

**CITY OF HANFORD**  
"Planning Tomorrows"



**Community Development Block Grant (CDBG)**

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**Notice of Funding Availability (NOFA)**

**2020 -2022 Funding Cycle**

**City of Hanford**

**Community Development Department  
317 N. Douty Street Hanford, CA 93230**



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## BACKGROUND

The City of Hanford receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). This provides Hanford with the opportunity to serve and improve the lives of its low- and moderate-income residents and neighborhoods.

Neighborhood organizations, non-profit agencies, civic groups, church groups, or any organization implementing a project or program designed to improve the lives of Hanford residents in low- to moderate-income neighborhoods are encouraged to apply for funding under the City's Public Service allocation.

All activities must meet CDBG guidelines and regulations established by the Department of Housing and Urban Development (HUD), and other local restrictions established by the Hanford City Council. While churches may use CDBG funds to sponsor eligible community activities, the activities may not be religious in nature, directly or indirectly, or be limited to or predominantly for members of specific churches.

## ESTIMATED FUNDS AVAILABLE

- ✓ The total CDBG funding for the City of Hanford has been about \$580,000 annually. Staff is anticipating the 2020-21 allocation will be similar to the 2019-2020 allocation. Staff will make their funding recommendations based on the 2019-20 allocation of \$571,462. Funding is contingent upon approval of the U.S. Department of Housing and Urban Development.
- ✓ If applicant is selected to receive a grant, under no circumstances will the City of Hanford reimburse the application costs incurred prior to July 1, 2020.
- ✓ All applicants and proposed activities must meet HUD CDBG eligibility guidelines to be considered for funding. Not more than \$85,000 (15%) of the funds can be used for public service projects.
- ✓ Final allocation of CDBG funds is contingent upon City Council approval.
- ✓ **NEW-Transitioning from a one (1) year application cycle to a two (2) year application cycle.**
- ✓ **If awarded, contracts will be for one-year (July 1, 2020-June 30, 2021), plus one-year extension (July 1, 2021-June 30, 2022), contingent upon annual review of performance and funding availability.**

## APPLICATION SUBMITTAL AND SCHEDULE

A **signed original and one (1) copy** of the Application must be submitted to the City of Hanford, at the address below, by **4:00 p.m., February 20, 2020**.

- **Technical Assistance:** Technical assistance is available to potential applicants through pre-application conferences. Assistance available includes answers about funding regulations and application requirements and discussing the proposed project's compliance with program regulations and eligibility for funding. If you have any questions please contact **Sandra Lerma at 559.585.4766; [slerma@cityofhanfordca.com](mailto:slerma@cityofhanfordca.com)**

Small, minority and female owned businesses are encouraged to apply. The City of Hanford is an Equal Opportunity provider

### Timeline

February 20, 2020 No later than 4:00 pm	<b>Application Deadline</b>
March 17, 2020	<b>City Council Study Session Meeting</b> Action Plan Input – on needs, priorities and designated amounts
April 1, 2020- May 30, 2020	<b>30-Day Public Review Period</b> 2020/2021 CDBG Annual Action Plan DRAFT is made available to the public for public review and comments
May 5, 2020 7:00 PM (subject to change)	<b>City Council Public Hearing</b> Final Action Plan is approved by City Council
May 14, 2020	<b>Final Action Plan Submission to HUD</b>
May 15, 2020	<b>Deadline for FY 20-21 Action Plan to HUD</b>
July 1, 2020	<b>Beginning of fiscal year 2020-2021 (ends June 30, 2021)</b>

## OVERVIEW OF CDBG PROGRAM REQUIREMENTS

### CDBG National Objective

Applicants for CDBG sub-recipient funding must meet one of the following HUD National Objectives

They must:

- Directly benefit low- and moderate – income (LMI) persons. The program must benefit at least 51% of low-and moderate-income persons.
- Aid in the prevention or elimination of slums or blight; or
- Meet a need having a particular urgency such as a natural disaster, providing a remedy to a serious and immediate health or welfare problem

**Low- and moderate-income** is defined as having an income equal to or less than 80 percent of the area median income, adjusted for household size. The specific household income limits are based on U.S. Census Bureau estimates, updated and issued by HUD annually <http://www.huduser.org/portal/datasets/il.html>

### 2019 Kings County Program Income Limits

In order for a project or program to qualify for Community Development Block Grant (CDBG) funds, 51% of the program beneficiaries must be low and moderate income as defined by the U.S. Department of Housing and Urban Development. The following table reflects the HUD income limits for low and moderate-income families. The amounts listed in the Moderate-Income category are 80% of the Area Median Income for Kings County.

#### 2019 MAXIMUM INCOME LIMITS FOR KINGS COUNTY

INCOME LEVEL	1	2	3	4	5	6	7	8
<b>Extremely</b>	\$13,650	\$15,600	\$17,550	\$19,450	\$21,050	\$22,600	\$24,150	\$25,700
<b>Very Low</b>	\$22,700	\$25,950	\$29,200	\$32,400	\$35,000	\$37,600	\$40,200	\$42,800
<b>Low</b>	\$27,240	\$31,140	\$35,040	\$38,880	\$42,000	\$45,120	\$48,240	\$51,360
<b>Moderate</b>	\$36,300	\$41,500	\$46,700	\$51,850	\$56,000	\$60,150	\$64,300	\$68,450

Source: HUD FY 2019 HUD Income Limits

### **Eligible Organizations**

Applicants must either be a public or private non-profit agency, authority, or organization, or a for profit entity. Individuals are not eligible for funding.

CDBG funded recipients may not discriminate on the basis of race, gender, nationality, ethnicity, religion, creed, or disability. The applicant must actively seek or encourage participation from everyone residing in or operating businesses in the target neighborhood.

Organizations which will use the funds for activities which improve the quality of life in low-income neighborhoods and/or which discourage adverse conditions such as crime, drug use, violence, vandalism, littering, and social neglect by empowering the community to help renew its neighborhoods through community activism.

There is no limit to the number of applicants that an agency may submit, but each project should be submitted as its own application. Applications selected for funding may receive less

than the requested amount depending on the number of applications received and the available funding. By applying, funding is not guaranteed to any agency or project.

Applications will not be accepted from organizations that have failed to satisfactorily complete the CDBG funding application or follow the required format.

### **The Public Service projects should be designed to:**

- Improve the quality of life for low - to moderate-income persons or neighborhoods.
- Provide supportive services for special needs populations such as youth, elderly, disabled, homeless, abused women and children, persons suffering from addictions, and other disadvantaged persons.
- Promote cultural diversity.
- Promote educational and health education.
- Spur interest and participation in neighborhood associations.
- Provide seed money for a variety of community events, programs, and projects.
- Allow residents to participate in improvements in their own neighborhoods.
- Encourage citizen involvement and leverage resources to revitalize low and moderate-income neighborhoods.
- Encourage partnerships between City Hall, residents and other community organizations that will result in projects and activities that benefit a community.
- Instill and foster community pride.
- Promote neighborhood beautification and revitalization.
- Discourage adverse neighborhood activity such as drug use, crime, and vandalism.

- Inspire and support the healthy development of youth.
- Improve the quality of life or affordable housing opportunities in declining neighborhoods.

**Eligible CDBG Public Service Projects (24 CFR 570.201. (E))**

- May use funds as seed money for salaries, professional fees, and purchase of supplies, materials, goods, and services directly related to the implementation of the project.
- Must provide services to low-to moderate-income persons or neighborhoods.
- Activities must be implemented within the city limits of Hanford.
- Must comply with all applicable local and federal health, safety, and legal regulations.
- Should not duplicate an existing private or public program that is already available to the targeted beneficiaries or community.

**Eligible Activities:** Public service activities which are directed toward improvement of the quantity and quality of community services principally benefiting persons of low- and moderate-income are eligible for funding. These activities include, but are not limited to, services concerned with employment, crime prevention, child care, health, substance abuse counseling and treatment, education, fair housing counseling, energy conservation, welfare (excluding income payments) and recreational needs. Emergency grant payments for food, clothing, and shelter (rent, mortgage, utilities) needs are eligible activities as long as the payments do not exceed three months and the payments are made directly to the provider of such services on behalf of an individual or family.

**Limited Clientele Activity.**

This is the category most often used for public service activities. Limited clientele activities are activities limited to a specific group of persons. At least 51 percent of those served must be low- and moderate-income persons. Services qualifying under this category **serve a specific clientele**, rather than providing service to all persons in a geographic area. Limited clientele activities may qualify as either a **presumed benefit activity or a direct benefit activity**. A presumed benefit activity is one that exclusively serves a specific group of people that HUD categorically considers to be low- and moderate-income persons. These categories include: abused children, battered spouses, elderly persons, homeless persons, illiterate adults, persons living with AIDS, migrant farm workers, and severely disabled adults as defined by the Bureau of Census (see [Appendix D](#) for the definition of severe disability). The project sponsor must document that the activity is designed to be used exclusively by a category of persons presumed by HUD to be low- and moderate-income.

If the clientele served does not fall under one of the presumed benefit categories of persons, it may qualify as a direct benefit activity which serves low- and moderate-income persons. The project sponsor must verify and maintain documentation regarding the family size and income of each person served. At least 51 percent of the clientele served must be low- and moderate-income persons or the activity funded must be limited exclusively to low- and moderate-income persons. The nature and location of the activity may also support a conclusion that primarily low- and moderate-income persons are served. To qualify under this definition, the service provided must be both of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be low- and moderate-income persons.

**Area Benefit Activity.** Area benefit activities are activities that benefit all residents in a particular area where the residents are primarily low- and moderate-income. The area served must be primarily residential in nature and the activity must be designed to meet the identified needs of low- and moderate-income persons. The claimed boundaries of the service area must encompass the entire service area for the activity, must be specifically delineated in the application, and the basis for determining the boundaries must be substantiated. If the service area coincides with one or more U.S. Census Block Groups or Census Tracts, the most recent available decennial census data (2010) may be used to address the low- and moderate-income requirement **(See attachment A)**

**Eligible costs** include labor, materials, supplies, some operating and maintenance costs for the portion of the facility in which the public service is located, and equipment necessary for the provision of the public service.

**Ineligible costs** include income payments, assistance for buildings used for the general conduct of government, general local government expenses, political activities, and the purchase of equipment except equipment that constitutes all or part of a public service. Income payments are payments made to an individual or family to provide basic levels of food, shelter, or clothing but do not include emergency grant payments referenced above under eligible activities.

**HUD CPD Performance Measurement System:** Federal regulations require agencies receiving CDBG funding for projects to report annually under the HUD CPD performance measurement system in order to measure the local and national impact of federally funded programs. The HUD CPD performance objective and outcome for these goals are listed below.

- 1. CDBG Public Services - Homeless:** The HUD CPD performance outcome for this activity is availability/accessibility and the performance objective is to create suitable living environments. Funding provided to projects falling under this goal will be for the purpose of making suitable living environments available/accessible to persons experiencing homelessness or at risk of becoming homeless.

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2. **CDBG Public Services – Non-Homeless Special Needs:** The HUD CPD performance outcome for this activity is availability/accessibility and the performance objective is to create suitable living environments. Funding provided to projects falling under this goal will be for the purpose of making suitable living environments available/accessible to non-homeless persons living with special needs.
  
  3. Progress towards the identified goals and the HUD CPD performance outcome and objective is measured through required indicators. Project sponsors report on most of the required indicators which are referenced in the first paragraph above regarding reporting requirements. Additional indicators that must be reported on include:
    - a. Number of persons receiving new access to the service or benefit;
    - b. Number of persons receiving improved access to the service or benefit;
    - c. Number of persons that now receive a service or benefit that is no longer substandard;
    - d. Number of persons given overnight shelter; and
    - e. Number of new beds created in overnight shelter or other emergency housing.

#### **Application Review Process and Project Evaluation Criteria**

Organizations wishing to apply for CDBG grant funding must complete the enclosed application. Please answer the questions on this form using the space provided. If you would like to provide additional information or need additional space to answer the application questions, please attach the information to the back of the application. You may request an electronic copy of the application.

**Project Description and Need** - The project description is derived from the Subrecipient's application for funds (proposal) and it is the Subrecipient's responsibility to ensure that the project description is accurate and complete.

**Scope of Services to Be Performed** -The project's intent, general work plan, and scope of services as described in the agreement must be the same as that contained in the approved application. Once a grant has been awarded, the Scope of Services or the budget cannot be changed without prior approval by Community Development staff. However, upon approval by Community Development staff, minor revisions to the specific scope and budget may occur to accommodate circumstances or information that becomes available between the time of the application, agreement execution, and completion of the project. Significant project or budget revisions must receive City Manager's approval, depending upon the nature of the request. It is the Subrecipient's responsibility to understand the expectation of the Scope of Services to be performed prior to signing the contract.

**Program Narrative and Budget** - the Subrecipient must implement the project in accordance with the approved budget. The Subrecipient is responsible for expenditures above and beyond the funds approved and described in the contract. Subrecipient may not change budget line



items without city approval. Approved budget line items may be increased or decreased with prior city approval.

Outline the specific activities to be performed, methodology and benefits to be achieved.

**Time frame for Completing Project** - The services of the Subrecipient and the Project shall commence as soon as possible after the execution of the agreement and shall be completed by the agreed completion date or no later than ***June 30, 2021***.

Subrecipients will be expected to spend the grant in a timely manner. Subrecipients who cannot spend all or part of their grant must notify the City so that unneeded funds may be reallocated to other groups. Grant funds are not transferable by the subrecipient to another party. A penalty may be imposed upon grant recipients who are unable to spend grant funds in accordance with their agreement and who fail to inform the City in sufficient time to reallocate the funds.

**Monitoring**-The City will audit and/or monitor the progress of the Subrecipient via monthly reports, telephone calls, and onsite monitoring visits. The Subrecipient must facilitate monitoring visits and have appropriate records and copies of reports available for inspection upon request by the City and/or HUD.

The Subrecipient is required to maintain and report demographics and statistics of its project beneficiaries, regardless of the amount of the grant, and to make monthly reports to the City describing its activities and accomplishments. The Subrecipient must agree to maintain its project records and copies of reports for a minimum of three years. Subrecipients who are late with reports may be suspended from applying for future CDBG funds during the next funding round.

**Disbursement of Funds**- Funds will be distributed through a voucher reimbursing the Subrecipient for expenses incurred in accordance with the contract's scope of services and

budget. Community Development staff will work with the Subrecipient to determine the best method of awarding funds to accomplish the proposed project. Reimbursement will be made upon the presentation of paid receipts and paid invoices for eligible expenses and a detailed description of expenditures. Subrecipient will be required to provide proof of payments, such as copies of cancelled checks. Reimbursement cannot be approved for ineligible expenditures or eligible expenditures with lost or vague receipts. The City makes the final decision whether a tendered receipt is eligible and valid.

**Fair Housing/Equal Opportunity:** The City of Hanford does not discriminate against any person or organization because of race, color, religion, sex, national origin, disability, or familial status. The City meets the provisions of the American's with Disabilities Act, especially Title II, and with Section 504 of the Rehabilitation Act of 1973. All persons and organizations with projects or programs which meet the national objectives of the CDBG program will be considered for funding. [WWW.HUD.GOV/FAIRHOUSING](http://WWW.HUD.GOV/FAIRHOUSING)

Applications that are submitted after the deadline for submission will not be considered for the advertised funding round.

The application review process consists of: review by staff; review and recommendations by the City Council; 30-day public comment period; City Council approval; and HUD review and approval.

- a) Staff Review – Applications are first reviewed for completeness and then evaluated against applicable HUD regulations, the City’s Consolidated Plan, City Council goals and objectives, and other related City policy (e.g., General Plan).

Using HUD’s priority needs categories, individual priorities are assigned as follows:

Priority Need	Priority/Level	Goals Addressing
Affordable Housing Affordable Rental Housing Housing Repairs	<b>High</b>	Housing
Youth Activities Neighborhood Clean-up Homeless Services/Shelters	<b>High</b>	Community Services Public Services Neighborhood Services Special Need Services
Street Lighting Street Sidewalk Improvements Alley Improvements	<b>High</b>	Infrastructure
Youth Centers Park & Recreational Facilities Senior Centers	<b>High</b>	Community Facilities
Employment Training Job Creation	<b>High</b>	Economic Development Business & Jobs

- b) City Council Review – The first Public Meeting is held to obtain priorities from the City Council regarding the Public Service projects and the city staff submitted projects. At the conclusion of this public hearing/meeting, the Council provides direction to staff regarding the draft annual Action Plan. A final formal public hearing is held to review comments received during the 30-day Action Plan comment period and to provide residents one last opportunity to comment on the Action Plan. Council approves Plan and directs submittal to U.S. Department of Housing and Urban Development (no later than May 15, 2020).
- c) HUD review –  
Upon receipt, HUD has 45 days to review and approve the Annual Action Plan, which specifically details the City’s utilization of its CDBG program funds.

**Criteria for Decision Making: Applications will be evaluated in the following areas:**

1. HUD rules and regulations
2. City policies
3. Activity characteristics: feasibility, readiness, leveraging, applicant track record
4. Available funds

**WHERE TO OBTAIN ADDITIONAL INFORMATION**

FUNDING SOURCES AND APPLICABLE FEDERAL RULES AND REGULATIONS The CDBG program has specific federal rules and regulations and applicable laws. Applicants are strongly advised to become familiar with specific and appropriate program eligibility and overall requirements before submission of a proposal.

A limited list of sources includes:

- CDBG Program: HUD websites – <https://www.hudexchange.info/cdbg-entitlement/> and <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbgguide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>
- HUD Programs: <http://www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm>
- System for Award Management (**SAM**): <https://www.sam.gov/SAM/> Do Not Pay for this Service; it is FREE
- Davis Bacon Act: <https://www.hudexchange.info/resource/2541/making-davis-bacon-workcontractors-guide-prevailing-wage-requirements/>

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**Subrecipient Agreements-** Applicants agree to adherence to the following Federal regulations as found in Subpart K in 24 CFR 570.600-614 and including 2 CFR Part 200, as a condition of your award:

**Adherence to Federal Regulations**

Applicants agree to comply with the following federal regulations as found in Subpart K in 24 CFR 570.600-614 and including 2 CFR Part 200, as condition of your award:

- Affirmatively Further Fair Housing (570.601)
- Equal Opportunity and Prohibition Against Discrimination (570.602)
- Labor Standards (570.603)
- National Flood Insurance Program (570.605)
- Uniform Relocation Act (570.606)
- Employment and Contracting Opportunities (570.607)
- Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135
- Lead-Based Paint (570.608)
- Debarred, Suspended or Ineligible Contractors (570.609)
- Uniform Administrative Requirements (570.610)
- Conflict of Interest (570.611)
- Review and Public Comment for Entitlement Programs (570.612)
- Restrictions for Resident Aliens (570.613)
- Architectural Barriers Act and ADA (570.614) Environmental Review 24 CFR 50.4, 58.5 and 58.6 National Environmental Policy Act (NEPA) (570.614)

Grant recipients, also referred to as Subrecipients, will be required to enter into a Subrecipient Agreement with the City of Hanford in order to receive a CDBG public service grant award. The Subrecipient Agreement will contain the federal requirements for receiving a federal grant, such as the CDBG program. The agreement will also contain the Subrecipient program description, timeframe, budget, scope of services, reporting requirements, and outline other federal requirements. The signature page will contain the signatures of persons authorized to enter into contractual agreements. The signature of the Subrecipient Executive Director and Board Chair will legally obligate the Subrecipient to the terms and conditions of the agreement.

**Changes in the Subrecipient Agreement-** the Subrecipient may not change the terms or provisions in the Contract or substitute approved budget line item expenditures without prior written approval by the City.

Attachment A

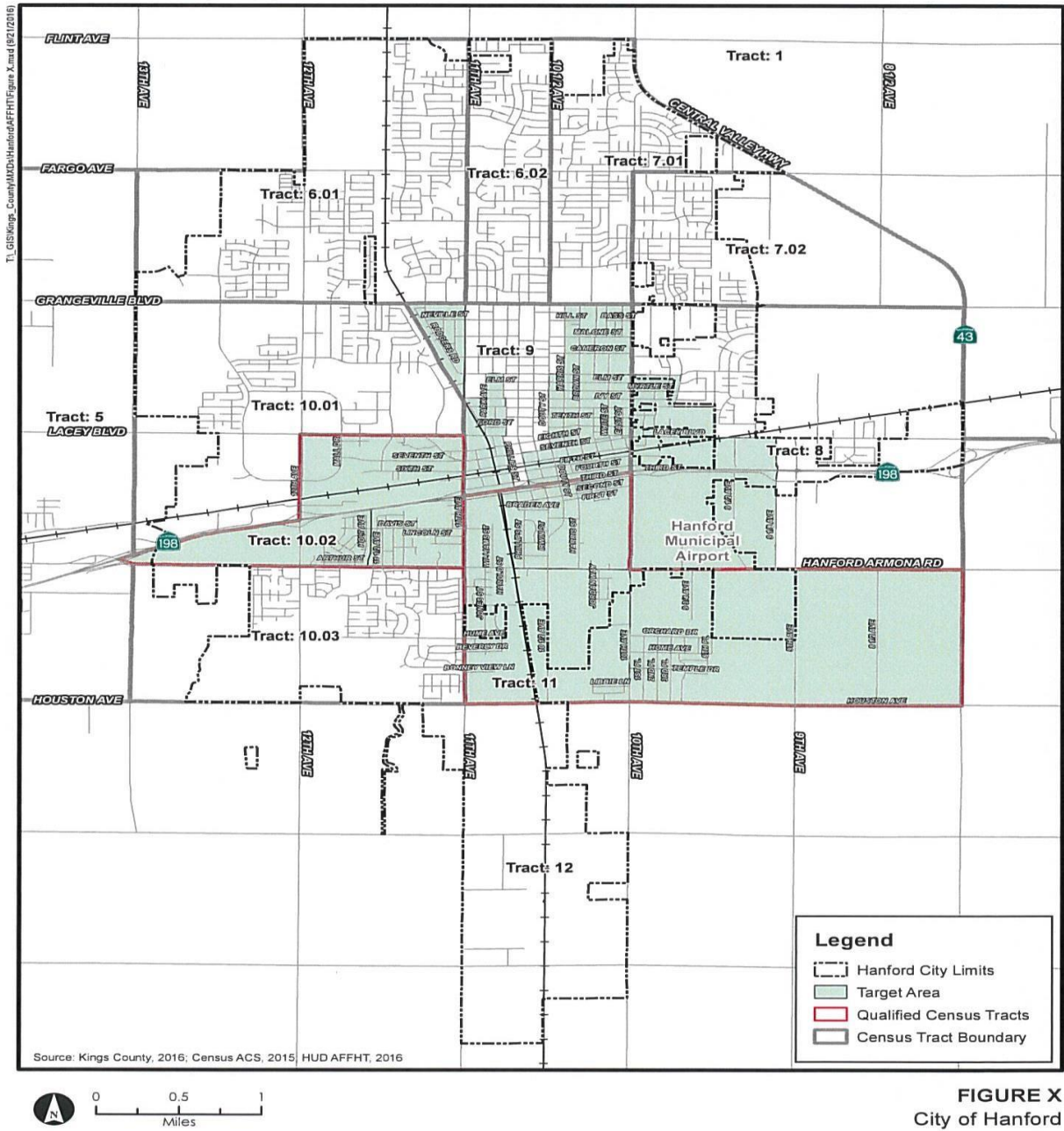


FIGURE X  
City of Hanford

Michael Baker  
INTERNATIONAL