



Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME)

Request for Proposals for Capital and Affordable Housing Projects

Program Year 2021/22

Release Date:
Dec. 14, 2020

Proposals Due on:
Jan.18, 2021, by 4:30 p.m.

Community Development Department, Housing Division
408-730-7250 | Sunnyvale.ca.gov

456 West Olive Avenue, Sunnyvale, CA 94088-3707

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I. Background

What is CDBG?

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The primary objective of the CDBG program is the development of viable urban communities through the provision of decent housing, a suitable living environment, and expanded economic opportunity, principally for lower¹ income persons and neighborhoods.

What is HOME?

The HOME Investments Partnership Program was established by Title II of the Cranston- Gonzalez National Affordable Housing Act, as amended. The HOME program provides funding for construction, rehabilitation, and/or acquisition of housing affordable to lower income persons, as well as certain other activities in support of affordable housing (not related to capital projects).

The City of Sunnyvale receives annual entitlement grants of CDBG and HOME funds from the U.S. Department of Housing and Urban Development (HUD), as well as occasional “program income” from funds recycled from previous projects. Each year the City seeks to maximize the benefits of these funds by partnering with local organizations to conduct eligible activities. This Request for Proposals (RFP) sets forth the types of capital and housing projects that are eligible for CDBG or HOME funding under this RFP.

CDBG National Objectives

CDBG activities must qualify under a HUD **national objective** in order to be eligible to receive funding. The City of Sunnyvale is responsible for assuring that projects assisted with its CDBG funds through this RFP meet one of the following national objectives:

1. **Benefit lower-income persons:** A project may be shown to benefit lower-income persons through one of the following methods:
 - **Area Benefit:** Projects that meet the identified needs of lower-income persons residing in an identified residential service area where at least 51% of the residents are lower income.²
 - **Limited Clientele:** Projects that benefit a specific group of people, at least 51% of whom are verified as lower-income clients;
 - **Jobs:** Employment-generating activities that are located in a predominantly lower- income neighborhood and serve lower-income residents, or involve facilities designed for use predominantly by lower-income persons, or involve the employment of persons, the majority of whom are lower-income.

¹ Terminology used to refer to income levels is not consistent between the federal CDBG and HOME programs nor between state and local housing programs. For consistency, this RFP will use the umbrella term “lower-income” to refer to the entire range of income levels eligible for assistance with CDBG and HOME program funds (i.e., those earning at or below 80% of area median income, as determined annually by HUD).

² In Sunnyvale there are very few neighborhoods that qualify for CDBG funding under the “Area Benefit” method, therefore most local CDBG activities must use the “Limited Clientele” method, which requires the applicant agency to screen project clients for lower-income eligibility. **Applicants must consult with the Housing Division before proposing a project that needs to qualify for CDBG through the Area Benefit method.**

II. RFP Objectives

A. Available Funds

The City of Sunnyvale anticipates receiving a CDBG grant from HUD for Program Year 2021. The amount of that grant is currently unknown. Some of the grant is typically allocated to public services and other activities funded outside of this RFP. This RFP seeks to award available CDBG and HOME funds, including program income, to eligible projects, as described below, for completion in FY 2021/22. The amount of funding available is not known at this time, however the City estimates approximately \$730,000 in CDBG and \$300,000 in HOME funds will be available for capital projects. Proposals may request awards of higher amounts to be funded on a contingency basis if funds become available before the final awards are made. Capital project proposals must be at least \$100,000, with applicants providing additional funds to the project from other sources (match). The award amounts are based on the project's identified funding gap, availability of the requested funding type, project merits, and the number of eligible proposals received.

Funds for CDBG and HOME capital projects are provided in the form of a loan secured by the real property to be improved. A very limited number of CDBG projects not involving improvements to real property may be funded in the form of a grant, such as activities by community-based development organizations (CBDOs) located in Sunnyvale.

Local Community Housing Development Organizations (CHDOs) are encouraged to apply for HOME CHDO funds.

B. Eligible Applicants

Applicants must be non-profit organizations with current, IRS-recognized non-profit status, including public agencies, and must provide current documentation of such status in applications.

C. Eligible Projects

The following types of CDBG- or HOME-eligible projects may be funded through this RFP. CDBG projects must also meet one of the National Objectives described above. HOME projects must meet HOME funding eligibility requirements. Detailed federal regulations apply to each type of project or activity:

1. Acquisition of real property for an eligible community facility or affordable housing use;
2. Public facilities and improvements (e.g., community centers, neighborhood improvements, shelters);
3. Property clearance/demolition;
4. Housing rehabilitation;
5. Construction of new affordable housing (HOME funds only);
6. Removal of architectural barriers;
7. Community-Based Development Organization (CBDO) activities (job training, placement, employment support) described in CFR §570.204(a)(2).
- 8. ALL FUNDS MUST BE SPENT BY APRIL 1, 2022.**

D. Ineligible Activities

The following activities may NOT be funded with CDBG or HOME funds. This list is not all-inclusive:

1. Political activities;
2. Religious activities;
3. Purchase of equipment, including furnishings, personal property, vehicles, and fire protection equipment.

In addition, projects that would permanently displace (as defined by the Uniform Relocation Act) residents or businesses from their existing housing or place of business **are not eligible for funding through this RFP.**

E. Matching Funds (Leverage)

The City has limited CDBG/HOME funds. **Proposals submitted under this RFP shall include matching funds equal to at least 25% of the total project cost.** Projects providing more than 25% of the project cost as matching funds will receive more points in this scoring category than those that provide only the minimum required matching funds. Matching fund sources may include contributions derived from other available funding sources, program fees, and/or the value of in-kind services (i.e., volunteer and staff services or pro-bono professional services used to implement the capital project).

At least half of the matching funds counted toward a proposal shall consist of enforceable commitments of real dollars (i.e., not in-kind services) which are either currently available to the applicant for project use, and/or evidenced by an irrevocable, written commitment of funds to the project (may be conditioned upon applicant's award of City 2021 CDBG/HOME funds) signed by the funding agency or donor. Signed commitments for all matching funds must be provided in application in order to be counted as match for scoring and evaluation purposes.

Matching funds must be permanently contributed to the project, and are subject to CDBG and HOME program income, reversion of assets, and/or reuse requirements. If a project is awarded City funds, all matching funds will be considered part of the CDBG or HOME project budget, and will become equally subject to all federal requirements applicable to the project, such as Davis-Bacon prevailing wages, federal environmental review, and equal opportunity requirements.

F. Description of Sunnyvale Priority Need(s) Addressed by Project

Applicants must clearly describe the following in their applications: why the proposed project is needed in Sunnyvale at this time; how it would benefit the Sunnyvale clients/residents it proposes to serve; which priority need(s) and objectives from the City's Consolidated Plan it is designed to meet; and quantify these benefits in terms of standard units (i.e., housing units improved, eligible Sunnyvale clients served by project/facility, etc.) for HUD reporting purposes. Applications should also clearly explain why their proposal should be funded before others received in response to this RFP, assuming that available CDBG/HOME funding is not adequate to fund all proposals received. For housing projects funded through this RFP, the dwelling units will be restricted to households with the income levels the proposal "proposes to serve" as stated above. **The income level "served", for scoring purposes, shall be equal to the income restrictions applicable to the unit upon project completion, not simply the income levels of the current occupants of the unit, if any, which may be lower than the restricted affordability levels.**

G. Compliance with Federal, State, and City Requirements

Applicants must review all federal regulations applicable to CDBG- or HOME-funded projects of the type for which the funding is requested (i.e., housing rehabilitation, construction, etc.). **Submittal of an application in response to this RFP shall be construed as applicant's thorough understanding of, and commitment to comply with: all applicable CDBG or HOME requirements, relevant state or federal laws (such as fair housing, prevailing wage, and relocation laws), City funding policies and municipal codes and federal audit requirements.** Compliance also includes submittal of quarterly progress reports, final project reports, timely and accurate expenditure invoices, and timely completion of the project, including occupancy reporting. These requirements are not negotiable. Failure to comply with these requirements, which are described more particularly in project funding agreements, may result in various enforcement actions by City and/or HUD staff, including possible requirements for the applicant to repay the

CDBG or HOME funds to the federal Treasury.

III. Application Submittal and Review Process

The City of Sunnyvale invites qualified non-profit organizations to submit applications for CDBG or HOME-eligible projects in response to this RFP. Applicants must demonstrate that their proposed projects, if funded, would:

- be completed within approximately one year of funding award date,
- comply with all City, CDBG and/or HOME contracting requirements, and
- meet one or more of the priority needs and objectives listed in the [City of Sunnyvale 2020-2025 HUD Consolidated Plan](#)

Please follow the [Application Form](#) instructions carefully, check all calculations and data, and ensure that items on the application checklist are attached to the application in the order listed and labeled correctly. **Incomplete applications and/or application forms from previous years will be rejected.** All proposals will become part of City of Sunnyvale's official public records and will be available for public review.

A. Application Submittal

1. City staff will provide written answers to written questions on an ongoing basis. Answers will be directly answered within 24-hours. **Submit questions to Leif Christiansen at: lichristiansen@sunnyvale.ca.gov**
2. Original **must** be signed in **blue** ink. The regular submittal process has been modified to comply with local Shelter in Place guidelines.
 - a) First, submit the full application, including all required signatures, via email, to Leif Christiansen at **lichristiansen@sunnyvale.ca.gov**
 - b) Then mail one hard-copy original, including wet signatures, to:

City of Sunnyvale Housing Division
Attn: Leif Christiansen, Housing Programs Analyst
P.O. Box 3707
Sunnyvale, CA 94088

3. **Both emailed and mailed proposals must be received by the Housing Division by 4:30 p.m. on January 18, 2021. Postmarks not accepted.**

Late or incomplete proposals will NOT be accepted.

Walk-in applications will NOT be accepted.

Deadline: 4:30 PM (PST) on Jan. 18, 2021

A. Application Review Process

Applications received in response to this RFP will be reviewed by: City staff; the Sunnyvale Housing & Human Services Commission; be available to all Sunnyvale residents/stakeholders during a 30-day public comment period; the Sunnyvale City Council; and HUD. The City Council will make the final local decision regarding project funding awards, subject to review and approval by HUD.

1. Staff will review all applications received to verify that:
 - a) The applicant is eligible to submit a proposal through this RFP;
 - b) The application is complete;
 - c) The project is eligible for the requested type of funds (CDBG or HOME), as determined by HUD guidelines and regulations; and
 - d) The proposed project meets the City requirements, project types, and objectives set forth in this RFP.
 - e) The project has the ability to be completed with all funds spent by April 1, 2022.
2. Staff will notify applicants if their application has been determined ineligible or incomplete, and the proposal will be withdrawn from consideration. If it is unclear whether a proposed project and/or applicant is eligible for CDBG or HOME funds, staff will seek a determination from the City's HUD representative, which shall be final. Those applications deemed complete and eligible will be reviewed and scored by staff based on information provided in the application. Staff scores are based on the proposal's technical and programmatic merits, and are advisory to the Commission and City Council, which may score or rank projects independently. Applicants are strongly encouraged to consult with staff prior to submitting applications to ensure that their applications will be determined complete and eligible. If staff identifies minor clerical errors/omissions in applications, applicants will be provided an opportunity to correct such errors within 3 business days from the date staff informs applicant of the error. Applicants retain full responsibility for any errors/omissions not identified through staff review which may later impact application scoring and funding recommendations.
3. The Housing and Human Services Commission will review the eligible applications received, as well as staff scores and recommended funding amounts. The Commission will hold a public hearing on the proposed projects, and will evaluate the merits of the proposals and community need for each project, considering the priority needs identified in the Consolidated Plan, public comments received, staff recommendations, and related information. The Commission will make a funding recommendation on each proposal. The Commission's recommended funding awards will be presented to the City Council for final approval as part of the draft 2021-22 Action Plan. City Council will hold a public hearing on the Action Plan, including proposed project awards, before adopting the Action Plan in April 2021. Project funding awards will also be included in the City's 2021-22 Projects Budget, to be adopted in June.
4. Public input on the Action Plan is obtained through the public hearing process and acceptance of written comments during the comment period. Notices are published in accordance with the City's Citizen Participation Plan. The City Council approves the Annual Action Plan by resolution following the citizen comment period. Each applicant will be notified in writing regarding their funding application. Final approval of the Action Plan

is made by HUD, usually in June.

5. Project Scoring: Proposals will be evaluated by staff using the following criteria, with points awarded up to the following maximum points per criteria (on the following page):

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Scoring Category	Maximum Points
1. Organizational Capacity and Relevant Experience Organization's staff, board and/or volunteers are well qualified to complete and operate project, considering years of experience, appropriate skill sets, professional certifications, and number of similar projects completed. Any prior CDBG/HOME capital projects in the City have been successfully completed, with funds drawn and no outstanding compliance findings.	20
2. Project Need Project clearly meets one or more priority needs identified in Consolidated Plan. Stated need and proposed project are supported by letters from community members or organizations other than applicant. Proposed project would provide significant public benefits, such as increased housing affordability or accessibility, improved living environment, increased fair housing and equity opportunities, or increased employment opportunities, compared to existing conditions.	25
3. Project Design and Readiness Project design (physical and operational) is cost-effective, feasible, and effective in meeting the stated needs and objectives. Applicant is ready and able to begin project no later than December 30, 2021. All lienholders/partners/regulatory/funding agencies with a security interest in the project site or other control over the project have reviewed and approved this proposal, and are willing to provide any required written approvals within 90 days of funding award.	25
4. Budget and Financial Management Financial management points based on clean financial audits and a strong record of financial compliance with current or prior HUD/City projects. Budget scores based on realistic cost estimates and adequate budget for various project cost items.	15
5. Percentage of Matching Funds Points awarded based on a sliding scale, beginning with 1 point for a 25% match, and 15 points for 100% match, i.e., each increase of 3.75% (above 25%) equates to one additional point, up to 15 points. Matches of more than 100% will not receive additional points.	15
Total Points Available	100

The Commission may elect to score projects independently of staff and then make funding decisions, or simply make funding recommendations with consideration of staff scores, without issuing independent scores to the projects. All scores and recommendations will be forwarded to

City Council for their consideration and final approval.

Note: There is no direct correlation between a proposal's score and the amount of funding recommended for that proposal. Scores are calculated simply for the purpose of evaluating a project's merit for any City funding, and comparing the strengths and weaknesses of various proposals received. Projects with equal scores may be awarded different funding amounts, or a project with a lower score may receive a larger award than a project with a higher score. Funding recommendations and/or awards are based on a) amount requested by applicant; b) the City's determination of the project's need and/or eligibility for City funds; c) the minimum amount necessary to make the project feasible; and d) the amount of City funds available.

The City Council will make the final local decision regarding use of its available CDBG and HOME funds in April 2021. Approved 2021 project funding awards will be included in the City's Action Plan to be submitted to HUD for final approval. Once HUD approval is received (generally in July), staff will prepare project loan or grant agreements for review and execution by the applicant agency. If the approved funding level is different than the amount requested in the original application, a revised project budget must be submitted before agreements can be prepared. If for any reason a project applicant is unable to execute project agreements by Dec. 30, 2021, and begin to expend project funds shortly thereafter, the project award will be cancelled and those funds will be reallocated by the City, in order to maintain compliance with CDBG and HOME expenditure deadlines. Applicants with disencumbered projects may apply through a subsequent RFP but are not guaranteed another funding award, and "organizational capacity" points may be deducted for not meeting deadlines under a prior award.

NOTICE and DISCLAIMER:

- Issuance of this RFP does not commit the City to award funds to any applicant for any project or activity.
- The City will not reimburse applicants for any costs incurred in the preparation of applications or other responses to this RFP.
- The City reserves the right to accept or reject any or all applications received in response to this RFP and to amend, modify, or cancel this RFP in part or in its entirety at any time and in its sole discretion.

SCHEDULE FOR FY 2021/22 CDBG/HOME FUNDING PROCESS

RFP Issuance	December 14, 2020
Deadline for submission of applications (4:30 p.m.)	January 18, 2021
Presentations to Housing & Human Services Commission [Applicant participation mandatory]	February 24, 2021
Housing & Human Services Commission Meeting: Public Hearing; Commission recommendations on public services and capital project funding	March 24, 2021
Draft 2021/22 Action Plan available. 30-Day Public Comment Period Opens.	April 2, 2021
Housing & Human Services Commission Meeting: Public Hearing on FY 2021/22 Action Plan 30-day citizen comment period	April 21, 2021
City Council approval of Action Plan	May 4, 2021 (tentative)
Applicants notified of awards	May, 2021
HUD approval	June, 2021
Contract Term begins	July 1, 2021

NOTE: This schedule is subject to change.