



**CITY OF RANCHO SANTA MARGARITA  
2017-2018  
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 residents of the City that are eligible for Community Development Block Grant (CDBG) funding.

**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 principally benefit persons of low- and moderate-income (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 the provision of public services. Funding for public services (i.e. social service programs) is limited by HUD to a maximum of 15 percent of the City's annual grant award. For fiscal year 2017-2018 the City anticipates receiving approximately \$200,000 in CDBG funds; however, the City had not been officially notified by HUD as to its actual 2017-2018 CDBG allocation. For planning purposes the maximum amount that Rancho Santa Margarita will allocate for public service programs is \$30,000. **Please note these are not final figures and are subject to change.**

**PROGRAM REQUIREMENTS**

- A. All CDBG funded activities must meet one of the program's three broad national objectives:
1. Provide benefit to low- and moderate-income persons;
  2. Aid in the prevention or elimination of slums or blight; or
  3. Meet other community development needs having particular urgency
- 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. Current income limits, adjusted for household size, are as follows:

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| <u>Number of Persons<br/>in Household</u> | <u>Income Limit</u> |
|---|---------------------|
| 1   | \$ 54,600           |
| 2   | \$ 62,400           |
| 3   | \$ 70,200           |
| 4   | \$ 78,000           |
| 5   | \$ 84,250           |
| 6   | \$ 90,500           |
| 7   | \$ 96,750           |
| 8   | \$103,000           |

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 the grant money must be provided. Program beneficiaries must be able to 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 registered, tax-exempt California nonprofit corporations as of 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 be in full compliance with and in good standing with permit/license issuing agency 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.

**FUNDING**

At present the City has not established a minimum or maximum grant; however, applicants should consider the cost of providing eligible services and grant administration when determining a grant request. Priority may be given to application that focus funds on direct services for city residents versus operating costs. Note that 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 only, subject to guidelines of the Federal Office of Management and Budget. For additional information regarding eligible use and management of federal funds, applicants are encouraged to review applicable regulations. Links to relevant regulations are provided below:

CDBG Regulations: [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570_main_02.tpl)

OMB Circular A110: [https://www.whitehouse.gov/omb/circulars\\_a110](https://www.whitehouse.gov/omb/circulars_a110)

OMB Circular A122: [https://www.whitehouse.gov/omb/circulars\\_a122\\_2004](https://www.whitehouse.gov/omb/circulars_a122_2004)

Super Circular: [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

OMB Circular A133: [https://www.whitehouse.gov/omb/circulars/a133\\_compliance\\_supplement\\_2016](https://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2016)

The "Common Rule:" <https://www.law.cornell.edu/cfr/text/24/part-85>

### **SELECTION CRITERIA**

Applications will be reviewed and evaluated by the City's CDBG Public Service Grant Application Review Committee (CDBG Committee). Applicants will have an opportunity to present their grant application request to the CDBG Committee during an interview. Interviews will be held during evening hours. The date and time of the interviews will be provided to all applicants at a later date; however, interviews will most likely be held in February 2017.

### **INSTRUCTIONS FOR SUBMISSION REQUIREMENTS**

- Applications will be accepted until **12:00 PM on Friday, January 20, 2017** at the **City of Rancho Santa Margarita City Hall, 22112 El Paseo, Rancho Santa Margarita**.
- Applicants are also required to submit a MS-Word electronic copy of the application (application only).
- All other required materials must be submitted in PDF file format on a CD-ROM or USB flash drive.
- **APPLICATIONS WILL NOT BE ACCEPTED AFTER THE DEADLINE.** Applications may not be sent by facsimile and no extension of the deadline will be granted.
- Applications may be photocopied but must be signed by an official authorized to act on behalf of the agency or organization applying.
- Do not provide any program materials, letters of recommendations, etc.

### **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), or phone at 949-635-1800 ext 6702.