

**REQUEST FOR APPLICATION
(RFA)**

The City of Santa Fe

AND

Office of Affordable Housing

**Application for
Community Development Block Grant (CDBG)**



RFA# 23/38/R

Issue Date: January 20, 2023

Due Date: February 17, 2023

ELECTRONIC-ONLY APPLICATION SUBMISSION

I. BACKGROUND INFORMATION

A. PURPOSE OF THIS REQUEST FOR APPLICATION

The purpose of the Request for Application (RFA) is to solicit applications for housing, public facility and public services projects that are eligible for **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** funds. The objective of the City's use of these funds is to support and expand housing and economic opportunities for people with incomes less than 80% of the **area median income (AMI)** as defined by the **Department of Housing and Urban Development (HUD)**.

B. BACKGROUND INFORMATION

The CDBG Program is funded through the U.S. Department of Housing and Urban Development (HUD) and provides an allocation of funds to local and state governments for a wide-range of eligible housing and community development activities. The stated purpose of the program is:

“The development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”

CDBG funds are allocated each year to cities with populations in excess of 50,000 and urban counties with populations in excess of 200,000. The City of Santa Fe is an “entitlement city” for the CDBG program, which means it automatically receives an annual grant from HUD based on a formula that takes into consideration community needs and other factors. These include: the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

Although Santa Fe must administer the use of CDBG funds in accordance with specific federal regulations, the Santa Fe City Council determines how to use the grant money according to the City's Consolidated Plan priorities and other local needs. In Santa Fe, the CDBG funds are dispersed on a competitive basis to agencies/projects selected by the Santa Fe Community Development Commission and approved by the City Council.

Funding is subject to current and future CDBG grant allocations and budget appropriations approved by the City's Governing Body. No guarantee is made or implied by the City for the amount allocated to this RFA. The commitment of funds will result in multiple contracts equal to the total amount of funds available for allocation.

Successful applicants that receive a CDBG award must fulfill the objectives of the program by carrying out eligible activities that benefit low and moderate income (LMI) residents, including but not limited to, persons who are homeless, persons who have disabilities, the elderly, and

other special needs groups. Although not required, the agencies are also encouraged to find other funding sources to help leverage the CDBG funds.

Prior to filling out an application, each proposed applicant must demonstrate that its activity is both eligible under the CDBG program regulations and meets one of the National Objectives as defined by HUD. Information on eligibility and National Objectives must be used to classify each project requesting funding and to determine if it can be considered for funding. **Any program that does not clearly meet a National Objective and is not an Eligible Activity will not be accepted.** For more specific information on the eligibility of uses for CDBG funds, see [24 CFR 570.201](#). Ineligible activities are described in [24 CFR 570.207](#).

C. NATIONAL OBJECTIVES

The authorizing statute of the CDBG program requires that each eligible activity except program administration and planning activities must meet one of the three National Objectives:

- 1) Benefit low and moderate income (LMI) persons or households;
- 2) Eliminate slum and blight; or
- 3) Address an urgent community need that threatens the health or welfare of residents.

For more specific information on the definitions of the National Objectives, see the CDBG program regulations at [24 CFR 570.208\(b\)](#).

II. ELIGIBLE ACTIVITIES, APPLICANTS AND USES OF FUNDS

The CDBG regulations require that grantees expend not less than 70% of their annual CDBG grant fund for activities that benefit Low-Moderate Income (LMI) persons. This is one of the key factors in selection of eligible activities. The determination of LMI is based on a percentage of the area's Average Median Income (AMI). Specifically, the eligibility threshold is less than 80% of the current AMI. **Note: As of the release of this Request for Applications, 2023 data is not yet available. Applicant is required to use updated data for the implementation of program if funded.** Current data can be found at this link: <https://www.huduser.gov/portal/datasets/il.html>.

Santa Fe, New Mexico: 2022 Area Median Income (AMI) by Household Size

# in Household	Extremely Low Income Limit	Very Low Income Limit	Low Income Limit
	<30% AMI	50%AMI	80%AMI
1	16,950	28,250	45,150
2	19,400	32,250	51,600
3	23,030	36,300	58,050

4	27,750	40,300	64,500
5	32,470	43,550	69,700

The annual income must be verified for a person, family or household only for **direct benefit** activities such as homeownership assistance, home improvement, or receipt of public service. Income verification of the eligibility of individual persons, families or households is **not** needed for the following national objectives: area benefit, presumed limited clientele, slum/blight, or urgent need. According to HUD, presumed limited clientele include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers and the elderly.

A. ELIGIBLE ACTIVITIES

Some Eligible Activities that can be funded by CDBG include but are not limited to the following. (The complete list is in 24 CFR Part 570.201).

1. Housing Activities

- a) Assist existing homeowners with the repair, rehabilitation or reconstruction of owner-occupied units. Financial assistance through loans or grants are made for emergency repair programs, spot rehabilitation, or full house rehabilitation for existing homes. Special purpose programs include improving the energy efficiency of a home, handicap accessibility, emergency repairs and weatherization.
- b) Direct assistance to facilitate and expand low-moderate income (LMI) homeownership by subsidizing interest rates and mortgage principal amounts, financing the cost of acquiring property, pay all or part of the premium on behalf of the homebuyer mortgage insurance, pay any or all of the reasonable closing costs associated with the home purchase and pay up to 50% of the down payment required by mortgagee;
- c) Assistance to rehabilitate privately owned residential buildings and improvements; low-income public housing and residential buildings; publicly and privately owned commercial or industrial buildings for exterior improvements and code violations; non-profit owned nonresidential buildings and improvements; and manufactured housing, when considered part of the permanent housing stock;
- d) Acquisition of property for an eligible rental or homeownership housing project;
- e) Conversion of a closed building from one use to residential such as a closed school;
- f) Activities to prevent the abandonment and deterioration of housing acquired through tax foreclosure including making essential repairs to the housing and paying operating expenses to maintain its habitability.

2. Real Property

- a) **Acquisition of Real Property**, by purchase, long term lease, donation or otherwise, for the purposes of providing affordable housing, public services, or a public facility.
 - b) **Disposing of real property** refers to the sale, lease and donation of real property. Costs related to the sale, lease, or donation of real property acquired with CDBG funds are CDBG-eligible;
 - c) **Lead Based Paint Hazard Evaluation and Reduction**. The costs associated with the evaluation and reduction of lead-based paint hazards as either its own activity or as part of a rehabilitation activity;
 - d) **Historic Preservation**. The preservation and restoration of publicly and privately owned properties of historic significance are generally eligible under CDBG;
 - e) **Renovation of Closed Buildings** for the use as an eligible public facility as well as both residential and commercial facilities.
 - f) **Energy Efficiency Activities** such as weatherizing a home or apartment complex, finance energy efficient rehabilitation work and install wind and solar equipment;
 - g) **Handicapped Accessibility**. Removal of material and architectural barriers that restrict the mobility or accessibility of elderly or handicapped persons.
- 3. Public Facilities and Public Improvements (defined as all facilities and improvements that are publicly owned or are owned by a non-profit and open to the public during normal working hours)**
- a) Acquisition, construction, reconstruction, rehabilitation or installation of public facilities, except buildings for general conduct of government. Activities may include design features that promote energy efficiency and architectural design features and treatments intended to enhance aesthetic quality of facilities. Examples of public facilities include: homeless facilities, senior centers, childcare centers, facilities for AIDS patients, parks and recreational facilities, neighborhood facilities, and Health facilities. (For a complete list refer to 24 CFR 570.201(c));
 - b) Public Improvements such as installation, construction and rehabilitation of infrastructure (water/sewer lines, streets and sidewalks). CDBG funds cannot be used for maintenance of these facilities and improvements. This category generally also does not include operating costs
- 4. Public Service Activities (subject to 15% cap).** Provision of public services that stabilize housing situations, prevent or end homelessness, and support sustainable homeownership are the main priorities for the City's CDBG funding. If the applicant is applying for CDBG funding for the first time, the proposed services must be a new or quantifiable increase in the level of an existing service which has been provided by the grantee or another entity on its behalf. This means that the applicant must show an increased deliverable, such as persons or households served. The CDBG program restricts the amount of funding for public services to no more than 15% of the

annual grant award. Therefore, public service projects are highly competitive for any given grant year.

5. Other Types of Assistance

- a) Relocation payments and assistance to displaced persons;
- b) Payment to housing owners for losses of rental income incurred in holding units for persons displaced;
- c) Provision of fair housing counseling services and activities

6. Ineligible Activities

- a) Buildings used for general conduct of government;
- b) General government expenses;
- c) Political activities;
- d) Purchase of construction equipment; purchase of furnishings and personal property, unless part of a public service activity or necessary for use by city in the administration of the program;
- e) Repair, operation and maintenance of public facilities, improvements and services, except expenses associated with eligible public service activities, interim assistance and office space for CDBG program staff;
- f) New housing construction, except under special provisions.

C. POST-AWARD REQUIREMENTS FOR SUBRECIPIENTS

A Subrecipient is an agency or organization that is provided CDBG funds by the City of Santa Fe for their use in carrying out approved eligible activities. Subrecipients may include:

- Public or Private Non-Profit Agency, Authority or Organization;
- For-Profit entities who provide assistance specifically to microenterprises;
- Institutions of Higher Learning.

NOTE: *A subrecipient differs from a contractor. A contractor is selected through a competitive procurement process and is paid CDBG funds by the grantee in compensation for specific services, such as construction or remodeling improvements. The subrecipient is subject to the same administrative requirements as those for the City of Santa Fe. These requirements are generally not applicable to contractors.*

After an award of CDBG funds, the Subrecipient is accountable to the City of Santa Fe for administrative and other responsibilities, including but not limited to, compliance with the CDBG program requirements at 24 CFR Part 570 and the Uniform Administrative and Financial Management Requirements for Federal Awards at 2 CFR 200. Subrecipients may also use fiscal agents who assist with program management, financial reporting and all contract requirements as per the City of Santa Fe's procurement rules. If using a fiscal agent:

- Fiscal agent fees shall not exceed 12%.
- All official documents and signatures must be those of the fiscal sponsor.

1. Registration in SAM (System of Award Management). If not already registered, the applicant must register in the system and enter its DUNS number here: www.sam.gov. If already registered, the applicant will need to ensure that their registration is up to date at the time the application is submitted. The City checks all applicant DUNS numbers for federal debarment. An application will be rejected if the applicant agency is debarred or its status is not current.

2. Contractual Requirements. The subrecipient shall enter into one or more contracts with the City of Santa Fe. Each contract(s) shall be consistent with the required provisions for the CDBG program and subject to the review by HUD and other authorities. All contract(s) shall include remedies and default provisions in the event of the unsatisfactory performance by the subrecipient. Other contracting requirements include:

a. **Performance Schedule and Criteria.** The subrecipient shall be required to abide by a reasonable performance schedule and performance criteria which the City of Santa Fe in its discretion, may establish;

b. **Cost Reimbursement Contracts.** Payment to a Subrecipient shall be made under a cost reimbursable contract provision. Payments shall be made upon the City of Santa Fe's receipt of certified and documented invoices for actual expenditures allowable under the terms of all contracts executed between the subrecipient and the City of Santa Fe.

c. **Rate at which Costs Incurred.** Under unit cost or cost reimbursable contracts, it is anticipated that costs will be incurred by the Subrecipient at an approximate level rate during the term of any agreement between the Subrecipient and the City of Santa Fe. If the City of Santa Fe determines that the Subrecipient is underspending or overspending, then the City of Santa Fe may reduce the budget and/or exercise such other budgetary fiscal controls it deems appropriate.

d. **Invoices.** Subrecipients shall not submit invoices more than once a month, unless written approval is obtained in advance from the City of Santa Fe. Failure to submit invoices within twenty (20) days of the close of the month for which payment is sought may result in the non-availability of funds for reimbursement.

e. **Cost Eligibility.** All Subrecipients are subject to the federal cost principles and audit requirements applicable to 2 CFR Part 200, Subpart E:
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

3. Federal Standard Provisions. All CDBG awards made by the city are also subject to additional federal standards related to financial management, procurement, civil rights, handicap accessibility, equal employment, and record-keeping requirements including but not limited to:

- Environmental Review
- Labor Standards ("Davis Bacon")
- Fair Housing and Equal Opportunity
- Section 3 – Economic Opportunities
- Section 504 of the Rehabilitation Act
- Purchasing standards
- Acquisition and relocation regulations
- Lead Safe Housing Rule
- Avoiding conflicts of interest
- Uniform Administrative requirements such as Cost Principles, Standards for Financial Management Systems, and Audit requirements
- Change in Use Requirements
- Uniform Relocation Act

The City's contract for CDBG funding will include the applicable federal standards for each activity selected for award.

4. Record-keeping, reporting, monitoring and performance measurement.

Subrecipients are required to collect and maintain documentation of their compliance with CDBG requirements and information on the beneficiaries of the CDBG-funded activity. Every quarter, the Subrecipient will submit to the City a report on program accomplishments. The City will provide oversight of the CDBG award and monitor the subrecipient's funded activity annually, using the scope of work within the Subrecipient's Agreement in part to evaluate performance. This process will also include examination of records and a virtual site visit, which will be held in-person when allowed under social distancing guidelines.

III. FUNDING AWARD

For the FY 2023-24 year, an allocation of approximately \$600,000 is anticipated to be made available from the grant award with an additional \$300,000 (approximately) of prior year funds. Applications will be reviewed and funding recommendations will be made by the City's Community Development Commission (CDC), according to the evaluation criteria described on page 11. The applicant must demonstrate how the proposed activity meets the eligibility requirements under the CDBG program, as well as the City's priorities of preventing homelessness, ending homelessness, and/or stabilizing the housing situations of those who are at risk of losing their housing and/or being displaced from Santa Fe. The intent for the use of these

funds is to serve the entire spectrum of housing needs including those who are currently experiencing homelessness, renters, homebuyers, and homeowners.

The Community Development Commission will rely on the following criteria to make funding recommendations to the Governing Body. Until HUD announces the final amount of the City's entitlement grant, the amounts are estimated and may change slightly during the contract approval process.

- **Funding:** the proposed project budget is realistic, funds are leveraged at a 1:1 ratio from other sources (for every \$1 of CDBG, \$1 is from other sources), revenue is sufficient to accomplish the proposed project and matching funds are secured.
- **Need/Benefit and Project Feasibility:** the proposed project addresses underlying/systemic challenges in the community, is responsive to current/future market demand, and the applicant demonstrates feasibility through site control, if applicable, and provides a realistic timeframe for the completion of proposed activities.
- **Organizational Capability and Management:** the applicant adequately describes its organizational experience, expertise in the proposed type(s) of housing or assistance and demonstrates financial soundness and/or experience with federal awards.

IV. APPLICATION SEQUENCE OF EVENTS

Once staff certifies the completeness of an application, applicants will be invited to make short presentations about their proposed project at a Community Development Commission meeting held on March 1, 2023 and to answer questions posed by the Commission members. The CDC will make initial funding recommendations, at which time, the scope of work will be drafted based on the project proposed in the application. The resulting contract will be considered by the City Council Committee process for final approval by the Governing Body.

V. QUESTIONS ABOUT THE APPLICATION PROCESS

All questions must be submitted via email to **Cody Minnich, Housing Grant Manager, Office of Affordable Housing** at cjminnich@santafenm.gov. Written responses to written questions will be posted on the City's website: https://www.santafenm.gov/funding_opportunities for the benefit of all applicants.

A non-binding letter of interest may also be emailed to **Cody Minnich, Office of Affordable Housing** at cjminnich@santafenm.gov. This will ensure that all prospective applicants receive notice of changes to this application process. The letter of interest is a simple note indicating that you intend to apply for funding, a brief description of the proposed project, and contact information for the organization.

VI. PRE-APPLICATION ORIENTATION INFORMATION SESSION

All interested applicants are required to attend the pre-application orientation session via Zoom. This meeting is to ensure understanding of the application process and requirements for funding. The virtual meeting will take place on **January 25, 2023** from **10:00 to 11:30 a.m.** Please email cjminnich@santafenm.gov to receive meeting link. Spanish interpretation provided upon request. If applicant is unable to attend the orientation session, they are required to watch the recording and sign a form attesting that they have done so.

An archived recording of this information session will be made available on the City's website, https://www.santafenm.gov/funding_opportunities, along with a procurement library that contains links to useful resources.

VII. APPLICATION SUBMISSION AND DUE DATE

Complete and signed applications are due to the **Office of Affordable Housing** no later than **5PM MDST/MST on February 17, 2023**. Applications will be electronically submitted via email or Dropbox to: cjminnich@santafenm.gov; **Attn: Cody Minnich, Housing Grant Manager, Office of Affordable Housing; RFA Name: Application for CDBG Funds; RFA Number: 23/38/R. Late or incomplete submissions will not be accepted.**

VIII. APPLICATION FORMAT AND RESPONSE

Applicants wishing to apply for CDBG funds are required to submit to the City of Santa Fe the following, as applicable:

A. **A cover letter** signed by the person who is empowered by the organization's governing body to make application for funds stating that the information provided is true and correct to the best of the Applicant's information, knowledge, and behalf. The letter must provide the contact name and information for the person responsible for the Application, the name of the Project and the amount of funds requested;

B. **One original Application**, together with all required attachments which describes the scope of the CDBG Project proposed by the Applicant and for which the Applicant is applying for funds, and which describes the type and/or amount of assistance which the Applicant proposes to provide to low- and moderate-income persons. The City of Santa Fe will require that the Applicant provide proof of matching funds, leveraged funds, and/or in-kind donations proposed to be used in connection with the Application for CDBG funds, and identified in the

proposed budget provided in the Application. Application is available at:

https://www.santafenm.gov/funding_opportunities;

C. **Signed Campaign Contribution Disclosure Form** (Exhibit A).

D. **Documentation that the Applicant is duly organized in accordance with State or local law and is in good standing** with any state authorities such as the Public Regulation Commission (e.g. Articles, Bylaws, and Certificate of Good Standing for a Corporation; Articles, Operating Agreement, and Certificate of Good Standing for a Limited Liability Company; partnership agreement and certificate of limited partnership for a partnership);

E. For non-profit organizations, proof of **501(c) (3) tax status** and **list of current board members**;

F. **Financial certifications**, as follows, if applicable:

1) Evidence that the Applicant has dedicated financial management policies that are applied in accordance with generally accepted accounting principles, or has a designated fiscal agent that will maintain such an accounting system consistent with generally accepted accounting principles;

2) Evidence or certification that the Applicant has no significant outstanding or unresolved monitoring findings from the City of Santa Fe, HUD, or its most recent independent financial audit; or if it has any significant outstanding or unresolved monitoring findings from the City of Santa Fe, HUD, or its most recent independent financial audit, it has a certified letter from the City of Santa Fe, HUD, or the auditor stating that the findings are in the process of being resolved;

G. **Organizational chart**, including job titles and qualifications for the Applicant's employees who will be contributing toward or working on the CDBG-funded project as proposed, or as otherwise may be required by the City of Santa Fe. Job descriptions may be submitted as appropriate.

VIII. APPLICATION EVALUATION FACTORS

The City’s Community Development Commission is designated to make the initial funding recommendation to the Santa Fe City Council for uses of Community Development Block Grant (CDBG) funds. At its discretion, the City reserves the right to alter the membership and size of the committee. Scores of the evaluation committee members will be totaled to determine the top-rated projects.

CRITERIA	Weighted Value	Evaluation Points (1-5)	Total Points	Max. Score
A. Funding Feasibility <ul style="list-style-type: none"> Does proposed use address a demonstrated need? Is a special needs population served? Compliance with local plans, priorities, codes Demonstrates collaboration with other agencies, programs, etc. 	40%			200
B. Performance Measurement/Work Plan <ul style="list-style-type: none"> Steps/phases to complete the activity are organized and well articulated Are performance measurements, outcomes and proposed outcomes well presented? Realistic? Well-supported in the application? 	25%			125
C. Demonstrated Capability – Organizational Management <ul style="list-style-type: none"> Staff capacity and expertise Organizational experience Expertise in type(s) of housing or service(s) proposed Demonstrated financial soundness 	35%			175
TOTAL:	100%			500
Table 1: Evaluation Point Summary EVALUATION POINTS: 1 -- Lowest 5 – Highest				
CDBG Compliance Criteria* (Check one) and Leveraging Requirements			Pass	Fail
National Objective Compliance <ul style="list-style-type: none"> Benefits low/moderate income persons/households? Prevents slum/blight? Serves a Low to Moderate Income (LMI) Area (i.e. Census Tract)? 				
Consolidated Plan Compliance <ul style="list-style-type: none"> Does the application demonstrate that it meets Consolidated Plan priorities? 				
Budget <ul style="list-style-type: none"> Is proposed budget realistic? Are other funding sources secured? Is \$1:\$1 leverage requirement met? 				
*Note that in order to be considered for CDBG funding, application must “pass” on all CDBG compliance criteria				