



# Application Packet

## Community Development Block Grant (CDBG)

Public Service Grants for GY 2015

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DEPARTMENT OF COMMUNITY DEVELOPMENT

November 3, 2014

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Dear Applicant:

The City of Frederick, through the Department of Planning invites non-profit and for-profit organizations to submit applications for projects to be funded through the Community Development Block Grant (CDBG) program as part of its 2015 Annual Action Plan. Funds are awarded by the US Department of Housing and Urban Development to meet a National Objective and must be used for an eligible activity established by Congress for the program.

The 2015 Annual Action Plan will include the projects to be undertaken during the program year beginning July 1, 2015 through June 30, 2016. Projects and programs undertaken by the City or by others must address a priority need set forth in the Consolidated Plan 2015 - 2019.

For GY 2015, the City anticipates available funding to be approximately \$350,000 plus anticipated program income of approximately \$17,500. Actual award figures from the federal government should be available in March 2015. However, the final entitlement amounts may be significantly less than prior years, depending on federal budget decisions. As permitted by HUD, a restricted portion of grant funds can be expended for public services (15%) and administrative and planning costs (20%).

Attached is the proposed schedule for proposal submission and approval of the Annual Action Plan. As in year's past, a group of ad-hoc advisors will assist Department staff in the selection process. The City will accept applications for funding beginning **Wednesday December 3, 2014** through **Tuesday, January 6, 2015** at 12:00 pm. **No applications will be accepted after January 6<sup>th</sup>.**

New and returning applicants should plan to attend the trainings offered on November 12<sup>th</sup> at 1:00 PM or Wednesday December 3<sup>rd</sup> at 6:00 pm at the Municipal Office Annex. Applicants are welcome to contact our office about the CDBG program and application requirements. If your organization is considering submitting a project for funding, please contact me to schedule a Proposal Review meeting, appointments are available from November 12<sup>h</sup> through December 9<sup>th</sup>. The Proposal Review meeting will allow applicants to ask specific questions with regard to their proposal's eligibility for CDBG funding and whether the proposed project will further implement the Consolidated Plan's goals and objectives.

Thank you for your interest in the City's CDBG program. If you have questions about the application process or wish to discuss a specific funding proposal, please feel free to contact me at 301-600-2842 or ebarnhard@cityoffrederick.com.

Sincerely,

Eileen Barnhard  
CDBG Program Administrator

## **Facts in Brief:**

- ❖ Any funds awarded will not be available until after July 1, 2015
- ❖ The application deadline is **Tuesday , January 6, 2015** at 12:00 p.m.
- ❖ An original and five (5) hard copies of your application and one electronic copy must be submitted to:

**Please do include any additional attachments**

Department of Community Development  
Municipal Office Annex  
140 W. Patrick Street  
Frederick, Maryland 21701

- ❖ Only complete applications received by the deadline will be considered
- ❖ If you have additional questions, you may call the Community Development staff at (301) 600-2842 (Eileen Barnhard)

This packet contains information about the Community Development Block Grant (CDBG) program and instructions for applying for CDBG public service grants. The application itself is available separately on the City's website at [www.cityoffrederick.com](http://www.cityoffrederick.com). To discuss whether or not a specific proposal may be eligible for these funds or to learn more about the application requirements, please call Eileen Barnhard at 301-600-2842 or [ebarnhard@cityoffrederick.com](mailto:ebarnhard@cityoffrederick.com)

# PUBLIC SERVICE GRANT FACT SHEET AND FUNDING POLICY

## A. Introduction

The City of Frederick receives a Community Development Block Grant (CDBG) annually from the U.S. Department of Housing and Urban Development (HUD) to fund activities that primarily benefit low- and moderate-income (LMI) residents of the community. Each year, the City of Frederick uses a competitive application process to make a portion of its CDBG funds available to non-profit groups in the form of public service grants. Eligible public service activities include, but are not limited to, programs concerned with housing-related supportive services, employment, crime prevention, positive youth development, health care, education, mental health, welfare, or recreation.

## B. Background on Federal Funding Source

To help potential applicants determine whether or not their project might be eligible for a public service grant, it is important to be familiar with the basic requirements of the CDBG program. Potential applicants should also review the contractual requirements they will be expected to meet if they are selected for Federal funding (see Section F. Contractual Requirements).

In addition to the provision of public services funded with CDBG dollars, the City, through the Department of Community Development directly administers CDBG funds to carry out a wide range of community development activities such as neighborhood revitalization, economic development, and the provision of improved community facilities and services.

By regulation, only a relatively small amount of CDBG funds may be used for public services. Last year the City received roughly \$354,627 in CDBG funds, and the amount available to nonprofits for public service grants in 2014 was approximately \$57,000. The amount of funding for grant year 2015 has not been determined.

### **CDBG National Objectives**

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet.

Low and Moderate Income (LMI) Benefit: Public service activities are required to meet the national objective of benefit to LMI persons. For an activity to meet this objective, it must either have income eligibility requirements that limit the activity's benefits to LMI persons, or the activity must be located in and serve an area that is predominantly inhabited by LMI residents and serve **LMI 70%** or greater.

## CDBG Income Limits

The income limits that determine who is considered to have a low- and moderate-income are shown below:

HUD Income Limits, Effective February 2014

FAMILY SIZE	30% of Median	Very Low Income	Low- Income
1	\$22,500	\$37,450	\$47,950
2	25,700	42,800	54,800
3	28,900	48,150	61,650
4	32,100	53,500	68,500
5	34,700	57,800	74,000
6	37,250	62,100	79,500
7	39,850	66,350	84,950
8	42,400	70,650	90,450

To meet this objective, each public service activity must serve no less than 70 percent LMI persons (although the City reserves the right to require that each activity serve a greater percentage of LMI persons.) The applicable percentage will be determined at the time a grantee’s contract is drafted, but applicants should plan to meet the highest number of LMI persons possible.

**It is imperative that applicants anticipate and plan for the methods they will use to determine and document the incomes of the persons that they serve through their CDBG funded activities. Failure to do so will result in activities being ineligible for reimbursement .**

### **C. City Policies and Priorities for Public Service Grants**

Each year, the City of Frederick receives many more applications for CDBG public service grants than there are funds available. The competition is greatest among applicants requesting funds for staff and operating costs associated with providing services to some of our most vulnerable residents: the elderly, children and youth, the homeless, people with mental and physical disabilities, and victims of violence.

In addition to the Federal requirements, the City of Frederick has developed policies and priorities to guide its use of CDBG funds. These policies and priorities are based on federal requirements for the CDBG program and local needs and funding priorities.

## **Policies**

These general policies and priorities apply to all applications for CDBG funds:

- Grantees who receive funds in year one, are not guaranteed future funding. Future funding is dependent on many factors, including performance;
- Grantees may only lease, not purchase, capital equipment with CDBG funds; and,
- The acquisition of land, or the construction, acquisition, and/or rehabilitation of buildings is not eligible for a public service grant.

## **Priorities**

Funding priority will be given to activities that:

- provide services that respond to critical, identifiable, and unmet needs;
- have a high benefit to low-income persons;
- are clearly defined as to scope, location, need, budget, goals, beneficiaries and means for evaluation of program progress, with evaluation criteria that are specific, measurable, and realistic;
- present a reasonable, sound budget and have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity and the capability to implement the proposed plan successfully;
- maximize the use of outside funds (non-CDBG or other City funds) ;and,
- support or coordinate with other community development efforts.

In addition, because the demand for these funds exceeds the amount received from HUD, the City is committed to funding projects that are ready to proceed immediately after funds are received, and those prepared to spend the funds within a ten-month period (any funds that are not spent within this timeframe may be recaptured by the City.)

### **D. Community Development Ad -Hoc Committee**

Deciding who should receive funding is a difficult and time-consuming process. To guide this effort, a group of dedicated volunteers is asked by the Deputy Director for Planning to serve on the Community Development Ad-Hoc Committee (CDAHC). Committee members, review applications and meet with eligible applicants to discuss funding requests. Working with staff from Community Development, and with input from the Deputy Director for Planning, the CDAHC recommends to the Mayor and Board of Aldermen on who should receive funding and in what amounts.

## **E. Application Review and Recommendations**

Applications for public service grants are accepted by Community Development on an annual, cyclical basis. The deadline date for submission of applications varies slightly from year to year, but it is usually in the first week in January. Projects submitted after the deadline will not be considered for review.

All applications are reviewed by the staff of Community Development to determine eligibility under HUD's criteria and conformance with the City's CDBG funding policies and priorities. All applications accepted for competition are then reviewed by the CDAHC.

After discussion and consultation through the evaluation process by the staff, applications will be recommended for funding consideration to the Ad-Hoc Committee at the public hearings.

The Mayor and Board of Aldermen, as part of the budget process, then make the final selection of those activities and projects to be funded with CDBG funds. The Mayor and Board of Alderman usually approve the proposed activities in the Annual Action Plan in April. In reality, activities are funded in the City's next budget year (which begins July 1.) Due to HUD restrictions and clearances that must be obtained, funds are generally not available until after the following September first of each year.

## **F. Contractual Requirements**

Each grantee selected to receive funds is required to sign a contract with the City. No costs incurred prior to the execution of an agreement with the City are reimbursable. Under City and Federal laws and regulations, certain requirements must be met in order to negotiate an agreement and disburse funds. These requirements include the following:

1. Applicants must demonstrate that they are a private nonprofit organization or a governmental agency.
2. After an application is approved for funding, a contract will be prepared and sent by the City to the person identified by the applicant as the authorized official for signature. The contract will specify the amount of the award, the period for which the project is approved, the contract term, and administrative provisions. Special conditions attached to the award also will be specified in the agreement. Grantees will be required to file regular reports on expenditures, progress toward goals, and beneficiaries. Community Development will provide forms for these reports.
3. Grantees are required to obtain insurance as specified by the City of Frederick, and to comply with all applicable federal, state, and local laws, codes, and regulations.
4. As part of any grant agreement, recipients will be required to comply with affirmative action and equal opportunity laws. In the event of non-compliance, the agreement may be terminated or suspended in whole or in part.
5. All recipients will be required to comply with the federal government's audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at 24 CFR Part 84.)

**G. Other Important Considerations for Applicants**

**CDBG funds are not intended to be an on-going source of funds for an organization** . Under the CDBG Public Service Grant program, an organization may generally only receive funding for the year in which it is funded.

Please be aware that even if your application is successful, the amount of CDBG funds awarded may recommend that the applicant be awarded a lower level of funding than was requested. Please develop a contingency plan to account for a smaller CDBG award.

**PUBLIC SERVICE GRANT  
APPLICATION INSTRUCTIONS**

**WHO SHOULD APPLY?**

Nonprofits: Only nonprofit organizations are eligible to apply for public service grants. Nonprofits must be incorporated under state law, and they must have a 501(c) (3) or

similar designation from the U.S. Internal Revenue Service. For-profit entities are not eligible to receive public service grants. Corporations must have, and document, a status of “good standing” in the state in which they are chartered.

Government Agencies: Governmental and quasi-governmental agencies, including City agencies, may apply for public service grants. However, these agencies are strongly encouraged to apply in partnership with a local nonprofit organization. The nonprofit organization should be, whenever practical, the primary applicant. If you feel this program can be more efficiently and effectively delivered solely by a governmental agency, please provide a detailed explanation in question 6 of the application.

## HOW MUCH MAY I REQUEST?

There is no set dollar amount that can be requested; however public service grants are subject to the 15% cap of the annual amount awarded to the City of Frederick. There is minimum grant request amount of ten thousand dollars (\$10,000) for which you may apply.

## ARE THERE SUBMISSION REQUIREMENTS THAT I SHOULD KNOW ABOUT?

1. Submit a separate application for each project for which you are requesting funding.
2. Complete all the information requested in the space provided in the application. **Do not vary your submission from the sequence or format** presented in the application.
3. The application is available online; **however, applications must be submitted both in one (1) original, five (5) hard copies and one (1) electronically** .

The application is available in Microsoft Word and can be downloaded from The City of Frederick/Community Development website. You should **maintain the given page numbers** using a font size of **12 points** or above.

4. **Only COMPLETE application s received BY THE DEADLINE will be considered for funding and reviewed.** Use both the Completeness Checklist and the Attachments Checklist included in this application packet to help ensure that your application is complete. Please do not include additional attachments. Provide only what is requested in the application.

5. Incomplete applications will be returned to the applicant. An applicant will be given seven calendar days to provide missing information for applications that are substantially complete but have minor omissions. Examples of omissions that an applicant will be given the opportunity to correct include a missing signature or federal identification number. Minor omissions do not include application questions that have been left unanswered or failure to submit a budget or requested attachments.

6. Applicants must use the required forms, including the **budget form** .

## **WHERE SHOULD I SUBMIT MY APPLICATION? IS THERE A DEADLINE?**

Submit **one(1) original , five (5) copies** of the application (you only need to submit one copy of the required attachments) and **one (1) electronic copy** no later than **12:00 p.m. on Tuesday, January 6, 2015** to:

The Department Community Development  
Municipal Office Annex  
140 W. Patrick Street  
Frederick, Maryland 21701

## **I HAVE SUBMITTED AN APPLICATION; WHEN WILL I HEAR ABOUT FUNDING?**

If the City of Frederick approves your application, funds will most likely not be available before September, 2015. Major milestones are as follows:

- Notification that your application has been received (unless you hand-delivered the application and received a receipt upon delivery) - December 2014/January 2015
- Staff reviews your application for completeness and eligibility. Applicants are notified in writing if an application is deemed ineligible for funding. - January 2015
- Ad-Hoc Committee review applications; - January 2015
- The Ad-Hoc Committee holds public hearing for applicants to discuss their applications- February 3, 2015
- Ad-Hoc Committee make funding recommendations to the Mayor & Board of Alderman - March 2015
- Applicants are notified in writing of the City's recommendations -April, 2015
- City of Frederick submits recommended Annual Action Plant to the HUD; City Council holds hearings on the budget - April/May, 2015
- City of Frederick Mayor & Board of Aldermen makes final funding decisions that are reflected in the approved budget - June, 2013
- Staff and grantees discuss contract language and requirements; staff draft contracts - June - September, 2015
- Staff and grantees finalize and execute contracts - July - September, 2015
- Grantee receives Notice to Proceed, delivers services and spends funds - Ten month period, beginning with Notice to Proceed, 2015 through 2016

## **INCOME LIMITS**

Any CDBG funded activity must serve at least 70 percent low- and moderate-income (LMI) persons. The most recent income levels for these two categories are shown on page 4. **It is imperative that applicants anticipate and plan for the methods they will use to determine and document the incomes of the persons that they serve through their CDBG funded activities. Failure to do so may result in activities being ineligible for reimbursement.**

## **WHAT IF I HAVE QUESTIONS?**

Staff of the Department of Community Development encourages your questions and are available to provide technical assistance over the telephone or in person. You may contact us by calling (301) 600-2842.

## COMPLETENESS CHECKLIST AND TABLE OF CONTENTS

This completeness checklist is provided to help you ensure that your application is complete and includes all the required elements. Place an "X" in the space provided once a particular piece of information is included and a section is complete.

- \_\_\_\_\_ Cover Page
  
- \_\_\_\_\_ Organization Certification
  
- \_\_\_\_\_ Organization Information
  
- \_\_\_\_\_ Project Description  
(IMPORTANT: Specific Project Goals, question #4c.)
  
- \_\_\_\_\_ Project Goals / Performance Measures  
(IMPORTANT: Unmet needs, unique features)
  
- \_\_\_\_\_ Beneficiary Description
  
- \_\_\_\_\_ Budget  
(IMPORTANT: Fill out COMPLETELY on form provided)

## ATTACHMENT CHECKLIST

Please complete and submit this checklist with a copy of the following documents (#1 through #7), **if applicable**. Please label the documents using the document name and numerical order below. Please place all attachments at the **end** of the application. On the checklist, indicate by an "X" if the document is attached.

- \_\_\_\_\_ 1. Internal Revenue Service letter granting tax exempt nonprofit status 501(c)(3) or similar.
- \_\_\_\_\_ 2. Board of Director's listing including names, titles, terms of office (if any), and addresses of all members.
- \_\_\_\_\_ 3. Organizational chart or organizational structure.
- \_\_\_\_\_ 4. Organization's total fiscal budget (current year) and most recent audit.
- \_\_\_\_\_ 5. Resumes of chief administrative and chief fiscal officers, and key staff who will work on the proposed project (if known).
- \_\_\_\_\_ 6. Two (2) letters of community support (from other organizations, former or current clients, elected officials, etc.).
- \_\_\_\_\_ 7. Documentation of corporate "good standing" status from state in which corporation is chartered. (For Maryland corporations, you can obtain documentation of Good Standing at no charge by going on line to [http://sdatcert3.resiusa.org/UCC-Charter/CharterSearch\\_f.aspx](http://sdatcert3.resiusa.org/UCC-Charter/CharterSearch_f.aspx), entering your corporate name in the "Name Search" box, clicking on the "General Info" tab for your organization, and printing out the screen showing Good Standing as Yes". Include this page with your application.)

**NOTE:** Organizations whose projects are approved for funding will be required to enter into a contract with The City of Frederick for implementation of the funded activity. This contract will contain provisions that will ensure compliance with all federal, state, and local laws and regulations. Upon execution of the contract and depending upon the type of activity, the organization will be required to submit other documents and information including, but not limited to sample agency or organization timesheet and proof of insurance coverage.