

Community Development Block Grant

FY 2023 – 2024

Application Guide



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Background and Submission Information

The Community Development Block Grant (CDBG) Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for community development and affordable housing activities that benefit low-income households and persons with special needs. The County of San Diego is committed to advancing equity through neighborhood investment in vulnerable communities.

If you are interested in being placed on the community meetings or NOFA mailing lists, or if you have questions about this application, the CDBG Program, or other Housing and Community Development Services programs, please call (858) 694-8724.

**Proposals and supporting documentation are due by
5:00pm on Friday, November 4, 2022.**

Proposals should be submitted via email using the submit button at the bottom of each page of the application. If you have any issues with submittal, please contact Marco.DeLaToba@sdcounty.ca.gov. Application packages may also be submitted via mail to the Housing and Community Development Services office at 3989 Ruffin Rd., San Diego, CA 92123.

CDBG Application Process

The following review and recommendation process will be used for preparation of the Annual Funding Plan for CDBG Program funding of community development projects:

1. **September 19 – November 4, 2022:** Assigned County staff will annually solicit community development proposals from within the Urban County through community meetings, mailings, and media releases in accordance with, and immediately following, approval of the annual CDBG Program Strategy.
2. **November 2022 – January 2023:** Staff will review all submitted community development proposals for compliance with federal grant eligibility requirements, conformance with the activities to be funded through this application process, and conformance with Board priorities; obtain additional information from the applicants as required, and, if appropriate, transmit a listing of the proposals to the appropriate County departments for review to determine:
 - a. If the proposed project appropriately addresses the identified problem;
 - b. If the proposed project complies with existing State and County laws, ordinances, regulations, and policies;
 - c. The feasibility of timely implementation of the project, including issues that would be expected to cause delays;
 - d. Whether cost estimates are accurate;
 - e. Departmental priority recommendations;
 - f. Applicant's fiscal capacity; and,
 - g. Applicant's project administration experience and capacity.
3. **January 2023:** County staff will visit community development proposal sites to identify physical circumstances that may bear on the final funding recommendation.
4. **March 2023:** Following completion of the community development proposal review, including consideration of all relevant information available, staff will develop a list of all community development proposals received. The list shall be presented to the Board of

Supervisors for approval during a scheduled public hearing on the CDBG/HOME Investment Partnerships/Emergency Solutions Grant/Housing Opportunities for Persons with AIDS Annual Funding Plan, and shall include:

- a. Eligible proposals, which are approved and submitted by participating city councils, which meet CDBG Program policy requirements and that are within the participating city's annual funding allocation, shall be included in the recommended listing;
 - b. Recommended community development projects that are located within the Urban County and high priority proposals, if any, located within other entitlement jurisdictions that will serve Urban County residents in approximate proportion to the requested funding;
 - c. Eligible proposals that are not recommended for funding, but listed as "alternatives";
 - d. Proposals that do not comply with federal CDBG eligibility requirements or do not conform to the types of activities to be funded through this application process; and,
 - e. Resident Requests that may also be listed in one of the aforementioned categories, if a department has submitted an application to carry out the project.
5. **June 2023:** After Board approval, a sub-recipient training will be held for all organizations approved for CDBG funds. This training is mandatory for all sub-recipients of CDBG community development funds. Additionally, all projects must undergo an environmental review and contract execution before implementation.

Please note that Notices of Funding Availability (NOFAs) or Requests for Proposals (RFPs) are used by HCDS to disburse HOME Investment Partnerships Program and CDBG funds (when available) for housing development activities. Emergency Solutions Grant funds and Housing Opportunities for Persons with AIDS Program funds are also disbursed through separate NOFAs and RFPs. Funds for these types of activities may be sought when and if there is a related NOFA or RFP. NOFAs are posted from time to time on HCDS's website at www.sdhcd.org. RFPs are issued by the County's Department of Purchasing and Contracting (DPC). RFPs are announced through [DPC to registrants of the BuyNet system](#).

Project Eligibility and Program Requirements

Overview

CDBG funds have significant compliance, documentation, and reporting requirements. CDBG subrecipients share a joint responsibility with the County to ensure all federal requirements are met. Some requirements may extend years beyond completion of the project.

The County of San Diego, Housing and Community Development Services strongly recommend potential applicants review [Playing by the Rules: A Handbook for CDBG Subrecipients](#) on Administrative Systems for detailed reporting and compliance requirements.

National Objectives

The CDBG program provides grants and loans to implement a variety of community and economic development activities. The purpose of the program is to provide decent housing and a suitable living environment for low- to moderate-income individuals and families. All projects are required to meet at least one of the following national objectives:

1. Primarily benefit low- or moderate-income persons or households. Low- or moderate-income (LMI) refers to those earning less than 80% area median income. This is the most common qualifier. Documentation of the benefit to low/moderate income level persons is required of every project funded under this objective. Activities meeting this national objective fit into one of two types:

- a. Limited clientele activities – A limited clientele activity benefits a specific sector of the community, rather than all the residents in a particular area, of which at least 51% must be LMI persons. To qualify for this category, the activity must meet one of the following criteria:
 - i. Collect information from all participants about family size and income through and intake forms to demonstrate that at least 51% of clientele do not exceed the LMI limits.
 - ii. Exclusively benefit clientele HUD has presumed are principally LMI, including abused and neglected children, seniors, persons with disabilities, persons experiencing homelessness, domestic violence survivors, illiterate adults, persons living with HIV/AIDS, and migrant farm workers. Note that the presumption of LMI may be challenged if there is evidence the activity is likely not principally serving LMI persons.
- b. Area benefit activities – An area benefit activity, that benefit all residents within a defined geographic area (area benefit), can meet the low/moderate income benefit requirement if the area contains a minimum of 51% low- or moderate-income residents, as calculated by HUD. HUD maintains an [online map application](#) containing income data by Census Tract Block Group.

- 2. Aid in the elimination of slum or blight conditions. HUD has strict guidelines to define these conditions. A project rarely meets this national objective. Please contact HCDS staff to determine if your project is eligible under this national objective.
- 3. Meet an urgent community need. Generally, this objective is only used in the case of recent serious natural disasters (e.g., earthquake, flooding, etc.) and only when no other funding sources are available.

Projects that cannot demonstrate that at least one national objective will be met are not eligible for CDBG funding and will not be considered.

Eligible Populations

CDBG primarily serves low- to moderate-income individuals and households. Projects must serve at least 51% individuals under 80% Area Median Income (AMI). Projects that serve the public or a community (such as a street improvement or park), must demonstrate that the surrounding area beneficiaries are income eligible. Projects that serve a limited clientele must collect income data from participants, typically through an intake form, to ensure they are income eligible. Income limits are shown below:

| HUD Regional Family Median Income Limits for San Diego County | | | | | | | | |
|---|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| Effective April 1, 2021 | | | | | | | | |
| Income limits are adjusted for family size. | | | | | | | | |
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| CDBG Income Limit | \$67,900 | \$77,600 | \$87,300 | \$97,000 | \$104,800 | \$112,550 | \$120,300 | \$128,050 |

Some groups of special populations, such as persons experiencing homelessness, abused/neglected children, and individuals with a disability, are also considered eligible under the low- to moderate-income national objective.

Eligible Locations

As an entitlement jurisdiction, that County of San Diego receives approximately \$4 million annually in CDBG funding. This funding serves the San Diego Urban County, which includes the County unincorporated areas and the six participating cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach. The eligible area is shown in blue on the map.



Please note that the participating cities have their own application process and their City Councils recommend projects to the Board of Supervisors for funding with each city's CDBG allocation.

All projects submitted through this process must be in the unincorporated County area or be approved by a participating city's City Council *prior* to application. For a detailed map of the unincorporated County, please visit [SANDAG's Geographic Boundary Viewer](#).

Eligible Activities

Eligible activities under CDBG federal standards include community development, public and social services, economic development, and housing activities. However, the County of San Diego primarily funds public services and community development activities through this application.

Eligible activities include:

- **Public Facilities and Improvements** – Construction, rehabilitation, or installation of public improvements or facilities. Improvements may be made to facilities traditionally owned by government, such as parks and sidewalks, or to those owned by non-profits that operate for the public. Facilities for the general conduct of government, such as government offices, are not eligible.
- **Public Services** – Labor, supplies, and material to operate public services and their facilities. Public services include employment and job development services, childcare, health services, fair housing counseling, senior citizen services, homeless services, and youth enrichment services. Please note this is a non-exhaustive list of examples. Public services are limited to 15% of the total annual grant allocation.
- **Economic Development** – Creation or retainment of permanent jobs for LMI populations, commercial/industrial improvements in LMI areas, or job training and technical assistance. These activities have significant documentation/reporting requirements and must meet the [federal public benefit standard](#). Prospective applicants are strongly encouraged to contact the CDBG Program Administrator before applying at 858-694-8724.

A full discussion of eligible activities can be found on [HUD's website](#).

This application is **not** to be used to seek funding for the Affordable Housing Activities. Proposals for affordable housing or housing-related projects are only accepted through Notices of Funding Availability (NOFAs) or Request for Proposals (RFPs) processes that are made available from time to time. Funds from the Urban County portion of the HOME Investment Partnerships Program, and a portion of the Urban County CDBG funds (when available), are placed in a County Housing Development Fund, and are subsequently used to fund housing development activities. Funds are awarded to project sponsors in the form of loans for development, acquisition, or rehabilitation of affordable housing for lower-income households. Emergency Solutions Grant (ESG) funds for homeless assistance programs and HOPWA funds, in the form of grants, are also disbursed through special NOFAs and RFPs.

Project Goals

All projects must create a public benefit and serve one of the [County of San Diego's Consolidated Plan goals](#):

- Increase affordable housing opportunities for low- to moderate-income and special needs residents
- Prevent and end homelessness through accessible housing and support services
- Enhance community infrastructure and facilities to provide a suitable and sustainable living environment
- Provide housing and support services for those living with HIV/AIDS

Eligible Applicants

All CDBG projects must be implemented by a public entity or tax-exempt non-profit organization. Applications submitted by nonprofit organizations must be submitted by an authorized representative, as authorized by the organization's Board of Directors.

Private residents may submit a separate Resident Request Application, Please note "Resident Request" applications are not intended to be awarded to private residents for projects or services, Please consult with HCDS staff before submitting a "Resident Request". Marco De La Toba (Marco.Delatoba@sdcounty.ca.gov) or (858)694-8724. Application [found here](#).

Contract and Implementation Requirements

Agencies that are recommended for CDBG funding must comply to federal regulations. Please keep these in mind when planning your proposal.

- 1. Environmental Review** – All projects awarded CDBG funds are subject to an environmental review conducted by the County of San Diego Department of Public Works. Projects may be subject to CEQA or NEPA reviews, depending on their scope and activities. The level of review will be assessed after a project is recommended.
- 2. Audit** – Agencies receiving CDBG funds are required to submit an independent audit or an A-133 single audit. Any agency expending \$750,000 or more of federal funds must meet all federal audit requirements as outlined in [2 CFR Part 200](#). If your organization has concerns about this requirement, please contact the CDBG Administrator at 858-694-8724.
- 3. Competitive Procurement** – Any CDBG funds used to purchase goods or services above \$3,000 must use a competitive procurement process. HUD requires procurement processes receive an adequate number of quotes. Please note the adequate number of quotes is generally accepted at 3 sources.
- 4. Davis-Bacon Federal Labor Standards** – Any construction, rehabilitation, alteration, or repair project costing \$2,000 or more is subject to Davis-Bacon Labor Standards. This requires

contractors pay prevailing federal wage rates and fringe benefits. Additionally, workers must be paid weekly, and certified payrolls submitted weekly. All construction work is covered by this provision, regardless of the amount of federal funds applied towards the project. For more information, please consult the [U.S. Department of Labor](#).

5. Section 3 – Construction and rehabilitation projects also trigger Section 3 requirements when \$200,000 or more of HUD funds, including CDBG, is awarded. Additionally, if any one contractor receives a contract of \$100,000 or more, Section 3 applies. Section 3 requires economic opportunities be extended to low- and very low-income persons, particularly Public Housing or Section 8 residents.

6. Change of Use Restrictions – All CDBG-assisted properties must be used for their approved purpose and meet a national objective until five years after expiration of the Subrecipient Agreement.

Relevant Federal Statutes

The CDBG program is governed by the Code of Federal Regulations and projects must adhere to all program requirements.

[24 CFR Part 570 – Community Development Block Grants](#)

[2 CFR Part 200 – Uniform Administrative Requirements](#)

Application Instructions

Applications and documentation are due by 5pm on Friday, November 4, 2022.

Submittal

Please complete all applicable sections of the fillable PDF before submittal. Applications must be submitted via the “**Submit Button**” at the bottom of each application page. This will launch an email with your applications attached. Application attachments are required and must be attached to this email as well. Applications are considered incomplete without all documentation.

Applications may be submitted by mail if necessary: Community Development, 3989 Ruffin Rd., San Diego, CA 92123. Please contact the CDBG Administrator with any questions at 858-694-8724.

Required Sections

Community Organizations – Please complete the Eligibility Checklist, Parts 1-4, and Part 6. Community organizations do not need to complete Part 5. Community Organization applications are not considered complete until all relevant documentation listed in Part 6 are submitted.

Participating Cities and County Departments – Please complete the Eligibility Checklist, Parts 1-3, and Part 5. Participating Cities and County Departments do not need to complete Parts 4 or 6. Participating Cities should include the authorizing resolution from their City Council.

Technical Assistance

Please note “Resident Request” applications are not intended to be awarded to private residents for projects or services, but rather may be used as a mechanism for private residents to initiate projects or services that they see as valuable in their community but will be completed or delivered by a public entity or tax-exempt non-profit organization.

The County will provide technical assistance to any organization planning to submit a proposal. Additionally, the County will provide guidance if your organization is concerned about meeting program or application requirements. To request assistance or for additional language options, contact the CDBG Administrator at (858) 694-8724. For the deaf or hard of hearing, please call (866) 945-2207.

Frequently Asked Questions (FAQs)

What kinds of projects will CDBG fund?

Eligible projects include public improvements such as parks, streets, community centers, drainage structures and others.

CDBG can also fund housing development, residential rehabilitations, economic development and public services that directly relate to housing or physical community revitalization.

Projects that tie back to one of our FY 2020-2024 Consolidated Plan Goals and align with the Board of Supervisors' goal of advancing economic and racial equity by prioritizing the needs of vulnerable communities in our region. Consolidated Plan Goals include:

- Increasing affordable housing opportunities.
- Enhancing community infrastructure.
- Preventing and ending homelessness; and
- Providing housing and support for individuals with HIV/AIDS.

What are the eligible areas for County CDBG funds?

CDBG funds can be used to benefit residents of the Urban County including the unincorporated county and the six participating cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

What is the process to receive CDBG funds?

Each fall, we release the current application and information about the process.

Who can submit a CDBG application?

Non-profits, Community Organizations, County Departments, and Public Residents.

Public Resident Request applications are not intended to be awarded to private residents for projects or services, but rather may be used as a mechanism for private residents to initiate projects or services that they see as valuable in their community but will be completed or delivered by a public entity or tax-exempt non-profit organization. For example, when a resident requests a new sidewalk in an area of the Urban County, they may submit a resident request. Housing and Community Development staff will evaluate the project for CDBG eligibility. If eligible, staff will forward the request to the appropriate County department. In this example, the resident's request would be sent to the Department of Public Works. The department may then apply to administer a CDBG grant to complete the request.

If you are applying as a resident, please consult with HCDS staff or email Marco De La Toba at (Marco.Delatoba@sdcounty.ca.gov) to set up consultation.

What projects are ready to receive CDBG funding?

Applicant's project should be in a position to be completed and fully spend funding within 12 months of receipt.