CITY OF SUNNYVALE

REQUEST FOR PROPOSALS (RFP)

For FY 2013-14
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CDBG-Eligible Capital/Affordable Housing Projects

and

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
Affordable Housing Projects

Issued:
January 18, 2013

Application Deadline:
February 14, 2013

COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING DIVISION
HUD Programs
(408) 730-7250
HUDPrograms.inSunnyvale.com

I. Background

What is CDBG?

The Community Development Block Grant 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 lower[1] 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 are advised to consult with the Housing Division before proposing a project that would qualify under the Area Benefit method.

II. RFP Objectives

A. Available Funds

The City of Sunnyvale anticipates receiving a CDBG grant of approximately $900,000 from HUD for Program Year 2013. Much of this funding is allocated to public services and other programs funded outside of this RFP. This RFP seeks to award an estimated $250,000 in CDBG, $250,000 in CDBG program income, and $850,000 in HOME Community Housing Development Organization (CHDO) funds to eligible projects, as described below, for completion in FY 2013-14. Typical capital project awards are 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 (CBDO's).

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);
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).

Note: CDBG Program income funds may only be used for housing rehabilitation projects.

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 provided shall be in 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 2013 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.

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.

More information on the City of Sunnyvale CDBG and HOME programs, as well as application forms, the City's Action Plans and 2010-15 Consolidated Plan are available online at:

HUDprograms.InSunnyvale.com
(408) 730-7250

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 2010-2015 HUD Consolidated Plan.

The Consolidated Plan and the Application form are available online at:

HUDprograms.InSunnyvale.com

Please read the application 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 that are submitted by February 1st, 2013. Answers will be posted on the City website by February 5th, 2013. **Submit questions to Katrina Ardina at: kardina@sunnyvale.ca.gov**

2. Proposals must be submitted on 8½" by 11" paper, with all pages numbered consecutively and three-hole punched. Do not use folders or notebooks. Bind only with binder clips. Do **not** staple the proposal. Include a completed application form. Insert labeled divider tabs for the sections as outlined in the Application Checklist. Do not use sticky notes or flags as a substitute for tabbed dividers. Do not include these instruction sheets in your application.

3. **Submit one (1) original and two (2) copies of the proposal**. Indicate whether the document is an original or copy on the Program Cover Sheet. The applicant agency must attach their most recent financial audit prepared by a certified public accountant to the original application only. All proposals must:

   - Include information and attachments as outlined on the Application Checklist.
   - Adhere to text/page limits within available response boxes for Tabs A and B.
   - Narrative should be formatted in 11 or 12 point font with 1 inch margins.

4. Original **must** be signed in **blue** ink.

5. Proposals must be received by the Housing Division by **4 p.m** on **February 14th, 2013**. Items postmarked but not received by this date will not be accepted. Deliver proposals by mail, delivery service, or hand delivery to:

	City of Sunnyvale Housing Division
	Attn: Katrina Ardina, Housing Programs Analyst
Hand Delivery:	456 W. Olive Ave
U.S. Mail:	P.O. Box 3707
	Sunnyvale, CA 94088-3707

Applications sent by fax or email will NOT be accepted.
Late or incomplete proposals will NOT be accepted.

Application Deadline: 4 PM (PST) on February 14, 2013

For more information please contact:

Katrina Ardina, Housing Programs Analyst
City of Sunnyvale Housing Division
kardina@sunnyvale.ca.gov
Tel: (408) 730-7451 or 730-7250

B. Application Review Process

Applications received in response to this RFP will be reviewed by: City staff; the Sunnyvale Housing & Human Services Commission; 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;
   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.

   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 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.

2. 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 2013-14 Action Plan. Council will hold a public hearing on the Action Plan, including proposed project awards, before adopting the Action Plan in May 2013. Project funding awards will also be included in the City's 2013 Capital Projects Budget, to be adopted in June.

3. 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 July.

4. Project Scoring: Proposals will be evaluated by staff using the following criteria, with points awarded up to the following maximum points per criteria:

Scoring Category	**Maximum Points**
1. Organizational Capacity and Relevant Experience Organization's staff, board and/or volunteers are well qualifed to complete and operate project, considering years of experience, appropriate skill sets, professional certifications, and number of similar projects completed.	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, or increased employment opportunities, compared to existing conditions.	20

Scoring Category	Maximum Points
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, 2013. 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.	20
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.	20
5. Percentage of Matching Funds Points awarded based on a sliding scale beginning with 1 point for a 25% match, and 20 points for 100% match, i.e., each increase of 3.75% (above 25%) equates to one additional point, up to 20 points. Matches of more than 100% will not receive additional points.	20
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 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. Approved 2013 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 December 30th, 2013 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 2013-14 CDBG/HOME FUNDING PROCESS

NOTE: THIS SCHEDULE IS SUBJECT TO CHANGE.
Please check the Housing Division website frequently for updates:
Housing.inSunnyvale.com

RFP Issuance	January 18, 2013
Applicant Workshop	January 31, 2013
Deadline to Submit Questions	February 1, 2013
Questions and Answers posted on City website	February 5, 2013
Deadline to Submit Applications (4 p.m.)	**February 14, 2013**
Presentations to Housing & Human Services Commission	February 27, 2013
Housing & Human Services Commission Meeting: Public Hearing; Commission recommendations on public services and capital/housing projects funding	March 27, 2013
Housing & Human Services Commission Meeting: Public Hearing on FY 2012-13 Action Plan 30-day Citizen Comment Period	April 24, 2013
City Council Approval of Action Plan	May 7, 2013
Applicants Notified Regarding Awards	Late June 2013
HUD Review and Approval	July 2013
Award Letters Sent to Successful Applicants	July 2013