

Community Development Block Grant: PY 2025 CDBG Request for Proposals

OVERVIEW. The City of Bellevue is requesting proposals from organizations with projects that may be suitable for Community Development Block Grant (CDBG) funding. The application form is available online at https://bellevuewa.gov/city-government/departments/parks/community-services/human-services/community-development-block-grant or by email request to dadair@bellevuewa.gov.

The City is considering **non-construction Capital** projects (e.g. architectural & engineering and other soft costs; single-family home rehabilitation; weatherization; acquisition or pre-acquisition costs) and **Economic Development** projects (e.g. microenterprise business assistance). The City is **not** seeking Public Services projects (e.g. homeless services, counseling, food banks, senior services, etc.) at this time. Projects must comply with U.S. Department of Housing & Urban Development (HUD) CDBG program regulations (24 CFR Part 570).

The amount of funding available for this Request for Proposals is estimated to be **\$1,000,000** in **PY2025 funds** (\$850,000 in estimated entitlement funds and \$150,000 in estimated program income). The actual amount available is dependent upon the 2025 federal CDBG budget, HUD's allocation formula, and actual program income received by the City. The City makes no guarantees regarding the availability or awarding of CDBG funding. Projects selected via this RFP will be part of the 2025-2029 CDBG Consolidated Plan.

Overview of Eligibility and Suitability Considerations

CDBG funds come with significant compliance and reporting burdens that are required of funded projects and affect organizational operations. Responsive performance reporting, specific demographic data records, and meticulous documentation requirements can extend for years beyond the completion of a CDBG-funded activity.

<u>PLEASE NOTE:</u> Receiving CDBG funding in your organization opens your operations to additional monitoring not only through the City, but also through HUD and the State Auditor. These monitoring and audit activities are beyond those experienced by organizations who receive general fund grants from the City. Additional exposure to liability and costs (in real dollars and staff time, among other resources) comes with the risk associated with CDBG. As such, we strongly encourage organizations to understand the administrative burden that comes with CDBG funding and take that into consideration before applying. Please see <u>Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems</u> for detailed information on CDBG administrative requirements.

Examples of CDBG eligible activities that the City will consider funding include:

- Acquisition of real property, pre-acquisition costs, or design-related (architectural and engineering) and other soft costs (i.e., non-construction).
- Acquisition/Rehabilitation of public facilities.
- Home repair/rehabilitation, maintenance and weatherization activities.
- Microenterprise business assistance and development.

Prospective applicants must contact the City of Bellevue's CDBG Human Services Planner, Donna Adair at <u>dadair@bellevuewa.gov</u> in advance of applying to determine whether your project is eligible.

❖ GUIDELINES

Funding requests will be evaluated under the following guidelines:

- 1. <u>Need for the project or activity:</u> Has the applicant sufficiently documented the need for the project?
- 2. <u>Expenditure of funds:</u> Does the proposal show the ability to expend CDBG funds by **December 31, 2025**?
- 3. <u>Need for involvement by the City:</u> Is it appropriate and important for the City to become involved financially in this project?
- 4. <u>Realistic development, maintenance and operating budgets:</u> Has the applicant shown that the project can be developed and resulting operations sustained with reasonable revenue assumptions in future years (if applicable)?
- 5. <u>Applicant experience and capacity:</u> Does the applicant have sufficient successful experience (or have access to such expertise) to efficiently and effectively follow through on the project and all requirements associated with CDBG?
- 6. <u>Benefit to low- and moderate-income persons:</u> Does the project benefit low- and moderate-income residents of Bellevue? Note: The project must be able to clearly document that **at least 51%** of participants benefiting from the project/facility are low- or moderate-income.
- 7. <u>Project readiness:</u> Is the project ready to be implemented immediately if funded?
- 8. <u>Project Objectives</u>: Does the project conform to the City of Bellevue's Consolidated Plan objectives, as well as other locally developed priorities?

FEDERAL CDBG APPLICATION REQUIREMENTS AND RESTRICTIONS

All proposed projects must meet the following minimum requirements:

- 1. NATIONAL OBJECTIVES: Projects must meet one of the national objectives established for the Community Development Block Grant Program per CFR 570.208 (NOTE: Most projects meet the national objective of benefitting low/moderate-income residents, specifically Limited Clientele.). Please refer to the application for detailed information.
- **2. ELIGIBLE ACTIVITIES:** A project must be an eligible activity per CFR 570.201. Please refer to the application for detailed information.
- 3. **INELIGIBLE ACTIVITIES:** Funds may not be used to pay off existing debt or to acquire equipment or fixtures which are not permanently affixed to a structure. CDBG funds may not be used for the acquisition of property or construction or rehabilitation of structures to be used for primarily religious purposes or which will primarily promote religious

interests. Organizations which acquire or improve facilities with CDBG funds, may not subsequently lease space to organizations using the space for primarily religious purposes. CDBG funds for Capital projects may not be used to pay for agency overhead, administrative, or fundraising costs. CDBG funds may not be used to pay solely for portions of new construction associated with accessibility.

- 4. **ELIGIBLE APPLICANTS:** CDBG projects must be implemented by a nonprofit organization or public agency. Nonprofit organizations leasing a facility may request CDBG funds to improve the facility provided the property owner agrees to a restricted use of the property for a specified length of time.
 - The City will prioritize funding recommendations for agencies/organizations with a verifiable history of receiving and administering funds from HUD.
- **5. APPLICANT AUTHORIZATION:** Applications submitted by nonprofit organizations must be submitted by an authorized representative, e.g. Executive Director, as authorized by the board of directors.
- 6. **ENVIRONMENTAL REVIEW:** Capital projects which are awarded CDBG funds are subject to the federal environmental review requirements of the National Environmental Policy Act (NEPA). These requirements are in addition to any local requirements under the State Environmental Policy Act (SEPA).

You are encouraged to consult with City staff prior to submitting an application to determine whether your project will require a consultant study. If a project requires a consultant study, a portion of the funds awarded can be used to procure the study.

The City's environmental review of projects must be completed *prior to funds being* committed to a project or any choice-limiting action has been taken. This includes entering into a purchase and sale agreement. It is possible that the award may be withdrawn due to the results of an environmental review.

CDBG CONTRACT REQUIREMENTS

Agencies that are awarded CDBG funds for projects may be subject to the following contract requirements, depending on the specific funded activity. Please consider these when planning your proposal.

- DAVIS-BACON FEDERAL LABOR STANDARDS PROVISIONS: Capital projects which utilize CDBG funds for new construction, alteration, or rehabilitation are subject to Federal labor standards provisions including Davis-Bacon wage rates. These regulations require that construction contractors paid with CDBG funds pay a wage which is typically higher than those paid for projects which are not federally assisted. All construction work is covered even in instances where only a small portion of the work is actually paid for with CDBG funds. The City of Bellevue is not funding projects that invoke Davis-Bacon regulations at this time.
- 2. **LEAD-BASED PAINT:** Projects must comply with HUD regulations regarding lead-based paint. These requirements prohibit the use of lead-based paint and require elimination of immediate lead-based paint hazards in residential structures (including

- emergency and transitional housing) and notification of the hazards of lead-based paint poisoning to purchasers and tenants of residential structures constructed prior to 1978.
- 3. SECTION 3: Projects awarded \$200,000 or more in CDBG and/or other funds from HUD (if any portion of the funds are used to pay for construction contracts of over \$100,000) will be required to comply with Section 3 regulations at 24 CFR Part 135. These regulations require that a minimum of 30% of new positions generated by the construction work be filled by low- and moderate-income persons. The City of Bellevue is not funding construction projects at this time.
- **4. ACCESSIBILITY:** Agencies awarded CDBG funds must certify the organization's accessibility and, if applicable, plans for corrective action.
- 5. COMPETITIVE PROCUREMENT: Agencies which use CDBG funds to purchase goods or services, including consultant services and construction services, must select the vendor, consultant or construction firm based on a competitive process. Agencies shall take all necessary affirmative steps to assure that minority firms, women's business enterprises and labor surplus area firms are used when possible.
- 6. CHANGE OF USE RESTRICTION, PROMISSORY NOTE AND MORTGAGE OR DEED OF TRUST: CDBG-assisted properties must be used for CDBG eligible activities, as opposed to other private or even other public activities, for a specified length of time. Please check with City staff for specific requirements in this area.
- **7. AUDIT:** Agencies receiving CDBG funding are required to submit an independent audit on an annual basis.
- 8. **SINGLE AUDIT REQUIREMENT:** Agencies which spend \$750,000 or more in federal funds in a given year must meet federal financial single audit requirements, as documented in Super Circular 2 CFR 200 from the federal Office of Management and Budget: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- 9. **INSURANCE REQUIREMENTS:** Agencies will be required to provide evidence of general liability and property insurance to the jurisdiction awarding funds as an additional insured and as a loss payee under their policy. Other additional insurance requirements may apply.

Other CDBG requirements may apply.

CDBG PROJECT APPLICATION INSTRUCTIONS

In general, please be brief, only providing sufficiently detailed information to answer the question.

1. AGENCY INFORMATION

Self-explanatory. Make sure to collect signatures from your agency's <u>Chief Volunteer Officer</u> (e.g. Board Chair, Board President, or similar title) and <u>Chief Professional Officer</u> (e.g. President, Executive Director, CEO, or similar title).

2. AGENCY BUDGET

Enter the amount of the total agency budget for the calendar years 2024 and 2025. If the agency budget for 2025 has not been determined, estimate as closely as possible, based on past years and expectations for the next year.

3. AGENCY PURPOSE OR MISSION STATEMENT

Describe, in one or two sentences, the agency's statement of purpose or mission statement.

- a. Identify whether the agency is a women's business enterprise.
- b. Identify whether the agency is a minority-owned business.

4. TITLE OF PROPOSED PROJECT

Enter the name of the project or activity. The title should be a briefly stated description of the project capturing the type of activity and, if relevant, the name of the facility or location. Examples: "Eastside Transitional Housing Acquisition"; "Microenterprise Growth Training".

5. PROJECT COST

Enter the amount of CDBG funds requested and the total project cost. If this same project has been funded with CDBG in previous years, please indicate this.

6. PROJECT LOCATION

Enter the full street address of the project location if different from the agency address given in Question 1. If the project is focused on microenterprise assistance, indicate where trainings or assistance will take place.

7. PROPOSED USE OF CDBG FUNDS

Describe specifically what the CDBG funds will be used for in the overall project. Example: CDBG funds will be used to train and assist low- and moderate-income microenterprise owners to grow their digital business presence and capabilities.

- a. Select the CDBG-eligible activity under which you believe your proposal falls.
- b. Select the National Objective under which you believe your proposal falls.

8. PREVIOUS EXPERIENCE

Describe the capacity and history of your organization in administering funds from HUD. Describe the capacity of your organization to manage a project of the magnitude that you are applying for. Discuss any previous project management experience of the agency. If consultants are assisting in project management, please list.

9. QUALIFICATIONS

Describe the agency staff (or consultant) that will manage the project or which will provide the service in question. For non-construction capital project proposals, detail your procurement/bidding procedure and timeline by describing your plan for publishing and collecting bids in order to select a qualified contractor to provide the services in question (e.g., architectural design).

10. AUDIT

Agencies which spend \$750,000 or more in federal funds in a given year must meet federal financial auditing requirements, as documented in Super Circular 2 CFR 200 from the federal Office of Management and Budget. Super Circular 2 CFR 200 can be found at https://www.whitehouse.gov/omb/grants circulars/

11. LOBBYING/ATTACHMENTS

Self-explanatory. Be sure to include the required attachments when submitting your application.

12. NEED

Give a brief description of the existing circumstances which make this a needed project. Please include in your description the needs of the population benefiting from the project. Give local, specific statistics or documentation which confirm the situation.

13. PROJECT DESCRIPTION

Describe the project for which funding is requested. Explain which aspect of the project the City's CDBG dollars will fund. For example, describe the architectural services or microenterprise assistance that will be undertaken.

14. EXISTING PROPERTY DESCRIPTION

This section is only applicable for property acquisition projects.

15. PROJECT TIMELINE

This section is only applicable for acquisition and architectural/engineering costs projects. Each milestone must have a target completion date. If any of the steps have already been completed, that should be indicated. If your project is funded, you will be expected to report regularly on your progress towards these milestones. Normally, CDBG funds should be spent within a year of their receipt.

16. PROJECT BUDGET: SUMMARY

This section is designed to provide an overall picture and details of the total expenses and revenues for your project. It explains what the funds requested from the City will be used for and who else is contributing money to the project. It will form the basis of contract reimbursement should your project receive City funding.

17. PROJECT PHASING AND REDUCTION OPTIONS

Please be as descriptive as possible in this section, as staff and recommendation committees will use this information in their processes.

18. PROJECT REVENUE

Describe the revenue for the project, including the funding agency and the type of funds.

19. PROJECT PHASING OR REDUCTION

Describe the minimum amount of CDBG award level your organization is willing to accept and how the project will be implemented at a reduced award level.

Be clear in describing how these CDBG funds will separately leverage capital and/or operating expenses. Write "N/A" if the project is an economic development proposal (e.g. microenterprise assistance).

20. OPERATING FUNDS

Describe your operation plan for capital improvement. Describe how the improvement will be maintained and how this will be paid for. Write "N/A" if not a capital improvement project.

21. LEVERAGING

Describe how CDBG funds will be used to leverage capital and/or operating resources. Be clear in describing how these CDBG funds will separately leverage capital and/or operating expenses. Write "N/A" if the project is an economic development proposal (e.g. microenterprise assistance).

22. PROJECT BENEFIT

Describe who will primarily benefit from the project. For example, while a shelter may serve clients who are also victims of domestic violence, the primary beneficiaries of the shelter would be families experiencing homelessness.

23. NUMBER OF BENEFICIARIES

Describe the number of individuals that will benefit from the project on an annual basis.

24. PROJECT BENEFIT DETERMINATION

Describe how the data in the Project Benefit section were derived and the process that determined the client benefit information.

25. AGENCY PARTICIPATION IN SERVICE DELIVERY SYSTEM

Describe the agency's participation in the sub-regional or Countywide service delivery system.

26. ACCESSIBILITY

Describe how persons in need of accommodations, including such factors as language barriers or disabilities, will be able to gain access to the facility and/or the services provided.

27. RELOCATION

Applicants contemplating projects that will involve relocation **must** contact the City before completing the application forms. The City generally does not fund projects that invoke the Uniform Relocation Act.

28. NATIONAL OBJECTIVE

Select the national objective your project meets. Describe how your project will meet the National Objective.

7

SUBMISSION AND QUESTIONS. You are encouraged to e-mail your completed application before the deadline. If you have questions about this application, submit them via email only to Donna Adair at dadair@bellevuewa.gov.

DEADLINE FOR SUBMISSION:

June 17th, 2024 at 4:00 p.m. Pacific Time

Late applications will not be accepted.

Applications shall be emailed to:

dadair@bellevuewa.gov Subject Line: [Insert Your Agency's Name] CDBG 2025 Application