



CITY OF LAKE FOREST COMMUNITY DEVELOPMENT BLOCK GRANT

FY 2024-2025 FUNDING APPLICATION INSTRUCTIONS

The City of Lake Forest is accepting applications from tax-exempt California nonprofit corporations that provide City residents with services eligible under the federal Community Development Block Grant (CDBG) program. Grant funds are to be utilized during the period of July 1, 2024 through June 30, 2025.

Applications are due **NO LATER THAN 12 PM on THURSDAY JANUARY 25, 2024**, and must be submitted to:

Keith D. Neves – Assistant City Manager
2024-2025 CDBG Application
City of Lake Forest
100 Civic Center Drive
Lake Forest, CA 92630

LATE APPLICATIONS WILL NOT BE ACCEPTED

If you would like this application sent electronically, please contact Keith D. Neves at kneves@lakeforestca.gov and provide your email address. Applications may be photocopied but must have an original or electronic signature. Applications may not be submitted by facsimile.

I. PROGRAM DESCRIPTION

The primary objective of the CDBG program, administered by the U. S. Department of Housing and Urban Development (HUD), is to develop *viable communities by providing decent housing, a suitable environment, and expanding economic opportunities principally for persons of low- and moderate-income.*

The City of Lake Forest receives an annual CDBG grant from HUD that may be used to fund eligible activities, including social services (a.k.a. public services). HUD regulations limit funding for public service programs to a maximum of fifteen percent (15%) of the annual grant award. For fiscal year 2024-2025, the City estimates receiving approximately \$505,000 in CDBG funds. Therefore, the maximum amount allocated for public service programs, (15%) would be \$75,750. **(NOTE: To date, the 2024 federal budget has not been approved; therefore, the amount of CDBG available for grants is subject to change.)**

CDBG grants require robust administration on your part. Please carefully review the following requirements.

II. PROGRAM REQUIREMENTS

A. Eligible service programs must meet one of the three broad national objectives of the CDBG Program:

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. The Consolidated Plan is a five-year strategic plan that identifies priority housing and community needs for the use of CDBG funds. The priority needs identified in the 2020-2024 Consolidated Plan are listed below. Applications must address at least one priority need established in the City's Consolidated Plan.

Housing priorities identified in the Consolidated Plan include:

- Improve or expand the supply of housing affordable to lower-income households;
- Housing and support services for the homeless and the near-homeless;
- Rental Assistance.

Community development priorities include the provision of needed community services and infrastructure improvements benefiting low and moderate-income persons and those with special needs, including:

- A continuum of housing and supportive services for the homeless and the near-homeless;
- Financial assistance to create or preserve employment opportunities for lower-income residents;
- Homelessness prevention and other homeless housing and support services;
- Fair housing outreach, education, and enforcement;
- Youth services;
- Senior services;
- Low-income persons services;
- Disabled persons services;
- Economic opportunities primarily for low and moderate-income persons;
- Public improvements and public facility improvements.

C. Ineligible activities:

- Funding for buildings or portions thereof, used for the general conduct of government, or funds to carry out the regular responsibilities of a local government;
- Funding for the use of facilities/equipment for political purposes or to engage in other partisan political activities;
- Purchase of equipment is generally ineligible;

- Income payments such as a series of grant-type payments made to or on behalf of households for items such as food, clothing, program participation fees, and stipends. In general, payments for housing (rent or mortgage) and utilities are ineligible unless assistance is necessary to prevent the loss of housing/services (limited to three consecutive months).

D. Benefits to Low- and Moderate-Income Population

Nearly all beneficiaries of your program should be of low and moderate-income. Under this criterion, the program must benefit City of Lake Forest residents whose household income is not more than 80% of Orange County's median income, adjusted for family size. 2023 income limits, as published by HUD, are:

| HOUSEHOLD SIZE | INCOME LIMIT |
|----------------|--------------|
| 1 | \$80,400 |
| 2 | \$91,850 |
| 3 | \$103,350 |
| 4 | \$114,800 |
| 5 | \$124,000 |
| 6 | \$133,200 |
| 7 | \$142,400 |
| 8 | \$151,550 |

Income limits are updated annually by HUD, and each grant recipient will be responsible for ensuring income limits are updated when notified to ensure ongoing program eligibility. **Grant recipients are required to document program participants' household income to ensure program eligibility.**

E. Quarterly Reporting

Statistics on your clients' income levels (based on family size), race and ethnicity, and other demographic data must be documented and reported quarterly. This is a HUD requirement. The City will provide the report form.

III. APPLICATION SUBMISSION REQUIREMENTS

A. All applicants must submit the following original documents as part of the application:

- A complete application with an original or digital signature.
- Conflict of Interest Questionnaire with an original or digital signature.

Email the completed application and conflict of interest form in the original fillable PDF form to Keith D. Neves at kneves@lakeforestca.gov.

B. Submit the documents below in PDF format on an electronic data storage media.

- Articles of Incorporation and By-laws.
- State and federal Tax Exemption Determination Letters.
- List the Board of Directors and identify principal officers of the governing body.
- Organizational chart.
- Annual financial statements and audit with management letter (if applicable). Ensure the document is not password protected.
- Most recent 990 Federal Tax Return. Ensure the document is not password protected.
- Proposed/current client intake form used to determine income and to collect race and ethnicity as required by HUD regulations.

Failure to provide the required information will cause this application to be invalid, and the application will not be considered for funding.

C. Insurance

Minimum insurance coverage is required for all programs funded during the grant term. If the activity is selected for funding, proof of insurance and endorsement of additional insured for the following will be required:

- Worker's Compensation Insurance, statutory limits, for any employees.
- Comprehensive general liability insurance - \$1,000,000 combined single limit.
- Automobile liability insurance (if applicable) - \$1,000,000 per occurrence.

D. Permits and Licenses

Programs and projects must have or obtain all required local, state, and federal permits and licenses.

IV. FUNDING

Grant funding is provided for eligible expenditures on a reimbursement basis. Expenditures and reimbursements are subject to guidelines of the Federal Office of Management and Budget (OMB) and federal regulations, including:

- CDBG Entitlement Program Eligibility Requirements;
- Playing by the Rules: A Handbook for CDBG Sub-recipients on Administrative Systems;
- 2 CFR 200.

V. SELECTION CRITERIA

Applications will be evaluated based on the following criteria:

- Completeness of application;
- Capacity to implement the proposed program;
- Demonstrated need for the service in the City of Lake Forest;
- Percentage of Lake Forest residents served in proportion to the amount of funding requested;
- Cost-effectiveness of the proposed activity.

VI. REVIEW AND SELECTION PROCESS TIMELINE (Tentative)

| TASKS | TIMELINE |
|---------------------------------------------------------------|------------|
| Publish Public Service Grant NOFA to the Newspaper | 12/7/2023 |
| Release CDBG Public Service Subrecipient Application Packets | 12/12/2023 |
| CDBG Public Service Subrecipient Application Due | 1/25/2024 |
| Draft Action Plan to City Council for Final Adoption | 5/7/2024 |
| Approved Action Plan with Funding Selections Forwarded to HUD | 05/15/2024 |

* Date is subject to change