



**CITY OF RANCHO SANTA MARGARITA
2021-2022
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PUBLIC SERVICE GRANT APPLICATION GUIDELINES**

PURPOSE

The City of Rancho Santa Margarita is accepting applications from existing 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 2021-2022 the City anticipates receiving approximately \$200,000 in CDBG funds; however, the City had not been officially notified by HUD as to its actual 2021-2022 CDBG allocation. For planning purposes the maximum amount that Rancho Santa Margarita will allocate for public service programs is \$30,000. **Please note that 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 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 (i.e., declared disaster).

B. BENEFITS TO LOW/MODERATE INCOME POPULATION

Overall, the City requires that 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	\$71,750
2	\$82,000
3	\$92,250
4	\$102,450
5	\$110,650
6	\$118,850
7	\$127,050
8	\$135,250

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 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 tax-exempt California nonprofit corporations prior to 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.

An endorsement naming the city as additional insured is also required.

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 \(24 CFR 570\)](#)
- [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 Service Grant Application Review Committee (CDBG Committee). Typically applicants will have an opportunity to present their grant application to the CDBG Committee during an interview; however, due to current public health safety concerns, an alternate application review process may be implemented. If applicable, interviews will be held during evening hours. An update regarding the Committee's grant recommendation process will be provided to all applicants once final details are determined. It is anticipated the Committee will meet in mid-March 2021.

INSTRUCTIONS FOR SUBMISSION REQUIREMENTS

- Applications due date is **Wednesday February 24, 2021 – 12 PM**. Applications should be mailed or delivered to the **City of Rancho Santa Margarita City Hall, 22112 El Paseo, Rancho Santa Margarita**, and identified as **2021-2022 Public Service Grant Application – Attention Mike Linares**.
- Original application must be printed one-sided and not stapled.
- Applicants are also required to 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 in PDF file format on a USB storage device. Ensure all passwords are removed for documents such as tax returns and audits.
- **APPLICATIONS WILL NOT BE ACCEPTED AFTER THE DEADLINE.**
- Applications may not be sent by facsimile.
- Application may be photocopied but must be signed by an official authorized to act on behalf of the agency or applying organization.
- Do not submit applications in binders or other types of portfolios.
- 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 mlinaires@cityofrsm.org, or phone at 949-635-1800 ext 6702.