Services category.
- 7) For Microenterprise Assistance, 100% of the clients assisted must be LMI persons (client income verification is required, since presumed LMI reporting does not apply for microenterprise assistance projects).
- 8) It is highly recommended that agencies that are new applicants under the Community/Economic Development category schedule One-on-One Technical Assistance with HUD Programs Administration during the designated period.

- c) **Nonprofit Capital Improvement Projects (NCIP) – Public Facilities/Improvements:** These generally refer to projects that would result in improvements to public facilities/infrastructures. Applicants shall consider the following with regard to the project activities described in the RFP:
- 1) Project sites must be located in the City of San Diego and serve City of San Diego Residents.
 - 2) No allocation of CDBG funds of less than \$100,000 will be made to CIPs.
 - 3) 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.
 - 4) 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.
 - 5) Funding for design and plan development are not allowable and may not be included in the description of project activities to be conducted.
 - 6) 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.
 - 7) Applicants will be required to confirm project site control at the time of RFP submittal through a period of not less than 5 years from the date of proposed project completion with written authorization from the property owner.
 - 8) 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).
 - 9) 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.
 - 10) [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.]
 - 11) HUD rules prohibit contractors involved in developing and drafting specifications, requirements, statements of work, invitations to bid, or request for proposals from competing for such procurements. As such, **contractors assisting RFP Applicants in the development of the project descriptions/scope of work described in the FY 2016 CDBG RFP will be prohibited from submitting a bid to complete project activities should the project be approved for FY 2016 CDBG funding.**
 - 12) Federal regulations require that all facilities and/or services assisted with CDBG funds be accessible to the disabled. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, top of toilet seats that meet required height from the floor, drain lines under lavatory sink either wrapped or insulated, space for wheelchair maneuverability, accessible water fountains, access between floors (elevators, ramps, lifts), and other improvements needed to assure full access to funded facilities/programs, including serving the blind and deaf. Applicants will need to confirm whether proposed project sites meets federal standards for accessibility by the disabled. **NOTE: The project site must first be fully ADA-compliant before other construction activities can be implemented with CDBG funding. ADA upgrade needs may be included in the description of project activities to be conducted.**

- d) Nonprofit Capital Improvement Projects (NCIP) – Housing Rehabilitation:** These generally refer to projects that would result in completion of housing rehabilitation improvements to single housing units and/or multi-unit housing unit. Applicants shall consider the following with regard to the project activities described in the RFP:
- 1) Project sites must be located in the City of San Diego and serve City of San Diego Residents.
 - 2) No allocation of CDBG funds of less than \$100,000 will be made to NCIPs.
 - 3) 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.
 - 4) Funding for design and plan development are not allowable and may not be included in the description of project activities to be conducted.
 - 5) 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.
 - 6) For Housing Rehabilitation Projects, applicants will be required to confirm project site control at the time of RFP submittal through a period of not less than 5 years from the date of proposed project completion with written authorization from the property owner.
 - 7) 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).
 - 8) Applicants will be required to provide environmental assessments, accessibility surveys, inspection reports, historic resources surveys and/or hazardous materials surveys conducted on proposed project sites (facilities/structures/housing units) prior to submittal of the RFP.
 - 9) 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.
 - 10) [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.]**
 - 11) HUD rules prohibit contractors involved in developing and drafting specifications, requirements statements of work, invitations to bid, or request for proposals from competing for such procurements. As such, **contractors assisting RFP Applicants in the development of the project descriptions/scope of work described in the FY 2016 CDBG RFP will be prohibited from submitting a bid to complete project activities should the project be approved for FY 2016 CDBG funding.**
 - 12) Federal regulations require that all facilities and/or services assisted with CDBG funds be accessible to the disabled. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, top of toilet seats that meet required height from the floor, drain lines under lavatory sink either wrapped or insulated, space for wheelchair maneuverability, accessible water fountains, access between floors (elevators, ramps, lifts), and other improvements needed to assure full access to funded facilities/programs, including serving the blind and deaf. Applicants will need to confirm whether proposed project sites meets federal standards for accessibility by the disabled. **NOTE: The project site must first be fully ADA-compliant before other**

construction activities can be implemented with CDBG funding. ADA upgrade needs may be included in the description of project activities to be conducted.

- 13) Housing Rehabilitation projects will be required to document that 100% of the households assisted are LMI households (household income verification is required, since presumed LMI reporting does not apply for housing projects).

Project Completion

Public Services & Community/Economic Development Projects

- 1) All proposed services must be completed and project beneficiaries documented (National Objective met) by June 30, 2016. It is anticipated that FY 2016 CDBG Agreements will be executed on or prior to July 1, 2015 and work must proceed immediately thereafter.
- 2) The proposed funding requested must represent the amount needed to complete the project on or before June 30, 2016. It is anticipated that FY 2016 CDBG Agreements will be executed on or prior to July 1, 2015, and project activities must begin immediately thereafter.

Nonprofit Capital Improvement Projects – Public Facilities/Improvements & Housing Rehabilitation.

- 1) The proposed funding requested will be required to represent the amount needed to complete the project and document project beneficiaries (National Objective met) on or before December 31, 2016.
- 2) The proposed scope of work must be completed within 18 months of the start of FY 2016 (July 1, 2015).

NOTE: Projects are considered completed when all required closeout reports are approved by HUD Programs Administration staff and project beneficiaries (National Objective met) have been confirmed.

VII. RFP SECTIONS

The RFP form is formatted to allow applicants to add text and/or bullet points in text boxes that state “Type response here.” Further, the font used must be Calibri size 11 and line spacing must be single-spaced. The RFP form is formatted to abide by these specifications – DO NOT CHANGE.

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 2016 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. Critical Needs Addressed

Provide the information requested in each of the sub-sections, as it relates to the CDBG portion of the project.

c. Confirmation of a New Service or Expansion/Improvement of Existing Services (PS/CED)

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 funded by the City of San Diego CDBG Program in FY 2015.

Existing Service Definition: An existing service would be one that was funded by the City of San Diego CDBG Program in FY 2015. 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 milk or juice to meals); and c) a reduction to the cost per client for same level of service provided. For applicants that received FY 2015 CDBG funding for the same project that is being proposed for FY 2016, ensure that all clients/households to be served in FY 2016 are proportional to the level of service your are currently providing to document quantifiable increases. For example, if the FY 2015 was to serve 100 clients and the project is projected to serve 200 clients by the end of FY 2015, the proposed FY 2016 total to be served should represent a quantifiable increase from the 200 clients anticipated to be served.

Confirmation of a New Public Facility/Improvement of Existing Public Facility (NCIP-PF&I)

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.

Confirmation of a Results (NCIP-HR)

Provide the information requested. As outlined in the City of San Diego's FY 2015-2019 Consolidated Plan, housing stabilization includes housing rehabilitation activities such as emergency repairs, public health and safety issues, weatherization, and energy efficiency improvements.

d. 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.

e. Project Benefit to Low and Moderate-Income Clients (PS)

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 2016 one-year period, regardless of the quantity of services provided. Make sure your totals are accurate.

Project Benefit to Low and Moderate-Income Clients (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 table, "unduplicated" refers to counting the LMI household served by the project once during the FY 2016 one-year period, regardless of the quantity of services provided. For Direct Homeownership Assistance activities, the number of households listed should represent those that will be receiving direct financial assistance services that will result in successful homeownership. For all Community Development projects, "N/A" should be listed for the second table.

For Microenterprise Assistance activities, " N/A" should be listed for the first table. On the second table, "unduplicated" refers to counting the total number of new businesses that will be established and the total number of existing businesses that will be expanding once during the FY 2016 one-year period.

Project Benefit to Low and Moderate-Income Clients (NCIP-PF&I)

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.

1. Ensure that the total number of unduplicated City of San Diego individuals listed represent the anticipated total number that will be reported as having access to the improved facility/property no later than 60 days after completion of construction. Ensure that the totals listed represent what your project can realistically accomplish by period ending December 31, 2016.
2. Examples of distinct improvements include: a) improvements made to specific facility areas (i.e. classroom space; bathrooms; community room, reception area, parking lot, path of travel); and b) types of improvements, if no specific facility areas (i.e. replacement of flooring throughout entire facility, replacement of windows throughout entire facility; replacement of HVAC for facility).

Project Benefit to Low and Moderate-Income Households (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/scope of services, should the project be approved for funding. Ensure that the total number of unduplicated City of San Diego LMI households listed represent the anticipated total number that will be reported as having access to the improved facility/property no later than 60 days after completion of construction. Ensure that the totals listed represent what your project can realistically accomplish by period ending December 31, 2016. [NOTE: Income verification of each household LMI status will be required to be obtained and maintained by the project, if approved for funding.

2. ORGANIZATIONAL CAPACITY

Provide the information requested. Applicants must describe their experience in successfully implementing similar projects and should provide a highlight of past accomplishments. For the first table, if applicable, provide information on the CDBG CIP project your agency received FY 2015 CDBG funding for. If not applicable, list "N/A" for each row. For the second table, indicate whether your agency has any other open City of San Diego CDBG project (i.e. projects that have not been able to be closed by the HUD Programs Administration on or prior to the RFP submittal deadline (January 26, 2015), 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 ("No" is checked), list "N/A" in the narrative section.

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 2016 CDBG RFP.

4. PROJECT BENEFITS TO HIGH-NEED AREAS AND/OR POPULATIONS

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 HPA Office is currently working on a Geographic Targeting initiative that will help applicant agencies identify high need areas and populations based on a number of indicators. This work is still ongoing and will be presented at future CPAB meetings.

5. PROJECT SPECIFICS

PS/CED Projects: List each type of service to be provided separately and include each requested detailed information. The information listed should represent only the proposed CDBG-funded portion of your agency's overall project. The services listed should correlate the information listed in 1.a. Ensure explanation and justification for the total amount of CDBG funds requested 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 2016). Include information on any fees that will be charged to clients served by the proposed project. [NOTE: A maximum of two (2) points will be recommended by HPA 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 month. Ensure the required activities referenced are included Anticipated Cumulative Total Number of Unduplicated Clients that will be served should be included, as applicable, for each of the listed month.

NCIP-PF&I 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 HPA 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 HPA 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 month. In addition to the referenced milestones listed as a minimum, others include: a) completion of bidding process; b) execution of contractor and subcontractor agreements; c) Pre-Construction Meeting conducted; d) start of construction; e) completion of construction; and f) client access to improved facility/property.

NCIP-HR 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 HPA 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 HPA 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 month. In addition to the referenced milestones listed as a minimum, others include: a) completion of bidding process; b) execution of contractor and subcontractor agreements; c) Pre-Construction Meeting conducted; d) start of construction; e) completion of construction; and f) client access to improved facility/property.

VIII. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

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

- [24 CFR Part 570, as amended](#) - The regulations governing the Community Development Block Grant Program.
- [Fair Housing Act](#) - Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

- 24 CFR Part 1 and 6, Public Law 90-284, Fair Housing Act - The regulations issued following Title VI of the 1964 Civil Rights Act (as amended by Executive Orders 11246, 11375, and 12086) and Section 109 of the 1975 Housing and Community Development Act that prohibits discrimination in HUD programs based on sex, race, color, national origin, and religion. Further, applicable programs and activities must be administered in such a manner as to affirmatively further the policies of the Fair Housing Act.
- 24 CFR Part 7 and 41, CFR Part 60 – The regulations on equal employment opportunity without regard to race, sex, color, religion, age, national origin, and disability in federally assisted construction projects.
- ADA Compliance – [Americans with Disabilities Act](#) (42 U.S.C. 12101-12213) and implementing regulations at 28 CFR Part 35.
- [Section 504 of the Rehabilitation Act of 1973](#), 24 CFR Part 40 and 41 - The regulations that set forth policies and procedures for the enforcement of standards and requirements for accessibility to individuals with disabilities. The Architectural Barriers Act of 1968 and the American with Disabilities Act (ADA) provide additional laws on accessibility and civil rights to individuals with disabilities.
- [Age Discrimination Act of 1975](#) (42 U.S.C. 6101) - The regulations that prohibit discrimination on the basis of age.
- [24 CFR Part 135](#) – Regulations outlining requirements of [Section 3](#) of the Housing and Urban Development Act of 1968 providing for economic opportunities for low and very low income local residents. All projects funded with CDBG funds must comply with Section 3 of the Housing and Urban Development Act of 1968, revised, requiring that to the greatest extent feasible opportunities for training and employment be given to low and moderate-income persons residing within the City of San Diego, and that contracts or works in connection with the project be awarded to eligible business concerns which are located in or owned in substantial part by persons residing in the City of San Diego. Special documentation is required for project receiving CDBG funding over \$100,000.
- 29 CFR Part 3 and 5 - The regulations on labor standard provisions that include the payment of prevailing wages on federally assisted projects as mandated by the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act. CFR 24 Part 70 provides information on the use of volunteers.
- [Copeland “Anti-Kickback” Act](#) (18 U.S.C. 874 and 40 U.S.C. 276c) – The regulations on contracts for construction or repair awarded by sub-recipients shall include a provision for compliance with the Copeland “Anti-Kickback” Act.
- [24 CFR Part 58](#) – The regulations prescribing the Environmental Review procedure under the National Environmental Policy Act of 1969.
- National Flood Insurance Act of 1968, 24 CFR Part 55 under Executive Order 11988 – The regulations for proposed projects and properties located in a floodplain.
- [36 CFR Part 800](#) – The regulations outlining the procedures for the protection of historic and cultural properties.

- [Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970](#) – These policies provide for displacement, relocation assistance, and real property acquisition as defined by 42 U.S.C. 4601 (URA) (42 U.S.C. 4601), and implementing regulations issued by the Department of Transportation at 49 CFR Part 24 and Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304d).
- [Residential Lead Based Paint Hazard Reduction Act of 1992](#) - The regulations implemented by 24 CFR Part 35, Subpart B imposes certain requirements on disclosure of lead base paint hazards.
- 24 CFR Part 24 – The regulations that prohibit use of debarred or suspended contractors on federally assisted projects and Drug Free Workplace requirements; issued according to Executive Order 12459.
- 24 CFR Part 84 and [2](#) CFR Part 200 Subpart B – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Non-Profit Organizations. These regulations include the Conflict of Interest provision 24 CFR 84.42 and 570 as it applies to procurement.
- [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 Environmental Quality Act \(CEQA\)](#) - Statutes, guidelines and other information from the State of California on the law governing environmental review.

IX. INFORMATION SPECIFIC FOR THE AGREEMENT EXECUTION PROCESS

Applicants awarded FY 2016 CDBG funding will be required to meet with HUD Programs Administration staff regarding the FY 2016 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 2016 CDBG projects, based on the FY 2016 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 blights nor any urgent needs in accordance with applicable HUD standards and regulations and, as such, projects funded with CDBG moneys within the City must benefit LMI persons. For the RFP process, applicants will be required to select one of the following to demonstrate that the project benefits LMI persons for each RFP submitted:

- Area Benefit Activities. An activity that benefits all residents in a particular area, where at least 51% of the residents are LMI persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but the entire area must be served by the activity. **An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.** CDBG regulations require documentation of area boundaries served.
- Limited Clientele Activities. An activity that benefits a limited clientele, at least 51% of whom are low- or moderate-income persons or benefit a client presumed to be low- or moderate-income persons. Presumed benefit clients are abused children, battered spouses, elderly persons (age 62

years or older), adults meeting the Census Bureau's current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. CDBG regulations require the sub-recipient to document the demographics and income levels of clientele provided such activities.

- Housing Activities. An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, shall be occupied by 51% low- or moderate-income households. CDBG regulations require the sub-recipient to document number of households served, number of units completed and demographics and income level of the household occupying the unit.
- Job Creation or Retention Activities. An activity designed to create or retain permanent jobs, where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of low- or moderate-income persons. CDBG regulations require the sub-recipient to document one of the following: (1) for an activity that creates jobs, the recipient must document that at least 51% of the jobs will be held by, or will be available to, low- or moderate-income persons, and (2) for an activity that retains jobs, the recipient must document that the jobs would have been lost without CDBG assistance and that either both i) the job is known to be held by a low- or moderate-income person or the job can reasonably be expected to turn over within the following two years and ii) that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

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 2016 PERIOD MUST BE SUBMITTED TO THE HUD PROGRAMS ADMINISTRATION OFFICE BY MAY 2015 (A SPECIFIC DATE WILL BE DESIGNATED).

NCIP SITE INSPECTION

A site inspection by HPA staff may be conducted on NCIP Projects with sites identified, prior to the execution of a FY 2016 CDBG Agreement between the City and agencies awarded with FY 2016 CDBG funding.

CDBG BUDGET ITEMS

RFP applicants should note the following for the development of FY 2016 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 cost allocation plan.
2. They must be essential to the proper and efficient performance of the service as required by the 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. HUD Programs Administration (HPA) 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 Agreement project budget that has been approved by the City. Unsupported disbursements shall be disallowed upon review of the RFR for payment.
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, 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 the CDBG funds are ineligible if they are charged against the CDBG 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 as required in the application, Agreement and reimbursement packages.
 - 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 is 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 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. To track this for all agencies is too difficult to measure and detail. 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 for payment.
 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 Agreement period or any previous Agreement period.
 20. Costs for Goods or Services
Costs for goods or services not incurred within the 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. Cell Phone Data Package

Cell phone data packages paid for/by Agency staff.

27. Any expenditure not approved as part of the Agency Agreement and not clearly explained in the expense justification will be disallowed and the reimbursement will be reduced to reflect this expense.