



CITY OF SOUTH BEND
COMMUNITY INVESTMENT

**COMMUNITY
DEVELOPMENT
BLOCK GRANT(CDBG)
RFP INFORMATION PACKET
PY2025 FUNDS**

Issue Date: August 12, 2024

Due Date: September 9, 2024

PLEASE NOTE: The timeframe of any federal budget discussions, modifications, and/or approvals cannot be projected. The City of South Bend will proceed as usual with the RFP/application process for its HUD-funded programs. Please be aware that this is done with the understanding that FY 2025 funding is not confirmed. Recommendations are subject to change.



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1300S County-City Building | 227 W. Jefferson Blvd. | South Bend, Indiana 46601 | p 574.235.9371 | www.southbendin.gov

RFP TECHNICAL ASSISTANCE

Staff will provide limited technical assistance to agencies interested in responding to the RFP. Contact the Department of Community Investment at federalgrants@southbendin.gov.

INTRODUCTION

The City of South Bend is soliciting proposals from public and community non-profit agencies for Projects to be funded under the PY2025 Community Development Block Grant (CDBG) program. The CDBG program is funded by the United States Department of Housing and Urban Development (HUD).

The Request for Proposals process for PY2025 targets programs to specific needs within preferred, but not mandatory, geographic areas. Proposals submitted for activities outside the preferred areas will be accepted and may be funded. City Departments requesting funds for Administration, Activity Delivery, Fair Housing, and Public Safety, as well as City Initiatives for Permanent Supportive Housing and Coordinated Entry, are not required to respond to this RFP for funding to be awarded.

Funds for New Construction can only be awarded to entities designated by the Department of Community Investment as Community Based Development Organizations (CBDOs) per 24 CFR 570.204(c). **NOTE: Meeting this specific criteria does not guarantee the funding of a project/activity.**

PUBLIC ENGAGEMENT

Public hearings on the **2025 CDBG and ESG RFPs, and the 2025 HOME application, with the intention of developing the 2025 Action Plan**, will be held on Tuesday, August 27, 2024 at the following times and locations:

2:30 PM, Mishawaka Planning and Community Development
Mishawaka City Hall
100 Lincolnway West, Mishawaka

and

5:30 PM, 14th Floor Dept. of Community Investment Conference Room
County-City Building
227 West Jefferson Boulevard, South Bend

Both locations are ADA accessible.

Emergency Citizen Participation and Consultation Process

When a Declaration of an Emergency has been ordered by the President of the United States, or the Governor of Indiana, or the St. Joseph County Health Department, the City of South Bend will hold virtual public hearings through conference calls or an online video conference call platform. Access information for virtual meetings will be provided in the public hearing notice. The City will make a good faith effort to ensure that attendees of virtual public hearings will be able to comment and have questions answered in real-time. If real-time questions and responses are not feasible, citizens may submit questions via email to federalgrants@southbendin.gov and City staff will provide a response within two (2) business days.

CDBG PROGRAM GUIDELINES

A. Eligibility Criteria: In order to be eligible for funding the project must:

1. **Meet the national objective to benefit low and moderate income persons**
 - a. Low/Mod Housing Benefit: activities that are carried out for the purpose of providing or improving permanent residential structures which will be occupied by low- or very low- income households.
 - b. Low/Mod Clientele Benefit: activities which benefit a limited clientele, at least 51% of which are low/mod income, as defined by the U.S. Department of Housing and Urban Development (at or below 80%) of median family income, adjusted for household size.
 - c. Elimination of Slum and Blight: activities that are carried out to meet one or more of the conditions which have contributed to the deterioration of an area designated as a slum and blight area.
2. **Be performed/located within the boundaries of the City of South Bend**, with preference given to activities in specific geographic areas and is consistent with identified housing needs in the <https://docs.southbendin.gov/WebLink/0/edoc/382667/City-Plan.pdf> plan and any current adopted neighborhood plan.
3. **Any program/project must comply with the CDBG-eligible Five-Year Goals and Priority needs** as outlined in the Housing and Community Development Plan 2020-2024 and associated Substantial Amendments, located on the City's website at <https://tinyurl.com/HCDPLAN20-24>:
 - Acquisition/Rehab of existing housing units for homeownership or rent
 - Production of New Rental Units
 - New Construction of Rental or Homeownership Units
 - Demolition to Remove Blight
 - Homeownership Assistance
 - Owner-Occupied Rehabilitation
 - Public Services limited to: public safety, permanent supportive housing (PSH) operations, Coordinated Entry
 - Public Facility Improvements and Infrastructure

The following specific activities will NOT be considered for funding:

- Public Services (except those listed above)

4. **Reimbursement Program**

- a. CDBG is a reimbursement program. All agencies must have a budget that will allow them to fund projects and then submit reimbursement requests to the City which are subject to review and rejection.

GENERAL REQUIREMENTS

- A. **Eligibility of a Subrecipient for CDBG Funds:** Applicants for housing projects must meet the CDBG definition of a sub-recipient as:
- 1) a public agency;
 - 2) a private non-profit agency. Private non-profit applicants must be able to demonstrate proof of tax-exempt nonprofit status under Section 501(c)(3) of the Internal Revenue Code and capacity to satisfactorily complete the proposed activity; or
 - 3) a Community Based Development Organization (CBDO) as designated by the Department of Community Investment per 24 CFR 570.204 (c).
- B. **New Applicants:** First-time applicants requesting City of South Bend CDBG funds for any type of construction or rehabilitation activities will be asked to provide the following:
- 1) Previous work history relevant to the proposed project;
 - 2) Professional work references;
 - 3) Verification of ability to sustain operations through a financial reimbursement program; and
 - 4) Verification of experience writing work specifications and conducting a formal public bidding and/or procurement process.
- C. **Operating Agreement:** Public and community non-profit agencies approved for CDBG funding will be required to sign a written Agreement with the City of South Bend to ensure compliance with City of South Bend, CDBG federal regulations, Federal Executive Orders and related HUD federal regulations. CDBG funds are subject to Federal and local regulations including but not limited to: non-discrimination, equal opportunity, accessibility, lead-based paint, prevailing wages, Uniform Relocation Act, audits, procurement, and environmental review. Additional requirements can be found in the CDBG regulations and 2 CFR Part 200. Applicants are required to familiarize themselves with these requirements prior to applying for funds to ensure that their organizations have adequate administrative systems in place. Program regulations are available at <https://www.hudexchange.info/programs/cdbg/>.
- D. **2 CFR Part 200 Single Audit:** As an entitlement community administering federal funds, the City of South Bend is responsible for ensuring subgrantees comply with 2 CFR Part 200 requirements. All agencies receiving CDBG funding will be required to have an independent audit completed annually to qualify for and receive ongoing funding. The Office of Management and Budget requires subrecipients that expend \$750,000 or more in federal funds in one fiscal year to conduct a Single Audit pursuant to the Single Audit Act. Subrecipients that do not qualify for a Single Audit must submit a CPA Audited Financial Statement, or at a minimum a Certified Annual Financial Statement (CFA). Audited Financial Statements and CFAs will only be accepted from those non-profits that can document they did not qualify for a Single Audit. Subrecipients are responsible for ensuring that their independent auditors conduct the proper type of audit.
- E. **Minority and Women's Business Enterprise Outreach:** The subgrantee must comply with the requirements of Executive Orders 11625, 12432, and 12138, concerning Minority and Women's Business Enterprise, and the policy of the City of South Bend which further supports and encourages the participation of minority and women owned businesses in the benefits of the CDBG program, by:

- 1) Contacting all minority businesses that offer services needed by the organization in carrying out the CDBG program and offering copies of any ads outlining information on where, when and how to submit bids or proposals for such work; and
- 2) Keeping records on contacts made to minority and women business enterprises and retaining any correspondence (letters, proposals, bids, etc.) received from such businesses for any contracts let through the CDBG program and relaying this information to Department of Community Investment staff at least semi-annually.

F. **Inclusive Staffing Practices:** Where possible and practical, subgrantees must advance inclusive hiring practices for delivery of housing and other community-related projects. Building wealth and inclusive economic opportunities in low-income communities is considered fundamental in the provision of CPD-funded housing and services projects. This is to be achieved through hiring, training, and providing opportunities for growth.

G. **Equal Access Rule:** Subgrantees must comply with the requirements of 24 CFR § 5.106, Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs (CPD). All individuals – regardless of sexual orientation or gender identity – must have equal access to CPD-funded programs, shelters, other buildings and facilities, benefits, services, and accommodations. Additional information and resources may be found through the following links:

- 1) Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity: <https://tinyurl.com/FR-2012-2343>
- 2) Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development: <https://tinyurl.com/FR-2012-22589>
- 3) Equal Access for Transgender People: Supporting Inclusive Housing and Shelters: <https://tinyurl.com/InclusiveHousingandShelters>
- 4) Equal Access Expectations: Training Scenarios for Use with Project Staff: <https://tinyurl.com/EqualAccessTrainings>
- 5) Equal Access Agency Assessment Tool: <https://tinyurl.com/EqualAccessAssessmentTool>

COMMUNITY BASED DEVELOPMENT ORGANIZATIONS

The City of South Bend, in order to participate in specific development activities, will work with qualified Community Based Development Organizations (CBDOs).

An organization's CBDO status must be certified annually. Per 24 CFR 570.204(c), the following guidelines are considered criteria for qualification as a CBDO:

Section (1):

- I. Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and
- II. Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and
- III. May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and
- IV. Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and
- V. Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and
- VI. Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and
- VII. Is not subject to requirements under which its assets revert to the recipient upon dissolution; and
- VIII. Is free to contract for goods and services from vendors of its own choosing.

Section (2):

A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

- I. Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d) (/uscode/text/15/68#d)), including those which are profit making; or

- II. Is a SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or
- III. Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2 (/cfr/text/24/92.2), designated as a CHDO by the HOME Investment Partnerships program participating Jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 (/cfr/text/24/92.300) or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e) (/cfr/text/24/92.300#e).

Section (3):

- I. A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

FAITH-BASED ORGANIZATIONS

BACKGROUND/GENERAL GUIDANCE/APPLICABILITY

On December 12, 2002, Executive Order 13279 was issued, requiring federal departments to treat all organizations fairly and without regard to religion in federal programs. It is HUD policy that, within the framework of constitutional church-state guidelines, faith-based organizations should be able to compete on an equal footing with other organizations for federal funding. Accordingly, organizations that are faith-based are eligible, on the same basis as any other organization, to participate in HUD's programs and activities.

The new rule revises HUD regulations to remove barriers to the participation of faith-based organizations in the HOME, CDBG, HOPE 3, HOPWA, Emergency Solutions Grants, St. Joseph County - Region 2a Homeless Regional Planning Council, Supportive Housing, and Youthbuild Programs. In doing so, the preamble to the rule stresses that all program participants should complete on equal footing and be subject to the same requirements. In its implementation, HUD and grantees in the formula programs - HOME, CDBG, ESG and HOPWA, should be conscious that requirements for documentation, reporting, monitoring and use should be applied to all entities across the board. If a formula grant recipient has procedures in place, these procedures should be applied to all sub-recipients without regard to their religious or secular status.

As with any regulatory change, the new rule requires clarification on several fronts in order to ensure a uniform and accurate implementation in the affected programs. This is to provide guidance on certain aspects of the September 30, 2003, final rule. The guidance contained in this notice applies to all eight of the Community Planning and Development programs, as it determines necessary, and as it receives questions and requests for clarification on the new regulatory requirements.

On September 30, 2003, (68 FR 56396), HUD issued a final rule requiring equal treatment of faith-based organizations for eight HUD programs administered by its Community Planning and Development (CPD) Division. In addition, HUD published a final rule on July 9, 2004 (69 FR 41712) requiring, among other things, that states under the CDBG program provide equal treatment of faith-based organizations. Copies of the rules can be assessed online at: <http://archives.hud.gov/initiatives/fbci/Faith-Based.pdf>

CDBG INCOME LIMITS

FY 2024 CDBG Income Limits (Effective 05/01/2024)								
South Bend – Mishawaka, IN HUD Metro FMR Area								
	<i>1 – Person Household</i>	<i>2 – Person Household</i>	<i>3 – Person Household</i>	<i>4 – Person Household</i>	<i>5 – Person Household</i>	<i>6 – Person Household</i>	<i>7 – Person Household</i>	<i>8 – Person Household</i>
<i>30% AMI</i>	18,700	21,400	24,050	26,700	28,850	31,000	33,150	35,250
<i>50% AMI</i>	31,150	35,600	40,050	44,500	48,100	51,650	55,200	58,750
<i>60% AMI</i>	37,380	42,720	48,060	53,400	57,720	61,980	66,240	70,500
<i>80% AMI</i>	49,850	57,000	64,100	71,200	76,900	82,600	88,300	94,000

Please note that HUD Income Limits are subject to change.

AFFORDABILITY PERIOD

Rental projects will be required to have a period of affordability based on the amount of CDBG investment in the project. The deed restriction documentation must be approved by DCI Staff. For consistency, the following affordability investment/affordability periods, based on HOME program guidelines, will be used:

Amount of CDBG funds used:	Years of affordability required:
Under \$15,000	5 years
\$15,000 - \$40,000	10 years
Over \$40,000	15 years

APPLICATION REVIEW CRITERIA

The proposed program/project, as well as the proposed organization's capacity to administer a HUD grant, will be reviewed and evaluated using guidelines specified in OMB Circulars, CDBG regulations, and Uniform Administrative Requirements.

As part of the review process, representatives from proposing organizations may be asked to meet with DCI staff to discuss their proposals. If interviews are requested, DCI staff will notify you of the time and location of the interview once all proposals are received and processed.

PLEASE NOTE: DCI staff will review organizations' existing open contracts and will consider the following when evaluating PY2025 proposals:

- age of the grant funds
- date the contract was executed
- the organization's progress toward completing stated goals

Funding recommendations will be made based on the following factors and related scoring:

All Applications: No points will be assigned for items 1 thru 9 below. However, proposals may not be recommended for funding if an organization cannot meet the requirements under this section to demonstrate organizational capacity.

1. Completed application with all attachments included;
2. Proposing entity is an eligible organization;
3. Eligibility of the proposed program/project and compliance with a national objective;
4. Extent to which the proposal meets the criteria outlined in the RFP and addresses all elements of the RFP in sufficient detail;
5. Required financial statements submitted with any audit findings (if any) noted, and indication that findings have been cleared;
6. The extent to which the proposal goals are clearly outlined, achievable, and within the capacity of the submitting organization;
7. Demonstrated experience and capacity of the organization to achieve its objective. This includes experienced staff to operate and/or complete the proposed program/project (include resumes of key staff);
8. Ability of the organization to fully comply with all financial and reporting requirements; and,
9. The extent to which the proposed budget described is adequate to sustain the proposed activity, and is cost effective.

Applications Proposing Housing Activities: The City seeks to invest in activity that responds to identified housing needs **and/or** with a current adopted neighborhood plan. While there are many options for housing relative to CDBG funds, there is a City preference to address the lack of safe, sanitary, and affordable rental units for low to moderate income residents using a neighborhood scale product fitting the character of the respective neighborhood/target area. However, the review process will consider whether projects result in a balance of housing types within a neighborhood.

EVALUATION CRITERIA

The following criteria and scoring will be used for reviewing proposed housing development activities, however, **the City may award funds outside this criteria at its discretion.** *This is for information purposes only and does not need to be completed.*

Proposals will be evaluated, and preference given to those which address the following:

- Eligible with HUD regulations including compliance with a national objective.
- Allow for the most efficient and cost-effective use of CDBG Program funds so that the greatest number of beneficiaries will be assisted.
- Responsiveness to current housing needs and neighborhood plans, including type of housing and period of affordability.
- Sustainable development components including LEED Silver rating, Silver Rating National Green Building Standards, and Enterprise Green Communities.
- Preferences will be given to those applicants/developers that are located within the City of South Bend, St. Joseph County, and the Michiana region.
- Demonstrate a commitment and capacity to implement the project in terms of time, effort, staff and other resources, etc.
- Include a realistic, detailed financial package that documents the ability of the applicant entity to match the CDBG funds and demonstrates the ability to leverage financing from other sources. (Expenditures should be explained). Priority will be given to projects leveraging project funds. Projects that leverage higher amounts of funding will be more favorably considered.
- Prove the ability of the applicant entity to carry out the proposed activities within the specified time frame. All projects must begin within one year of execution of contracts with the City of South Bend. All projects must be completed within four years of contract execution.
- Current or previously funded agencies – timely reimbursement requests/draw request.
- Prove land control in construction/rehab projects.
- Location desirability of the project. Different criteria will be reviewed for project desirability including public transportation availability within 3 blocks of project location, fresh produce store within 1 mile, community center within 1.5 miles, public library within 2 miles, and the walkability of the project location (>50 on walkscore.com).
- Organization's administrative and financial capacity to carry out the proposed activity.