



**City of El Cajon**

**Community Development Department  
Housing Division**

**FY 2014-15  
Community Development Block Grant  
(CDBG) Program**

# **CDBG PROGRAM GUIDELINES**

Community Development Department - Housing Division  
200 Civic Center Way, Third Floor  
El Cajon, California 92020

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# GENERAL CDBG PROGRAM INFORMATION & GUIDELINES

## **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM OVERVIEW**

Welcome to the City of El Cajon's Community Development Block Grant (CDBG) Program. The CDBG program is administered by the Housing Division of the Community Development Department.

The U.S. Department of Housing and Urban Development (HUD), provides annual grants on a formula basis to entitlement cities and counties, including the City of El Cajon. The statutory primary objectives of the CDBG program are to develop viable urban communities by providing decent housing, a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons.

These Guidelines are for projects seeking funding during the fiscal year that begins on July 1, 2014. The specific amount of funding to be received from HUD for FY 2014-2015 has not yet been decided by Congress. However, the current state of the national economy will most likely have an impact on the final funding levels.

In FY 2014-15, the City anticipates receiving approximately \$1,100,000 in entitlement funds. Of that amount, a maximum of 15% of the total allocation (approximately \$165,000) may be made available for public services programs and projects. Another 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements, and the remainder (after reduction for required debt service payments), will be available for public facilities and infrastructure projects.

For FY 2014-15, there are two separate CDBG Applications and categories of funding available: 1) Public Facilities/Capital Improvement projects; and 2) Public Services projects and programs.

**The following Guidelines are designed to assist staff and applicants in the development of the City's CDBG Program and applies to both application types.** For a summary of the CDBG Program and Citizen Participation Plan timeline, see Attachment A – CDBG Fact Sheet.

## **APPLICANT ELIGIBILITY INFORMATION**

The following organizations may apply for this funding:

- ◆ **Non-profit organizations, City departments, neighborhood organizations, and faith-based organizations may apply for this funding.** Funded programs must primarily serve low and moderate-income City of El Cajon residents. Documentation will be required.

Non-profit organizations must be granted non-profit status under the Internal Revenue Code (Section 501(c)(3), (c)(4) or (c)(5)), and must be incorporated by the Application submittal date.

Faith-based organizations are an important part of the social service network. HUD issued a final rule amendment allowing faith-based organizations to compete for CDBG funding on the same basis as other nonprofits. However, faith-based organizations cannot use CDBG funds to support worship, religious instruction or proselytization. Religious activities must be offered separately from the CDBG supported activity. Faith-based organizations that participate in the CDBG program will retain independence from federal, state, and local governments and may

carry out its mission provided CDBG funds are not used to support religious activities. Faith-based organizations that participate in the CDBG program shall not discriminate against a program beneficiary on the basis of religion or religious belief.

**Please note that the City of El Cajon does not directly fund individuals through this program.**

## **PROJECT ELIGIBILITY**

In order to qualify for CDBG funding, federal regulations require that all programs and projects must meet one of three National Objectives; must meet one or more of the local Consolidated Plan Priorities; and must be an eligible activity as set forth in 24 CFR Part 570, among other requirements. **Projects that fail to meet one or more of these applicable tests will NOT BE considered for funding.**

**A. National Objectives.** CDBG projects must meet one of the National Objectives:

- 1) **Benefit a majority of low and moderate-income residents.** Documentation of benefit to low and moderate-income persons is required for all funded projects.
- 2) Meet a community need having a particular urgency because existing conditions pose a serious and immediate threat to the health and/or welfare of the community and no other financial resources are available to meet the need.
- 3) Aid in the prevention or elimination of conditions of slum and blight.

**Note: All CDBG-funded activities must address the National Objective to benefit low and moderate-income residents of El Cajon.**

**B. Consolidated Plan Priorities.** In addition, the City of El Cajon has adopted local Priorities for allocation of CDBG funding. The Priorities are summarized below, and are more fully described in the FY 2009-2014 Five-Year Consolidated Plan which is available for review at the Housing Division public counter, located at 200 Civic Center Way, Third Floor, El Cajon, CA 92020 and . The Consolidated Plan is also available for review on the City's website at <http://www.cityofelcajon.us/dept/redev/housing/funding.aspx>. All CDBG projects must meet one or more of the local Priorities to qualify for funding.

- Priority 1:** Conserve and Improve Existing Affordable Housing
- Priority 2:** Provide Homeownership Assistance to Low and Moderate Income Households
- Priority 3:** Provide Rental Assistance to Low and Moderate Income Households
- Priority 4:** Preserve Assisted Housing at Risk of Converting to Market Rate
- Priority 5:** Assist in the Development of Affordable Housing
- Priority 6:** Promote Equal Housing Opportunity
- Priority 7:** Support a Continuum of Care System for the Homeless
- Priority 8:** Provide for New Community Facilities and Improve the Quality of Existing Community Facilities to Serve Those of Low and Moderate Income and/or with Special Needs
- Priority 9:** Provide Needed Community and Supportive Services to Those of Lower Income and/or with Special Needs
- Priority 10:** Provide for Needed Infrastructure Improvements in Low and Moderate Income Areas
- Priority 11:** Provide for Necessary Planning Activities to Develop and Implement Both Housing and Community Development Plans to Address Anticipated Needs.

### **C. Eligible Activities.**

CDBG Projects must also be eligible as allowed by 24 CFR §570.201, and further must not be ineligible as set forth in 24 CFR §570.207. This Application for Public Service projects invites Applications for projects which are eligible as set forth in 24 CFR §570.201(e).

Eligible projects under the Public Services category include services concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation and others. Services and program examples under this category include:

- Youth and Childcare Services - General youth and childcare services
- Enrichment Programs for Youth - Education based youth programs
- Support Services to persons with disabilities, to low and moderate-income persons, to homeless persons, and to seniors (self-sufficiency and supportive programs)
- Neighborhood Revitalization Services - Programs that support neighborhood revitalization efforts in targeted areas

Eligible projects under the Public Facilities category include public facilities and public improvement projects, including but not limited to all facilities that are publicly owned, or that are owned by a nonprofit and open to the general public. Project examples under this category include:

- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, including Americans with Disabilities Act (ADA) improvements
- Infrastructure improvements (construction or installation) including but not limited to streets, curbs, and water and sewer lines
- Neighborhood facilities including public schools, libraries, recreational facilities, community centers, parks, playgrounds
- Facilities for persons with special needs such as seniors centers, facilities for the homeless or group homes for the disabled

### **D. Ineligible Activities.**

Further, CDBG projects must not be ineligible as set forth in 24 CFR §570.207. Examples of activities that will render the project ineligible include:

- Programs or services that primarily serve non-EI Cajon residents
- Projects or programs that do not serve primarily low and moderate-income persons
- New housing construction
- Political activities
- Income payments, stipends, marketing and fundraising
- Purchase of equipment, furnishings or personal property
- Services that promote religious activities
- Payment of debt or pre-award expenses
- Entertainment, furnishings and personal property

## **ELIGIBLE PROGRAM SERVICE AREAS / BENEFICIARIES**

As noted above, all programs and projects funded with CDBG funds must benefit primarily low and moderate-income individuals and families. Documentation of benefit to low and moderate-income persons is required for all CDBG-funded projects.

The term "low and moderate-income" is defined as those persons and households who earn at or below 80% of the area median income (AMI) adjusted for family size for the San Diego Metropolitan Service Area (MSA) as defined in Section 102 of the Housing and Community Development Act of 1974, as amended. See Attachment B of these Guidelines for current AMI limits. Income limits are adjusted annually by HUD.

CDBG projects must be categorized as either Area Benefit or Limited Clientele (there are other categories possible but none that apply here). If your program or project serves all residents of a particular area that contains primarily low and moderate-income persons, your project may qualify as an Area Benefit activity. (See Attachment C - Census Tract Map of Low and Moderate Income Areas) If your project serves a particular clientele that is mostly low and moderate-income, your project may qualify as a Limited Clientele activity.

- A. **Area Benefit.** For activities that benefit all residents of a defined service area (for activities serves all residents of a specific neighborhood or area):
1. The boundaries of the service area must be clearly defined. Documentation should include a map (such as a Thomas Bros. map page) with the project location and with lines drawn outlining the boundaries of the geographic area served; and
  2. At least 51% of the residents of the service area must be low and moderate-income. (See Attachment C - Census Tract Map)
- B. **Limited Clientele.** For activities that benefit a particular clientele (based on who is served, not area served):
1. Intake and/or qualification procedures must be in place that capture accurate demographic information including race, ethnicity, household size and income levels of all persons being served. Documentation would include client files with intake questionnaires which request this information; and
  2. At least 51% of the persons served must be low and moderate-income (see Attachment B – Area Median Income Limits); OR
  3. The program exclusively serves clientele that are “presumed” to be low and moderate-income. “Presumed benefit” populations include abused children, battered spouses, elderly persons (age 62 and older), severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Documentation does not need to include collection of income data but still needs to collect race, ethnicity and other required data.

### **HUD’S DEFINITION OF DISABLED PERSON:**

A person who is determined to:

1. Have a physical, mental, or emotional impairment that:
  - a. Is expected to be of long-continued and indefinite duration;
  - b. Substantially impedes his or her ability to live independently; and

- c. Is of such a nature that the ability could be improved by more suitable housing conditions; or
2. Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
3. Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

#### **HUD'S DEFINITION OF ELDERLY PERSON / HOUSEHOLD:**

A household where either the head of the household, or spouse/co-head, is age 62 or older.

#### **ENVIRONMENTAL REVIEW REQUIREMENTS**

An Environmental Review is required for each project or program that receives CDBG funding. **Premature commitment or expenditures of any funds prior to completion of the environmental review will jeopardize the eligibility of the project.** This includes use of an agency's matching funds from other sources. Environmental reviews are required to comply with National Environmental Policy Act (NEPA) and HUD's enforcement measures. The review includes analysis of 13 federal laws designed to protect certain environmental areas. If the Application is funded, City staff will initiate the review and the agency will be kept informed about the estimated length of time to clear the project.

The environmental review process for Public Service programs usually (but not always) requires a lower level review, normally can be completed at no cost, and can usually be cleared quickly so as not delay the program start up. However, especially for Public Facilities projects, if an Environmental Assessment or higher level of review is required, the project applicant may be required to engage a qualified professional from an outside environmental consulting organization whose qualifications must be approved by the City prior to engagement, at its own cost. Depending upon the project location and environmental conditions, projects involving construction, rehabilitation and demolition can take up to 120 days to obtain an environmental clearance.

#### **ADA ACCESSIBILITY FOR PERSONS WITH DISABILITIES**

The Americans with Disabilities Act (ADA), State Title 24, and the Fair Housing Act prohibit discrimination based on disability. Please be advised that your project will be reviewed for compliance with federal and state laws as they relate to accessibility. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, required height for toilet seats, space for wheelchair maneuverability, accessible water fountains and counters, and other improvements needed to assure full access for the disabled, including the blind and deaf. Additional information can be found at [www.ada.gov](http://www.ada.gov).

#### **CHILDCARE LICENSING**

This information is provided to provide a general overview of types of programs requiring licensing and those that do not require a license. For additional information, contact the California Department of Social Services, Community Care Licensing Division at (916) 229-4500 or <http://www.cclid.ca.gov/PG411.htm>.

Programs that require licensing:

- Preschool programs that provide services where the parent is not on-site and fees are charged.
- Public or Charter Schools or programs that provide childcare services during regular school hours and the parent is on-site, i.e. GED Classes.
- Any facility that provides only recreational or singular instruction in one subject, i.e., Self Defense, Dancing, Art, Sports, Music, etc.
- Any facility that provides recreational/instructional activities for school aged children who have the freedom to come and go from the center.
- Agencies that offer services to children do not require licensing, i.e., case/crisis management.

## **FINGERPRINTING**

CDBG-funded staff working with children, persons with disabilities, and the elderly must be fingerprinted. This is an eligible CDBG cost and should be reflected in the budget. Contact Global Livescan at Postal Center Plus (619) 593-9993, 772 Jamacha Road El Cajon, CA 92019.

## **CONFLICT OF INTEREST**

Conflicts of interest (or appearance thereof) can plague activities supported with federal funds. The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub-recipients that are receiving funds under a CDBG-assisted program who have responsibilities with respect to the CDBG activities or are in a position to participate in decision making processes or have access to inside information with regard to the activities can obtain a financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611). Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest.

The agency personnel should:

- Be familiar with the agency's code of ethics and potential conflict of interest issues.
- Not take gifts or gratuities from persons or organizations associated with the procurement process.

## **DAVIS BACON LABOR STANDARDS**

Construction work that is financed in whole or in part with CDBG funds may be subject to the Federal labor standards requirements, including the Davis-Bacon and related Acts, for payment of prevailing wages. Additional information is available in the publication *Contractor's Guide to Davis-Bacon: Prevailing Wage Requirements for Federally-Assisted Construction Projects*. A copy of this publication may be obtained from the City's Housing Division or the HUD Labor Relations website located at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/labor\\_relations](http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_relations), which contains additional labor compliance resources that may be of assistance. Triggering of Davis Bacon Act and Related Acts may increase the project costs. Contact CDBG Program staff for assistance in determining whether your project is subject to Davis-Bacon requirements.



## **LEAD-BASED PAINT REGULATIONS**

HUD has issued final regulations on notification, evaluation, and reduction of lead-based paint hazards in some facilities receiving federal assistance. Rehabilitation of facilities where children are served may be affected by this new regulation resulting in testing the painted surfaces that will be disturbed to determine the presence of lead-based paint. If paint surfaces are not lead-free, safe work practices will be required along with possible methods of removal.

## **ASBESTOS TESTING**

An asbestos survey (AHERA) will be required on all renovation projects to determine the presence of asbestos. The agency should include the cost of the survey and provide for contingency funds for remediation if asbestos is present. The survey will visually review all suspect asbestos containing materials (ACMs) associated with the building's interior and will collect samples for laboratory analysis prior to the Public Facilities renovation project. The survey will identify whether asbestos containing materials were found and what classification.

## **VOLUNTEERS**

The use of volunteers on a Public Facilities project, who are not otherwise employed by the agency or contractor, requires City approval. Depending on the work the volunteers will perform, state-licensing requirements will apply. For example, volunteers performing trade work (electrical, plumbing) must be licensed. To determine in-kind volunteer contributions requested in the budget, use the estimated amount of what a paid worker would earn doing the same type of work.

## **MATCHING OR LEVERAGED FUNDS (COST SHARING)**

Matching or leveraged funds are all other agency resources (non-CDBG) immediately accessible and firmly committed that are to be applied to the program or project. Leveraged funds can include a combination of cash, grants, loans, or in-kind resources available to finance the program costs. Program costs can be shared among all leveraged funding sources.

In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified and documented in the Application. Volunteer services may be counted if the service is an integral and necessary part of an approved CDBG-funded program.

Rates for hours should be consistent with those paid for similar work in the labor market in which the applicant competes for the services involved. The value assigned to donated materials and supplies should be reasonable and should not exceed market value at the time of donation.

## APPLICATION REVIEW PROCESS

The City of El Cajon's CDBG funds will be allocated annually through an Application process to the maximum extent practicable within the City of El Cajon. To encourage public participation in the development of the CDBG program, the City has adopted a Citizen Participation Plan which outlines the procedures to be followed by public officials and private citizens to establish projects to be funded for a given program year that address identified needs in the Five-Year Consolidated Plan. The complete Citizen Participation Plan is available for review in the City of El Cajon's Housing Division, 200 Civic Center Way, Third Floor, El Cajon, CA 92020.

A summary of the Application process for CDBG funds is provided below for applicants and/or private citizens who wish to participate in the City's program:

- Staff will initially review all Applications for completeness, conformance with local Consolidated Plan Priorities; and if appropriate, will transmit a copy of the Application submittal to appropriate City departments for additional review.
- Staff will perform technical reviews for compliance with federal grant eligibility requirements, feasibility, and agency capacity, and may seek additional information from the applicants for projects requiring further clarification as required. This review summarizes the project and notes proposal concerns.
- Agencies will be notified by mail of their project's eligibility/ineligibility. Applications which are determined to be ineligible will be allowed a 7-day period for submittal of additional information in support of reversing the determination.
- The Review Committee members are provided the Applications, the technical review summaries, and any agency response, if the agency is requested to submit additional information.
- The Review Committee will review each eligible Application, and will forward its recommendations to City Council at the Public hearing(s).
- Staff will make copies of all eligible Applications available for City Council and public review 72 hours prior to the Public hearing(s).
- The City Council will tentatively select projects to be funded at the first Public hearing (typically held in February). Applicants and citizens are invited to provide comments on projects submitted, respond to any questions by the City Council, and to provide comments and input relative to the development of the One-Year Action Plan.
- Following Council's action at the first Public Hearing, a Notice of Public Review Period will be published that includes the full listing of tentatively approved projects and their proposed allocation amounts that may be included as a part of the One-Year Action Plan. The public is invited to provide written comments on the proposed projects/allocations and other input relative to the development of the One-Year Action Plan during that period.
- The City Council will adopt final allocations to projects and programs at a second Public Hearing (typically held in April). These final allocations will be included in the One-Year Action Plan that will be submitted to HUD on or before May 15, 2014.

- Once the Action Plan is approved by HUD and all other stated conditions are met (including completion of the environmental review), project activities may begin (but no earlier than July 1, 2014).

### **TECHNICAL ASSISTANCE AVAILABLE**

The CDBG program staff is available to provide technical assistance in determining project/program eligibility and to ensure proposed projects are in compliance with the CDBG National Objectives and other regulations established by HUD. Staff CANNOT provide assistance in developing a program or writing the Application.

Technical assistance is available from 7:30 a.m. to 5:30 p.m. Monday through Thursday, and from 8:00 a.m. to 5:00 p.m. on alternating Fridays. Please call Jamie Kasvikis at (619) 441-1786 for assistance by telephone or to make an appointment in the office.

### **SUMMARY – ADDITIONAL CDBG PROGRAM REQUIREMENTS**

- Congress created the CDBG program and numerous federal regulations apply.
- Funded agencies cannot be indebted to the IRS or the City of El Cajon nor have judgments or liens.
- Agencies that are funded (subrecipients) will be required to execute a contract with the City stating their responsibilities for meeting all federal requirements.
- Affirmative action, nondiscrimination in services and employment practices and ADA requirements apply; certification of a Drug Free Work Place is required.
- **Subrecipients and contractors must not be de-barred.**
- **The City's Section 3 and MBE/WBE goals must be met whenever feasible.**
- Subrecipients and contractors must have a verifiable DUNS number.
- City and HUD shall have access to the project records and payroll records as set forth in the funding agreement.
- Subrecipients are responsible for Worker's Compensation benefits, or claims by employees and must indemnify and hold the City harmless against any and all claims.
- CDBG funds are reimbursed monthly and based upon required source documentation, i.e. timecards, cancelled checks, receipts, bank statements, etc.
- **Quarterly and Annual performance reports are required** (see Attachment D – Reporting Requirements for Funded Agencies).
- Proof of Insurance will be required if funding is awarded (see Attachments E and F – Insurance Requirements).

### **PREMATURE COMMITMENT OR EXPENDITURE OF FUNDS PROHIBITED**

Program expenses that have been committed or expended prior to HUD approval of the One-Year Action Plan, City Council approval of the project allocation, environmental clearance and execution of the CDBG contract **are not eligible for reimbursement.**

## ATTACHMENT A -- CDBG FACT SHEET AND FY 2014-15 TIMELINE

### I. Introduction

This FACT SHEET has been prepared to assist the community to understand the COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) program in El Cajon. Also, this FACT SHEET provides information as to how non-profit organizations may apply for CDBG funds from the City of El Cajon and how those funds must be used to benefit the community.

### II. Overview of Program

- A. Per Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, the City of El Cajon is entitled to receive federal CDBG funds on an annual basis. The purpose of the federal grant program is to assist cities, such as El Cajon, with the development of decent housing, a suitable living environment, and economic opportunities for the benefit of low and moderate-income residents.
- B. **All CDBG-funded projects and programs must meet one or more of the following NATIONAL OBJECTIVES:**
- 4) Benefit low/moderate income residents; or
  - 5) Meet a community need having a particular urgency because existing conditions pose a serious and immediate threat to the health and/or welfare of the community and no other financial resources are available to meet the need. (A condition will be considered urgent or of recent origin if it developed or became critical within the 18-month period preceding the application); or
  - 6) Aid in the prevention or elimination of conditions of slum and blight.

***NOTE: All CDBG-funded projects in the City of El Cajon address the national objective to benefit low/moderate income residents.***

- C. **Additionally, projects must meet at least one or more of the local priorities developed by the City of El Cajon in its FY 2009-2014 Five-Year Consolidated Plan:**

- Priority 1:** Conserve and Improve Existing Affordable Housing  
**Priority 2:** Provide Homeownership Assistance to Low and Moderate Income Households  
**Priority 3:** Provide Rental Assistance to Low and Moderate Income Households  
**Priority 4:** Preserve Assisted Housing at Risk of Converting to Market Rate  
**Priority 5:** Assist in the Development of Affordable Housing  
**Priority 6:** Promote Equal Housing Opportunity  
**Priority 7:** Support a Continuum of Care System for the Homeless  
**Priority 8:** Provide for New Community Facilities and Improve the Quality of Existing Community Facilities to Serve Those of Low and Moderate Income and/or with Special Needs  
**Priority 9:** Provide Needed Community and Supportive Services to Those of Lower Income and/or with Special Needs  
**Priority 10:** Provide for Needed Infrastructure Improvements in Low and Moderate Income Areas  
**Priority 11:** Provide for Necessary Planning Activities to Develop and Implement Both Housing and Community Development Plans to Address Anticipated Needs.

The Priorities are more fully described in the FY 2009-2014 Five-Year Consolidated Plan which is available for review at the Housing Division public counter, located at 200 Civic Center Way, Third Floor, El Cajon, CA 92020. The FY 2009-2014 Five-Year Consolidated Plan is also available for review on the City's website at <http://www.cityofelcajon.us/dept/redev/housing/funding.aspx>.

D. In addition, proposed projects/programs will be assessed according to the following objectives and outcomes:

**PERFORMANCE MEASUREMENT STANDARDS**

<b>Outcomes → Objectives ↓</b>	<b>Availability / Accessibility</b>	<b>Affordability</b>	<b>Sustainability</b>
<b>Suitable Living Environment</b>	Enhance suitable living environment through improved/ new accessibility	Enhance suitable living environment through improved/ new affordability	Enhance suitable living environment through improved/ new sustainability
<b>Decent Housing</b>	Create decent housing with improved/ new availability	Create decent housing with improved/ new affordability	Create decent housing with improved/ new sustainability
<b>Economic Opportunity</b>	Provide economic opportunity through improved/ new accessibility	Provide economic opportunity through improved/ new affordability	Provide economic opportunity through improved/ new sustainability

NOTE: City staff will assign the most suitable Outcome/Objective classification.

**III. Eligible Activity Categories (24 CFR §570.201)**

The following provides a sample of activity categories that may be eligible for funding under the CDBG program. Please note that each category is subject to very specific guidelines.

- ◆ Acquisition of real property
- ◆ Disposition of real property
- ◆ Public facilities and improvements
- ◆ Public services
- ◆ Relocation assistance
- ◆ Housing services
- ◆ Construction of housing
- ◆ Homeownership assistance
- ◆ Facilitation of economic development
- ◆ Rehabilitation and preservation activities
- ◆ Planning and Program administration

**IV. Ineligible Activities (24 CFR §570.207)**

The following provides a brief summary of activities which would **NOT** be eligible for CDBG funding:

- ◆ Buildings, or portions thereof, used for the general conduct of government.
- ◆ General government expenses.
- ◆ Political activities.
- ◆ Purchase of construction equipment.
- ◆ Purchase of equipment, fixtures, motor vehicles, furnishings or other personal property that is not an integral structural fixture (specific exceptions exist—contact program coordinator with questions).
- ◆ Operating and maintenance expenses of public facilities with the exception of public service activities, interim assistance and office space for CDBG program staff.
- ◆ Income payments for housing or any other purpose.

**V. Citizen Participation Plan**

To encourage public participation in the development of the CDBG program, the City has adopted a Citizen Participation Plan which outlines the procedures to be followed by public officials and private citizens to establish a statement of projects for a given program year. The complete Citizen Participation Plan is available for review at the public counter of the Housing Division, Third Floor, 200 Civic Center Way, El Cajon, CA 92020. A summary of the application process for CDBG funds is provided below for organizations and/or private citizens who wish to participate in the City’s program.

The application process for CDBG funding begins each year in the fall. A “Notice of Funding Availability” is published in the local newspaper of general circulation for review by the public and a courtesy copy is mailed to all persons and organizations that requested to be placed on the City’s mailing list. The Notice will provide information regarding the amount of funds expected to be available, the procedures to follow for submitting proposals to the City with a schedule of applicable activities, and any additional information determined to be necessary by the program coordinator.

In the “Notice of Funding Availability”, the City will request applications for proposed projects from community agencies for eligible projects to be funded through the CDBG program. Applicants will be given

at least thirty (30) days to submit a proposal or submit program comments/suggestions to the Housing Division, 200 Civic Center Way in El Cajon. Staff will review project submittals and determine whether or not a proposed project meets the stated criteria and is eligible for CDBG funding, and will then forward all eligible projects to the City Council for further consideration at two (2) public hearings.

The City Council will select the projects to be funded through the CDBG program and those projects will be included in the One Year Action Plan that is submitted to the U.S. Department of Housing and Urban Development for additional review and final approval. Once the Action Plan is approved, and all other stated conditions are met, project activities may begin and CDBG funding will be available for disbursement to the agencies that were selected to participate in the program.

For additional information on the CDBG program and/or an application for funding, contact the City of El Cajon Housing Division at (619) 441-1786.

**FY 2014-15 ANNUAL ACTION PLAN TIMELINE\***

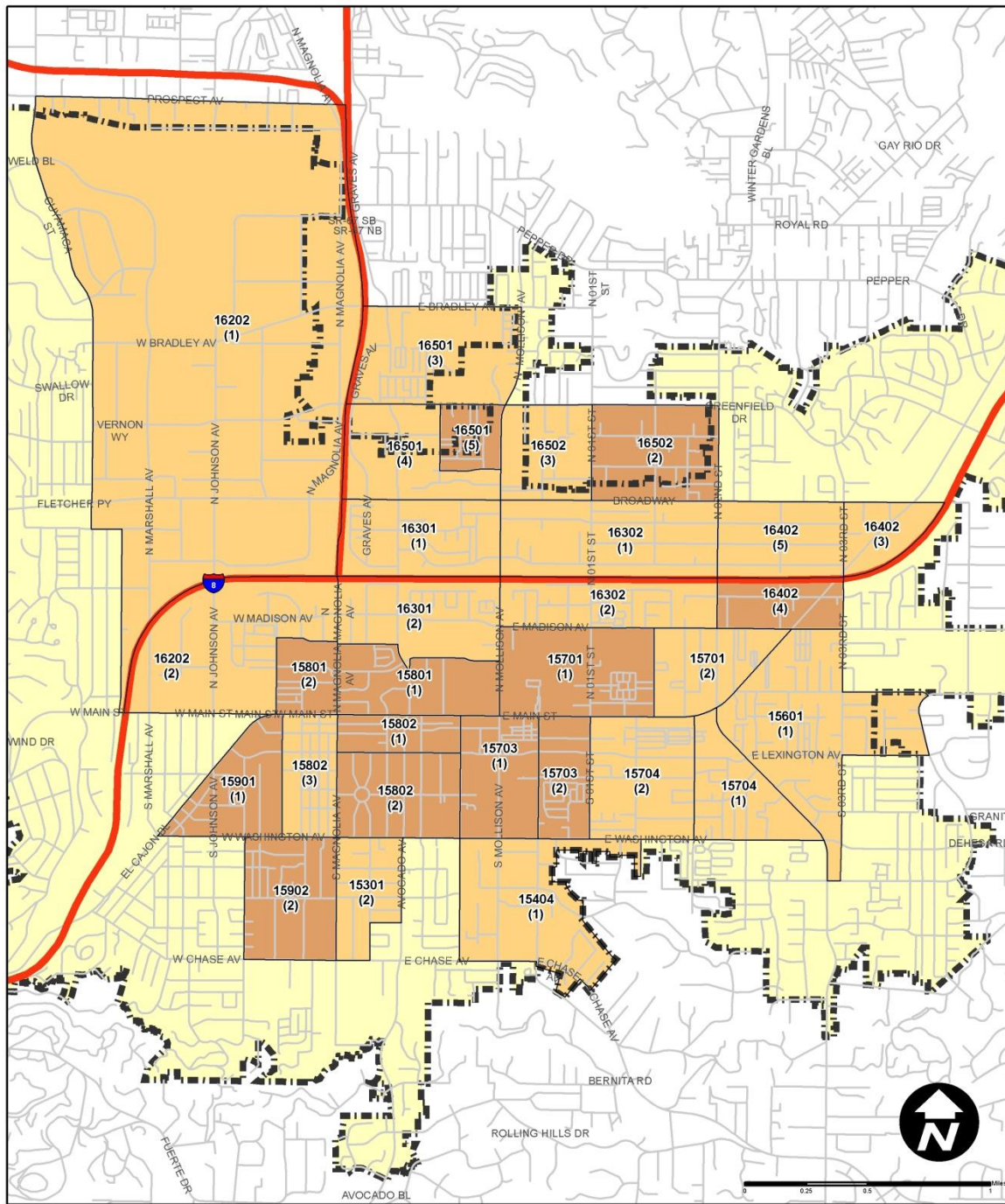
November 7, 2013	“Notice of Funding Availability” published in the newspaper and mailed to interested parties’ list.
<b>November 7, 2013*</b>	<b>Applications for CDBG Funding available.</b>
November 7- December 11, 2013	Technical Assistance is available upon request. Call the Housing Division at (619) 441-1786 for assistance via telephone or to set an appointment.
<b>December 13, 2013*</b>	<b>Deadline for proposals/applications for CDBG funds</b> to be submitted to Housing Division, 200 Civic Center Way, Third Floor, El Cajon, CA 92020 <b>by 5:00 p.m.</b>
January 16, 2014*	Notify applicants regarding eligibility.
February 13, 2014	“Notice of First Public Hearing” to be published in newspaper.
February 25, 2014	First Public Hearing at 7:00 p.m. to allocate FY 2014-15 CDBG funds and to solicit public input.
March 6, 2014	“Notice of 30-day Public Review Period and Second Public Hearing” to be published in newspaper. Notice includes full listing of approved projects, amounts and regulatory citations, and seeks public input. Draft of Action Plan is available at the Housing Division Counter.
<b>April 22, 2014</b>	<b>Second Public Hearing at 3:00 p.m.</b> to solicit public input and final adoption of FY 2014-15 One-Year Action Plan and FY 2014-2019 Consolidated Plan.
April 23, 2014*	Begin contract negotiations with selected CDBG subrecipients and initiate environmental reviews. Agreements targeted for execution on or before June 30, 2014.
May 14, 2014	One-Year Action Plan and Five-Year Consolidated Plan submitted to HUD for approval.
May 22, 2014*	“Notice of Submittal of One-Year Action Plan” published in newspaper.
May 15 – June 30, 2014	HUD review period of One-Year Action Plan.
<b>July 1, 2014</b>	<b>Begin Fiscal Year 2014-15.</b>

\*All dates listed herein are approximate and are subject to change. Persons relying on this Schedule must contact the Housing Division at (619) 441-1786 or [jkasviki@cityofelcajon.us](mailto:jkasviki@cityofelcajon.us) to confirm the actual date of each event as the timeframe nears.

**ATTACHMENT B – AREA MEDIAN INCOME LIMITS FOR SAN DIEGO COUNTY**  
(subject to annual revisions)

<b>ELIGIBLE INCOME LIMITS CHART 2013</b>									
<b>(Income does not exceed amount listed for household size)</b>									
<b>HOUSEHOLD SIZE</b>									
		1	2	3	4	5	6	7	8
30%	Extremely low	\$16,950	\$19,400	\$21,800	\$24,200	\$26,150	\$28,100	\$30,050	\$31,950
50%	Low	\$28,250	\$32,250	\$36,300	\$40,300	\$43,550	\$46,750	\$50,000	\$53,200
80%	Moderate	\$45,150	\$51,600	\$58,050	\$64,500	\$69,700	\$74,850	\$80,000	\$85,150
<b>Income Limits effective December 11, 2012</b>									

# ATTACHMENT C – CENSUS TRACT MAP OF LOW AND MODERATE-INCOME AREAS OF THE CITY OF EL CAJON



— Roads  
 ElCajonMunicipal  
 51.1% - 70.9% low and moderate income population  
 71.0% and greater low and moderate income population  
 ElCajonMunicipal  
 15801 - Census Tract Numbers  
 (1) - Block Group Numbers

**Overall Low/Mod Percentage  
 for the City of El Cajon: 56%**  
 Source:  
[http://www.hud.gov/offices/cpd/systems/  
 census/lowmod/](http://www.hud.gov/offices/cpd/systems/census/lowmod/)  
 (FY 2012 Presentations)



## ATTACHMENT D - REPORTING REQUIREMENTS FOR FUNDED AGENCIES

Applicants receiving FY 2014-15 City of El Cajon Community Development Block Grant (CDBG) funding should be aware of the following additional reporting requirements.

### ***Why Accurate Reports are Necessary:***

CDBG funds are allocated to projects and programs throughout the City of El Cajon; however the funds originate at the federal level, through the U.S. Department of Housing and Urban Development (HUD). The City of El Cajon is required to report to HUD the accomplishments of each grant given to agencies. HUD is currently evaluating the overall impact of the CDBG program, so it is of utmost importance that accurate accomplishment data is reported in order to show the noteworthy projects and program being carried out by El Cajon subrecipient agencies. HUD wants to hear about all the work you do to make our city a better place!

### ***What will be required of CDBG Funded Agencies:***

The following is a general list of reporting requirements expected for agencies funded in the FY 2014-15 grant year. The outcome data to be tracked will be tailored to your project and will depend upon HUD's Outcome Performance Measurement regulations. Therefore this list is not exhaustive; it is simply a guide so that agencies can start preparing for any documentation changes that may be necessary for tracking clients and outcomes.

- Number of persons assisted.
- Income levels of persons assisted (30, 50, or 80% of the median income, adjusted for family size) (see [Attachment B](#) – Area Median Income Limits table).
- Race, ethnicity, and disability status of the persons assisted.
- Number of communities/neighborhoods assisted.
- Amount of money leveraged for the program (how much total money went into the program, CDBG and all other funds).
- Supplemental information that was offered as a part of the Application for the project awarded by Council.

### ***How long will CDBG Funded Agencies be required to report:***

Agencies funded for Public Services programs: Agencies will be required to submit Quarterly and Annual performance reports on forms provided by the City for the fiscal year in which the program is funded.

Agencies funded for Public Facilities projects: Pursuant to the CDBG regulations, any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used to meet one of the national objectives (benefit low/moderate income persons) until five years after expiration of the contract with the City. Therefore, agencies receiving this category of funding will be required to submit Quarterly and Annual performance reports on forms provided by the City for five years after completion of the project.

*\*Please note that each agency awarded CDBG funds in FY 2014-15 will be responsible for contacting Program staff if questions arise, particularly in the reporting/data collection process.*

## **ATTACHMENT E - INSURANCE REQUIREMENTS FOR PUBLIC SERVICE PROPOSALS**

If the Application is funded, the agency will enter into a contract with the City of El Cajon. All City contracts require insurance and indemnification language so that the responsibility for paying claims is established with the agency and ensures that financial resources are available to pay claims. The subrecipient shall agree to provide an acceptable certificate of insurance and endorsements evidencing coverage as specified in El Cajon City Council Policy D-3, Insurance Requirements which is available from the Redevelopment & Housing Division, by calling (619) 441-1786, and is made a part of these Guidelines. The insurance requirements listed are minimum requirements and the City in no way warrants that the minimum limits are sufficient to protect the agency from liabilities that might arise from carrying out the funded program. The agency is free to purchase additional insurance, as they deem necessary.

Depending upon the program activities and the program beneficiaries, several types of insurance coverage will be required. This information is provided to help in the development of the overall operating cost of the proposed program and to ensure sufficient funds are set aside for insurance.

**Minimum Scope and Limits of Insurance** - coverage with limits of liability not less than those stated below are required for funded CDBG Public Service programs.

### **Commercial General Liability**

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Each Occurrence \$1,000,000

### **Automobile Liability - Combined Single Limit \$1,000,000**

- Required only if activities involve the use of transportation in the provision of services
- Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

### **Worker's Compensation and Employers' Liability**

- Workers' Compensation
- Statutory
- Employers' Liability
- Each Accident \$100,000
- Disease – Each Employee \$100,000 Disease - Policy Limit \$500,000

### **Professional Liability - Errors and Omissions Liability**

- Required only if activities involve providing professional services
  - Each Claim \$1,000,000
  - Annual Aggregate \$2,000,000

**NOTICE OF CANCELLATION:** Insurance policies must be the appropriate coverage for and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits.

**ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of California and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect the Agency from potential insurer insolvency.

**VERIFICATION OF COVERAGE:** The City must receive certificates of insurance (ACORD form or equivalent approved by the City) as required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage. The City of El Cajon must be listed as an additional insured (to the extent CITY is indemnified pursuant to the Indemnity Provisions herein) on all certificates of insurance.

**PROFESSIONAL LIABILITY INSURANCE:** Professional liability insurance protects against losses that occur when a "professional" fails to practice his or her art to the usual and customary standards of that profession.

Therefore, there can be risks to the Agency associated with errors (or allegations of errors) in the professional's work product or judgment. In order to determine if your proposed program will need professional liability insurance, ask yourself:

1. Will the program employ professional licensed or certified workers (i.e. accountants, teachers, medical professionals, psychologists, etc.)?
2. Will the information developed by the professional be used in a decision-making process within the Agency that could create a liability?

If the answer is **yes** to either of these questions, then professional liability insurance would be required.

The types of losses that can occur under such circumstances are often excluded under general liability policies. They can be covered through separate professional liability insurance policies, also known as "**errors and omissions**" (E&O) liability insurance.

Examples of services that would require professional liability coverage include but are not limited to:

Accountants	Childcare workers	Consultants
Auditors	Financial consultants	Teachers
Attorneys	Medical professionals	Social Workers

*\*Note: See further Insurance Requirements (Council Policy D-3)*

## ATTACHMENT F - INSURANCE AND CONSTRUCTION BONDING REQUIREMENTS

If the Application is funded, the agency will enter into a contract with the City of El Cajon. All City contracts require insurance and indemnification language to protect against loss during construction activity. In construction or renovation contracts, the agency is responsible for insuring against direct physical damage to the construction project as well as to construction materials stored at the construction site. Therefore, in addition to the required liability and workers' compensation insurance, the City also requires the agency to provide evidence of property insurance, which will protect the project site against damage while under construction. This is done either through specialized property insurance forms known as "builders' risk insurance" or an "installation floater".

**Builders' risk** insurance is designed to cover buildings and construction materials while in the course of construction. Builders' risk insurance is a form of property insurance that protects the construction project against loss or damage caused by a variety of perils, i.e. fire, wind, hail, etc.

**Installation floaters** are similar to builders' risk insurance policies in that they are designed to cover damage to material and equipment to be installed in an 'existing building'. Installation floaters are required from contractors performing a specialized job on an existing building or installing equipment or materials that are *not* included in a construction project contract. An example would be a contract to replace the plumbing/fixtures in a bathroom of an existing building.

### INSURANCE REQUIREMENTS FOR PUBLIC FACILITIES PROJECTS

#### **Property Insurance**

- The AGENCY must ensure property insurance is carried throughout the term of the Project and all risk property insurance on the building and all improvements for their full replacement value.
- The AGENCY's insurance policy must be endorsed to include the City of El Cajon as a loss payee.
- The AGENCY's insurance policy cannot be cancelled without (30) days prior written notice given to the CITY.
- The AGENCY is responsible for all policy premiums and deductibles.
- The AGENCY shall furnish the CITY with a certificate of insurance (ACORD form or equivalent approved by the CITY) as required by this Contract. A person authorized by that insurer to bind coverage on its behalf must sign the certificate.

#### **Liability Insurance**

If funded, the AGENCY shall provide proof of general liability insurance in an amount acceptable to the CITY throughout the term of the Project. The City of El Cajon must be listed as an additional insured.

### **CONSTRUCTION, LABOR, AND MATERIAL PAYMENT AND PERFORMANCE BONDS**

Prior to the commencement of any rehabilitation, the construction contractor must post a construction labor and material payment bond and performance bond for the total amount of the rehabilitation contract in a form as approved by the CITY.