



COUNTY OF
SAN MATEO

DEPARTMENT
OF HOUSING

264 Harbor Blvd.
Bldg A

Belmont, CA 94002

TEL (650) 802-5050

FAX (650) 801-5049

www.smchousing.org

July 1, 2021 - June 30, 2022

PROGRAM GUIDELINES

FOR FUNDING OF

CDBG, ESG, & PLHA

GRANT-FUNDED COMMUNITY DEVELOPMENT ACTIVITIES

- **Public Services/Shelter Services/
Rapid Re-Housing**
- **Fair Housing**
- **Micro-Enterprise**
- **Minor Home Repair Programs**

**** Applications Due by 5:00 p.m.
Thursday, January 14, 2021****

TABLE OF CONTENTS

I.	PROGRAM OVERVIEW	3
II.	FUNDING PRIORITIES	4
III.	ELIGIBLE ACTIVITIES	4
IV.	PROGRAM SPECIFIC QUALIFYING CRITERIA	5
	A. CDBG Program	
	B. ESG Program	
	C. PLHA Program	
V.	FUNDING PROCEDURES AND REQUIREMENTS	
	A. Religious Organizations	6
	B. Multiple CDBG/HOME Funding	6
	C. Program Proposals with Location Outside Urban County	6
	D. Program Schedule	6
	E. Environmental Review Process	7
	F. Mandatory Acknowledgement of County and HUD Funding	7
	G. Required Agreement Between Funded Agency and County	7
	H. Minimum Contract \$25,000	7
	I. Public Service Programs	7
	J. Verification of Client Income/Presumed Benefit Status	7
	K. Demographic Data on Project/Program Beneficiaries	7
	L. Funding on Reimbursement Basis	7
	M. Timely Use of Funds	7
	N. Financial Audits	8
	O. Background of Nonprofit Organizations	8
	P. Designated Person to Execute Documents	8
	Q. Debarment	8
	R. Other Requirements	8
	1. Fingerprinting Requirements of Staff	8
	2. Equal Benefits Compliance	8
	3. Persons with Special Need	9
VI.	EVALUATION CRITERIA	
	A. Threshold Criteria	9
	B. Evaluation Criteria	9
VII.	APPLICATION SUBMISSION	
	A. Application Preparation Workshop	9
	B. Submission Requirements	9
	C. Submission Deadline	10
	D. Where to Submit	10
	E. Information and Assistance	10
EXHIBITS		
	1. Income Limits Table	11
	2. Sample Certification for No Single Audit Requirement Needed	12

I. PROGRAM OVERVIEW

Notice of Funding Availability (NOFA). The County of San Mateo invites applications for community development activities under its FY 2021-22 Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), and Permanent Local Housing Allocation (PLHA) Programs. **Until Congress adopts a final budget and California Department of Housing and Community Development (HCD) approves the County's PLHA application, the total amount of funds to be available will not be known.** We are estimating an available amount based on 2020-21 funding that we will have approximately **\$1,474,000** to distribute. The timelines for the County's NOFA public participation and funding approval process can be found at www.smchousing.org.

Funding Categories. This year, the funding will be broken down into the following distinct categories with specific funding allocations (the amounts shown reflect current funding levels; these amounts will be adjusted once the final allocations from HUD are determined and any reprogrammed and/or repayments have been ascertained):

Funding Category	Amount Available (based on FY 20-21 availability)	Source
Minor Home Repair Programs	\$413,000	CDBG
Micro Enterprise/Economic Development	\$62,100	CDBG
Public Services/Core Services/Shelter Services	\$750,000	CDBG/PLHA
Homeless Rapid Re-Housing	\$214,474	ESG
Fair Housing Programs	\$35,000	CDBG
TOTAL (pending FY 2021-220 HUD allocations and HCD approval)	\$1,474,574	

Minimum contract amount: No contract will be awarded for less than \$25,000.

Two-Year Contract Terms: FY 2021-2022 is the second year of a two-year contract period for CDBG and ESG awards. Renewing applicants must submit a renewal application through City Data Services in order to receive their second year's funding award. County policy is to prepare two-year funding contracts, with the second-year funding subject to availability of funds and satisfactory performance of subrecipient meeting performance goals. Funding for the second year is generally intended to be the same as the first year.

Applicant requirements.

- Applicants must be an eligible City, a County or other public agency, or a qualified 501(c) (3) or (c) (4) non-profit organization.
- All applicants must submit the most recent certified financial audit of their organization including any management letters.
- Non-profit organizations must submit evidence of current nonprofit status and an up-to-date roster of their Board of Directors.

Application Deadline. Please fill out application plus submit all attachments on-line at www.citydataservices.net/ by:

Thursday, January 14, 2021 at 5:00 PM.

NOTE: Late or incomplete applications will not be considered for funding. No Exceptions.

Funding Availability. July 1, 2021 is the earliest that you can access FY 2021-2022 funding, subject to an executed funding agreement has been executed between your agency and the County after all HUD requirements have been met.

Application Review and Approval Process. Applications will be reviewed by County staff against priorities and criteria described in more detail in Section VI of this NOFA. Staff will formulate preliminary recommendations to be presented to the Housing & Community Development Committee (HCDC), an advisory body to the County Board of Supervisors.

A Public Hearing will be held on **February 23, 2021** by the HCDC. Applicants will present their application at this public hearing and answer any questions. After hearing from all the applicants, the HCDC will formulate funding recommendations.

The HCDC, through the Department of Housing, will then forward its recommendations to the County Board of Supervisors for final approval on or about **April 20, 2021**.

II. FUNDING PRIORITIES

Successful applications will meet one of the funding priorities enumerated in the County's FY 2021-2022 NOFA Funding Priorities, which can be found at www.smchousing.org. At this point, funding amounts for the categories are approximate. The actual amounts are subject to the Congressional appropriations. The FY 2021-2022 allocations for San Mateo County are expected to be announced in the first part of 2021.

No contract will be awarded for less than \$25,000.

III. ELIGIBLE ACTIVITIES

Programs and projects considered for funding must meet all of the following requirements: (1) meet an appropriate HUD national objective; (2) qualify for funding on the basis of principally benefiting lower-income persons; and (3) meet one DOH FY 2021-2022 CDBG/ESG priorities, found at www.smchousing.org

Listed below are specific eligible types of activities which may be carried out with CDBG funds. While this list is not complete, it provides a spectrum of the more typical activities funded under the CDBG program:

A. Housing Rehabilitation Programs (Limited funding available):

This is for non-site specific programs serving lower income households and individuals.

1. Interior & exterior paint
2. Door & window replacement
3. Water heater/furnace repair or replacement
4. Removal of architectural barriers

B. Public Service Activities

1. Operating costs of emergency shelters and transitional facilities¹
2. Housing-related public services; human service delivery

¹ A transitional facility will only be eligible to receive ESG funds if it meets one of the following criteria: 1) its primary purpose is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and it does not require occupants to sign leases or occupancy agreements; or 2) it received funds under a FY 2010 ESG grant and met the criteria under the former emergency shelter definition ("any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless"). <https://www.hudexchange.info/faqs/990/can-a-transitional-facility-be-eligible-to-receive-esg-funds/>

3. Fair Housing related services

C. Micro-Enterprise and Economic Development (Limited funding available):

1. Support and development of micro-enterprises resulting in the retention or creation of permanent jobs for low income persons

IV. PROGRAM-SPECIFIC QUALIFYING CRITERIA

A. CDBG Program

In order to qualify for CDBG funding, all eligible activities must principally benefit very-low and low-income persons. Income verification must be done to document client benefit except if the clients are “presumed benefit” (see 4 below), in which case, their status must be verified. An activity will be considered to principally benefit very-low and low-income persons if it meets one or more of the following standards:

1. 100% Low-Income Benefit (Public Services): The activity has an income eligibility requirement that limits the benefits exclusively to very low and low-income persons. Public service programs requesting CDBG funds to support program operating costs must demonstrate 100% benefit to very low-/low-income persons. Fair housing enforcement should strive to meet 51% low income beneficiaries of CDBG funding. (See Exhibit 1 for Income Limits).
2. 51% Low-Income Benefit (Capital Projects): Capital projects must serve at least 51% documented low income to qualify under this category. Applicants requesting funding for this category must demonstrate that CDBG funds will benefit this income group.
3. Area Benefit (Capital Projects): The activity is designed to serve low income areas as designated by HUD. Capital projects, such as community centers, which can be demonstrated to benefit an entire community, may only be proposed in East Palo Alto (census tracts 6118; 6119; 6120; and 6121), North Fair Oaks (census tracts 6105 and 6106) and Belle Haven (census tract 6117). A Capital Project located within any other low-income census tract may not necessarily qualify under this standard; consult with HCD Staff. To find out if a census tract meets HUD’s definition of Low Income, contact Douglas W. Frederick at (650)802-3358 or DWFrederick@smchousing.org.
4. Presumed Benefit Population Public Services and Capital Projects: The activity would benefit one or more of the following groups, presumed to be low-income under CDBG regulations: abused children, battered spouses, the elderly, adult persons with serious disabilities, the homeless, illiterate persons, and migrant farm workers. Removal of architectural barriers to assist seniors and adults with severe disabilities would fall under this category of Presumed Benefit.
5. Job Creation/Retention for Low-Income Population (Microenterprise Assistance): The activity is designed to create or retain permanent jobs, a majority of which employ or shall employ very low- and low-income persons.
6. Slum/Blight Elimination: The activity is designed to eliminate slum and blight as part of a comprehensive plan or even on a spot basis, but the majority of the beneficiaries should be low income. Consult staff for more information if your request falls under this category.

B. ESG Program

Homeless programs receiving Emergency Solutions Grant (formerly known as Emergency Shelter Grant) dollars are required to show at least a one-to-one match from other sources. These other sources may include other federal,

non-federal and private funds. Up to 60% of the County’s ESG allocation may be used for emergency shelter services. HUD’s new emphasis for ESG is rapid re-housing activities and to a lesser extent, services to prevent homelessness.

C. PLHA Program

The Permanent Local Housing Allocation (PLHA) program, signed into law through California’s Building Homes and Jobs Act (SB 2), provides a permanent source of funding to all local governments in California to help cities and counties implement plans to increase the affordable housing stock. DOH awards of PLHA funds will support programs in alignment with the CDBG requirements specified above. In particular, PLHA funds will augment or replace CDBG funds for programs in the following Public Services sub-categories:

1. Public Services – Shelter Services
2. Public Services – Core Service Agencies

V. FUNDING PROCEDURES AND REQUIREMENTS

- A. Religious Organizations.** Funds provided under this NOFA cannot be used for religious activities. However, HUD will allow faith-based organizations to access funds for programs and capital projects meeting County funding priorities described above without having to form secular affiliates.
- B. Multiple CDBG Funding.** If you are proposing a program which will serve a county-wide population or a population located in one or more of the entitlement cities (e.g., Daly City, South San Francisco, San Mateo, and Redwood City), please also contact the affected entitlement city for funding. ***The County will fund only that portion of the program’s budget which affects the Urban County jurisdiction. The San Mateo Urban County consists of the unincorporated areas of the County plus the 16 small cities.*** Excluded from the Urban County are the four largest cities – Daly City; South San Francisco; San Mateo; and Redwood City.

CDBG contacts in the entitlement cities in the County:			CDBG
Daly City	Lenelle Suliguin lsuliguin@dalycity.org	650 991-8256	√
South San Francisco	Heather Ruiz heather.ruiz@ssf.net	650 829-6621	√
San Mateo	Sandra Council scouncil@cityofsanmateo.org	650 522-7223	√
Redwood City	Sharon Cohen scohen@redwoodcity.org	650-780-5920	√

- C. Program Proposal with Location Outside Urban County Jurisdiction.** If you are requesting funding for a program that will be located outside the Urban County jurisdiction, you must demonstrate that residents of the Urban County jurisdiction will receive the principal benefit from the Urban County funds requested.
- D. Program Schedule.** When preparing the program schedule, please factor in sufficient time allowances for various administrative procedures. These include County preparation of the HUD-required environmental review under the National Environmental Protection Act (NEPA), negotiation and execution of the funding agreement between your agency and the County, and formal approval by the County. Funding Agreements exceeding \$100,000 will need review by County Counsel and Board of Supervisors approval.

- E. Environmental Review Process. Federal regulations require local jurisdictions to prepare a NEPA (National Environmental Protection Act) environmental review (ER) for every activity funded with federal funds. If the costs to prepare the ER is done by a DOH consultant, the costs will be taken out of the funding to you. For program services, the NEPA determination will be Exempt and prepared by County staff.
- F. Mandatory Acknowledgement of County and HUD Funding. All programs receiving any type of DOH funding assistance and/or substantial technical assistance will be required to state such in any advertising, marketing, public presentations, press releases, written materials or project descriptions. Such acknowledgement should also identify the U.S. Department of Housing & Urban Development.
- G. Required Agreement between Funded Agency and County of San Mateo. **If you have been awarded County funds for your activity, you must not commit or obligate these funds in any way before an agreement between your agency and the County has been executed. If you commit or obligate the funds before the agreement is executed, DOH may not be able to reimburse you for the program costs.** When planning your project schedule, please allow 4 weeks to 3 months for preparation and execution of the agreement. As noted earlier, contracts involving more than \$100,000 will need County Counsel and Board of Supervisors' approval, which typically requires a minimum of three months' lead time before you can access the funding.
- H. Minimum Contract \$25,000. The Department of Housing minimum contract amount is \$25,000.
- I. Public Service Programs. CDBG funds may be used to support delivery of public services provided the public services serve low income persons. CDBG regulations limit public service expenditures to 15% of a jurisdiction's annual CDBG allocation from HUD. The County funding agreement with the service provider will be performance-based.

If the service provider has service sites outside the County, there must at least a satellite office within the County. New public service programs proposing provision of services only by telephone will not be accepted. It is difficult for such programs to provide the income documentation required by HUD.
- J. Verification of Client Income/Presumed Benefit Status. The County requires that the service provider verify the income of clients served, and that such information be reported to the County on a quarterly basis. Documentation may consist of employment verification and/or benefits income verification and/or tax returns. Self-certification of income of clients receiving program services may be allowed. For presumed low income groups, verification of presumed benefit status is required.
- K. Demographic Data on Project/ Program Beneficiaries. If your project is funded, you will be required to provide County Housing staff with a certain amount of demographic data depending on your particular type of project. The required data may include: client household income, client racial/ethnic background, and head of household information. HUD requires demographic reporting in a variety of categories including but not limited to race/ethnicity. The Housing and Community Development Specialist assigned to monitor your project will discuss with you the extent of other demographic data required for your particular program. The County will provide you with required reporting forms.
- L. Funding on Reimbursement Basis. The County of San Mateo has a strict policy of not providing funding advances before program costs are incurred and paid. The County normally funds community development programs on a reimbursement basis. Reimbursement is made only upon complete documentation of performance of program goals or completion and payment of incurred costs.
- M. Timely Use of Funds. If funds are awarded to your project, the funds must be obligated (under contract) by March 2022. If the funds have not been obligated by that date, the Director of the Department of Housing will review the project status and may make a recommendation to the Housing & Community Development

Committee on whether the funding commitment for your project should be extended for one year; this is not automatic and must be justified by the project sponsor. If, after a one-year extension, the funds have still not been obligated for your program by March 2023, the Director of the Department of Housing will reprogram the funding commitment.

- N. Financial Audits.** Program applicants are required to submit a copy of the most recent certified financial audit prepared by an independent CPA firm, including any management letters. Annual submission of yearly financial audit reports will also be required during the term of the financing or funding agreement. If your agency has expended \$750,000 or more of federal funds from any source in any one year, the audit should include a “single audit” and be in compliance with federal OMB Circular A-122 or A-133, depending on if your entity is a nonprofit organization or public agency. If project applicants have not expended \$750,000 or more of federal funds from any source in any one year, they must attach a certification attesting to this fact.
- O. Background of Nonprofit Organizations.** All nonprofit organizations applying for funds must meet the following requirements:
1. Governing Body - Governing body of the organization should be vested in a responsible and active voluntary board which meets at least quarterly and establishes and enforces policy. The governing body should be large enough and so structured to be representative of the community it serves.
 2. Personnel - The organization must provide for adequate administration of the program to ensure delivery of services. At a minimum one person should be designated the director of the organization.
 3. Staffing of Public Service Programs - Agencies requesting funds for public service programs should have staffing at all levels of responsibility that reflect the racial/ethnic composition of population served. It is highly desirable that the agency staff also possess the appropriate bi-cultural and bi-lingual capabilities.
- P. Designated Person to Execute Documents.** Nonprofits should submit a copy of their Board resolution designating a person responsible for executing all documents related to the funding. This may be combined with the County-required resolution from the nonprofit that specifically authorizes the nonprofit to make an application for funds.
- Q. Debarment.** Housing & Community Developments Act of 1974, 24 CFR Part 5 provides that assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any Contractor or sub-recipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR part 24. This provision covers all Contractors and sub-recipients, as well as subcontractors of Contractor or sub-recipient, whose names are included in the “List of Parties Excluded from Federal Procurement and Non-procurement Programs.” Inclusion in the aforementioned List during the term of this agreement would constitute grounds for contract termination. The aforementioned List can be found on the Web at www.sam.gov.
- R. Other Requirements:**
1. Fingerprinting Requirements of Staff. The County requires that all contractors, assignees, and volunteers of agencies doing business with the County and who during the course of performing services, may have contact with children, be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children.
 2. Equal Benefits Compliance. Any party entering into contract with the County must offer equal benefits to their employees. The County prohibits discrimination in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse must offer equal benefits to their employees.

3. **Persons with Special Needs.** For programs and projects serving Persons with Special Needs the following definitions apply: Under CDBG, this category includes: abused children; homeless veterans and veterans at risk of homelessness; survivors of domestic violence; seniors (62+); adults and families with children with serious disabilities; homeless persons; illiterate persons; and migrant farm workers. For County purposes, this category shall also include, but not be limited to, mentally ill persons; emancipated youth; seniors aging in place (for service-related programs); frail seniors (for housing); persons recovering from substance abuse; and persons recently released from jail or prison.

Grantees and subrecipients providing services or supportive housing to **Persons with Special Needs** as defined above will verify the eligibility of beneficiaries of County, CDBG, HOME and ESG funding.

VI. EVALUATION CRITERIA

Applications will be evaluated by County Staff and the public advisory body, the Housing and Community Development Committee (HCDC) on the following basis:

- A. **Threshold Criteria.** The project application must be received on time, be complete, and meet the requirement that the project be both eligible and qualify under CDBG, HOME, and/or ESG regulations.
- B. **Evaluation Criteria.** Once a project is determined to meet the threshold criteria, the proposed project is then evaluated against the additional criteria:
 1. **Funding Priority:** Extent to which Project addresses one of the NOFA funding priorities listed in Section II of this NOFA with more detail available as a separate document County of San Mateo FY 2021-2022 Notice of Funding Availability (NOFA) Funding Priorities available at www.smhousing.org
 2. **Sponsor Capacity/ Capability:** Ability of project sponsor to carry out proposed project/program.
 3. **Project Feasibility/ Readiness:** Reasonableness of proposed time line for implementing and completing project in the near term. Requests for funding to support community or public service programs must be for programs in the upcoming fiscal year.
 4. **Cost-Effectiveness:** Extent to which project is cost effective in serving new or additional clients.
 5. **Leveraging:** Extent to which other funding sources have been sought and committed to Project or Program.
 6. **Program Model (for shelter programs only):** Extent to which program is aligned with the Strategic Plan to End Homelessness, including low barrier to services, reasonable targets for permanent housing placements, and reasonable lengths of stay (*for shelters only)

VII. APPLICATION SUBMISSION

- A. **Application Preparation Workshop:** A workshop will be provided on Thursday, January 7, 2021 through a virtual conference meeting. Zoom meeting link and time will be posted on the County's NOFA webpage at www.smhousing.org. Attendance by applicants is not mandatory but highly encouraged. Instruction on the use of the City Data Services application process will be provided.
- B. **Submission Requirements:** Submit one application per program funding request through CDS. Applications can be accessed at www.citydataservices.net/ No paper applications will be accepted.

C. **Submission Deadline.** Applications are due on **Thursday, January 14, 2021, 5:00 PM. Late applications will not be accepted.**

D. **Where to Submit.** www.citydataservices.net/ No paper submissions accepted.

E. **Information and Assistance.** Staff is available to answer questions regarding the NOFA and preparation and submittal of the application. You may contact the following staff:

Name	Phone	E-Mail
Dylan Sweeney	(650) 802-5037	Dsweeney@smchousing.org
Tracy Choi	(650) 508-6773	tchoi@smchousing.org

Exhibit 1

2020 San Mateo County Income Limits as determined by HUD, State of CA HCD and County of San Mateo Income Limits Effective June 1, 2020

HUD-defined Area Median Income \$143,100 (based on family of 4).

Income Category	Income Limits by Family Size (\$)							
	1	2	3	4	5	6	7	8
Extremely Low (30% AMI) *	\$ 36,540	\$ 41,760	\$ 46,980	\$ 52,200	\$ 56,400	\$ 60,570	\$ 64,740	\$ 68,910
Very Low (50% AMI) *	\$ 60,900	\$ 69,600	\$ 78,300	\$ 87,000	\$ 94,000	\$100,950	\$107,900	\$114,850
Low (80% AMI) *	\$ 97,600	\$111,550	\$125,500	\$139,400	\$150,600	\$161,750	\$172,900	\$184,050
Median (100% AMI)	\$100,150	\$114,500	\$128,800	\$143,100	\$154,550	\$166,000	\$177,450	\$188,900
Moderate (120% AMI)	\$120,200	\$137,350	\$154,550	\$171,700	\$185,450	\$199,150	\$212,900	\$226,650

EXHIBIT 2
Sample Certification for No Single Audit Requirement Needed

(Please insert sample language onto your agency letterhead stationery)

Department of Housing
County of San Mateo
264 Harbor Bldg, Bldg A
Belmont, CA 94002

Dear: _____ :

This is to certify that as _____ (title) for our agency. ____
_____(name of agency), we did not expend more than \$750,000 of
federal funds from all federal sources during the fiscal year ending _____. As such,
our independent financial audit submitted with this application was not required to comply with the single audit
requirements set forth in OMB A-122 or A-133.

Name (signature)

Print Name

Title

Date