Partnering with the City: Are You CDBG Ready?

Virtual RFQ Workshop
September 29, 2021

Today You Will Learn

• Mission | Vision | Goals
• CDBG Basics
• Grant Application Process
• Grant Application Prerequisites
• Eligible Projects
• Tips and Tricks
• Next Steps
The City of San Diego

**Strategic Plan**

**Mission**
To effectively serve and support our communities

**Vision**
A world-class city for all

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**Goals**

1. Provide high-quality public services
2. Work in partnership with all of our communities to achieve safe and livable neighborhoods
3. Create and sustain a resilient and economically prosperous City

**Values**
People
Integrity
Excellence
Service
Economic Development Department Mission:
To cultivate economic and community development opportunities that serve businesses, neighborhoods, and residents.

How does your organization’s mission align with the City’s goals?
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Prescreening for Capacity

RFQ Handbook

The City of SAN DIEGO

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

FY 2023 ANNUAL NOTICE OF FUNDING AVAILABILITY (NOFA) REQUEST FOR QUALIFICATIONS (RFQ) PHASE HANDBOOK

Economic Development Department Community Development Division September 2021
CDBG | Community Development Block Grants

Primary Objective:

Improve living environment, expand economic opportunities, and provide decent housing for low- and moderate-income residents and areas.

Annual NOFA Sequence

- **RFQ**
  - Summer/Fall
- **RFP**
  - Late Fall/Winter
- **CPAB**
  - Winter
- **Council**
  - Spring
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**Annual NOFA Timeline**

- **Sept - Oct**
  - CDBG RFQ released and responses due to City via ED Grants
  - Organizations determined “qualified” or “not qualified”
  - “Qualified” organizations invited to participate in CDBG RFP process

- **Oct - Apr**
  - CDBG RFP released and responses due to City via ED Grants
  - Consolidated Plan Advisory Board (CPAB) reviews proposals
  - City Council approves CDBG allocations and Annual Action Plan

- **Apr - Jun**
  - Awarded CDBG projects begin scope development and budget review for agreement execution
  - Agreements distributed for execution via ED Grants

- **Jul - Sep**
  - CDBG project implementation begins
  - CDBG reporting requirements begin and reports submitted via ED Grants (technical assistance provided to CDBG subrecipients)

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**Two-Phase Process: Part 1**

**RFQ**

- Is the applicant organization ready to contract with the City of San Diego?

**RFP**

- What program or service is the applicant organization proposing during the contract period?
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Annual NOFA Sequence: RFQ

- Can the City partner with your organization?
- Organizational capacity (programmatic/fiscal)
- Past experience/track record
- Controls in place
- Alignment of goals/objectives

RFQ: Required General Information

- Address and contact information
- Board of Directors
- General description and locations of programs, projects, and services implemented
- Communities and clients served
- Mission statement
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RFQ: Registration and Status Requirements

- Articles of Incorporation (CA Secretary of State)
- EIN Number (IRS)
- *DUNS Number & Registration at [www.sam.gov](http://www.sam.gov)
- Nonprofit Federal Tax Determination Letter (IRS)
- Nonprofit State Tax Determination Letter (CA FTB)
- **Proof of Registration with California Attorney General's Registry of Charitable Trusts

**ACTIVE**

*CDBG Grants
**501(C)(3) Organizations

DUNS Number (Details)

Dun & Bradstreet (D&B) provides a **DUNS Number**, a unique nine-digit identification **number**, for each physical location of your business. **DUNS Number** assignment is FREE for all businesses required to register with the U.S. federal government for contracts or grants. Applicants must have a DUNS number registered in [www.sam.gov](http://www.sam.gov) with an **ACTIVE** registration status.

Apply here: [http://fedgov.dnb.com/webform/index.jsp](http://fedgov.dnb.com/webform/index.jsp)

Learn more here:
- [http://fedgov.dnb.com/webform/displayFAQPage.do](http://fedgov.dnb.com/webform/displayFAQPage.do)
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Registration Status (Details)

Organizations that want to partner with the City are required to register with the following sites, as applicable, and comply with certain status requirements:

- **California Secretary of State**: [https://businesssearch.sos.ca.gov/](https://businesssearch.sos.ca.gov/)
  - Status Needed: ACTIVE

- **California Attorney General's Registry of Charitable Trusts**: [http://rct.doj.ca.gov](http://rct.doj.ca.gov)
  - Status Needed: Current

- **California Department of Industrial Relations**: [http://www.dir.ca.gov/dlse/debar.html](http://www.dir.ca.gov/dlse/debar.html)
  - Organization is not listed as debarred

- **System for Awards Management**: [https://www.sam.gov](https://www.sam.gov)
  - Status Needed: ACTIVE or No Results

- **Federal Audit Clearinghouse**: [https://harvester.census.gov/facweb](https://harvester.census.gov/facweb)
  - Up-to-date filing of Single Audit or Program-Specific Audit (if applicable)

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**RFQ: Internal Controls and Procurement**

**Internal Controls**

- No single person should have sole authority over all steps of financial or budget transaction
- Clearly outline roles and responsibilities
- If funded, organization will be required to submit its written internal control procedures and, if necessary, update them to conform with federal standards

**Procurement Methods**

- Ensure fair and open competitive process
- Ensure fair market pricing and comply with all governing regulations
- Purchases made with federally awarded funds must be made with one of the five (5) procurement methods outlined by HUD regulations (2 CFR Part 200)
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RFQ: Certifications and Additional Documents

Certifications
- Lobbying
- Debarment, suspension, proposed debarment, ineligibility, and other responsibility matters
- Drug-free workplace
- Civil Rights Act and ADA compliance
- Conflict of interest and procurement policy compliance

Additional Documents (refer to RFQ Handbook for complete list)
- Organization federal/state tax determination letters (nonprofits)
- Organization charts
- www.sam.gov registration and status screenshot (DUNS number)
- Federal Audit Clearinghouse (FAC) acceptance of single or program-specific audit (if applicable) screenshot

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RFQ: Required Financial Documents

- Board-approved **Audited Financial Statements** for the latest fiscal year that ended
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### Audits and Financial Statements

**Audit Certificate of Compliance Form**
2 CFR Part 200 Subpart F (supersedes OMB Circular A-133)

- **Single or Program-Specific Audit (if applicable)**
  - Organization expended $750,000 or more in federal funds
  - Most recently completed fiscal year with end date of 06/30/2020 or later
  - Submitted to and accepted by Federal Audit Clearinghouse (FAC)

- **Audited Financial Statements**
  - Fiscal year with end date of 06/30/2020 or later
  - Unqualified/unmodified opinion
  - Cash balance from Balance Sheet will be used to calculate ‘Maximum Funding Request Threshold’

### Maximum Funding Request Threshold

The MFRT amount indicates the maximum amount of CDBG funds your organization can be awarded in FY 2023, whether that amount is for one or more projects.

- Determined by **Cash Balance** from organization’s Audited Financial Statements (multiplied by 4)
- Limited by overall budget for each RFP project category
- Applies to all of organization’s RFP responses combined
- MFRT will be included in RFQ notification of results
Three-Month Cash Reserve Recommendation

- CDBG works on a reimbursement basis
- Your organization's cash reserve should be sufficient to cover three (3) months of operations to be a successful CDBG subrecipient

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Month 1: Organization spends funds.

Month 2: Organization prepares reports to submit reimbursement request to the City, including supporting documentation.

Month 3: City completes review of reimbursement request and processes reimbursement payment to organization.

Common RFQ Disqualifiers

- Incorrect Audit Certificate of Compliance response
- Correct single or program-specific audit, when required, was not submitted or does not meet all requirements
- Audited financial statements not submitted (if applicable) or do not meet all requirements
- State of California and/or federal debarment
- Wrong attachments in ED Grants or wrong RFQ track selected

NOTE: ED Grants will check for the following:

- Organization’s ‘Maximum Funding Request Threshold’ is at least $50,000 as required by Council Policy 700-02
- DUNS number is registered/active in www.SAM.gov (creenshot)
Moving on to the RFP Phase

- If an applicant organization is deemed “qualified” based on the RFQ response, then it is eligible to submit proposals during the RFP phase.
- Maximum Funding Request Threshold (MFRT) is confirmed in the RFQ determination notice.

ED Grants Highlights
ED Grants

- Economic Development Grants Management System
- Customer relationship management solution:
  - Administer Annual NOFA process, including all reviews and scoring
  - Submit RFQ/RFP responses of applicant organizations
  - Execute agreement with funding subrecipients
  - Monitor subrecipient performance via reporting
  - Generate program data and compliance reports

https://edgrants.force.com

- Resources: How to Register an Organization
- Resources: How to Submit an RFQ Response
Consolidated Plan Goals

The City's Consolidated Plan informs HUD and the community how the City plans to invest its CDBG funds over the course of five years. Currently, it identifies seven (7) GOALS in which CDBG funds may be invested.

**GOAL 1:** Increase and preserve affordable rental and homeowner housing to improve access to housing opportunities that reflect community needs, including, but not limited to, opportunities in close proximity to transit, employment, and community services.

**GOAL 2:** Enhance the City’s economic stability by investing in inclusive economic growth initiatives that develop and strengthen small businesses and support local entrepreneurs.

**GOAL 3:** Foster individual and household resiliency by investing in employment and workforce development programs and improving access to job opportunities.
**Consolidated Plan Goals**

**GOAL 4:** Support the development of vibrant, equitable, and adaptable neighborhoods by investing in public facilities and critical infrastructure.

**GOAL 5:** Assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis by providing appropriate housing and service solutions grounded in best practices.

**GOAL 6:** Invest in community services that promote equity and serve vulnerable populations including, but not limited to, refugees and recent immigrants, previously incarcerated, veterans, youth, seniors, and food insecure households.

**GOAL 7:** Finance impactful nonprofit facility improvements to provide new or increased access to programs that serve vulnerable populations or implement sustainability measures.

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**Consolidated Plan Guiding Strategies**

- Inclusive Economic Growth
- Economic Resiliency and Sustainability
- Catalytic Community Investment
CDBG: Eligibility

LOW/MOD
- Area Benefit
- Limited Clientele
- Housing
- Jobs

SLUM/BLIGHT
- Area Basis
- Spot Basis
- Urban Renewal

URGENT NEED

Once an applicant is "qualified" during the RFQ phase...

Two-Phase Process: Part 2

RFQ
- It is eligible to submit project-specific proposals during the RFP phase.
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Annual NOFA Sequence: RFP

- Describe scope of project & target
- Outline schedule of project
- State amount of CDBG funds requested
- List other funding sources
- List uses for those funds
- Provide supporting documents demonstrating readiness

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Upcoming Funding Opportunities

*Community Development Block Grants*
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## Public Services

<table>
<thead>
<tr>
<th>Minimum Allocation</th>
<th>$50,000</th>
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</table>

### Eligible Activities
- Employment training
- Senior services*
- Health Services
- Homeless services
- Disability services*
- Domestic violence services
- Tenant/landlord counseling
- Substance abuse services
- Mental health services
- Housing counseling
- Food banks/meal distribution
- Youth services

### Outcome Measure
Low/moderate-income clientele

### Requirements
Prequalify clients prior to providing service; document income eligibility and demographic data in case files

*Presumed LMI possible

[Images of Mama's Kitchen Meal Service and Reality Changers Youth College Prep Services]
### Community/Economic Development

<table>
<thead>
<tr>
<th>Minimum Allocation</th>
<th>• $50,000 for microenterprise technical assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Activities</td>
<td>• Microenterprise technical assistance</td>
</tr>
</tbody>
</table>
| Outcome Measures | • Low/moderate-income clientele  
| | • Businesses established or expanded |
| Requirements | One-one-one technical assistance must lead to new or expanded microenterprises; prequalify clients prior to providing service; document income eligibility and demographic data |

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**Partnership with the City**

Acción San Diego business client Wild Island Collective
**Nonprofit CIP: Public Facilities**

**Minimum Allocation**

$100,000

**Eligible Activities**

- New construction or rehab of public facilities
  - ADA improvements
  - Health/safety hazards
  
  Examples: Senior and youth centers; homeless facilities; neighborhood facilities; health facilities; child care centers; handicapped centers

**Outcome Measures**

- Low/moderate-income clientele

**Requirements**

Facilities improved must be documented as serving LMI clients at least 51 percent of the time; complete project within two years
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Resources

- FY 2022 Operating Manual
- Playing by the Rules Handbook by HUD
- CPD Income Eligibility Calculator
- 2 CFR Part 200.302 (Financial Management)
  2 CFR Part 200.303 (Internal Controls)
- New Section 3 Rule 24 CFR Part 75 (Public Construction)
- HUD Financial Management Curriculum
- ED Grants “Resources” Tab

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Preview of General Insurance Requirements

**Commercial General Liability**
- Limits: minimum $1,000,000 per occurrence
- Annual Aggregate: minimum $2,000,000

**Automobile Liability**
- Limits: minimum $1,000,000 per occurrence
- Annual Aggregate: minimum $2,000,000

**Worker’s Compensation**
- Limits: minimum $1,000,000

City of San Diego – an Additional Insured

Waiver of Subrogation
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Tips and Tricks

- Register your organization in ED Grants early and become familiar with how it works
- Choose one person to be the lead contact for your organization
- Read the Handbook, FAQs, and Resources before contacting City staff with questions
- If you do have questions, don’t hesitate to email us at CDBG@sandiego.gov. We are here to help!

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Tips and Tricks

- Take advantage of opportunities for help, such as TA sessions, office hours, etc.
- Start the process early and allow enough time to review the quality and accuracy of your responses and the required documents before submission
- Have someone proofread and review your application before submission
- BEWARE: Only the Primary Representative can submit
**Requesting money from the City is like...**

![Have Fun But Obey Our Pool Rules](image)

And, you are not allowed to do anything that begins with, "Hey, Y'All – Watch This!"

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### Next Steps: Timeline

<table>
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<tr>
<th>Date</th>
<th>Step</th>
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<tr>
<td>09/24/2021</td>
<td>RFQ Released via ED Grants</td>
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<tr>
<td>09/29/2021</td>
<td>RFQ Workshop (Virtual)</td>
</tr>
<tr>
<td>10/04 – 10/15/2021</td>
<td>Technical Assistance Appointments Available</td>
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<tr>
<td>10/22/2021</td>
<td>RFQ Responses Due in ED Grants</td>
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<tr>
<td>11/05/2021</td>
<td>Organizations Notified of “Qualified” or “Not Qualified” Status</td>
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<tr>
<td>11/08/2021</td>
<td>RFP Released via ED Grants to “Qualified” Organizations Only</td>
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<tr>
<td>12/17/2021</td>
<td>RFP Responses Due in ED Grants</td>
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<tr>
<td>03/11/2022</td>
<td>Notification of Scoring/Ranking: FY 2023 CDBG Grants</td>
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The City is dedicated to:

✓ People
✓ Integrity
✓ Excellence
✓ Service

We are here to serve and assist you.

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Thank you!

City of San Diego
Economic Development Department

CDBG@sandiego.gov
619-236-6700

Questions?

www.sandiego.gov/CDBG