**COMMUNITY DEVELOPMENT BLOCK GRANT**

**Application Instructions and Guidance**

**FEDERAL FISCAL YEAR (PY) 2023 – CITY FISCAL YEAR (CFY) 2024**

**CD-49**

**B A L T I M O R E CITY DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT**

Brandon Scott, Mayor

Alice Kennedy, Commissioner

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**Table of Contents**

**SECTION I -** [**Meeting A National Objective** 4](#_Toc21510595)

[1. Activities benefiting Low- and Moderate-Income (LMI) Persons 4](#_Toc21510596)

[2. Activities, which aid in the prevention or elimination of slums or blight 8](#_Toc21510664)

[3. Activities designed to meet community development needs having 10](#_Toc21510693)

 a particular urgency

**[CDBG ELIGIBLE ACTIVITIES](#_Toc21510704)** [10](#_Toc21510704)

**[CDBG INELIGIBLE ACTIVITIES](#_Toc21510704)** [10](#_Toc21510704)

[**SECTION II – Federal Objectives, Mayoral Priorities and 5-Year Consolidated**  15](#_Toc21510705) **Plan Objectives**

[**SECTION III**](#_Toc21510708) **-** [**General Instructions** 18](#_Toc21510709)

[Guidelines for information to be submitted 19](#_Toc21510710)

[SECTION IV - Instructions for the Project Budget 25](#_Toc21510712)

SECTION V - [Baltimore City Local Hiring Law and Employ Baltimore 37](#_Toc21510764)

SECTION I

CDBG PROGRAM OVERVIEW

**MEETING A NATIONAL OBJECTIVE**

The Community Development Block Grant (CDBG) program helps with housing and community development activities. For a project or activity to qualify for CDBG funding, it must meet at least one (1) of the three (3) statutory national objectives established under Title I of the Housing and Community Development Act of 1974, as amended. An activity that fails to meet a national objective will not qualify for CDBG funding. The national objectives are:

1. **Activities benefiting Low- and Moderate-Income (LMI) Persons**
2. **Area benefit activities**

An activity, the benefits of which are available to all the residents in a particular area, where at least 51% of the residents are LMI persons. The service area must be primarily residential, and the activity must meet the identified needs of LMI persons. Examples include street improvements, water and sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts. This activity must meet one of the following qualifying criteria:

1. A determination that there is a sufficiently large percentage of LMI persons residing in the service area by using the most recently available decennial Census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau: or
2. A determination is made of the percent of LMI residents by means of a current survey of the area, if it is believed that the census data does not reflect current income levels, or, where the census boundaries do not coincide sufficiently with the service area. The survey results must meet statistical reliability standards and be approved by HUD.

**Exception Criteria**: A service area that contains less than 51% LMI residents will be considered to meet the national objective if the proportion of LMI persons in the area is within the highest quartile of all areas in the recipient’s jurisdiction in terms of the degree of concentration of such persons. HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose.

Records to be maintained:

* Boundaries of the service area
* Income characteristics of families and unrelated individuals in the service area, and
* Data showing that the area qualifies under the exception rule if the percent of LMI persons in the service area is less than 51%.
1. **Limited clientele activities**
2. An activity which benefits a limited clientele where, at least 51% of those persons served are LMI persons. Examples include construction of a senior center; public services for the homeless; meals on wheels for the elderly; and construction of job training facilities for the handicapped. The activity must meet one of the following qualifying criteria:
3. The activity benefits a clientele that is generally presumed to be principally LMI persons such as abused children, battered spouses, elderly persons, severely disabled adults, and migrant farm workers; or
4. Information is required on family size and income in order to show that at least 51% of the clientele is LMI; or
5. The activity has income eligibility requirements which limit the activity exclusively to LMI persons; or
6. The activity is of such nature and in such location that it may be concluded that the clients are primarily LMI.
7. In addition, the following activities may qualify under the limited clientele national objective:
* Removal of architectural barriers to enhance mobility for the elderly or the severely disabled. [NOTE: Certain restrictions do apply to these activities].
* Microenterprise activities carried out in accordance with HUD regulations when the person owning or developing the microenterprise is LMI; or

Activities that provide training and other employment support services when the percentage of persons assisted is less than 51% LMI may qualify if: the proportion of total costs borne by CDBG is no greater than the proportion of LMI persons assisted; and when the service assists businesses, CDBG is only used in the project to pay for job training and/or supportive services.

**Records to be maintained:**

One of the following types of documentation must be kept for each activity:

* Documentation showing that the activity is designed for and used by a segment of the population presumed by HUD to be LMI persons; or
* Documentation describing how the nature and, if applicable, the location of the activity establishes that it is used predominantly by LMI persons; or
* Data showing the size and annual income of the family of each person receiving the benefit.
1. **Housing activities**

An activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. Examples include: property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction by a Community-Based Development Organization (CBDO). The activity must meet one of the following qualifying criteria:

1. One-unit structures must be occupied by LMI households.
2. Two-unit structures must have at least one unit occupied by LMI households.
3. Structures containing more than two units must have at least 51% of the units occupied by LMI households.
4. Rental buildings under common ownership and management which are located on the same or contiguous properties may be considered as single structures.

For rental housing, occupancy by LMI households must be at affordable rents, consistent with the standards adopted and publicized by the Department of Housing and Community Development for determining “affordable rent” levels.

**Exception Criteria**

For new construction, non-elderly, multi-family rental structures must have at least 20% of the units occupied by LMI households. Where LMI occupancy is between 20% and 50%, the CDBG portion of the total development costs – including the costs of all work from design and engineering through completion of the physical improvements and, if integral to the project, the costs of acquisition – may not be greater than the proportion of units occupied by LMI households.

**Records to be maintained:**

* A copy of the written agreement with each landlord or developer receiving CDBG assistance indicating the total number of dwelling units in each multi-family structure assisted and the number of those units which will be occupied by LMI households after assistance.
* The total cost of the activity, including both CDBG and non-CDBG funds.
* For each unit occupied by a LMI households, the size and income of the household.
* For rental housing only:

□ Rent charged (or to be charged) after assistance, for each dwelling unit in each structure assisted; and

□ Information as necessary to show the affordability of units occupied (or to be occupied) by LMI households pursuant to criteria established and made public by the grantee.

* For each property acquired on which there are no structures, evidence of commitments ensuring that the above criteria will be met when the structures are built.
* Where applicable, records documenting that the activity qualified under the exception criteria for new construction of non-elderly, multi-family housing.
1. **Job creation or retention activities**

An activity designed to create or retain permanent jobs where at least 51% of which, (computed on a full-time equivalent basis), will be made available to or held by LMI persons. Potentially eligible activities include: construction by the grantee of a business incubator designed to offer office space and support services to new firms to help them become viable small businesses; loans to pay for the expansion of a plant or factory; and assistance to a business to prevent closure and a resultant loss of jobs for LMI persons.

Generally, each assisted business shall be considered a separate activity for purposes of determining whether the activity qualifies. However, in certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses, which locate on the property, provided such businesses are not otherwise assisted by CDBG funds. Additionally, where CDBG funds are used to pay for the staff and overhead costs of a CBDO making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all the businesses receiving loans during any one-year period. Jobs are only considered to be available to or held by LMI persons when:

* Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
* Local government and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs.

**Records to be maintained for benefit based on job creation:**

Where the grantee chooses to document that at least 51% of the jobs will be available to LMI persons, documentation for each assisted business shall include:

A copy of a written agreement, containing:

1. A commitment by the business that it will make a least 51% of the jobs available to LMI persons and will provide training for any of those jobs requiring special skills or education;
2. A listing by job title of the permanent jobs to be created, indicating which jobs will be available to LMI persons, which jobs require special skills or education, and which jobs are part-time; and,
3. A description of the actions to be taken by the grantee and business to ensure that LMI persons received first consideration for these jobs; and
4. A listing by job title of the permanent jobs filled, and which jobs were available to LMI persons, and a description of how first consideration was given to such persons for these jobs. The description shall include what type of hiring process was used; which LMI persons were interviewed for a particular job; and which LMI persons were hired.

**Or**

Where the grantee chooses to document that at least 51% of the jobs will be held by LMI persons, documentation for each assisted business shall include:

 A copy of a written agreement, containing:

1. A commitment by the business that at least 51% of the jobs, on a full-time equivalent basis, will be held by LMI persons; and
2. A listing by job title of the permanent jobs to be created (identifying which are part-time, if any).
3. A listing by job title of the permanent jobs filled and which jobs were initially held by LMI persons; and
4. For each LMI person hired, information on the size and annual income of the person’s family prior to the time the person was hired for the job.

**For benefit based on job retention, the following documentation must be kept:**

* Evidence that in the absence of CDBG assistance, the job would be lost; and,
* For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which are held by LMI persons at the time the assistance is provided; and,
* Where applicable, identification of any of the retained jobs (other than those known to be held by LMI persons) which are projected to become available to LMI persons through job turnover within two years of the time CDBG assistance is provided, and information on how the turnover projections were calculated; and,
* For each retained job claimed to be held by a LMI person, information on the size and annual income of the person’s family; and,
* For each retained job claimed to be available to LMI persons based on job turnover: a listing of each job which has turned over to date, indicating which of those jobs were either taken by, or available to LMI persons; and a description of how “first consideration” was given to LMI persons for those jobs.

**2.** **Activities, which aid in the prevention or elimination of slums or blight**

1. **Activities to address slums or blight on an area basis**

An activity which helps to prevent or eliminate slums or blighting conditions within a designated area. Examples include: assistance to commercial or industrial businesses; public facilities or improvements; code enforcement. The activity must meet the following qualifying criteria:

1. The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law.
2. Within the area, there must be a substantial number of deteriorated or deteriorating buildings or public improvements.
3. The activity must address one or more of the conditions that contributed to the deterioration of the area.
4. If rehabilitation of residential buildings is to be undertaken in a slum/blighted area, the building must be considered substandard under local definition and all deficiencies making the building substandard must be corrected before other rehabilitation work is undertaken.

**Records to be maintained:**

* Boundaries of the area.
* A description of the conditions, which qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the qualifying criteria.
* For each residential rehabilitation activity:
* Local definition of “substandard” that must be at least as stringent as the housing quality standards used in the Section 8 Housing Assistance Payment Program – Existing Housing; and,
* Pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and,
* Details and scope of CDBG-assisted rehabilitation, by structure.
1. **Activities to address slums or blight on a spot basis**

An activity which eliminates specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area. Examples include: elimination of faulty wiring, falling plaster, or other similar conditions, which are detrimental to all potential occupants; historic preservation of a public facility; and demolition of a vacant, deteriorated building. The activity must meet the following qualifying criteria:

1. The activity must be designed to eliminate specific conditions of blight or physical decay on a spot basis.

(2) The activity must be limited to acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings. Rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

**Records to be maintained:**

* A description of the specific condition of blight or physical decay treated;
* For rehabilitation carried out under this category, a description of the structure, including:
	+ 1. The specific conditions detrimental to public health and safety which were identified; and,
		2. Details and scope of the CDBG-assisted rehabilitation.
1. **Activities to address slums or blight in an urban renewal area**

An activity, which aids in the elimination or prevention of slums or blight in an urban renewal area. The activity must meet the following qualifying criteria:

1. The activity must be located within an urban renewal project area or Neighborhood Development Program (NDP) action area; and,
2. The activity must be necessary to complete the urban renewal plan, as then in effect, including initial land redevelopment permitted by the plan.

**Records to be maintained:**

* A copy of the Urban Renewal Plan, in effect at the time the CDBG activity is carried out, including maps and supporting documentation.
1. **Activities designed to meet community development needs having a particular urgency**

An activity designed to alleviate existing conditions that have a particular urgency. Examples include major catastrophes or emergencies. The activity must meet the following qualifying criteria:

1. The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
2. The existing conditions are of recent origin or recently became urgent (generally within the past 18 months);
3. The grantee is unable to finance the activity on its own; and,
4. Other sources of funding are not available.

**Records to be maintained:**

* Documentation concerning the nature and degree of seriousness of the condition requiring assistance;
* Evidence that the grantee certified that the CDBG activity was designed to address the urgent need;
* Information on the timing of the development of the serious condition; and,
* Evidence confirming that other financial resources to alleviate the need were not available.

**CDBG ELIGIBLE ACTIVITIES**

*Note: The following are some of the eligible activities for which CDBG funds may be requested by a non-profit agency. A complete list of CDBG eligible activities is available on the HUD website* [*www.hudexchange.gov*](http://www.hudexchange.gov)

**PUBLIC FACILITIES AND IMPROVEMENTS**

Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, carried out by a public or private nonprofit entity: including, but, not limited to, streets, curbs, sidewalks, storm drainage, sanitary sewers, parks and recreational facilities, community centers, and libraries. Design features and improvements that promote energy efficiency may be included. Activities may also include architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railing, sculptures, pools of water and fountains, and other works of art. Facilities containing both eligible and ineligible uses are subject to special policies contained under 'Section 570.200(b) &(c) of the CDBG Regulations.

**RENOVATION OF CLOSED BUILDINGS**

Renovation of closed buildings such as school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

**ACQUISITION**

Acquisition, in whole or in part, by the subrecipient or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property for any eligible public purpose. In order to be considered acquisition, a permanent interest in the property must be obtained. Long-term leases only qualify as acquisition if they are for 15 years or more. Acquisition of real property is subject to Section 570.606, "Displacement, relocation, acquisition, and replacement of housing of the CDBG regulations". Additionally, acquisition of real property is subject to the requirements under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

**INTERIM ASSISTANCE**

The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where it has been determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable.

1. The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and
2. The execution of special garbage, trash debris removal including neighborhood cleanup campaigns, but not regular curbside collection of garbage or trash in an area.

**CODE ENFORCEMENT**

Costs incurred for inspection of code violations and enforcement of codes in deteriorating or deteriorated areas where such enforcement together with public improvements, rehabilitation or services to be provided may be expected to arrest the decline in the area.

**HISTORIC PRESERVATION**

Rehabilitation preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic Preservation, however, is not authorized buildings for the general conduct of government.

**HOME OWNERSHIP ASSISTANCE**

CDBG funds may be used to provide financial assistance to LMI households to assist them in the purchase of a home. Specific purposes for which financial assistance, using CDBG funds, may be provided are to:

1. subsidize interest rates and mortgage principal amounts for LMI homebuyers.
2. finance the cost of acquiring property already occupied by LMI households at terms needed to make the purchase affordable.
3. acquire guarantees for mortgage financing obtained by LMI homebuyers from private lenders (except that amount received under this title may not be used under this category to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees).
4. provide up to 50 percent of any down payment required for LMI homebuyers; or
5. assist with reasonable closing costs (normally associated with the purchase of a home) incurred by a LMI homebuyer.

**CONSTRUCTION OF HOUSING**

CDBG funds may be used in limited circumstances to finance the construction of new permanent residential structures. These limited circumstances include: construction of housing under a Housing Development Grant (HODAG); or construction of housing of last resort under 24 CFR Part 42, Subpart I; or the project is being carried out by a qualified Community-Based Development Organization (CBDO).

**REHABILITATION AND PRESERVATION ACTIVITIES**

CDBG funds may be used to finance rehabilitation and related costs for buildings and improvements. Rehabilitation services, such as rehabilitation counseling, housing counseling, energy auditing, preparation of work specification, loan processing, inspection, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors and other entities, participating or seeking to participate in housing activities authorized under this section, or under Title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administration expenses imposed by law.

**LEAD-BASED PAINT HAZARD EVALUATION AND REDUCTION**

Lead-based paint hazard evaluation and reduction as defined in Section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

**SPECIAL ACTIVITIES BY COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS (CBDO)**

CDBG funds may be provided to certain types of subrecipients to carry out several types of community development activities. Such organizations must meet certain qualifying characteristics outlined under Section 570.204(c) of the CDBG Regulations to carry out neighborhood revitalization, community economic development or energy conservation projects.

**ECONOMIC DEVELOPMENT**

Acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures and other real property, equipment and improvements, including railroad spurs or similar extension. Such activities may be carried out by DHCD or public or private non-profit subrecipient. Assistance to private for-profit businesses, where it is determined that the assistance is appropriate to carry out an economic development project. An analysis must be conducted to determine that the amount of any financial assistance is not excessive, considering the actual needs of the business in making the project financially feasible and the extent of public benefit expected to be derived from the economic development project.

**MICROENTERPRISE ASSISTANCE**

CDBG funds may be used to facilitate economic development through the establishment, stabilization and expansion of microenterprises. "Microenterprises" has been defined as a business having five or fewer employees, one or more of whom owns the business; "persons developing a microenterprise" means a person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a microenterprise at the time it is formed.

**PUBLIC SERVICES**

Provision of public services (including labor, supplies, and materials) including but not limited to housing counseling, tenant landlord counseling, senior services, handicapped services, legal, youth, transportation, services for battered and abused spouses, employment training, crime awareness/prevention, child care, health, substance abuse, education/literacy, fair housing activities, mental health, subsistence payment (one time), homeownership assistance (not direct), neighborhood cleanups, food banks. To be eligible for assistance, a public service must be either a new service, or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government).

**ELIGIBLE PLANNING ACTIVITIES**

CDBG funds may be used for studies, analysis, data gathering, preparation of plans and identification of actions that will implement such plans. Types of plans that may be paid for with CDBG funds include but are not limited to comprehensive plans; individual project plans; community development plans; capital improvement programs; small area and neighborhood plans; analysis of impediments to fair housing choice; environmental and historical studies; functional plans.

**PROGRAM ADMINISTRATION COSTS**

Payment of reasonable administrative costs, including, but not limited to salaries, wages and related costs of grantee staff or others engaged in program management, monitoring and evaluation.

**FAIR HOUSING ACTIVITIES**

Provision of fair housing services designed to further fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons without regard to race, color, religion, sex, sexual orientation, national origin, familial status or handicap, aware of the range of housing opportunities available to them, other fair housing enforcement, education and outreach activities.

**PUBLIC INFORMATION**

The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation or assessment of activities being assisted with CDBG funds.

**CDBG INELIGIBLE ACTIVITIES**

1. Buildings or portions thereof used for the general conduct of government.
2. General government expenses.
3. Political activities. CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
4. The purchase of equipment with CDBG funds is generally ineligible.
5. Construction equipment is generally ineligible.
6. The purchase of equipment, fixtures, motor vehicles, furnishing, or other property not an integral structural fixture is generally ineligible.
7. The maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities is generally ineligible (e.g., filling potholes, repairing cracks in sidewalks, moving grass at public recreational areas etc.). Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities are generally ineligible.
8. New construction of low or moderate-income housing is generally ineligible except under certain circumstances as outlined under Section 570.207(b) (3) of the CDBG regulations.
9. CDBG funds shall not be used for income payments. Income payments means: a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage) or utilities, but excludes emergency grant payments made over a period of up to three consecutive months on behalf of an individual or family.

**FEDERAL OBJECTIVES, MAYORAL PRIORITIES**

**AND**

**CDBG OBJECTIVES OUTLINED IN THE CITY’S APPROVED 5-YEAR CONSOLIDATED PLAN**

Applicants should ensure that each proposed program or project is designed to address one or more of the Federally mandated Outcome-Based Performance Measurements implemented by the Department of Housing and Urban Development (HUD) [refer to Section entitled *“Outcome-Based Performance Measurements”* for additional guidance regarding HUD’s Outcome-Based Performance system]. Applicants should also indicate how proposed programs or projects would meet a Mayoral Priority and the objectives outlined in the City’s approved 5-year Consolidated Plan.

**FEDERAL OBJECTIVES are:**

* **Creating Suitable Living Environment -** relates to activities that provide benefit to communities, families or individuals by addressing issues in their living environment such as poor infrastructure, crime, literacy, etc.
* **Providing Decent Housing -** relates to any housing activity designed to meet the housing needs of individuals and families.
* **Creating Economic Opportunities –** applies to activities related to economic development, commercial revitalization or job creation.

**MAYORAL PRIORITIES that complement HUD objectives are:**

* **Building Public Safety,**
* **Prioritizing Youth,**
* **Clean and Healthy Communities,**
* **Equitable Neighborhood Development, and**
* **Responsible Stewardship of City Resources**

**CDBG Goals outlined in the City’s 5-Year Consolidated Plan.**

|  |  |
| --- | --- |
| **1** | Rehabilitation of primarily vacant/abandoned structures for homeownership |
| • Provision of funds to support affordable homeownership units |
| **2** | New Construction of homeownership units |
| • Provision of funds to support new affordable homeownership units |
| **3** | Strengthen Homeownership Markets |
| • Support housing counseling services • Provide closing cost assistance to LMI households |
| **4** | Help Homeowners and landlords to Maintain Homes/Healthy Home |
| • Provide funds to assist owner-occupants maintain their homes through home repairs and rehabilitation• Provide services to remediate exposure to lead and other toxins in homes with small children and pregnant women |
| **5** | Create/Increase Affordable Rental Housing |
| • New construction of subsidized rental housing (HOME units)• Substantial rehabilitation of current market rate units to affordable units• Tenant-Based Rental Assistance (AHTF) |
| **6** | Preservation of Existing Affordable Rental Housing |
| * Maintaining neighborhood level baseline affordability, by preserving affordability of existing subsidized rental units
* 202s, HOME, AHTF
 |
| **7** | Housing for Special Needs Populations |
| * Disabled, elderly, chronically ill populations
 |
| **8** | Provide Housing Interventions for People Experiencing homelessness |
| * Provide permanent supportive housing and services for youth transitioning from foster care, living on the street or unstably housed.
* Support housing for homeless veterans
* Continue to fund the Housing First program for chronic homeless and homeless persons, Continuum of Care and utility and rental arrearages assistance to prevent homelessness.
* Fund permanent and transitional housing as well as comprehensive services to homeless persons and families under the Continuum of Care program.
* Provide Homelessness Prevention services
* Fund homeless shelters through the Continuum of Care and MOHS
* Provide Rapid Rehousing services
 |
| **9** | Emergency Shelter & Serv. to Homeless Persons |
| * Provide direct client services to homeless individuals, families and youth in emergency shelters and transitional housing facilities
* Subsidize a portion of the operating costs of emergency shelters and transitional housing facilities
* Provide operating support for Day Resource centers
* Fund facility(ies) for medically fragile homeless individuals
* Provide outreach services.
 |
| **10** | Implement Fair Housing Practices |
| Implement fair housing practices to ensure that all populations are provided the opportunity to have access to affordable and decent housing throughout Baltimore City. These practices will include:• Participate in regional project-based voucher program• Support non-profit fair housing organizations• Revise inclusionary housing law to incentivize creation of affordable units• Implementation of newly created Baltimore Metropolitan Regional Analysis of Impediments to Fair Housing Plan• Participate in implementation of the Opportunity Collaborative Regional Housing Plan • Create units that meet federal accessibility standards for persons with mobility and/or hearing or vision disabilities • Create units for NEDs that are not concentrated and are located in stable communities with various amenities• Helping fund a coordinator’s position at the Baltimore Metropolitan Council and participating in their efforts to implement a regional project-based voucher program. |
| **11** | Code Enforcement |
| • Cleaning and Boarding, including efforts that support workforce for unemployed and returning residents• Enforcement housing code in low/moderate income neighborhoods• Strategic code enforcement to remediate vacant housing, facilitate reoccupation of vacant properties |
| **12** | Blight Elimination & Stabilization |
| • Targeted demolition of vacant and abandoned structures• Building repairs to preserve structures for future rehabilitation that are important to community development |
| **13** | Public Facilities & Public Open Space Improvements |
| • Develop and maintain public parks, CMOS• Rehab or build community centers |
| **14** | Social, Economic & Community Development Services |
| * Support workforce development services – GED services, adult literacy, adult job preparedness, life skills training, career placement
* Support transportation and other services to seniors
* Support Recreation and education services
* Support Legal services for eviction prevention, tenant/landlord issues, community nuisance abatement
* Support Technical Assistance to existing and/or new businesses, provide micro-enterprise assistance to startup businesses
* Support referrals to health, substance abuse counseling and services, crisis intervention
* Provide through Section 3 program requirements, construction employment opportunities to low-income persons
 |
| **15** | Research, Planning, and Oversight of Formula Funds |
| * Provide effective planning, general management, oversight, coordination of federal funds under the four formula programs, and the distribution of CARES Act COVID funds and any other emergency funds
* Provide quantitative analysis of research, planning and oversight of formula funds
 |

# SECTION III

# General Instructions

## GUIDELINES FOR INFORMATION TO BE SUBMITTED

**Ia. Eligible Applicants –** eligible applicants must serve Baltimore City residents

* Non-profit 501 (c) (3) agencies
* City departments; other public or quasi agencies
* Faith based organizations (for non-religious purposes)

**1b. Ineligible Applicants**

* Private individuals
* Individual homeowners or landlords
* For-profit businesses
* Religious institutions/churches for religious purposes.

**II. SUBMISSION REQUIREMENTS**

* The CDBG application must be completed and submitted on the DHCD’s Neighborly© portal at <https://portal.neighborlysoftware.com/BALTIMOREMD/Participant>
* Separate applications must be completed for operating support and capital projects.
* Incomplete applications will be disqualified and will not be reviewed.

**The deadline for submission of proposals is 11:59 p.m. January 29, 2023**

**.**

**III.** **APPLICATION COMPONENTS**

* 1. Contact Information
	2. Organizational Information
	3. Financial Capacity
	4. Contracting Requirements
	5. Personnel
	6. Activity Descriptions
	7. Operating Budget
	8. Conflict of Interest Statement
	9. Required Documents
		+ Primary Staff List \*Required
		+ List of Current Board of Directors
		+ Board of Directors’ authorization to submit request
		+ Articles of Incorporation and Bylaws
		+ Federal Tax Exemption Determination Letter
		+ Current Certificate of Good Standing from the State of Maryland
		+ Most recent Financial Statement or Audit
		+ Most recent Form 990
		+ HUD Housing Counseling certificate and letter - if applicable
		+ List of all locations - if applicable

**IV.** **UEI NUMBER REQUIREMENT**

All organizations applying for federal dollars must provide their Unique Entity Identification number in the application for funding. Organizations should verify that they have a UEI number or take steps needed to obtain one as soon as possible. Applicants may obtain a UEI number at <https://sam.gov/content/entity-registration>

**V. APPLICATION PROCESS**

Applications for community development block grants are accepted annually and are awarded on a competitive basis. Applicants are given approximately 30-45 days from the date the application is available to the deadline for submission. The submitted applications are evaluated in a three-step process: threshold review, project evaluation, and funding recommendations. A threshold review determines that the applications are complete and are received by the deadline. Projects that meet the threshold requirements will go forward for project evaluation. To be considered for funding, the proposed project for which funding is requested must meet a national objective as required by HUD and include proposed activities that are eligible as defined by HUD.

All applications will be evaluated by City staff. The CDBG Office has oversight responsibility for the CDBG program and the use of CDBG funds. The CDBG Office will then make recommendations to the Commissioner of Housing. The Commissioner discusses these recommendations with the Mayor and the Mayor’s Office, which has final approval on all CDBG-funded projects.

**VI. CDBG TENTATIVE TIMELINES**

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| TENTATIVE TIMELINESS |
| November 2022 | Notification of 1st public hearing regarding needs/performance and Request For Proposal (RFP’s) for Federal Fiscal Year 2018, City Fiscal Year 2019. |
| December 7, 2022 | Needs/Performance Public hearing |
|  December 19, 2022 | Neighborly application portal available |
| January 29, 2023 | Deadline for submission of CDBG Applications |
| January - April 2023 | * Review and finalize proposals in order to prepare the Draft Annual Action Plan for public review and comment
* Notification of 2nd public hearing regarding Draft Annual Action Plan
 |
| April 2023 | Public Hearing on draft Annual Action Plan |
| May 2023 | * Deadline for written comment on draft plan.
* DHCD review of and response to public comments on the draft plan
* Submit Annual Action Plan to the City’s Board of Estimates for approval
* Submit Annual Action Plan to HUD
 |
| June 30, 2023 | Anticipated HUD approval of the Annual Action Plan |
| July 1, 2023 | Program Year begins |

**VII. SELECTION CRITERIA**

The City will take the following factors into consideration when evaluating a CDBG project for funding:

* Does the project/activity meet a National Objective (See SECTION I).
* Is the activity eligible per CDBG guidelines (See SECTION I).
* Which of the priorities, as identified in the Consolidated Plan and/or Mayoral Objectives, does the activity address? (See SECTION II).
* Past performance and compliance (for organizations requesting continued funding).
* When describing a service that will be provided, the organization must define the outcomes and measurement of those outcomes, e.g., for an employment training activity, the number of persons actually securing a job as a result of the training should be emphasized rather than just the number of persons that will be provided employment training.
* If the services for which CDBG funds are being requested is housing counseling (housing and foreclosure prevention), the agency must be a certified HUD approved housing counseling agency and comply with 24 CFR Part 214 and the provisions of HUD Handbook 7610.1 REV-5.
* The project must leverage other funding sources to the greatest extent possible, demonstrating cost sharing opportunities, and in-kind contributions.
* The organization must have the organizational, operational and fiscal capacity to successfully carry out the project, e.g., has previous experience with similar projects.
* The organization must have the financial resources to operate for up to several months prior to receiving CDBG reimbursement of eligible activities.
* The application should describe (as applicable) collaborative efforts with other service providers and/or agencies and demonstrate community support for the project.
* The organization must have demonstrated ability to report on its activities accurately and on time.
* If the proposal is for a capital project, the project must be “shovel ready” which may include factors such as zoning compliance, site control, other committed resources, etc. The project cost estimates must be accurate and reflect Davis-Bacon wage rates, if applicable.

***Note*:**

This solicitation by the City of Baltimore does not constitute a commitment to enter into an agreement with the applicant. The City is not liable for any costs incurred in the preparation of proposals. The proposal does not commit the City to award a contract or procure services or supplies.

The CDBG Office reserves the right to reject any and all proposals in response to this RFP, to make conditional awards and to request additional information from all applicants, make awards that vary from the amount of assistance requested and to attach special conditions to any awards.

Funding levels are contingent upon the amounts of actual funding from HUD. The City reserves the right to increase or decrease any or all funding requests to maximize effectiveness or satisfy budget parameters.

Past funding is not a guarantee the City will fund a program or service in the future. Agencies with past compliance and performance problems **may not be** considered for funding. Continued funding is subject to applicants’ compliance with all rules and regulations governing the CDBG program and the continued availability of funds.

VIII. CONTRACTING REQUIREMENTS

Organizations awarded CDBG funds will be required to enter into a contract with the City of Baltimore. At that time, organizations will be required to meet certain requirements. Applicants should state in their proposals whether or not they can comply with these requirements that include, but are not limited to:

1. Insurance/Bond/Worker’s Compensation

Commercial General Liability insurance at limits of not less than One Million Dollars ($1,000,000), per occurrence for claims arising out of bodily injuries, death and property damages. With those policies with aggregate limits, a minimum limit of One Million Dollars ($1,000,000) is required. Such insurance shall include contractual liability insurance.

1. Professional Liability, Errors and Omissions insurance coverage at a limit of not less than

One Million Dollars ($1,000,000) in the event that services delivered either directly or

indirectly involve or require professional services. “Professional Services” means any services provided by a licensed professional.

1. Fire insurance at least equal to the amount of the grant must be procured for capital improvement projects and acquisition of property.
2. Worker’s Compensation and Unemployment Insurance as required by the State of Maryland, as well as any similar coverage required for this work by applicable Federal or “Other States” State Law.
3. Fidelity Bond Insurance – If approved, applicants will be required to obtain fidelity bond

insurance equal to 1/6 of the CDBG award.

1. Construction contractors are required to procure builder’s risk/course of construction insurance as well as fidelity, performance and payment bond coverage equal to at least 50% of the grant award.
2. Business Automobile Liability insurance at limits of not less than One Million Dollars

($1,000,000) per occurrence for all claims arising out of bodily injuries, death and property damages. The insurance shall apply to any owned, non-owned, leased, or hired automobiles.

1. Davis Bacon wage rates - The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The Davis-Bacon Act (40 U.S.C.A. §§ 276a to 276a-5), is a federal law that governs the wages to be paid to laborers and mechanics employed on federal public works projects. Davis-Bacon Act and Related Act requires that contractors and subcontractors pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. For additional information regarding the Davis Bacon requirements, please visit the [www.dol.gov](http://www.dol.gov) website.
2. Certification Regarding Debarment, Suspension and Other Matters

Appendix II to 2 CFR Part 200 requires the City to ensure that subrecipients or contractors receiving awards are not suspended or debarred from participation in Federal award programs. Organizations that will be awarded a CDBG contract will be required to certify that to the best of their knowledge and belief they and their principals are not affected by this provision.

1. Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] provides that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.  Section 3 of the HUD Act of 1968 helps foster local economic development, neighborhood improvement and individual self-sufficiency. Therefore, all housing construction, rehabilitation or other public construction projects receiving HUD Housing and Community Development funding in excess of $200,000 must comply with Section 3 requirements.

1. Limited English Proficiency (LEP)

Baltimore receives substantial federal funds to help support many innovative programs and services. In return for these funds, the City undertakes specific obligations imposed by federal law, including Title VI of the Civil Rights Act of 1964, and Executive Order 13166, signed by President Clinton in August 2000. These two provisions mandate that recipients of federal financial assistance must take *reasonable steps* to provide persons with Limited English Proficiency (or “LEP”) meaningful access to their programs and activities. Non-governmental organizations, i.e., nonprofits, whose programs are supported by or assisted with federal funds, will be contractually obligated to comply with Title VI, which includes an obligation to provide language assistance to LEP individuals.

1. Audit Requirements

In accordance with 2 CFR Part 200 any entity that expends $750,000 or more in federal awards in a fiscal year must secure a program specific or single audit. Agencies that anticipate expending $750,000 or more in a program year must select one of the three ways to meet this requirement and state in the narrative which method they choose:

* If the organization currently conducts audits of all its funding sources including CDBG, a copy of the most recent audit must be submitted to the Department of Housing and Community Development.
* If the organization currently conducts audits of its other funding sources but has neither received nor included CDBG in the past, the scope of the audit would be modified to incorporate CDBG audit requirements. Augmentation could then be included in the CDBG project budget, accompanied by an auditor’s written cost estimate.
* If the organization does not have a current audit process, the organization will be required to include a set-aside in the CDBG project budget for an audit.
1. Employ Baltimore

Employ Baltimore is designed to create opportunities for businesses that receive funding from the City, to access qualified city residents to meet their workforce needs. **If awarded CDBG funds,** Organizations must agree to comply with the terms of the Employ Baltimore Executive Order signed into law by former Mayor Stephanie Rawlings-Blake. The Executive Order is attached as Attachment A.

1. Other requirements as applicable.

**IX.** **NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) – ENVIRONMENTAL CLEARANCE**

CDBG regulations require that all programs and projects proposed for funding must receive a National Environmental Protection Act (NEPA) clearance. The primary purpose of the NEPA clearance is to protect and enhance the quality of our natural environment.

**An Environmental Review Record (ERR) and clearance must be prepared before federal dollars are expended or costs incurred for any CDBG-approved program or activity. In addition, no contracts may be executed, loans settled, or work started on a project awarded CDBG funds before the environmental review process is completed, even if that work is being done using non-HUD funds**. In other words, environmental clearance must be obtained for each project prior to the firm commitment of federal or non-federal funds. A violation of this requirement may jeopardize federal funding for the project and disallow all costs that were incurred before the completion of the Environmental Review.

The City must also determine whether the project meets other applicable statutory and regulatory requirements such as those of the Baltimore City Commission for Historical and Architectural Preservation and the Maryland Historic Trust. Every project undertaken with CDBG funds, and all activities related to that project, is subject to the provisions of the NEPA and the environmental review regulations at 24 CFR Part 58.

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| NOTE: Organizations should not incur any costs, perform any work, purchase any goods or services nor make any commitments or sign any contracts with any person, organization or company related to the project for which CDBG funds are being requested until the funds have been appropriated by the City Council, the Environmental Review has been completed and a subrecipient agreement has been executed by the City of Baltimore. |

## PROPOSED BUDGET

1. The CDBG application includes an excel spreadsheet budget form for operating costs and an excel spreadsheet budget form for capital projects. The budget forms are to be used to fully describe the use of CDBG and other resources for both operating and capital projects.

b. **Limitation on the use of CDBG funds**:Before completing the budget form, careful attention should be paid to the following limitations on the use of CDBG funds:

* CDBG funds may not be used for acquisition of property used primarily for religious purposes or to promote religious interest regardless of the use of the property.
* A request for property acquisition should identify the proposed site and sales price as well as the estimated value based upon comparable market values.
* For capital projects, religious organizations or organizations that have religious affiliations may use CDBG funds only for minor repairs of a facility that is used exclusively for non-religious purposes and houses eligible public services.
* A request for capital improvements must be supported by cost estimates.
* If funds are awarded for construction, a small percentage of the grant amount may be used for City inspection and monitoring costs.
* Applications which request CDBG funds for a combination of acquisition, construction, and operating costs should identify these costs separately by completing a separate application for each proposed activity.
* Types of costs that are ineligible and unallowable under the CDBG Program include, but are not limited to:
* Bad debts
* Contingencies
* Contributions and donations
* Entertainment costs (including meals, awards, banquets, etc.)
* Gifts or incentive awards to individuals
* Fines and penalties resulting from violations of or noncompliance with Federal, State and local laws
* Interest on borrowed capital
* Fundraising costs
* Investment management
* Losses on other awards
* Litigation expenses.
* The City has experienced a decline in CDBG fundsover the past several years. Request for funding should therefore be reasonable and doable.
* **Any request for an increase in CDBG funding over the prior year’s award must be justified. If no justification and rationale for increase is provided, the request will not be considered.**

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| **NOTE: THERE IS A CAP ON FUNDS THAT CAN BE AWARDED FOR PUBLIC SERVICE ACTIVITIES AND FOR PLANNING AND ADMINISTRATIVE COSTS.** |

# SECTION V

# EMPLOY BALTIMORE AND

# LOCAL HIRING LAW

# REQUIREMENTS

****

**EXECUTIVE ORDER**

**WHEREAS** the Mayor and City Council of Baltimore ("City'') wishes to encourage all contractors awarded City contracts to agree to employ skilled and qualified Baltimore City residents to meet the contractor's employment needs created as a result of the award of a City contract; and

**WHEREAS,** the Mayor's Office of Employment Development ("MOED") has established the **EMPLOY BALTIMORE** program designed to create opportunities for businesses that receive City contracts to meet their workforce needs; to access qualified City job seekers; and to ensure that City dollars contribute to the local economy; and

**WHEREAS** MOED has a roster of Baltimore City residents, who are skilled and qualified for immediate employment by City contractors; and

**WHEREAS** MOED wishes to establish and maintain an ongoing relationship with City contractors in an effort to address current and future employment and/or training needs; and

**WHEREAS**, increasing employment participation of City residents is good business and a means to improve Baltimore City's employment rate.

**NOW, THEREFORE**, I, Stephanie Rawlings-Blake, Mayor of the City of Baltimore, by virtue of the authority vested in me by the Charter of Baltimore City, do hereby promulgate the following **EXECUTIVE ORDER**:

1. This Executive Order shall apply to contracts awarded by the City that are in the amounts of $50,000.01 to $300,000.00, except for professional service contracts and emergency contracts.
2. Bidders on all contracts awarded by the City in the amounts of $50,000.01 to

$300,000.00, except for professional service contracts and emergency contracts, shall complete the **Employ Baltimore Certification Statement** contained in the Bid Document and submit it with their bids.

1. Within two (2) weeks of receiving the award of a City contract, the contractor shall schedule a meeting with MOED to: (a) assess its employment needs, and (b) discuss other services provided by MOED. If applicable, MOED will then tailor specific hiring and/or training programs to benefit the contractor. The contractor will not receive its first progress payment under the contract, unless and until the said meeting has been scheduled.
2. Should the contractor’s workforce plan indicate a need to fill new jobs, the contractor must agree to post these positions through MOED and its One Stop Career Center Network for a period of seven (7) days prior to publicly advertising the openings. This will enable MOED to identify and refer qualified City residents to the contractor as candidates for these job opportunities.

5.Each contractor shall submit an **Employ Baltimore** Employment Report to MOED on June 30th and December 31st during each and every year of its contract, and at the end of the contract, indicating the number of City residents on its payroll. The submission of the Employments Reports as required shall be a condition precedent to the City's release of a final payment or any and all retainages held by the City, pursuant to the contract.

1. A copy of this **Executive Order** shall be included in all bids, requests for proposals and/or contracts.
2. This **Executive Order** applies to all applicable City contracts entered into on or after December 23, 2013.
3. This **Executive Order** supersedes the Resolution of the Board of Estimates for the Employ Baltimore Executive Order signed by the Mayor on June 9, 2011, and shall take effect immediately.

**IN WITNESS HEREOF, I HAVE HEREUNTO PLACED MY HAND AND THE GREAT SEAL OF THE CITY OF BALTIMORE THIS**

\_\_\_\_ **--------- DAY OF**



Approved As To Form and Legal ATTEST: Sufficiency By The Law Department

Of Baltimore City:



Michael Schrock

Chief Solicitor

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**LOCAL HIRING LAW**

The Mayor’s Office of Employment Development (MOED) helps to develop the skills of local jobs seekers that result in Baltimore City residents filling job openings within the city.

**Baltimore City Local Hiring Law and Employ Baltimore Executive Order**

After a contract is awarded by the City:

The business/vendor meets with MOED Business Services staff to review the workforce staffing needs for the project. It is also an opportunity for businesses to become familiar with MOED’s workforce development services available to them including tax credits, recruitment, pre-screening and training reimbursement.

1. When the need to hire new employees for the city-funded contract arises, the business submits the job posting(s) for open positions to MOED.
2. The MOED Business Services team will start the recruitment process providing free marketing and outreach across the city for qualified candidates. Pre-screening of all applicants is provided to make the best match. We also provide meeting space to interview candidates - at no cost!
3. Businesses submit a basic report on hiring to document compliance.

**Local Hiring Law**

Baltimore City's [Local Hiring Law](https://moed.baltimorecity.gov/sites/default/files/es_local_hiring_law.pdf) went into effect on December 23, 2013 and requires compliance by vendors, contractors, and sub-contractors who do business with the City. The Law is applicable to City-awarded contracts over $300,000 and City-subsidized projects over $5,000,000. The Law requires businesses and all of their subcontractors to:

* Meet with MOED within 2 weeks after the contract award to complete an Employment Analysis
* Post new jobs with MOED only for a period of seven days
* Utilize MOED’s recruitment services for new hires
* Meet the goal: 51% of all new hires for City funded contracts must be Baltimore City residents
* Submit monthly employment reports with information on the number of current workers, new workers and the number of Baltimore City residents working on the project

Workforce intelligence and data collected as a result of tracking the compliance of these ordinances is used to conduct labor market analysis and identify gaps between employer workforce needs and skill levels of Baltimore City residents. It also assists the workforce community to determine the types of training and credentials that Baltimore City residents require to successfully apply, obtain and sustain jobs with productive careers.