

# Department of Housing & Urban Development Entitlement Grants



## Instructions *for* CDBG & ESG Grant Applications Fiscal Year 2019

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# *Introduction*

## 44<sup>th</sup> ANNUAL PUBLIC HEARING *for* Entitlement Grant Activities CDBG & ESG - FISCAL YEAR 2019

The Department of Community Development (CD) has prepared the following *Entitlement Application* for Entitlement Grant Activities. The purpose of the application requirements is not simply to comply with Federal regulations, but also to improve all subrecipients' performance in delivering services to the Lynn community. This information will allow CD to improve the selection process, training, managing, monitoring and support of its Entitlement Grant subrecipients. By initiating a more extensive pre-award assessment of potential subrecipients, CD may reduce the risk of future major problems and increase the chances of success.

### **WHO ARE SUBRECIPIENTS?**

Subrecipients (sometimes referred to as "subgrantees") are entities that are **provided** Entitlement Grant funds by a grantee **for their use** in carrying out agreed-upon, eligible activities. There are three basic kinds of subrecipients:

#### **Governmental Agencies**

*Governmental agencies* are public agencies, commissions, or authorities that are **independent** of the grantee's government (for example, a public housing authority or a park district). Grantee public agencies undertaking Entitlement Grant assisted activities are subject to the same requirements as are applicable to subrecipients (§570.501(a)).

#### **Private Non-profits**

*Private non-profits* are usually, but not always, corporations, associations, agencies, or faith-based organizations with non-profit status under the Internal Revenue Code (Section 501(c)(3)), usually with a board of directors and an executive director in charge of daily administration. Examples of private non-profits include private social services agencies (such as those providing job training or counseling, or day care providers), community development corporations, faith-based housing development groups, and operators of homeless shelters.

#### **Private For-profits**

A limited number of *private, for-profit entities* can qualify as subrecipients when facilitating economic development by assisting microenterprises under the provisions of 24 CFR S70.201(o).

#### **CBDOs**

*Community Based Development Organizations* (CBDOs) authorized under §570.204 to carry out special activities such as economic development or new housing construction are not subrecipients unless so designated by the grantee.

Please mark your calendars with the following important dates:

	DATE
<b><i>Proposal Application Deadline</i></b> CD, Lynn City Hall, Room 305	February 23, 2018 Friday at 12:30 pm
<b>Public Hearing</b> Lynn Housing Authority & Neighborhood Development 10 Church Street	<b>March 27, 2018</b> Tuesday at 6:00 pm
<b>Public Hearing</b> Lynn City Council Chambers	June 12, 2018 Tuesday <i>(tentative)</i>

If you need assistance in completing your proposal, please feel free to contact any of the CD personnel listed below:

Donald Walker	781-586-6778	<a href="mailto:dwalker@lynnma.gov">dwalker@lynnma.gov</a>
Allison Perry	781-586-6763	<a href="mailto:aperry@lynnma.gov">aperry@lynnma.gov</a>

***\*\*Please submit only 1 (one) copy of your completed proposal\*\****

# *Information from the Department of Housing & Urban Development (HUD)*

## **Entitlement Grants**

### **1. Community Development Block Grant (CDBG)**

The CDBG program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit low- and moderate-income persons. A grantee may also carry out activities which aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet these broad national objectives.

CDBG funds may be used for activities which include, but are not limited to:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- public services, within certain limits;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

Generally, the following types of activities are ineligible:

- acquisition, construction, or reconstruction of buildings for the general conduct of government;
- political activities;
- certain income payments; and
- construction of new housing by units of general local government.

## **2. Emergency Solutions Grant (ESG) Program**

The Emergency Solutions Grants program provides funding for street outreach activities for **unsheltered** homeless persons including engagement of clients, case management, emergency health and mental health care, services for special populations and transportation. It also provides funding for **sheltered** homeless persons for case management, child care, educational services, employment assistance/training, outpatient health services, legal services, life skills training, mental health services, services for special populations, substance abuse treatment, and transportation. Additional eligible ESG activities include rehabilitation or remodeling of a building used as a shelter, operations and maintenance of the facility, homelessness prevention, and grant administration.

ESG funds may also be used for homelessness prevention and rapid re-housing activities. These include financial assistance to individuals for rent, rent application fees, security and/or utility deposits, moving costs, and utility payments. Services funded under these categories may include housing search/placement, housing stability case management, mediation and legal aid, and credit repair/budgeting/money management.

Grantees, which are state governments, large cities, urban counties, and U.S. territories, receive ESG grants and make these funds available to eligible recipients, which can be either local government agencies or private nonprofit organizations. The recipient agencies and organizations, which actually run the homeless assistance projects, apply for ESG funds to the governmental grantee, and not directly to HUD. Feel free to view all CPD formula grants, including the ESG grant, or contact your local field office for further assistance.

ESG funds are available Grantees, except for state governments, must match ESG grant funds dollar for dollar with their own locally generated amounts. These local amounts can come from the grantee or recipient agency or organization; other federal, state and local grants; and from "in-kind" contributions such as the value of a donated building, supplies and equipment, new staff services, and volunteer time.

# ***Proposal Guidelines***

**Note: CD and the Mayor's Office have implemented a temporary policy to not fund capital improvement projects and non residential building renovation activities. Low interest loan funding for these types of activities may be applied for through the Economic Development Industrial Corporation (EDIC), which is located at Lynn City Hall and is open during normal city hall business hours.**

Your proposal MUST contain all the information listed below to be considered for funding.

## **I. PROPOSAL SUMMARY FORM**

1. Name of Organization
2. Name of Activity
3. Address
4. Telephone Number & Email Address
5. Contact Person & Title
6. Brief Description of Proposed Activity
7. Performance Measurement (*List percentages of accomplishments within activity*)
8. Percentage of Low/Mod. Income Persons Served
9. Type of Funding Requested
10. Funds Previously Requested
11. Amount of Funding Requested
12. List of Additional Funding Sources with Amounts for Proposed Activity
13. Total Additional Funding Sources for Proposed Activity
14. Grand Total Amount of Funding for Proposed Activity

## **II. PROJECT SUMMARY**

1. Need/Problem to be addressed
2. Population/Area served
3. Description of work
4. Proposed Schedule of Work  
Include the period and the frequency with which the activity will be carried out.
5. Identification of Clients  
Provide an estimate of the number of clients to be served and describe them in terms of age, gender, ethnicity, income level, and any other defining characteristics.
6. Description of Site  
Provide a description of the location at which the activity will be carried out
7. Coordination with other community agencies

## **III. PROJECT BUDGET**

1. Description of budget summary of activity, including all proposed and confirmed funding sources
2. Line Item Budget Form – Service Projects (page 5 of application)

#### **IV. SUPPLEMENTAL BUDGET**

1. Use of other funds  
Provide the source of secured funds, amounts and how these funds will be used.
2. Funding to supplement Entitlement Grant funding  
Provide your plans to seek new funding to supplement Entitlement Grant funding. Describe the sources to which you will apply, the amounts sought and the proposed use of those funds.
3. Volunteer and donated goods and services
4. Unusual budget expenditures
5. Reasonable program costs

#### **V. AGENCY INFORMATION**

1. Background/Program Experience  
Include the length of time the agency has been in operation, the date of incorporation, the purpose of the agency, and the type of corporation. Describe the type of services provided, the agency's capabilities, the number and characteristics of clients served, and license to operate (if appropriate).
2. Personnel/Staff Capacity  
Briefly describe the agency's existing staff positions and qualifications, its capacity to carry out this activity, and state whether the agency has a personnel policy manual with an affirmative action plan and grievance procedure.
3. Financial Capacity  
Describe the agency's current operating budget, itemizing revenues and expenses. Identify commitments for ongoing funding. Describe the agency's fiscal management, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements.
4. Monitoring  
Briefly describe how you will monitor progress in implementing the program. Attach copies of all data collection tools that will be used to verify achievement of program goals and objectives. Describe who will be responsible for monitoring progress.
5. Audit Requirements  
In accordance with the Office of Management and Budget Circular A-133, the Federal Government requires that organizations expending \$300,000 or more in Federal financial assistance in a fiscal year must secure an audit. Agencies requesting \$300,000 or more must choose one of the three ways of meeting this requirement and state which method they chose:
  - ▶ If your agency already conducts audits of all its funding sources including Entitlement Grant funding, the agency must submit a copy of its most recent audit, and may, at its discretion, include the Entitlement Grant portion of the audit cost in its Entitlement Grant project budget.
  - ▶ If your agency already conducts audits of its other funding sources but has neither received nor included Entitlement Grant funding in the past, the scope of the audit would be modified to incorporate Entitlement Grant audit requirements. The associated cost of the augmentation could then be included in the Entitlement Grant project budget, accompanied by the auditor's written cost estimate.



- ▶ If your agency does not have a current audit process in place, your agency will be required to include a 10-percent set aside in the Entitlement Grant project for the provision of an audit.

6. Insurance/Bonding/Worker's Compensation

State whether or not the agency has liability insurance coverage, in what amount, and with what insuring agency. State whether or not the agency pays all payroll taxes and worker's compensation as required by Federal and state laws. State whether or not the agency has fidelity bond coverage for principal staff who handle the agency's accounts, in what amount, and with what insuring agency.

7. Any other additional information

Include any other pertinent information.

**VI. STANDARD DOCUMENTATIONS** *(Section VI must be included as attachments.)*

1. Articles of Incorporation/Bylaws

Articles of incorporation are the documents recognized by the State as formally establishing a private corporation, business or agency.

2. Non-profit Determination

Non-profit organizations must submit tax-exemption determination letters from the Federal Internal Revenue Service and the State Franchise Tax Board.

3. List of the Board of Directors

A list of the current board of directors or other governing body of the agency must be submitted. The list must include the name, telephone number, address, occupation or affiliation of each member and must identify the principal officers of the governing body.

4. Authorization to Request Funds

Documentation must be submitted of the governing body's authorization to submit the funding request. Documentation of this requirement consists of a copy of the minutes of the meeting in which the governing body's resolution, motion or other official action is recorded.

5. Designation of Authorized Official

Documentation must be submitted of the governing body's action authorizing the representative of the agency to negotiate for and contractually bind the agency. Documentation of this requirement consists of a signed letter from the Chairperson of the governing body providing the name, title, address and telephone number of each authorized individual.

6. Organizational Chart

An organizational chart must be provided that describes the agency's administrative framework and staff positions, indicates where the proposed project will fit into the organizational structure, and identifies any staff positions of shared responsibility.

7. Resume of the Chief Program Administrator

8. Resume of the Chief Fiscal Officer

9. Financial Statement and Audit



# APPENDIX

## **PROPOSAL RANKING CRITERIA**

Each proposal will be evaluated by members of the Citizens Advisory Board using the following proposal ranking criteria:

### **CRITERIA 1**

**The extent to which the activity or service benefits low & moderate-income (l/m) persons.**

#### **Description**

The Department of Housing and Urban Development (HUD) requires that the majority of Community Development Block Grant (CDBG) funds be expended on behalf of low and moderate-income persons. For public service activities this is determined by an agency's submission of family income/size data for all clients. HUD requires that any public service agency that receives CDBG funds must serve no less than 51% low and moderate-income persons. **Any public service agency that serves less than 51% low and moderate-income persons cannot receive CDBG funding.**

### **CRITERIA 2**

**The amount of supplemental/leverage funding for the activity or service**

#### **Description**

HUD encourages the use of CDBG funding to the extent that it can leverage other funding sources (other private/public) for a particular activity. Consideration should be given to agency activities that use CDBG funding to leverage other funds.

### **CRITERIA 3**

**Experience in offering proposed activity or service**

#### **Description**

While the length of time that an agency offers a particular activity to the community does not necessarily guarantee that the service is most effective, it is one indicator that the agency has the experience to offer a quality service to the community.

### **CRITERIA 4**

**The overall completeness of the proposal including an assessment of the agency's presentation.**

#### **Description**

The proposals should be evaluated on the extent to which all the required items are complete and understandable. Support documentation should also be reviewed on the same basis. CAB members may want to consider which a particular service represents a duplication of services.

**PLEASE NOTE: All Public Service recipients of Entitlement Grant funds will have to complete a Data Collection Form for all clients serviced within four specific quarters. Please see the attached Data Collection Form below.**

## DATA COLLECTION FORM

Program: \_\_\_\_\_

Contact Person: \_\_\_\_\_

**TOTAL this quarter:** \_\_\_\_\_ **# of Female Heads-of-Households** \_\_\_\_\_

	Total # Race	Of the total # of each race, how many are Hispanic?	Total # Hispanic
White		→	
Black/African American		→	
Asian		→	
American Indian/Alaskan Native		→	
Native Hawaiian/Other Pacific Islander		→	
American Indian/Alaskan Native & White		→	
Asian & White		→	
Black/ African American & White		→	
Am. Indian/Alaskan Native & Black/African Am.		→	
Other Multi-Racial		→	
<b>Total:</b>		→	

Extremely Low Income	
Low Income	
Mod. Income	
Non-Low/Mod. Income	
<b>Total:</b>	

**TOTALS in red should be the same number. Each individual should be counted only ONCE during the year.**

HOUSEHOLD SIZE	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Extremely Low Income	0-\$21,700	0-\$24,800	0-\$27,900	0-\$31,000	0-\$33,500	0-\$36,000	0-\$38,450	0-\$41,320
Low Income	\$21,701-\$36,200	\$24,801-\$41,400	\$27,901-\$46,550	\$31,001-\$51,700	\$33,501-\$55,850	\$36,001-\$60,000	\$38,451-\$64,150	\$41,321-\$68,250
Moderate Income	\$36,201-\$54,750	\$41,401-\$62,550	\$46,551-\$70,350	\$51,701-\$78,150	\$55,851-\$84,450	\$60,001-\$90,700	\$64,151-\$96,950	\$68,251-\$103,200
High Income	\$54,751+	\$62,551+	\$70,351+	\$78,151+	\$84,451+	\$90,701+	\$96,951+	\$103,201+