



## CITY OF STOCKTON

### APPLICATION **INSTRUCTIONS** FOR FUNDING FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

AND

### EMERGENCY SOLUTIONS GRANT (ESG) FOR FISCAL YEAR 2019-2020

Deadline for Submitting Applications:  
**5:00 PM, Friday, January 11, 2019**

Hand deliver or mail to:  
**City of Stockton - Economic Development  
Housing Division  
400 E. Main Street, 4th Floor  
Stockton, CA 95202**

Hand delivery suggested.

Faxed copies will not be accepted. Proposals received after deadline, regardless of postmark date, will not be accepted. Applications submitted without the required attachments will not be accepted.

For information on program regulations, visit [www.hud.gov](http://www.hud.gov)

*For more information, contact Housing staff at (209)937-8539.*





## GENERAL INFORMATION

The City of Stockton anticipates receiving federal funds from the U.S. Department of Housing and Urban Development (HUD) to: provide assistance to low and moderate-income persons, expand economic opportunities, provide decent housing, and/or provide suitable living environment. As a recipient of Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and Home Investment Partnerships (HOME) funds, the City allocates these funds to different activities that meet priority needs and specific objectives identified in the City's Consolidated Plan.

For the upcoming 2019-2020 Program Year, the City of Stockton expects to allocate approximately \$300,000 to Subrecipients under the CDBG program and \$290,000 under the ESG Program. These estimates are based on the City's 2018-2019 allocations and may vary for the upcoming year.

The City's Community Development Committee (CDC), an advisory committee comprised of City Council-appointed residents from various sectors of the City, will review all eligible proposals submitted for community projects, services, and/or programs. Funding recommendations are based on a variety of factors, including, but not limited to, eligibility, fit with program objectives, project readiness, leveraging of other funds, etc. Please note that submission of an application does not guarantee funding.

## ELIGIBILITY INFORMATION

**I. CDBG** - To be considered for CDBG funding, a proposed activity/project/service must qualify as an eligible use of funds and meet one of three national objectives as mandated by HUD.

The following activities are eligible uses of CDBG funds under HUD's guidelines (Code of Federal Regulations, Title 24, Section 570.201):

- Acquisition of Real Property
- Public Facilities and Improvements
- Public Services
- Relocation
- Removal of Architectural Barriers
- Housing Rehabilitation
- Code Enforcement
- Historic Preservation
- Commercial Rehabilitation
- Special Economic Development
- Homeownership Assistance

One of the following Federal objectives must be met under HUD's guidelines (Code of Federal Regulations, Title 24, Section 570.483):

- Provide benefit to low and moderate-income persons
- Eliminate and prevent slums and blighting elements
- Meet a particularly urgent community need (defined as providing disaster relief from flooding, earthquakes, etc.)

In addition to the federally mandated eligibility criteria, the Stockton City Council has adopted local objectives for CDBG funds that support the City's approved goals and objectives as outlined in the Five-Year Consolidated Plan. *(CDBG Continued)*

Proposals should meet one of the following City of Stockton’s local objectives:

- Increase the availability of safe, affordable housing through both rehabilitation and new construction and promote neighborhood preservation
- Assist economic development through the support of activities which provide job retention or creation
- Provide assistance to public improvements and facilities that support Objective 1 and 2
- Support programs offering significant community benefit and which improve the quality of life for residents of Stockton
- Support projects and programs which utilize “green” technology and support Objectives 1 and 2

Program beneficiaries must be principally low or moderate-income persons.

This is defined as persons with incomes at, or below, 80% of the median family income for the Stockton Metropolitan Statistical Area. Income limits are published each year at

<https://www.huduser.gov/portal/datasets/il.html> Current limits for 2018 are:

Household Size	1	2	3	4	5	6	7	8+
80%	35,700	40,800	45,900	50,950	55,050	59,150	63,200	67,300

**II. ESG** - The Emergency Solutions Grant program provides funding to assist the homeless or those who are about to become homeless. The program places an emphasis on helping people quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The following activities are eligible uses of ESG funds under HUD’s guidelines:

- Emergency Shelter
- Homelessness Prevention and Rapid Re-Housing
- Homeless Management Information System (HMIS)

ESG funds will be awarded on a one-year funding cycle.

## FEDERAL AND LOCAL REQUIREMENTS

CDBG & ESG programs are subject to numerous Federal and local requirements, some of which are listed below. Additional requirements can be found on HUD's website at [www.hud.gov](http://www.hud.gov); Title 2 CFR Part 200 Uniform Administrative Requirements (referred to as the OMB "Super Circular"); and the City of Stockton's guide to Affirmative Action for Federally-funded projects. We encourage applicants to familiarize themselves with these requirements to ensure that their organization has adequate administrative systems in place.

- Timeliness: Federal guidelines require that these funds be spent in a timely manner. CDBG-funded projects will need to be underway and generating expenditures within twelve (12) months of execution of an agreement with the City; otherwise, funds may be de-obligated. ESG-funded projects must expend all funds within twenty-four (24) months of execution of an agreement with the City; otherwise, funds will be de-obligated.
- Program Income: Funds generated as a result of CDBG funding must be reported and are subject to HUD regulations.
- Audits: Depending on the type of project or activity to be funded, an audit performed in accordance with Governmental Auditing Standards may be required. For additional information, see Title 2 CFR Part 200 Uniform Administrative Requirements (referred to as the OMB "Super Circular").
- Accessibility: Programs, services, and projects must be accessible to persons with disabilities. Access can be achieved in many cases without having to alter the existing facility.
- Prevailing Wages: Capital (building/construction) projects may trigger prevailing wages under the Federal Davis-Bacon Act and California Labor Code section 1720. This generally increases the project cost by approximately 30 percent.
- Lead-Based Paint: Rehabilitation activities must comply with the latest revisions of the Lead-Based Paint Poisoning Act and Residential Lead-Based Paint Hazard Reduction Act.
- Environmental Review and Historic Preservation: Environmental review and historic preservation clearance must be completed before funds can be committed.
- Ineligible Reimbursements: Costs incurred and funds expended prior to execution of the grant or loan agreement are **not** reimbursable. All reimbursement requests will be reviewed at time of submission to determine eligibility.
- Affirmative Action: Organizations must demonstrate efforts to utilize minority and women-owned businesses in contracting for services.
  - Relocation: Activities that temporarily or permanently displace residents or businesses are subject to Uniform Relocation Act regulations, which require monetary benefits be paid to those displaced. For additional information, visit [https://www.hud.gov/program\\_offices/comm\\_planning/affordablehousing/training/web/relocation/overview](https://www.hud.gov/program_offices/comm_planning/affordablehousing/training/web/relocation/overview).
  - Insurance: The City requires all entities receiving funding to provide proof of insurance. Specific information on types and limits can be found on the City's website at <http://www.stocktongov.com/government/departments/humanResources/riskServices/insurance.html> or by contacting Risk Management at (209) 937-8629.
- SAM.gov Registration: Required if awarded funds. The System for Award Management (SAM) is the Official U.S. Government system which incorporates all government contractor information into one database.

## APPLICATION INSTRUCTIONS

- Complete one application for each activity. Forms should be typed.
- Return one (1) unbound original application with all required attachments (hardcopy format with original signatures), and two (2) copies along with all required attachments. Do not include copies of the instructions with your application; only the application, checklist, and attachments should be submitted.
- Submit application(s) by **5:00 p.m., Friday, January 11, 2019**. Hand delivery suggested. Faxed copies or applications received after the deadline, regardless of postmark date, will **not** be accepted.
- Submit the following items with each application. Incomplete applications will **not** be considered for funding.

Project Budget – A copy of the project budget (separate from operational budget) showing all funding sources and uses. Identify specific items that City funds would pay for if approved. For public facility improvement/construction projects, care should be taken in presenting a budget which reflects accurate labor and material costs. *Sample budget is attached.*

Operational Budgets – A copy of the organization’s operational budget for the current fiscal year and proposed budget for the 2019-2020 fiscal year.

Financial Statements – Please submit one of the following:

- **For organizations that received City funding in prior years:** an audited or reviewed compilation report performed by a Certified Public Accountant for the most recent year.
- **For all other organizations, an audited report:** a compilation report, or the organization’s bookkeeping records in the form outlined above (Balance Sheet, etc.), for the most recent year.

Tax Status – Each applicant must have 501(c)(3) or tax-exempt non-profit status. Please submit one of the following verifying documents:

- A determination letter from the U. S. Internal Revenue Service, confirming 501(c)(3) Tax-exempt status of organization; or
- A letter from the California State Franchise Tax Board certifying tax-exempt status of organization.

Board of Directors Roster – A current roster of the organization’s officers and members of its Board of Directors, which includes their name, position held, address, telephone number, and current employer(s). Please note any conflicts of interest falling under 24 CFR 570.611.

Business License – The City of Stockton requires all non-profits to maintain a business license. Non-profits may obtain a business license, free of charge, on the 1<sup>st</sup> floor of City Hall.

Use Permit/State License (as applicable) – For first time applicants, new projects, or expansion of existing facilities. Include date of approval and status, as applicable.

All applicants will be notified in writing of their application status by March 2019. The City Council will conduct a public hearing on the funding recommendations by the CDC in April 2019. Funds are expected to be available in Fall 2019, after HUD’s final approval and after contracts between the organization and the City are executed.

## **SCHEDULE**

November 29, 2018, 3:30 pm - CDC Kick-off Meeting  
January 11, 2019, 5pm – Applications Due  
February 7, 2019, 3:30pm – CDC Application Review, *tentative*  
February 14, 2019, 3:30pm – CDC Application Review, *tentative*  
February 21, 2019, 3:30pm – CDC Application Review, *tentative*  
April 16, 2019, 5pm – City Council Public Meeting, *tentative*  
May 2019 – Action Plan Submitted to HUD  
Fall 2019 – Contracts Drafted/Funds become available

## **CONTACT**

*For additional information, please contact the City of Stockton - Economic Development Department,  
400 E. Main Street, 4<sup>th</sup> Floor, Stockton, California, 95202,  
email: [economic.development@stocktonca.gov](mailto:economic.development@stocktonca.gov), or call (209) 937-8539.*

## **HELPFUL HINTS**

*The following may help your application to be more competitive. Please remember that due to limited resources, submission of an application does **not** guarantee that it will be funded.*

**Answer all questions completely.** Include as much information as possible (such as cost estimates and all predevelopment activities completed to date).

**Submit the application before the deadline.**

**Applications must be typed.** Applications are reviewed by the Community Development Committee. If additional space is needed, please attach additional pages. This application is available on the City's website at [www.stocktongov.com/government/departments/econDev/housing](http://www.stocktongov.com/government/departments/econDev/housing) or via email by calling 209-937-8539.

**Davis-Bacon.** Please note all federally funded construction projects are subject to Davis-Bacon prevailing wage requirements. For further information about Davis-Bacon wages call 209-937-8539.

**Leveraging funds.** Budgets should reflect all sources of leveraged financial sources of funds. The availability of other resources in the community is foremost in the City's mind when evaluating applications. We suggest applicants be aware of and pursue other larger funding resources, if/when applicable.

**CDBG funds should be used within 12 months.** Given the federal timeliness requirements in the use of funds, the City will only recommend funding of projects that are ready to begin operation/construction within 12 months of execution of an agreement with the City. Organizations should be able to demonstrate in their application that all other funding sources have been leveraged/secured and the project/program is ready to move forward.

**ESG funds must be used within 24 months.** Given the federal timeliness requirements in the use of funds, the City will only recommend funding of services which can expend funds within 24 months of execution of an agreement with the City.

**Payments against allocated funds** are administered on a reimbursement basis. Any costs incurred prior to execution of contractual agreements with the City of Stockton cannot be paid per Federal Regulations of these funds. Funds will not be available until Fall 2019.

**Attachments.** Remember to include all the required attachments (financial statements/budgets, rosters, tax status, etc.).

**Letters.** Letters of recommendation or endorsement are not required.

**DUNS Numbers.** DUNS numbers are required for each organization that receives federal funding. Numbers may be obtained at <http://fedgov.dnb.com/webform>

**SAM.gov Registration:** SAM.gov registration is now required if awarded funds. The System for Award Management (SAM) is the Official U.S. Government system which incorporates all government contractor information into one database.



## SAMPLE CDBG/ESG PROJECT BUDGET

	City CDBG	Other Sources/ Fundraising	Total
<b>Proposed Project/ Program</b>	\$6,000	\$75,000	<b>\$81,000</b>
12 mos. utilities	\$3,000	\$9,000	<b>\$12,000</b>
12 mos. rent	\$6,000	\$18,000	<b>\$24,000</b>
<b>Operating Expenses</b>		\$100,000	<b>\$100,000</b>
<b>Total</b>	<b>\$15,000</b>	<b>\$202,000</b>	<b>\$217,000</b>