



**CITY OF RANCHO SANTA MARGARITA**  
**2023-2024**  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**  
**PUBLIC SERVICE GRANT APPLICATION GUIDELINES**

**PURPOSE**

The City of Rancho Santa Margarita is accepting applications from tax-exempt California nonprofit corporations that provide public services for City residents that are Community Development Block Grant (CDBG) eligible.

**PROGRAM DESCRIPTION**

The primary objective of the CDBG program, which is administered by the federal Department of Housing and Urban Development (HUD), is to develop viable communities by:

- Providing decent housing
- Providing a suitable environment
- Expanding economic opportunities

All CDBG-funded activities must primarily benefit low- and moderate-income persons as defined by HUD (see below).

Rancho Santa Margarita receives an annual CDBG allocation from HUD. The City is free to select from a range of eligible activities established by HUD for CDBG funding, including public services. HUD limits funding for public services (i.e., social service programs) to a maximum of 15 percent of the City's annual grant award. For Fiscal Year 2023-2024, the City anticipates receiving approximately \$187,900 in CDBG funds; however, HUD has not officially notified the City about its actual FY 2023-2024 CDBG allocation; therefore, for planning purposes, the maximum amount that Rancho Santa Margarita will allocate for all public service programs is \$28,180 - **funding estimates are subject to change.**

**PROGRAM REQUIREMENTS**

**A. CDBG NATIONAL OBJECTIVE**

All CDBG-funded activities must meet one of the program's three broad national objectives:

1. Provide a benefit to low- and moderate-income persons
2. Aid in the prevention or elimination of slums or blight
3. Meet other community development needs having a particular urgency (i.e., declared disaster)

**B. BENEFITS TO LOW/MODERATE INCOME POPULATION**

Overall, 70 percent of CDBG program beneficiaries must meet HUD's definition of a low- or moderate-income person. A person is considered low- and moderate-income if their household income is less than or equal to 80 percent of the county median income. Program beneficiaries must be able to provide evidence of income. Current income limits, adjusted for household size, are as follows:

<u>Number of Persons in Household</u>	<u>Income Limit</u>
1	\$75,900
2	\$86,750
3	\$97,600
4	\$108,400
5	\$117,100
6	\$125,750
7	\$134,450
8	\$143,100

Note: Income limits are updated annually by HUD.

**C. BENEFIT TO THE RANCHO SANTA MARGARITA COMMUNITY**

Eligible activities must show evidence of benefit to Rancho Santa Margarita residents. Reliable accounting of the number of low- and moderate-income Rancho Santa Margarita residents directly assisted with grant funding must be provided. All program beneficiaries must provide evidence that Rancho Santa Margarita is (or was) their last permanent place of residence for a minimum of three months.

**D. NONPROFIT STATUS**

Eligible service providers must be tax-exempt California nonprofit corporations before the application deadline. Proof of nonprofit status must be provided at the time of application. Additionally, applicants must be in good standing with the State of California and the IRS.

**E. PERMITS AND LICENSES**

Programs must have or obtain all proper local, State, and Federal permits and licenses. Applicants must also comply with and be in good standing with permit/license issuing agencies and applicable land use regulations.

**F. INSURANCE**

All agencies awarded CDBG funds will be required to obtain and maintain the following insurance coverage:

1. General Liability: \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

An endorsement naming the City of Rancho Santa Margarita as additional insured is also required.

**FUNDING**

Currently, the City has not established a minimum or maximum grant; however, applicants should consider the cost of providing the proposed services and administering grant funds when determining a grant request. Applicants should also consider the total CDBG available to the City to provide grants.

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Priority may be given to applications that focus funds on **direct benefits** for city residents versus staffing or operating costs.

Note: The City is not obligated to fund all program elements requested in an application (for example, the City could choose to fund a portion of program staff costs but not administrative staff costs). Funding will only be granted for CDBG-eligible expenditures as delineated in federal regulations. Funding will be provided for eligible expenditures on a reimbursable basis, subject to the federal Office of Management and Budget guidelines. Applicants are directed to review applicable regulations for additional information regarding the eligible use and management of CDBG/federal funds. Links to relevant regulations are provided below:

- [CDBG Regulations \(24 CFR 570\)](#)
- [Federal Grant Administrative Regulations \(2 CFR 200\)](#)
- [Single Audit Regulations \(OMB Circular A133\)](#)

#### SELECTION CRITERIA

Applications will be reviewed and evaluated by the City's CDBG Public Services Grant Advisory Committee (CDBG Committee). Typically, applicants will have an opportunity to present their grant application to the CDBG Committee in an interview format; however, other application review processes may be used. Interviews are typically held during evening hours. Once final details are determined, an update regarding the CDBG Committee's grant recommendation process will be provided to all applicants. It is anticipated the CDBG Committee will meet in February 2023.

#### INSTRUCTIONS FOR SUBMISSION REQUIREMENTS

- Applications are due **Friday, January 27, 2023 – at 3 PM**. Applications should be mailed or delivered to the **City of Rancho Santa Margarita City Hall, 22112 El Paseo, Rancho Santa Margarita, CA**, and identified as **2023-2024 Public Service Grant Application – Attention Mike Linares**.
- The original application must be printed on standard white letter-size paper, one-sided, and not stapled or inserted into any binding or notebook.
- Applicants must also submit an unsigned MS-Word electronic copy of the application (application only) by the due date and time.
- All other required materials must be submitted on a USB storage device in PDF format. Ensure all passwords are removed for documents such as tax returns and audits.
- Do not provide any program materials, letters of recommendation, etc.
- **APPLICATIONS SUBMITTED AFTER THE DEADLINE WILL NOT BE ACCEPTED.**

#### CITY CONTACT INFORMATION

A request for an electronic copy of the application or questions regarding the application process should be directed to Mike Linares, City of Rancho Santa Margarita, Community Development Consultant, at [mlinares@cityofrsm.org](mailto:mlinares@cityofrsm.org).