



# Request for Proposals

CDBG, HOME & ESG for Program Year 2010-11

## Purpose of Request for Proposals (RFP)

The City of Salinas annually receives Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Shelter Grant (ESG) funds from the U.S. Department of Housing and Urban Development (HUD). The City is soliciting proposals from organizations and community agencies, and City departments for projects to be funded under its FY 2010-11 HUD formula entitlement. Requests received must address the goals and objectives as stated in the City's 2006-2011 Consolidated Plan.

## Eligible Activities

**CDBG:** Acquisition and disposition of real property; clearance or demolition; homeownership assistance; rehabilitation activities; public facilities and improvements; public services; special economic development activities; micro-enterprise assistance.

**HOME:** New construction or rehabilitation of housing; conversion of buildings to housing; site improvements; acquisition of property; demolition and relocation costs; capitalization of project reserves; downpayment assistance activities; project-related soft costs.

**ESG:** Major rehabilitation of shelters; essential services; operational costs for shelter services; homeless prevention activities, assistance to families that receive eviction notice or notices of termination of utilities; conversion of structures to emergency shelters.

## Ineligible Activities

**CDBG:** Assistance for buildings used for the general conduct of government; local government expenses; political activities; purchase of equipment and operating expenses (except in certain circumstances when related to a public service activity or special economic development activity); new housing construction; income payments; activities not primarily benefiting lower income Salinas households (with certain exceptions related to elimination of blight).

**HOME:** Project reserve accounts (except for initial operating deficit reserves); tenant-based rental assistance for certain purposes; match for other programs; development, operations or modernization of public housing; project-based rental assistance; payment of delinquent taxes, fees or charges.

**ESG:** Acquisition of real property; new construction; property clearance or demolition; rehabilitation administration; staff training or fundraising activities associated with rehabilitation; building maintenance and repairs; existing services and staff (services must be new or provided to more persons); salary of case management supervisor when not working directly on participant issues; advocacy, planning, and organization capacity building; staff recruitment/training; transportation costs not directly associated with service delivery; direct payments to individuals; and long-term assistance beyond several months.

## Application

Organizations applying for funding must complete the following application (also available on our website at <http://www.ci.salinas.ca.us/services/commdev/documents.cfm>) and include applicable documentation. Please complete all sections relevant to your activity and read the application carefully. **Incomplete applications will not be considered for funding.** A workshop will be held to assist applicants with the application and an informational flyer e-mailed to applicants and posted on our website. We recommend reviewing the entire application packet prior to proceeding, as some sections will likely not apply to you.

## Funding Timeline

The following is a summary timeline for the awarding of funds.

Request for Proposals Disseminated	December 10, 2009
RFP Application Workshop	January 6, 2010
Proposals Due	January 28, 2010
Staff Review of Proposals for Eligibility & Completeness	January 28 to February 25, 2010
Mayor to Appoint 3 Council Members to City Council Public Services Subcommittee	January 2010
Start of 30-Day Public Comment Period	April 2, 2010
10/11 Action Plan Presented to Council	April 6, 2010
Public Hearing and Council to Approve 10/11 Action Plan	May 4, 2010
HUD Review & Approval	June to August 2010
Notify Awardees of Allocations (notice will be subject to subsequent HUD approval)	May 11-15, 2010
Mandatory Public Services CDBG & ESG Subrecipient Training	June 23, 2010
CDBG/HOME Training Subrecipient Training	June 23, 2010
Program Year Begins	July 1, 2010



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### Application Review Process

The review process for Proposals consists of: review by the Housing Division staff; review by the City Council Subcommittee (public services only); a 30-day public comment period; City Council review and approval; and HUD review and approval.

1. Staff review – Proposals are first reviewed for completeness and then evaluated against applicable HUD regulations, the City's Consolidated Plan, City Council goals and objectives, and other related City policy (e.g., General Plan). Funding recommendations are developed taking into account total available funds, applicant experience, project readiness & feasibility, leveraging of other funds and track record with City (when applicable), and likelihood for timely use of HUD funds.
2. Subcommittee review - The three City Council-members receive preliminary funding recommendation for CDBG Public Services activities from staff. Committee prepares its funding recommendation, including funds set-aside per Public Services Funding Parameters (see attached copy). Staff and Subcommittee recommendations are forwarded to the entire Council for consideration.
3. City Council meets regarding the draft Annual Action Plan to obtain public and Councilmember comment. Advance notice is published in El Sol and The Californian. City Council provides direction to staff regarding the draft Action Plan.
4. City Council holds formal public hearing to receive revised draft Annual Action Plan; City Council approves Plan by resolution and directs submittal to US Department of Housing and Urban Development (no later than May 16, 2010).

### Criteria for Decision-Making

1. HUD rules and regulations.
2. City policies.
3. Activity characteristics: feasibility, readiness, leveraging, applicant track record.

### Application Instructions

1. Applications should be typed, single-spaced, **double-sided** on 8 ½" x 11" plain white paper. Please use Times New Roman 12 point font or Arial 12 point font. Please do not use staples or paper clips. File-clips are preferable.
2. All applications must be submitted in the legal name of the organization. An authorized representative of the organization who has the legal authority to enter into an agreement with the City of Salinas must sign the application. For City Departments, applications must be signed by the Department head.
3. The **original and two copies of the application** must be submitted to:

City of Salinas, Housing Division  
Attn: Grace Aston, CD Administrative Supervisor  
200 Lincoln Avenue, Salinas, CA 93901
4. Applications must be received by: **4:00 P.M. on Thursday, January 28, 2010.**
5. **Applications that are incomplete, have inadequate number of copies, lack required attachments, or applications submitted after the published deadline will not be considered for funding. Please do not submit materials not requested. Materials that are not requested will be recycled. Changes and/or additions to the proposal after January 28, 2010 will only be considered at City's convenience.**

**Questions or requests for further information should be directed to David Swanson or Grace Aston via email, mail or fax.**

**Proposal Due Date: Thursday, January 28, 2010 by 4:00 P.M.**

Grace Aston, CD Administrative Supervisor  
[graced@ci.salinas.ca.us](mailto:graced@ci.salinas.ca.us)

David G. Swanson, Planning Manager  
[david@ci.salinas.ca.us](mailto:david@ci.salinas.ca.us)

City of Salinas  
Housing Division  
200 Lincoln Avenue, Salinas, California 93901  
Phone: (831) 758-7334, Fax: (831) 758-7234

**Late proposals will NOT be accepted.**



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## Application Checklist

Name of Organization Submitting Proposal:	
Program Name:	

Please submit your proposal packet including all of the following information (if applicable to your agency or proposed project/activity) in the order outlined below. You must submit these documents **even if you have previously provided them in prior years**. Proposals that do not contain all of the following information will not be considered.

- Application Checklist
- Application
- Federal and State Tax Exemption Determination Letters/Non-Profit Certification (e.g., IRS 501C (3) Letter)
- Articles of Incorporation/Bylaws (*submit **only one set, not three***)
- Certificate of Good Standing with the State (<http://kepler.sos.ca.gov/list.html>)
- Organizational Chart
- List of Current Board Members (*with **titles and current terms***)
- Resumes of Program Administrator and Fiscal Officer
- Development Team Experience and Qualifications (*for housing and capital improvement activities*)
- Job Descriptions of Positions to be Funded (*if applicable*)
- Evidence of Insurance/Fidelity Bonding/Worker's Compensation
- Annual Financial Statements and Audit (*submit **only one set, not three***)
- Signed Authorization to Request Funds (*usually Executive Director or Board of Directors*)
- Designation of Authorized Officials (*usually Executive Director or Board of Directors*)
- Conflict of Interest Policy
- Evidence of Project Support (written endorsements, when available)
- Environmental Review Record (*when available, if funding request is for acquisition/rehab./new construction*)
- Commitment or Approval Letter of Funding from Other Sources (*when available, if funding request is for acquisition/rehab./new construction*)
- Site Control Documentation (*when available, if funding request is for acquisition/rehab./new construction*)
- Applicable Worksheets



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## Application

### Part 1 – General Information

Name of Organization Submitting Proposal:	
Tax ID Number:	
DUNS Number:	
Type of Organization (check all that apply):	<input type="checkbox"/> Non-Profit <input type="checkbox"/> For-Profit <input type="checkbox"/> Government <input type="checkbox"/> CHDO <input type="checkbox"/> Faith-Based
Program Name:	
Program Contact and Title:	
Direct Telephone:	
Email Address:	
Authorized Contact and Title:	
Direct Telephone:	
Email Address:	
Mailing Address:	
Main Telephone:	
Fax:	

### Part 2 – Prior Year Funding from the City of Salinas

Program Year	Amount Funded	Program Names
2009 - 2010	\$	
2008 - 2009	\$	
2007 - 2008	\$	
2006 - 2007	\$	
2005 - 2006	\$	

### Part 3 – Amount Requested

CDBG	\$	HOME	\$	ESG	\$
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### Part 4 – Program Description

Provide a brief description of activity or project to which requested funds would be used (not to exceed two paragraphs).

*The undersigned certifies the information contained herein is true, correct and complete to the best of his/her knowledge and belief. The applicant further understands that the application is a request and there is no guarantee, expressed or implied that funds will be provided to applicant. All organizations awarded federal funds will be subject to federal and local regulatory compliance.*

\_\_\_\_\_  
Signature of Authorized Person Listed Above

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



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## Part 5 – Standards to Determine Project Eligibility

1. Describe the location of your project and how the area will benefit from this project. Include the boundaries, and service area.

2. Describe how this project addresses the City's Consolidated Plan needs (<http://www.ci.salinas.ca.us/services/commdev/pdf/ConsolidatedPlan.pdf>).

3. Describe how this project addresses the City Council's goals & objectives (<http://www.ci.salinas.ca.us/leadership/council.cfm>)

4. Describe the population/target group your project will serve and how low and moderate-income persons will benefit.

5. Is the proposed project/activity located within the Alisal Homeownership and Neighborhood Revitalization Strategy Area (AHNRSA)?  
(see Map – Attachment C)

Yes       No

## Part 6 – Relationship to Existing Programs

1. Indicate how this proposed project/activity relates to other City of Salinas activities.

2. Describe how the need for existing City services would be increased, decreased or otherwise affected by this proposal.



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3. Identify short and long term funding sources (both City and non-City) which have been sought by the applicant. Please segregate by program and sources (ie tax credit allocation, MHSA). Attach commitment or approval letters of funding if available.

Source:	Federal:	State:	Other:	Private:	Status:	Award Date:
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
<b>Total \$</b>	0	0	0	0		

**Part 7 – Outcome Performance Measurement**

1. Please mark the most appropriate performance measurement objective. [Check only one.]

**Create Suitable Living Environments**    
  **Provide Decent Affordable Housing**    
  **Create Economic Opportunities**

**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 and moderate income 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 are generally undertaken with HOME or CDBG funds. This objective focuses on housing activities whose 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.

**Tip: When selecting an objective, ask:** What is the purpose of the activity? What is the larger community need that I am seeking to address?

2. Please mark the most appropriate performance measurement outcome. [Check only one.]

**Availability/Accessibility**                     
  **Affordability**                                     
  **Sustainability**

**Availability/Accessibility** applies to activities that make services, infrastructure, public services, public facilities, housing or shelter available or accessible to low- and moderate-income 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 low- and moderate-income people where they live.

**Affordability** applies to activities that provide affordability in a variety of ways to low- and moderate-income 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 outcome 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 low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

**Tip: When selecting an outcome, ask:** What type of change or result am I seeking?

**Part 8 – Organizational Capacity and Experience**

1. Please outline your organization's purpose:



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2. The locations of facilities, and days and hours of operation, within Salinas/Monterey County:

3. The area served by the organization and how long has the organization been serving the area:

4. Outline executive staff's experience and qualifications for managing the proposed program. Include staff members who will be directly responsible for managing the activity proposed for funding. Please provide copies of operational job descriptions of the executive staff and members.

5. If applicable, attach a separate sheet outlining the development team's experience and qualification (architect, attorney, development consultants, general contractor, and property manager.) If applicable, include the general contractor's experience with prevailing wage/Davis-Bacon requirements.

6. Describe internal administrative controls to be used, including financial record-keeping procedures and management controls. Include copy of financial policies.

7. Describe the record-keeping system to be used to maintain program data.



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8. Describe the mechanisms to be used to fulfill responsibilities regarding non-discrimination, equal employment opportunities, and other relevant local, State and Federal requirements.

### Part 9 – Complete Only if Applying for CDBG Funds

1. Mark the type of activity that best relates to your proposal:

<input type="checkbox"/> Public Services	<input type="checkbox"/> Public Facilities/Improvements	<input type="checkbox"/> Acquisition	<input type="checkbox"/> Rehabilitation
<input type="checkbox"/> Special Economic Development Activities	<input type="checkbox"/> Other		

2. Each activity must meet one of the three broad national objectives: a) To benefit low and moderate-income persons; b) To aid in the prevention or elimination of slums or blight; c) To meet community development needs of the three broad national objectives. Mark one of the boxes below that appropriately describes the national objective the proposed activity intends to meet:

<input type="checkbox"/> <b>Area Benefit.</b> Area-wide activities benefit all residents in a particular area, where at least 51% of the people are low and moderate-income. The service area of the project must be specifically identified.
<input type="checkbox"/> <b>Limited Clientele.</b> Limited clientele activities benefit low and moderate-income persons without regard to the area being served. At least 51% of the persons participating in the activity must be low and moderate-income and the activity must meet one of the following criteria: <ul style="list-style-type: none"><li>✦ <b>Presumption of low and moderate-income.</b> The activity may serve persons that are presumed to be low and moderate-income, abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or</li><li>✦ <b>Income guidelines.</b> The activity must have eligibility requirements which limit the activity exclusively to low and moderate-income persons; or</li><li>✦ <b>Nature and location.</b> The activity must be of such nature and in such a location that it may be concluded that the activity's clientele will primarily be low and moderate-income persons, i.e., public housing activities.</li></ul>
<input type="checkbox"/> <b>Housing Activities.</b> An activity carried out for the purpose of providing or improving permanent residential structures, which, upon completion, will be occupied by low and moderate-income households.
<input type="checkbox"/> <b>Job Retention Activities.</b> An activity designed to create or retain permanent jobs where at least 51% of which, computed on a full-time equivalent basis, involve the employment of low and moderate-income persons.
<input type="checkbox"/> <b>Slum and Blight.</b> Activities that aid in the prevention or elimination of slums or blight.
<input type="checkbox"/> <b>Urgent Need.</b> Community development activities having an urgent need. This objective rarely applies and is reserved for alleviating emergency situations such as natural disasters.

3. What evidence do you have that at least 51% of the persons to benefit from the proposed project are considered to be of low and moderate-income (i.e., household income not exceeding 80% of area median income)? Mark category below:

<input type="checkbox"/> Income Survey	<input type="checkbox"/> Census Data	<input type="checkbox"/> Limited Clientele
<input type="checkbox"/> Other (please explain)		





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8. **Public Facilities / Capital Improvements / Real Property Acquisition/Disposition / Rehabilitation / Preservation Activities Only.** Provide a timetable for accomplishing objectives. Note that schedules showing expenditure of requested funds by January 31, 2011 are likely to be accorded priority.

Description of Activity / Milestone	Estimated Completion Date

9. **Public Facilities / Capital Improvements / Real Property Acquisition / Disposition / Rehabilitation/Preservation Activities Only.** Has proposed project undergone any form of environmental review process?

Yes (If yes, attach environmental review record)
  No
  Not applicable

10. **Real Property Acquisition/Disposition / Rehabilitation / Preservation Activities Only.** Provide description of current site control status and attach proper documentation (For example: deeds of trust, option to purchase, sales agreements/contracts, long term ground lease). Please attach, if available, the preliminary title report and property appraisal.

**Part 10 – Complete Only if Applying for HOME Funds (Housing Activities Only)**

1. Mark the type of activity that best relates to your project:

Acquisition Only
  Construction Only
  Rental Housing Rehabilitation
  Acquisition and Construction  
 Acquisition and Rehabilitation
  Rental Assistance
  Other

2. Indicate the number of units or households to be served in each target population?

Target Population	Number of Units/Households
0 – 30% of the Area Median Income	
31 – 50% of the Area Median Income	
51 - 60% of the Area Median Income	
61 – 80% of the Area Median Income	
Market Rate Income	
<b>Total</b>	

3. Please indicate the number of units:

Unit Type	Number of Units
Single Room Occupancy (SRO)	
One Bedroom	
Two Bedroom	
Three Bedroom	
Four Bedroom	
Five Bedroom	



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4. Describe type of recreation facilities and/or other amenities:

5. Provide a development timetable.

Description of Activity / Milestone	Estimated Completion Date

6. Provide description of current site control status and attach proper documentation (for example: deeds of trust, option to purchase, sales agreements/contracts, long term ground lease). Please attach, if available, the preliminary title report and property appraisal.

7. Was a demand and market analysis prepared for the project?

Yes     No

If yes, describe the results below and attach documentation. A rental survey can be provided in-lieu of a market study.

8. Will there be another entity created during or upon completion of project? (ie LLP, LLC, Corporation, etc.)

Yes     No



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9. Describe the agency's efforts to build active support for the proposed project and address community concerns. Attach evidence of community outreach such as meeting announcements and agenda, handouts, meeting minutes, and sign-in sheets

10. Have preliminary design sketches been completed for the proposed project? If yes, please attach copies (must be to scale, preferably copied on 8 1/2 x 11 sheet).

Yes     No

11. If proposed project involve construction or rehabilitation of 12 or more HOME-assisted units, please provide explanation of how your organization will meet the Davis-Bacon Labor Standards in the space below:

12. Will the proposed project involve temporary or permanent relocation of residents or businesses?

Yes     No

If yes, describe your relocation policy in the space below:

13. Lead-Based Paint Compliance. Describe how your organization will address hazards that may be associated with the proposed project:



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14. Describe your preliminary marketing plan. A final marketing plan will be required 180 days prior to construction completion.

15. **Rental Projects Only.** Describe and submit a copy of your preliminary management plan including the name and contact information for the Management Company. A final management plan will be required 180 days prior to construction completion. If available, submit copy of current management plan in place.

## Part 11 – Complete Only if Applying for ESG Funds

1. Complete requested data for activities for which your program will request funds:

Eligible Activity	Funds Requested	Proposed Number Served
Homeless Prevention	\$	
Shelter Maintenance and Operations	\$	
Essential Services	\$	
Shelter Rehabilitation or Conversion of structure to Shelter	\$	

2. Provide the number of persons served (Unduplicated Counts) for the following:

Period	Actual	Average/Month	Projected
July 1, 2008 – June 30, 2009			
July 1, 2009 – December 31, 2009			
July 1, 2010 – June 30, 2011			



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3. Organizations must match ESG funds with a minimum of 100 percent from non-ESG sources for the fiscal year. Provide matching funds data for the proposed activity:

Match Source:	Federal:	State:	Other:	Private:	Status:	Award Date:
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
<b>Total:</b>	\$	\$	\$	\$		

4. Describe your agency's process for verifying beneficiary eligibility and attach copy of all intake forms.

5. Does your agency involve at least one homeless or formerly homeless person in the policy decision-making process regarding ESG-funded activities?

Yes  No

If no, what steps will be taken to meet this requirement?

6. ESG subrecipients are **required** to collect and enter unduplicated client data in the Homeless Management Information System (HMIS). Is your agency already entering data into HMIS?

Yes  No

If no, date by which your agency will begin entering data:

	HMIS orientation session scheduled for:	
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7. All facilities assisted with ESG funds must comply with HUD Section 8 Housing Quality Standards and habitability standards. If applicable, does your agency adhere to proper standards regarding facility accessibility, sanitation, security, illumination, electricity, thermal environment and fire safety?

Yes  No

If no, describe specific compliance issues and your agency's remediation plan.



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## Part 12 – Worksheets

1. Complete and submit the worksheets applicable to your proposed project on the following pages.

	Worksheet Number
CDBG Public Services	1- Positions to be Funded, 2-Operational Budget
CDBG Capital Improvement/Public Facility Projects	3-Development Budget
CDBG Housing Activity	3-Development Budget, 4-Annual Income/Expenditures
HOME Housing Activity	3-Development Budget, 4-Annual Income Expenditures
ESG Public Services	1- Positions to be Funded, 2-Operational Budget
<i>Call us if you have questions.</i>	

## Part 13 – Attachments

A – CDBG Public Services Funding Parameters
B – HUD Program Information Sheet
C – Map of Alisal Housing and Neighborhood Revitalization Strategy Area <a href="http://www.ci.salinas.ca.us/CommDev/pdf/AHNRSA_map.pdf">http://www.ci.salinas.ca.us/CommDev/pdf/AHNRSA_map.pdf</a>



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## Attachment A – Public Services Funding Parameters

### PUBLIC SERVICES FUNDING PARAMETERS - 2009 A

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Funding parameters were first applied to CDBG funds allocated for Fiscal Year 2004-05.

1. All CDBG public services funds shall be allocated and expended in accordance with applicable federal laws and regulations.
2. To be eligible for a funding allocation, organizations must be incorporated within the State of California and federally designated as a non-profit entity [tax-exempt under Section 501(c)(3) or 101(b) of the Internal Revenue Service Code] prior to Council consideration of funding.
3. To be eligible for a funding allocation, organizations must have a track record of providing services within the community for a minimum of 24 months. Governing of the agency should be vested in a responsible and active Board that meets at least quarterly.
4. Commencing with FY2009-10, the minimum annual allocation shall be \$10,000.
5. Factors to be considered when determining allocations shall include:
  - How the activity will meet a demonstrated community need
  - Degree to which activity addresses community goals established by Council
  - How well assets will be leveraged to support the activity (consider diversification of funding, collaboration with other providers, leveraging of in-kind services)
  - The capacity of the organization to carry out the activity, including the ability to quantify and measure results
  - The relation between the agency's total budget and the public services amount
  - Preference accorded to activities receiving public services funding in prior year
  - If already funded, the extent to which performance has met expectations.
6. Funding Set-asides Commencing with FY2009-10, public services allocations will only be made for senior services, youth services, and fair housing activities. Ten percent (10%) of the annual amount will be set aside for Council to distribute following the required public hearing.
7. A Council Subcommittee will be appointed each year to review the staff funding recommendations in advance of their presentation to the City Council. At its option, the Subcommittee may prepare an alternate set of recommendations to be forwarded to the Council with the staff recommendations.
8. Agencies allocated CDBG public services funding shall submit reimbursement requests and required report forms in a timely manner. Agencies that miss City submittal deadlines more than two times in one fiscal year shall be disqualified from submitting a funding proposal for the following fiscal year.

*Adopted by Salinas City Council on May 5, 2009 (Resolution No. 19644 n.c.s.)*



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### Attachment B – HUD Program Information Sheet

The Request for Proposals solicits applications for a wide range of program activities, as described below. These activities will be funded from federal grants administered by the City, including CDBG (Community Development Block Grant), HOME (Home Investment Partnerships) and ESG (Emergency Shelter Grant). None of the monies made available by this funding process may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.

#### 1. Funding Available by Program Category

A. **Housing** activities may be funded during this funding cycle. The priority for this activity is the creation of permanent homeownership and/or rental housing units for households earning 80% or less than the area median income, (for HOME-funded rental projects there are deeper income targeting requirements). The City's affordable housing priorities emphasize the creation of homeownership opportunities and rental housing for larger families and farmworker families.

B. **Public Services** may be funded up to a level established by the City Council in accordance with applicable HUD regulations for the Community Development Block Grant.

Public services include, but are not limited to: provision of food/meals; fair housing activities; child care; legal services; recreation & mentoring programs; health care; and services for homeless.

**NOTE: Political activities, planning activities, code enforcement inspections, and payments to individuals for food, rent, utilities or other income payments are not eligible for public services funding.**

C. **Community Improvement Activities** may receive allocations through this application process as well. These funds are made available through the City's Community Development Block Grant (CDBG) received from HUD. Community Improvement activities must benefit individuals and families with incomes not exceeding 80% of the area median income. Such eligible activities include public improvements (such as street lights, parks, or traffic safety improvements); public facilities (such as recreation facilities open to the public); economic development (such as job training programs); and certain specific activities related to the preservation or creation of affordable housing (including limited predevelopment expenses or land assembly and clearance).

#### 2. **REQUIREMENTS OF SPECIFIC FUNDING SOURCES**

##### A. CDBG Program Eligibility Requirements

To be eligible for funding consideration, all proposed CDBG activities must meet one of the U.S. Department of Housing and Urban Development (HUD) National Objective to benefit low-income persons (at 80% or below the area median income) by:

- serving a limited clientele, at least 51% of whom are lower income;
- serving persons in a defined area where at least 51% of the residents are lower income;
- providing affordable housing for lower income persons/households; or
- creating jobs, at least 51% of which are held or made available to lower income persons.

All proposals will be carefully reviewed to determine specific eligibility under HUD regulations. Proposals are also evaluated in order to determine those activities that most closely meet the objectives incorporated into the City's Consolidated Plan as they relate to housing and non-housing needs.



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CDBG funds can be provided in the form of loans or grants, depending upon the project and the type of support needed. Eligible uses of funds are strictly prescribed by HUD regulations, and funding awards will be subject to compliance with all applicable federal laws and regulations.

## B. Home Investment Partnerships Act (HOME) Requirements

Unlike HUD's CDBG program, HOME dollars may be used directly for the construction of new housing units. Both "hard" construction costs and certain "soft" costs can be considered. Administrative expenses, however, cannot be paid with HOME dollars. The activities for which assistance can be provided to projects include: conversion of existing structures to affordable housing; structural rehabilitation; and acquisition of land or structures. Typically, HOME funding requires a 25% dollar match of nonfederal dollars; HOME "match" is not required on project by project basis (see City staff for additional detail on matching).

HOME funds may be provided as interest-bearing loans, both fixed and variable rate; loans with unequal amortization schedules; deferred payment loans; interest-subsidies on other loans; and equity investments. HUD has established maximum per unit subsidy amounts according to the number of bedrooms in each assisted unit. There are limits governing the maximum appraised value of HOME-assisted units. HOME-assisted units refer to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project. The maximum per-unit HOME subsidy varies and is determined by HUD upon Section 221 (d)(3) program limits for the metropolitan area each year. As of April 14, 2009, the 221(d)3 limit for a three bedroom home in Monterey County was \$231,639. The minimum amount of HOME funds is an average of \$1,000 multiplied by the number of HOME-assisted units in a project and does not include any other funds. HUD has also established income-targeting rules to ensure that assisted units are both initially affordable and remain affordable (typically 20 years) for set periods, depending upon the housing activity receiving assistance. Awards of HOME funds will be consistent with the City's Consolidated Plan.

Loans will be provided at a simple interest rate of three percent (3%) per annum, for a term of 20 years. Other loan terms are considered on a case-by-case basis. A funding agreement will specify all obligations and unit use restrictions will be enforced through a regulatory agreement.

## C. Emergency Shelter Grant (ESG)

ESG funds can only be used to benefit the homeless. Eligible activities that may receive ESG funding are:

- Rehabilitation/conversion of buildings for use as emergency shelters for the homeless;
- Provision of essential services to the homeless (services concerned with employment, health, substance abuse, and education);
- Payment of maintenance, operation (including administration but excluding staffing costs), rent, repair, security, fuels and equipment, insurance, utilities, and furnishings;
- Developing and implementing homeless prevention activities (i.e. short-term rent subsidies, security deposits or first month's rent to move into an apartment, mediation programs for landlord disputes, etc.).

It should be noted that the categories for Essential Services and Homeless Prevention Activities each have a maximum cap of 30% of the City's total allocation of ESG funds.

A condition of receiving ESG monies requires that the grantee match the ESG funding with an equal amount of funds from sources other than ESG funds, i.e., value of any donated material or building, any salary paid to staff of grantee, time and services contributed by volunteers at a rate of \$5 per hour.



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Agencies receiving ESG funds are required to use HUD's data collection system, Homeless Management Information System (HMIS), to track clients and report services provided.

D. Alisal Homeownership & Neighborhood Revitalization Strategy Area (AHNRSA).

The AHNRSA covers an area approximately 2.5 square miles, or about 12 percent of the City area. The area includes approximately 6,000 housing units and roughly 20 percent of the City's population. This area includes some of the most densely populated areas within the City. Establishment of the Strategy Area focused and expanded previous efforts that had been initiated to revitalize the neighborhoods experiencing the greatest social and economic difficulties in the City. All of the Strategy Area was annexed into the City of Salinas during the 1960's, following development as an unincorporated area under County jurisdiction. As such, standards were not as rigorous as those in the City and the public infrastructure (e.g., streets, curbs & gutters, storm drains, water lines) typically was inappropriate considering the degree of development that occurred over time. Added to these challenging conditions were high levels of unemployment; the community's highest level of poverty; and, the highest rate of violent criminal activity. Actions to increase homeownership, stimulate economic development, and improve the neighborhood have been implemented. Activities proposed to be provided within the AHNRSA may be accorded priority status during the consideration for funding allocations.



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## Attachment C – Map of Alisal Homeownership & Neighborhood Revitalization Strategy Area



*City of Salinas*  
**Alisal Homeownership & Neighborhood Revitalization Strategy Area**  
*County of Monterey*

SALINAS MUNICIPAL AIRPORT

City of Salinas  
Administration & Community Services  
65 West Alisal Suite 220  
Salinas, California 93901

File: I:\InfoSys\GIS\_Projects\Community Development\Housing\Miscellaneous\AHNRSA.mxd





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## Worksheet # 2 - Operational Budget (CDBG or ESG Public Services Only)

Budget Category	Actual Budget for July 1, 2009 to June 30, 2010	Projected Budget for July 1, 2010 to June 30, 2011	% Increase or Decrease	HUD Funds Request
<b>Employee Services</b>				
Personnel				
<b>Supplies and Materials</b>				
Consumable Supplies				
Non-Consumable Supplies				
<b>Outside Services</b>				
Telephone				
Utilities				
Maintenance				
Contract/Consultant Services				
<b>Other Charges</b>				
Rent				
Travel (Mileage)				
Insurance				
<b>Capital Outlay</b>				
Equipment/Furniture				
<b>Other (specify, e.g. reserves, contingencies)</b>				
<b>Total</b>	0	0		0



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## Worksheet # 3 - Development Budget *(Housing or Capital Improvement Projects Only)*

*(This worksheet should reflect HUD funds requested)*

General Development Costs	
Construction Loan Interest	\$
Real Estate Taxes During Construction	\$
Builders Insurance Liability	\$
Financing Fees	\$
Legal Fees	\$
Title & Recording Expenses	\$
Organizationl Expenses	\$
Rent-up & Marketing	\$
Other (specify):	\$
	\$
	\$
	\$
<b>Total General Development Costs</b>	<b>\$</b>
Construction Costs	
Structure	\$
Project Amenities	\$
Site Preparation	\$
Off-Site Improvements	\$
Other (specify):	\$
	\$
	\$
	\$
<b>Total Construction Costs</b>	<b>\$</b>
Construction Fees	
Impact Fees, Permits, School Fees <i>(attach schedule identifying costs by type &amp; amount)</i>	\$
Bond Premium	\$
Architectural/Engineering	\$
Developer Fees	\$
Other (specify):	\$
	\$
	\$
	\$
<b>Total Construction Fees</b>	<b>\$</b>
Equity / Financing	
Up Front Land Payment	\$
Total General Development Costs <i>(total from above)</i>	\$
Total Construction Costs <i>(total from above)</i>	\$
Total Construction Fees <i>(total from above)</i>	\$
Developer Equity/Fee	\$
Total To Be Financed	\$
First Mortgage Amount	\$



# Request for Proposals

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## Worksheet # 4 - Annual Income / Expenditures *(Housing Projects Only)*

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Gross Rental Income</b>					
Less: Vacancy (Percentage) %					
Adjusted Gross Rental Income					
Laundry/Other Income					
Total Adjusted Gross Income					
Less: Operating Expense					
Annual Operating Expenses					
Management Fee					
Maintenance					
Other: (specify)					
Other: (specify)					
Other: (specify)					
<b>Net Operating Income</b>					
Less: Return on Investment					
<b>Income Available for Debt Service</b>					
1st Debt @ _____ % _____ Years					
2nd Debt @ _____ % _____ Years					
3rd Debt @ _____ % _____ Years					
<b>Return on Equity</b>					