

## CDBG Technical Assistance FAQ's

**Updated: 12/23/09**

Email your questions to [CDBG@sanjoseca.gov](mailto:CDBG@sanjoseca.gov)

**THIS IS THE FINAL POSTING OF TECHNICAL ASSISTANCE QUESTIONS. CDBG WILL NO LONGER RESPOND TO SUBMITTED QUESTIONS.**

### FY 2010-11 Technical Assistance Questions

#### GENERAL QUESTIONS

1. We are currently a funded CDBG grantee and meet all the eligibility requirements. We currently have several CDBG contacts. For the upcoming 2010-2011 CDBG RFP, we are considering collaborating with a newly-formed nonprofit organization in which our eligible organization will be lead & fiscal agent. They turned in the application requesting official nonprofit status with the State of California months ago and are waiting a response. They are in the process of applying for 501c3 status, which they might complete prior to the CDBG deadline. Although officially newly-formed, this group has been providing services for over over 15 years. Up until last year, they were a subdivision of another 501(c)3 organization. The subdivision decided to form into its own non-profit. This subdivision had been receiving City funding for their program. Can we collaborate with them on our upcoming CDBG proposed project? Or because they are not yet an official 501(c)3 organization and does not have an audit or insurance, they are ineligible to be a collaborative partner? If allowed, we are planning to include them and their activities on this proposed project into our insurance policy.

**RESPONSE: If the partner agency is not yet a 501(c)(3), your agency would have to serve as the lead agency. The would require your agency to have full management and fiscal responsibility of the award.**

2. We have a certain project that was funded through CDBG CCS for many years. In the last funding cycle, this project was not recommended for funding. We are planning to turn in an application for this project again. Is this considered a "new project" and subjected to the \$25,000 maximum? Or can we request 150% of what we were funded previously? (Received 12/2/09)

**RESPONSE: This would be considered a new application and subject to the \$25,000 minimum.**

3. Can we apply for a grant even if we aren't physically located in San Jose?

**RESPONSE: The agency must serve and provide documentation that it serves San Jose residents. CDBG will only pay for the portion of services provided to San Jose residents.**

4. Is the workplan to be included as part of the 15 page narrative or as an attachment?

**RESPONSE: The workplan is a supporting document and not part of the 15-page maximum.**

5. If a child care consortium is applying, can the lead agency submit one application for the entire consortium and all its child care sites or does each site need to submit a separate application?

**RESPONSE: The lead agency can submit one application.**

6. On the 2<sup>nd</sup> ppt slide on page 3 titled Low/Moderate Income Benefit Limited Clientele Activities, do we need to fall under just one of those categories? Within those categories can you help me in clarifying the term “presumed benefit clientele”? In yesterday’s meeting Daniel described senior programs as falling under this category as agencies not needing to require income verification.

**RESPONSE: If your agency will meet the Low/Moderate Income Clientele national objective, it must do so using one of the options noted on page 3 of the presentation. The option selected will determine the verification documentation your agency will have to require from your clients. If the agency serves a “presumed benefit clientele”, income verification is not required as the clientele are presumed to be low/moderate income. As noted on page 26, Section B, number 1 of the Instructions, “presumed benefit clientele” are: abused children, battered spouses, elderly persons, adults meeting the definition of “severely disabled” in the Bureau of Census’s *Current Population Reports*, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Please see Attachment II, Summary of National Objectives for further information.**

7. With our agency possibly taking over another agency’s adult day care program...will our agency be considered New or Existing in the application project?

**RESPONSE: Because the agency is new to CDBG, the \$25,000 new application limit would apply.**

8. If an existing CDBG funded agency applies with another agency could the existing CDBG funded agency be existing for the 150% above the base and transfer to the other agency later?

**RESPONSE: If an agency that currently receives CDBG funds wishes to re-apply for funding for the same project, the 150% maximum is applicable.**

9. Our Domestic Violence Program was moved to ESG 2 years ago so we are assuming that we are eligible to apply for 150% more than the previous award amount. Can you please confirm.

**RESPONSE: If the project was transferred from CDBG to another funding source as part of the FY 08-09 application process, the 150% maximum is applicable.**

10. In the application we made 2 years ago, we asked for funding for legal advocates (staff who help with all legal related issues for victims of domestic violence). However, when we were moved to ESG, we were funded for the shelter operations instead. When we make the application this year, can we apply for shelter operations or other components of the domestic violence program that do not include our legal advocates?

**RESPONSE: Yes, you can apply for shelter operations so long as the activities of the project fall under one of the funding categories.**

11. In the reporting for CDBG, will we be required to fill out a functional time sheet and if so, to what level of detail? Can you please provide a sample time sheet?

**RESPONSE: Yes, CDBG will require a functional time sheet. Please be aware that CDBG requires timesheets for any staff that is fully or partially paid through CDBG funds. Also, staff must track all CDBG and non-CDBG time on the timecard. Lastly, CDBG will only reimburse based on actual hours. Per your request, a sample timecard as been posted on the CDBG website.**

12. Page 16 of the application instruction document for CCS includes a matrix of outcomes and objectives. I am unclear as to how this works. Can you please provide additional explanation so that we can figure out how many outcome/objective combinations we need to include in our application?

**RESPONSE: Please include only one statement. To determine the most appropriate outcome for an activity, ask “What type of change or result am I seeking?” You can also think of the calculation, Objective + Outcome = Outcome Statement. For example, 125 victims of domestic violence will have access to an emergency shelter for the purpose of creating a suitable living environment.**

13. If we didn't receive CDBG last year, are we considered a new project?

**RESPONSE: Yes**

14. If we have CDBG funding for one project but a new second project wasn't funded last year, is the second project considered new?

**RESPONSE: Yes**

15. Please clarify, can currently funded projects be submitted for 150% of their current amount and new projects \$25,000?

**RESPONSE: Yes, current projects can request up to 150% of their current grant amount and new projects are limited to \$25,000.**

16. Please confirm, for new projects and/or new agencies, it is \$25,000. Can you apply for more than \$150,000?

**RESPONSE: New projects and agencies are limited to \$25,000. While an agency can apply for more than \$150,000, unless part of a consortium, agencies are limited to receiving up to \$150,000.**

17. Can we apply for more than \$150,000, or up to \$150,000?

**RESPONSE: While an agency can apply for more than \$150,000, unless part of a consortium, agencies are limited to receiving up to \$150,000.**

18. Per project is \$150,000, is that correct?

**RESPONSE: No, the \$150,000 applies to the maximum an agency can receive. New projects and/or agencies are limited to \$25,000 and existing projects are limited to requesting 150% of existing contract amount.**

19. Is it a \$150,000 limit within all buckets?

**RESPONSE: Yes**

20. An existing grantee at \$25,000, in theory, can only ask for \$37,500. Can we come in with a new project at \$25,000? Is it funded by population or activity?

**RESPONSE: New projects are limited to \$25,000. CDBG will focus funding recommendations on activities and not populations.**

21. Please clarify the \$25,000 amount for new agencies. Is there any cap on the amount they can receive under \$150,000?

**RESPONSE: The question is unclear. The maximum an agency can receive is \$150,000.**

22. Are applicants and agencies the same thing?

**RESPONSE: Yes**

23. Are programs considered “new” as new to the agency, or new to CDBG?

**RESPONSE: Projects are considered new if it has not or is not currently funded by CDBG.**

24. What is the amount given to CDBG from HUD?

**RESPONSE: The City of San Jose CDBG program entitlement generally equals approximately \$10 million.**

25. How are you defining “senior?” Do you have a definite definition for “disabled?”

**RESPONSE: We do not have a specific definition of senior or disabled. However, if agency wishes to use the presumed benefit category as stated in Attachment II, “adults meeting the definition of “severely disabled” in the Bureau of Census’s Current Population Reports”.**

26. Are we able to hand deliver applications before the deadline?

**RESPONSE: Yes, however please make an appointment.**

27. Can you tell us what days you are closed?

**RESPONSE: We are closed from December 24, 2009 – January 1, 2010. We will re-open on January 4, 2010.**

<p>28. When we submit our document, will we get a call from the City? Can you send us an e-mail?</p> <p><b>RESPONSE: Only in-person submissions are allowed. Each applicant will receive a receipt of the information submitted. We do not send emails about applications.</b></p>
<p>29. How do we know if our agency files are up to date on your end, will you tell us?</p> <p><b>RESPONSE: You can email the CDBG office to check on which files we currently have.</b></p>
<p>30. What is the 15-page limit?</p> <p><b>RESPONSE: The pages consists of all documents except the exhibits and supporting documentation.</b></p>
<p>31. Can we print doublesided?</p> <p><b>RESPONSE: Please provide the original in single-sided and the additional copies double-sided.</b></p>
<p>32. Do we repeat the question in the narrative?</p> <p><b>RESPONSE: This is optional.</b></p>
<p>33. If our agency profile is on file, do you want the disk?</p> <p><b>RESPONSE: This will assist CDBG in our efforts to go paperless.</b></p>
<p>34. Can we use paper clips and staples?</p> <p><b>RESPONSE: Yes, however please do not add additional packaging materials such as tabs, bindings, or dividers.</b></p>
<p>35. If I have multiple in-kind sources, do I have to add a line?</p> <p><b>RESPONSE: Yes</b></p>
<p>36. We are doing an application for employment services under self-sufficiency. Other than the Consolidated Plan, what other San Jose plans discuss the need for employment services? This relates to Section 3, Question 1.</p> <p><b>RESPONSE: You may want to review any information from Work2Future or the Office of Economic Development.</b></p>
<p>37. Can we put permanent documents on CD?</p> <p><b>RESPONSE: Yes, the application requests the documentation in soft copy only.</b></p>
<p>38. Is a workplan an exhibit?</p> <p><b>RESPONSE: No, a workplan is a supporting document.</b></p>

<p>39. Are supporting documents the only documents you want on hard copy exclusively?</p> <p><b>RESPONSE: Yes</b></p>
<p>40. If we did not attend the December 3<sup>rd</sup> mandatory meeting can we still apply?</p> <p><b>RESPONSE: No</b></p>
<p>41. We install solar for low-income homeowners to help them save up to 75% on their electricity bills. Are we eligible to apply for San Jose CBDG funds? If we have attended other CBDG mandatory workshops, but not the Dec. 3rd, are we allowed to apply?</p> <p><b>RESPONSE: While the activity is eligible, you are not eligible to apply as attendance at the December 3, 2009 workshop was mandatory. Attendance at previous workshops does not meet this requirement.</b></p>
<p>42. Do you want the application in PDF format? Do you want the PDF on CD or by e-mail?</p> <p><b>RESPONSE: The application should be in word format and all other documents can be a PDF. Please only submit a CD with the application. We will not accept information via email.</b></p>
<p>43. In section 1 (cover sheet) of the CDBG application it asks: Does this project serve an SNI area? Yes No If Yes, indicate area. What is an SNI area and how can I determine if my agency serves these areas?</p> <p><b>RESPONSE: An SNI area is a geographic boundary defined by the Redevelopment Agency as part of the Strong Neighborhood Initiative program. You can identify these boundaries if you go to <a href="http://www.strongneighborhoods.org">www.strongneighborhoods.org</a>.</b></p>
<p>44. Do you want the Board Resolution as a hard copy?</p> <p><b>RESPONSE: Yes, please provide all supporting documents in hard copy format.</b></p>
<p>45. Do you want one copy of the supporting documents?</p> <p><b>RESPONSE: Yes</b></p>
<p>46. Our policies and procedures manual is 100 pages, can we PDF it?</p> <p><b>RESPONSE: Yes</b></p>
<p>47. Where do we attach the workplan?</p> <p><b>RESPONSE: Attach the workplan as a supporting document.</b></p>
<p>48. Our permanent document is on file with the City, is this also with CDBG? If I did not submit this two years ago, is it not on file?</p> <p><b>RESPONSE: If you have submitted a CDBG application in the past, we may have your permanent agency files. However, if you have never applied to CDBG we will not have you permanent agency files.</b></p>

<p>49. Do you want one checklist on top of everything? What is a tracking form?</p> <p><b>RESPONSE: Please include the checklist with your application. A tracking form is the method in which you track the clients you serves.</b></p>
<p>50. How do we get a hold of the Consolidated Plan?</p> <p><b>RESPONSE: You go to the following link and find copies of past Consolidated Plans: <a href="http://www.sjhousing.org/report/conplan.html">http://www.sjhousing.org/report/conplan.html</a></b></p>
<p>51. Do you use the logic model?</p> <p><b>RESPONSE: No</b></p>
<p>52. When we write the narrative portion, do we write it in a two-year context?</p> <p><b>RESPONSE: Yes</b></p>
<p>53. When is the last day to submit questions? At what time will you post the questions?</p> <p><b>RESPONSE: Please submit questions by 12:00 p.m. on December 23, 2009.</b></p>
<p>54. To confirm, Section 2-9 is part of the 15 pages, does this count the checklist?</p> <p><b>RESPONSE: The 15 pages consists of sections 2-9. The checklist, exhibits and supporting documents are not counted in the 15-page maximum.</b></p>
<p>55. Can we say “same as FY 10-11, 11-12” if answers are the same for both years?</p> <p><b>RESPONSE: Yes</b></p>
<p>56. Are sections 8, 9, and 9A included in the 15 page limit for the CDBG application? Are Exhibits A, B and C included in the 15 page limit?</p> <p><b>RESPONSE: Sections 8, 9 and 9A are part of the 15-page limit. Exhibits A, B and C are not included in the 15-page limit.</b></p>
<p>57. Section 5 – Leverage and Collaboration – page 13 of the application completion instructions – “Include verification of committed funds and receipt of application for pending funds.” I intended to use some of the LSTF funds for the “pending” funds, but as you know, the application for those funds are not due until AFTER the CDBG grants are due. We will lose points if we do not include all of the “receipts of application for pending funds”?</p> <p><b>RESPONSE: You would note these funds as projected. We will require final verification prior to completion of contract with your agency if you are selected to receive CDBG funds.</b></p>

58. I am still unclear as to what documents you want on CD and what documents you want hard copies. Can you clarify?

**RESPONSE: We want a soft copy and hard copy of the application and exhibits. We want a hard copy of the supporting documents. We want a soft copy of the permanent agency files.**

59. I would like to make an appointment if possible to hand deliver our CDBG applications at 10:30 AM on January 5, 2010. Please let me know if this is possible.

**RESPONSE: This is not possible. Appointments are only accepted if you wish to submit your application prior to January 5, 2010. We will accept applications on a first come, first serve basis on January 5<sup>th</sup>.**

60. You answered several questions that "supporting documents" are only on hard copies, but the "check off page" indicates after "Application Supporting Documents Required" (on CD). Is that correct?

**RESPONSE: At the workshop, it was clarified that the checklist was modified to request supporting documents in hard copy only. We do not want a soft copy.**

61. We are applying for CDBG funding to provide child care services as a public service . Our entire request (100% of the budget) would be used to support these services. We're confused by the paragraph I've bolded below from page 35 of the CDBG application instructions packet.

*The amount obligated for public services shall not exceed 15 percent of the annual grant, plus 15 percent of the program income received by the grantee and its subrecipients during the previous program year.*

**RESPONSE: This 15% rule applies to the amount the CDBG program can set aside for public service activities. It does not apply to individual CDBG programs.**

62. Can we call the office for individual technical assistance?

**RESPONSE: No, technical assistance is only allowed via email and through bi-weekly postings on the CDBG website.**

63. Is there \$10 million in funding?

**RESPONSE: No, that represents a rough estimate of our annual entitlement from HUD.**

64. Since agencies are limited to receiving \$150,000, if several programs within one agency submit applications totaling an amount over \$150,000 and are awarded funding, will CDBG scale back the funding awarded to \$150,000 or will the agency itself be responsible for scaling back their own budget to \$150,000?

**RESPONSE: CDBG will limit its awards to a maximum of \$150,000/agency.**

65. Are the Section 8 numeric goals and outcomes part of the 15 narrative or are they considered supporting documents?

**RESPONSE: Yes, they are part of the 15 page maximum.**

66. Are non-housing programs required to refer to the matrix on page 16? Must all programs relate to one of the three HUD objectives?

**RESPONSE: Yes, all programs must relate to one of the three HUD objectives.**

67. Our agency is applying for a CDI Non-Construction grant for Economic Development. However, on page 5 of the Application, Section 2 – Project Eligibility, Question 2, “Funding Priority,” there is nowhere to select the funding priorities for CDI Non-Construction projects. Only Public Services activities are listed. Can you please advise how applicants seeking funding for CDI Non-Construction projects should respond to this question?

**RESPONSE: Non-construction priorities we inadvertently left off the application. The instructions note that economic development activities are a priority. This can be noted in the application.**

68. In your instruction packet, under "Additonal Entry Requirements", page 6, question #2 - Personal: It states that policies and procedures don't have to be submitted unless funded, but on your check off list it says a copy has to be submitted on soft and hard copies. Which is correct?

**RESPONSE: If not already on file with CDBG, please provide a soft copy with your application.**

69. Section 1 Cover Sheet does not include Public Agency as it has in the past. It only has Non-Profit with 501(c)3 status. Can I add it to the right?

**RESPONSE: Yes**

70. Is the sample timecard posted on the website (in response to question #11 from the Technical Assistance Questions updated 12/11/09) the required template, or just a sample? If funded, will we be allowed to submit our own timecards that show the time allocation breakdown, or will we need to submit this exact functional timecard?

**RESPONSE: The posted timecard is a sample and preferred template. Agencies can submit its own timecard to CDBG for review and approval, however, it must contain the components we require and show actual time worked on both CDBG and non-CDBG activities.**

71. The 15 page limit that applies to the “application” refers to Sections 2 through 9A, including all required forms for these sections, but does not include the Checklist (Section 1) and the Work Plan – please confirm; Also, the sample work plan on page 24 of the instructions

**RESPONSE: Yes**

72. The 15 pages are a continuous 15 pages and we do not have page limits for sections nor do we need to use page breaks to separate the application sections or any required forms. This also means that some forms or tables might not begin at the top of a page and/or will need to be split into two or more pages (such as the forms for Section 8 in the application itself) – please confirm

**RESPONSE: Yes**

73. Applicants should submit only one completed Checklist (Section 1) on top of the original of the application and copies of the Checklist are not required – please confirm

**RESPONSE: Yes**

74. With respect to the 12 pt font, staff indicated that applicants could use the default font/settings in any portions of the application or in the specific application forms if the default font is 10 pt, 11 pt, or different from 12 pt. and that applicants did not have to convert any portions of the application or forms to 12 pt if they were provided in a different font – Please confirm

**RESPONSE: Yes**

75. With respect to the one inch margins, we noted that some of the forms in the application (in particular the form for Section 9A) exceeded these limitations and staff responded that applicants did not have to revise these forms to conform to the one inch margin limitation – Please confirm

**RESPONSE: Yes**

76. Applicants can include in the one inch margins the header in the upper right corner with the agency name on the first line and the title of the project on the second line – Please confirm. While not asked at the December 3 workshop, we are also asking if the page numbers can be included in the margins, either upper or lower. -- Please confirm.

**RESPONSE: Yes**

77. The original and copies of the application can be submitted single sided. At the December 3 workshop staff indicated that the copies of the application could be (i.e., optionally) submitted in a doubled sided format, even though the application instructions did not require doubled sided copies. We asked if double sided copies were optional and staff responded that they were. However, the response to question #31 in the FAQ's implies that the original should be single sided but that double sided copies are now required (a change from the instructions in the written application packet). Can agencies still submit the five copies of the application in a single sided format? -- Please clarify.

**RESPONSE: Yes, you can submit single-sided copies, however, double-sided is preferred as it minimizes the amount of paper used as part of the submission.**

78. To conserve space within the 15 page limit, applicants do not have to re-state the question in their narrative responses but can indicate the question number for each response instead. – Please confirm.

**RESPONSE: Yes**

79. To conserve space within the 15 page limit, specifically for Section 8 related to the narrative questions regarding Outcome Measures, in particular the description about how project outcomes align with HUD objectives (Question 1) and how they demonstrate the desired impact (Question 2) and the description of the Measurement Methodology (Question 1), staff indicated that applicants could answer “same as FY 2010-2011” and that we would not have to re-state any duplicative or redundant text if the responses to these questions in Section 8 for 2011-2012 of the project were the same as the responses for 2010-2011. The FAQ response to Question #55 alludes to this -- Please confirm.

**RESPONSE: Yes**

80. The FAQ’s posted indicate that applicants should submit the Work Plan requested in Section 6 as a separate document or “supporting document”. Does this mean that applicants should submit only one hard copy of the Work Plan with the other Supporting Documents (Board Authorization, Intake Packet, Outcome Measurement Tool, etc.)? At the December 3 workshop, CDBG staff did not provide specific instructions as to where applicants should attach the Work Plan. Also, the FAQ’s posted as of December 11, specifically the response to question #38, indicate that the Work Plan is a supporting document, which means only one hard copy is to be provided with the application. According to the instructions, the evaluation of Section 6 (Question 1) includes a review of the agency’s “readiness” to begin delivery of service and the agency’s specific Work Plan to ensure achievement of objectives and outcomes. Would you consider having applicants provide a copy of the Work Plan to all of the evaluators as an Exhibit attached to the original and each copy of the application so that we do not have to reiterate steps in the Work Plan (using up valuable space within the 15 page limit) in our response to this section and instead we could refer to it when discussing our “readiness”/work plan as required in Section 6, Question #1?

**RESPONSE: Please attach the workplan to your original application and additional copies. It will not be included in the 15-page limit as it represents a supporting document to the application.**

81. Do we need to do a Work Plan for each year (2010-2011 and 2011-2012)? If so, can the work plan for the two years be more than one page as the Work Plan is not included in the 15 page limit? We note that the Sample Work plan on page 24 of the instructions takes up more than one half a page.

**RESPONSE: Please include a workplan for both years as it will not be counted in the 15-page maximum. The Sample Workplan is not meant to illustrate the size of workplan we expect, but only to represent the type of information we are requesting.**

82. For Section 5, Leverage and Collaboration, please confirm or clarify that agencies will not lose points in the evaluation criteria if they do not attach letters/verification of commitment for committed funds or receipts of applications for pending funds for the minimum match of 20%, so long as they can note that the matching funds are Received/Committed, Projected, or Pending. Could you confirm that this is a change from the instructions on page 13 that states “include verification of committed funds and receipt of application from other funding sources.” Also, will agencies received a higher score if they can show more than a 20% match of committed or pending funding? If so, what percentage of match will receive the highest points?

**RESPONSE: If you have verification you can include with the application. We want to see that you will have at least 20% in matching funds to support the project. We will require verification prior to contract signing. We will not add more points for a higher match.**

83. Can we include as in-kind the value of donated professional services attributed to the project if they are audited annually by our CPA in a manner consistent with FASB in its Statement of Financial Accounting Standards (SFAS)? Specifically, we are a law office so pursuant to SFAS No. 116 the fair market value of contributed professional legal services, which require a specialize skill and for which we would have paid for if not donated, are tracked annually and are included in our annual audited financial statements pursuant SFAS No, 116. Can we include these donated services as in-kind for the proposal?

**RESPONSE: Yes, however no more than 10% of the 20% match can be from in-kind sources.**

84. For the chart in Section 7, Question 1, you ask about the other City funding sources within the last three years. Does the reference to the last three years include the current fiscal year FY 2009-2010, which has not been completed, or the last three most recently completed fiscal years (FY 2006-07, 2007-08, 2008-09)?

**RESPONSE: This represents the amount of funding you received in the last three fiscal years to include the current fiscal year.**

85. In the Instructions for Section 8, Numeric Goals and Outcomes, on page 17 you indicate that applicants need to detail the number of participants served for each activity (item #3), yet the format for the table in Section 8 for each activity asks only for the number of units of service and not the number of participants. Should applicants add a row to the table indicating the goal for the number of participants per quarter for each activity specified in Section 8?

**RESPONSE: You can add another row or add a statement such, as “to x participants” after “Number of Units of Service”.**

86. The application asks for information about whether the project serves SNI areas, but it does not indicate the significance of this information. How will this be used in the evaluation of the project (e.g., under which criterion, if any, will it be considered)?

**RESPONSE: This will not be used as part of the evaluation process. This information is requested in response to a field we are required to fill out in our HUD database.**

87. My agency is new to CDBG. I want to apply to two projects. If both of my applications are selected, will I get more than \$25,000?

**RESPONSE: Yes**

88. If we apply as a consortium for one project and apply on our own for another projects, what is the maximum?

**RESPONSE: We view consortiums and individual agencies as two separate entities. The maximum for consortiums is \$275,000 and the maximum for agencies is \$150,000.**

89. How did you come up with the amounts?

**RESPONSE: CDBG reviewed the priorities and needs that were identified through our community input process and analyzed historical funding patterns. Amounts were based on the areas of greater need.**

90. Did you consider any of the county-wide needs assessment like gap services?

**RESPONSE: Yes**

91. We need some clarification: In question 2, you state that if projects received funding in the past but did not receive CDBG funding last year, then they are new projects. However, later you write that projects are considered new if it has not or is not currently funded by CDBG. This means that if projects have been or are currently funded, then they are not new. So, which is it?

**RESPONSE: If an agency does not currently receive CDBG funding or has never received CDBG funding, then it will be classified as a new project. If a project currently receives CDBG funds, then the project is not new and not subject to the \$25,000 limit. The only exception applies to those projects that were transferred to ESG or the Housing Trust Fund as part of the FY 08-09 CDBG funding process.**

92. Since previous funded projects that have outcomes that are now in different buckets must now be divided to represent the goals of each bucket, would those resultant programs be considered new? Or another way: would pieces of a previously funded project be considered not new? And, if we take one of those pieces and add a component that has not been funded before by CDBG, in order to fulfill the bucket requirements, would that project be new or not new (as it has elements that are both new and not new to CDBG)?

**RESPONSE: Please see response to question #91 for clarification on what CDBG will consider a new application. In addition to looking at outcomes to determine in which funding category to apply, also consider the current CDBG funding status.**

93. Do you provide funds for rental, security deposit, and utility assistance for clients? If so, would that go under the self-sufficiency bucket? You provided an answer but didn't say **which bucket** these kinds of services (if eligible) would go in.

**RESPONSE: CDBG will not advise agencies in which funding category to apply. Agencies must look at the desired outcomes of the project to determine in which category to apply. If the desired outcome is for a client to achieve self sufficiency, then agencies should apply for funds within that funding category.**

94. The 150K max is per year, correct?

**RESPONSE: Yes, the maximum is \$150,000 per agency.**

95. I'm trying to figure out whether or not our program is new or not. They applied to CDBG were funded, then moved to Housing Trust, so are a current grantee of HTF. I believe you said that another agency w/ESG was not new as they were also moved from CDBG to ESG. So I think that we'd not be new and will ask for 150% of our award.

**RESPONSE: Yes, projects transferred to ESG or HTF through the FY 08-09 CDBG funding process are not considered new and can request up to 150% of the current award.**

96. Is there a way we can look at our previous year's submission? Will CDBG share our past application scores and reviewer comments with us?

**RESPONSE: Please contact the CDBG office if you would like to discuss the score received in prior year's submissions.**

97. If we have a one-time federal funding and will cover only part of our fiscal year, can we use CDBG to cover those salaries which used to be in that federal funding? Is there a supplanting issue here? For example, if we have 1.3 FTE of advocates salaries in our this federal funding, but that will cover only July 10-Feb. 11, can we use CDBG money to cover the 1.3 FTE of advocates' salaries from Mar. 11 to June 11?

**RESPONSE: This would not represent a supplanting issue. Based on your scenario (funding from July 10- February 11), CDBG could pay for salaries starting February 12. If the other federal funding does not continue the following fiscal year, CDBG could pay salaries up to June 30, 2012.**

98. Will CDBG allow us to use the funding unevenly within a one-year period? According to the above example, we may charge our advocates' salary costs mostly in the last four months of the grant period. Will that be ok with CDBG funding?

**RESPONSE: Yes, the contract and budget can be designed to reflect the uneven spending. However, CDBG would still require quarterly reports regardless of whether the agency expends CDBG funds in a given quarter or not.**

99. On page 7 under "NEW PROJECTS," when you request "previous experience with federal, State and local funding programs" are you looking for a narrative explanation, or do you want a list of all of our program's federal, State and local funders?

**RESPONSE: Please provide a narrative.**

100. Will the \$25,000 limit apply to organizations applying under the CDI non-construction area of economic development?

**RESPONSE: Due to the specialized nature of economic developments under CDBG and because it is within the CDI-Non-Construction category, there is no maximum or minimum.**

101. The FAQ's for the General Questions section posted on your website have clarified and/or made changes to the information in the instructions or on the Checklist regarding the packaging and submission of the CDBG application. As such, could you please confirm and/or answer the following regarding the **application**?

1. You want one unstapled [or paper clipped (per FAQ #34)] original and 5 stapled [or paper clipped (per FAQ #34)] hard copies of the application (Sections 1 through 9A and Exhibits A through C).

**RESPONSE: Yes**

2. Per FAQ #49, one hard copy of the completed Checklist should be placed on top of the original application (Sections 1 through 9A and Exhibits A through C).

**RESPONSE: Yes**

3. Per FAQ # 54, #56, and #71, Sections 1 through 9A of the application are subject to the 15 page limit.

**RESPONSE: Yes**

4. Per FAQ #4, #38, #47, #80, and #81, the Work Plan is a supporting document and not subject to any page limit.

**RESPONSE: Yes**

5. Per FAQ #80, unlike the other supporting documents (where you want only one copy) you want a copy of the Work Plan attached to the original and 5 copies of the Work plan attached to the 5 copies of the application. Please confirm

**RESPONSE: Yes**

6. FAQ #80 instructs us to attach the Work Plan to the original application and to the copies, but the FAQ and the Checklist do not indicate where to attach. Do you want the Work Plan attached after Section 9/9A (or the last page of the 15 page narrative portion of the application) or after Exhibit C of the application?

**RESPONSE: Either, you can put a note in the narrative that states, for example, "see attached workplan".**

7. In addition to the hard copies of the application, we need to submit a Word version on a CD of Sections 1 through 9A, the Work Plan, and Exhibits A thorough C.

**RESPONSE: Yes**

8. Do you also want the Checklist in a Word format to be included as part of the application submission on the CD?

**RESPONSE: Yes**

102. Could you confirm and/or answer the following regarding the **Supporting Documents**?

1. Per FAQ #60 General Questions, the checklist has been “modified” to request supporting documents in hard copy only, and not on CD.

**RESPONSE: Yes**

2. Per FAQ #45 General Questions, you want only one hard copy of the supporting documents, except the Work Plan (see question that follows).

**RESPONSE: Yes**

3. Per FAQ #80 General Questions, even though the Work Plan is considered a supporting document (1) you want hard copies of the Work Plan attached to the original and to the 5 copies of the application and (2) you want a Word version of the Work Plan submitted on CD with the application (Section 1 through 9A) and Exhibits A through C.

**RESPONSE: Yes**

4. At the December 3 workshop, you indicated that the “client intake packet information” requested under supporting documents should include an intake form and a “tracking form”. Per FAQ # 40 General Questions, “a tracking form” is the method in which you track the clients you serve”. At the December 3 workshop, you told us we could attach a sample page from a computer print out that we use to track clients to satisfy the “tracking form” requirement. Is this still the case? Do you also want a narrative description of the tracking method?

**RESPONSE: Yes**

5. Pursuant to the information given to us at the December 3 workshop, the “outcome measurement form” requested under supporting documents refers to samples of client surveys and other forms we may use to track outcomes.

**RESPONSE: Yes**

6. Do you also want samples of the outcome measurement reports submitted with the “outcome measurement forms”?

**RESPONSE: No**

7. Per FAQ #10 Audit Questions, you want us to attach our annual report if we have one. We are assuming we should attach this as a Supporting Document. If so, do you want us to attach this with the Program/Outreach Marketing Materials requested as Supporting Documents or do you want us to add it as a separate submission to end of the Supporting Documents?

**RESPONSE: Please provide as a separate document.**

103. With respect to the Permanent Agency Documents for the application, could you confirm and/or answer the following?

- Per the instructions on page 12 for the application, the Permanent Agency Documents listed on the Checklist that are **not on file** with the CDBG office need to be submitted on CD with our application. The instructions also indicate that the resumes, organization chart, list of Board of Directors, and Board meeting dates need to be updated annually. Does this mean that we are not required to submit any of these documents on CD that are current and are on file with your office? FAQ #33 General Questions indicates that submitting these documents on disc would assist the CDBG office in your efforts to go paperless, but it does not state we are required to submit Permanent Agency Documents that are on file and current on a disc. Could you please clarify what we need to submit on CD with our application?

**RESPONSE: Please provide, on disc, documents we do not have on file.**

- If we are currently funded by CDBG and we submitted our Board of Directors list, our organization chart, and our list of Board meeting dates for 2009-2010 with our 2009-2010 contract renewal materials on or before June 30, 2009, are these materials considered current (as they were updated for this fiscal year) or do we need to re-submit these same materials again with the application?

**RESPONSE: Re-submit.**

- For any Permanent Agency Documents that need to be submitted on CD, do you want a PDF version? Also, at the December 3 workshop you indicated that you wanted each required document scanned as a separate file on the disc. Is this still the case?

**RESPONSE: Yes for both questions.**

104. FAQ #52 General Information indicates that when we prepare the narrative portion of the application we need to write it in a two year program context (e.g., for 2010-11 and 2011-12). To save space within the 15 page limit and to avoid repetition, we are assuming that we can use the reference “for each program year” (or something similar) and use one description for both years if the description for each year is not going to change. Please confirm if we can do so.

**RESPONSE: Yes**

105. For the information requested in Section 5 on the tables for Question #2 (anticipated sources of funding for the project) and Question #3 (estimated value of in kind sources), do you want us to list this information for both 2010-11 and 2011-12 as we are providing information on our Goals/Outcomes (in Section 8) and our Budget (in Section 9) for both 2010-11 and 2011-12?

**RESPONSE: Yes**

106. Please confirm that the information requested in Section 6, Question #2, is for those positions funded by San Jose CDBG only and not for the positions allocated to the project that are funded by other sources.

**RESPONSE: As it states in the application, this chart is “For CDBG funded positions only...”**

107. For the salary and FTE information requested in Section 6, Question #2, do you want this information for both 2010-11 and 2011-12? If so, if the staffing information is not anticipated to change from 2010-11 to 2011-12, can we note that it is anticipated to be the same for both program years and provide information for 2010-11 in the table with a notation that 2011-12 will not change?

**RESPONSE: Yes**

108. Because space is at a premium within the 15 page limit, at the December 3 workshop you indicated that we could add or eliminate space or cells to the charts or tables you provided, and that we did not have to use the specific format for the Work Plan that you provided, so long as we provided the requested information that was applicable to our program. Could you please confirm this is OK?

**RESPONSE: Yes**

109. Can we use a smaller font than 12 pt (perhaps a 11 pt or 10 pt?) for the budget numbers on Form 9A as not all of the information can fit in the cells and on the table on that page using a 12 pt font if we have to input information for numerous sources of revenues on the chart.

**RESPONSE: For this chart only, please do not go below 11-point font.**

110. For Section 2, Question 1, regarding the Funding Priority, are you asking that applicants just check one of the applicable boxes and/or just indicate which funding priority applies to their application, nothing more?

**RESPONSE: Check the box that applies to your application.**

111. For Section 4, Question 1, you ask us to describe the proposed project, specifically the activities and services, but you are not specifically asking us to describe the project goals & objectives and methods of approach & implementation schedule like you did for this question in the last application cycle. Do you want us to include details about these other aspects in the response or can we refer to Section 8 for the specific goals & objectives and to the Work Plan for the implementation schedule?

**RESPONSE: The application was modified from previous applications. Please make sure to carefully review each question and answer appropriately.**

112. For Section 7, Question 4, you specifically ask if we had past challenges in meeting performance goals, etc. We experienced no challenges, so we will respond accordingly. However, do we also need to provide actual performance information? The question states “Past performance will be based upon accomplishing goals, timeliness of reporting, accuracy of financial information, and monitoring results” but it does not specifically ask for detail about this. At the December 3 workshop we understood that CDBG staff was going to provide this information. If you also want detail from applicants, how far back do we need to go (e.g., within the last three years)? Also, does this cover the agency’s performance with our San Jose CDBG funded project only?

**RESPONSE: CDBG staff will review the performance of agencies based on the information we have available. CDBG will also communicate with other funding sources (i.e. HNVF, BEST, other CDBG programs) to identify their experiences with an agency.**

113. What is the time frame for the Board Meeting Dates document that you are requesting for the Permanent Agency File Documents submission? FY 2009-2010 or something different?

**RESPONSE: Provide the most current Board Meeting schedule. This may be for calendar year 2010.**

114. (NEW) For the "List of Board Meeting Dates": do you want the dates for fiscal years 2009-10, 2010-11, 2011-12 -- or all three

**RESPONSE: Provide the most current Board Meeting schedule. If you have determined dates for the next three fiscal years, you can also include those schedules.**

115. (NEW) On the Cover letter sheet of the CDBG application, will the "Person Authorized to Sign" have to be Executive Director? If the authorized person is not the executive director, do you need minutes from a meeting of the Board of Directors assigning the authorized signer?

**RESPONSE: Authorization is usually in the form of a board resolution. Please provide regardless of whether the executive director or another staff member is authorized to sign.**

116. (NEW) Our board doesn't not require approval for grant fund applications. We have a board resolution that states that. Do we still need to obtain a separate board resolution for this CDBG application or can we include the board resolution that we currently have in place?

**RESPONSE: You can include the current board resolution.**

117. (NEW) Section 5, question 2: do we need to show the estimated dollar amount for one year (2010-11) or for that year plus 2011-12? Do we list it in one line or separate into 2 separate lines?

**RESPONSE: As the values may change from year to year, separate into two lines.**

118. (NEW) For the Permanent Agency File Documents Required for CDBG: List of Board of Directors (include occupation & years of service as board member). If someone has only been on the board for 3 months, what number should I put as years of service? Do I put ZERO or do I put ONE?

**RESPONSE: You can note 3 months.**

119. (NEW) The 15 page count includes the following:

- (1) Cover
- (2) Narrative Sections 2-8 (for a total possible 11 pages)
- (3) Section 9: Time Schedule
- (4) Section 10: Project Budget
- (5) Section 11: Grant Project Scoping Form

It does NOT include the following:

- (1) Checklist
- (2) Exhibits A-C

Am I right?

**RESPONSE: Yes**

120. (NEW) Should our outcome measures be based on the entire project or just the CDBG funded amount?

**RESPONSE: The outcome measures should be based on the project and not just the CDBG portion of the project.**

121. (NEW) When we calculate service units is this referring to the whole project or only the portion funded by CDBG?

**RESPONSE: Service units apply to the whole project.**

122. (NEW) In your response to **FAQ #79**, General Questions, related to conserving space within the 15 page application limitation, you responded “*Yes*” to our request for confirmation that applicants could answer “*same as FY 2010-2011*”, specifically for the information requested in the tables in Section 8 related to the narrative questions regarding **Outcome Measures** [in particular for the description about how project outcomes align with HUD objectives (Question 1) and how they demonstrate the desired impact (for Question 2) and for the question related to the description of the **Measurement Methodology** (Question 1)] and that we would not have to re-state any duplicative or redundant text, and instead state “*same as FY 2010-2011*” or something similar, if our responses to these questions in Section 8 for 2011-2012 of the project were the same as the responses for 2010-2011.

**This is our follow up question related to the above.** Because review panels comprised of outside evaluators are going to be reviewing and scoring our proposals, could you also confirm that they will be instructed as to the above and, more important, that applicants will not lose any points in the panel’s evaluation if we answer “*same as FY 2010-2011*” or something similar and we do not re-state any duplicative or redundant text if the responses to these questions in Section 8 for 2011-2012 of the project will be similar or the same as the responses we provide for 2010-2011?

**RESPONSE: We will inform the panelist.**

123. We are asking for further clarification related to your response to **FAQ #112**, General Questions, related to Section 7, Question 4. Specifically, the Application Instructions on page 14 state that this section/criterion “*assesses the applicant’s capacity to provide services and stay in business. It assesses the fiscal and administrative effectiveness of the applicant and evaluates program performance. **This section should describe the agency’s ability to meet goals and contractual requirements.***” [Emphasis added] The evaluation criteria on page 21 of the Application Instructions ask the following: “*Has the agency demonstrated past ability to successfully meet all objectives within set timeframes and budgets? Has the agency adequately addressed any performance or operational issues? Have performance and financial reports been accurate and submitted in a timely fashion?*”

The foregoing notwithstanding, Question 4 in Section 7 of the Application asks applicants only about their past challenges in accomplishing goals, timeliness of reporting, accuracy of financial invoices and monitoring results, and further states if applicants have had any of the above please describe how they will address these issues in the following year. None of the questions in Section 7 ask for a specific description of the agency’s ability to meet goals and contractual requirements. In FAQ # 112 we specifically asked if you also wanted detail from applicants related to our ability to meet goals and contractual requirements and, if so, how far back do we need to go (e.g., within the last three years)? We also asked if this should cover the agency’s’ performance with our San Jose CDBG funded project only. Your response was “CDBG staff will review performance of agencies based upon what we have available” and that “CDBG will also communicate with other funding sources to identify their experience with an agency”.

**This is our follow up question related the above.** Could you confirm that none of the questions in Section 7 is asking applicants to specifically describe their agency’s ability to meet goals and contractual requirements, and in particular questions #2 through #4 are asking only for explanations about how applicants will address any issues or problems related thereto. Also, because review panels comprised of outside evaluators are going to be reviewing and scoring our proposals, could you also confirm that they will be instructed as to the above and, more important, that applicants will not lose any points in the panel’s evaluation if they do not provide narrative descriptions as to their agency’s ability to meet goals and contractual requirements in this section because this information is not specifically requested by any of the questions?

**RESPONSE: Note that the information described in the question relates to information from existing agencies. As described at the workshop and the two roundtables, CDBG staff will provide both technical assistance to the panel, as well as provide information on past performance. CDBG staff will provide their analysis based on our experiences with a program and share those experiences with the panelists. Panelists will use this information, in addition to the information provided in the applications, to determine their scores.**

124. **(NEW)** We are a very small agency (with less than 8 FTE employees and no development/grant-writing staff), so several of us will be working separately on the 2010-2012 CDBG proposal (hard copies and CD copy), the Supporting Documents (hard copies only), and the Permanent Agency Documents (CD copies only) required with this submission. To facilitate the preparation and packaging of the application, would it be possible to submit the required soft copies of the **Permanent Agency Documents** for the 2010-2012 application that one staff member is responsible for on one CD and the soft copy of the **2010-2012 CDBG Application** document that another staff member is responsible for on a separate CD if each CD is clearly labeled?

**RESPONSE: Yes, please make sure to clearly label each CD prior to submission.**

125. (NEW) Is Section 1 (Cover Page) part of the 15 pages? In Q 54 you say it is not (only sections 2-9), but in Q101-3, you confirm that it is (sections 1 - 9). Which is it?

**RESPONSE: Section 1 is included.**

126. (NEW) Here are a few documents that we need to submit:

1. Certification and Assurances
2. Debarment and Suspension Certification
3. Certification Regarding Drug-Free Workplace Requirements
4. Client Intake Packet and Eligibility Criteria
5. Client Fee / Donation Policy
6. Policy & Procedures Manual (include policy prohibiting discrimination, grievance procedures and conflict of interest)

Question: Do you require these documents to be approved by appropriate government agency? Or can we just send our own documents (written by us and certified by us)?

**RESPONSE: Numbers 1-3 are certification that an agency signs as part of the application. Agencies are self-certifying to each exhibit. Number 4-6 are agency documents. None of the documents require approval by a government agency.**

127. (NEW) Have the Application forms or the General Information and Instructions posted on the CDBG website been updated or modified since the December 3 workshop to reflect any or all of the changes set forth in the FAQ's or do we need to rely on the FAQ's posted on the website for clarification or revisions to the Application and Instructions?

**RESPONSE: Please rely on the FAQ's posted.**

128. (NEW) How long will the FAQ's be posted on the website?

**RESPONSE: FAQ's will be posted through the holidays and removed after January 5, 2010.**

129. (NEW) We have a program designed specifically for American Indians only. This program is for low-income American Indians. It is a payment for services program. Could we write a grant for CDBG services for this program?

**RESPONSE: This project is not eligible for CDBG funds. Services must be made available to all individuals, of which at least 51% must be low income. Other funds specifically made available to American Indian service providers may provide such funds.**

130. (NEW) You require two different letters regarding agency tax exempt status. We have been a 501(c) (3) nonprofit agency since 1979. Our letters have also come from the IRS. Our Articles of Incorporation are from the state of California – but have NEVER come from the Franchise Tax Board. How should we handle this?

**RESPONSE: The Articles of Incorporation originates from the Secretary of State’s office. The Franchise Tax Board document is similar to your letter from the IRS in that it exempts the agency from state franchise and income tax under Section 23701d. You may want to look through your files to see if you can identify the document or contact the Franchise Tax Board to see if it can you a copy.**

131. (NEW) If our organization is applying for one CCS program and one CDI non-construction program, are we limited to the \$150K max for both programs? OR, does the \$150K max apply ONLY to CCS programs?

**RESPONSE: The \$150,000 maximum/agency applies only to CCS projects.**

132. (NEW) On page 35 of the application instructions, it states that “The service must either be a new or quantifiable increase in the level of service above that which has been provided with state or local funds in the previous twelve calendar months.” We are applying for counseling/case management services under the self-sufficiency bucket. Like many other nonprofits, we are struggling to maintain services at their current levels. If we cannot show an increase in the level of service, will this disqualify our application? If it is not disqualified, will it negatively impact the scoring of our application?

**RESPONSE: The application will not be disqualified or scoring impacted. CDBG understands the challenges faced by non-profits and will fund projects that have high impact and meet an identified community priority.**

133. (NEW) Under Section 5 (Leverage and Collaboration) Question 2, we have over 20 different funding sources for one year alone, which means a list for both fiscal years will include over 40 line items. Many of the funding sources are the same in both years, though year 1 may be “received” while year 2 is only “projected or pending.” In order to save space, is it okay with CDBG if we use one line to indicate two years of funding? For example, Source = XXX Foundation; Estimated Dollar Amount = \$20,000 each FY; Use of Funds = Facility Maintenance; Status = FY 10-11: Received; FY 11-12: Pending; Term = \$20,000 for FY 10-11, \$20,000 for FY 11-12. If not, can you please suggest a more appropriate way of doing this?

**RESPONSE: The format suggested is acceptable.**

### BUDGET QUESTIONS

1. Can indirect costs (photocopy, IT, telephone, etc.) be included in CDBG costs? If we can include, will we be required to provide a rationale or breakdown similar to ESG?

**RESPONSE: Yes, you can charge for indirect costs. However, you must provide a cost allocation plan that must be approved by CDBG. This requirement is in accordance with OMB Circular A-122, Section D.**

2. Why doesn't CDBG reimburse for audits if we have to specifically do audits for them?

**RESPONSE: CDBG will pay for a proportional share of an audit.**

3. For the budget, can we adjust the line items?

**RESPONSE: Yes**

4. Section 9A – This form does not include a column for funding from the County of Santa Clara. How do we list funding from the County? Can we modify the form to include funding from the County of Santa Clara?

**RESPONSE: Yes**

5. We have a question regarding the “total project budget.” We have a program within our organization with a budget of over \$3 million. We would like to apply for CDBG funds for a specific project within this program. Would the “total project budget” be the budget for the specific project or the program budget of over \$3 million?

**RESPONSE: The total project budget represents the total cost of the project. If the project has a separate budget, with separate funding then that would be the total project budget. However, if the project receives funding as part of the larger \$3 million program, the total project budget would be \$3 million.**

6. (NEW) A few questions for Section 5, question 3 regarding attached documentation for in-kind resources:

- Is a listing of volunteer time (with a breakdown by each individual volunteer) enough or do we need to show volunteer time sheets?

**RESPONSE: If in-kind volunteer time will be used as part of the 20% match, you must show how you determined the value of the volunteer time. Timesheets are only required on staff that will work on the CDBG project and paid through the CDBG grant.**

- Regarding computer donations, we receive them from the community each year – generally more than the number we showed. What kind of documentation do you need for this?

**RESPONSE: You must show how you determined the cash value of the computers. Because computers are a depreciating asset, you must show the current value and not the value if the computers were new. You may want to consult an accountant to help in illustrating the current value.**

- Regarding workshop speakers who donate their time for this program, what kind of documentation do you need for this?

**RESPONSE: If the speaker regularly charges for their service, you may want to submit an invoice that shows what the speaker would receive if he or she charged for their services. Again, agencies must demonstrate how it reached the value it lists as the in-kind value of the service.**

7. (NEW) For the Project Budget in Section 9, the instructions on page 18 state that “the budget form summarizes the entire proposed budget” and the actual format for the budget on Form 9 is Total CDBG Grant Request + Other Funds (Leverage) = Total Project Cost. However, the instructions on page 18 for the Personal Services line item on Form 9 state “*the sum of staff salary expense to be paid by CDBG*”. Even though the instructions do not state this, we are assuming that the sum of staff salary expense to be paid by CDBG should go in the Total CDBG Grant Request column and that you also want the Personnel Expenses for those positions supported by other sources included in the project budget in the Other Funds (Leverage) column. Please confirm or clarify.

**RESPONSE: You are correct.**

8. (NEW) With respect to the Project Budget forms in Section 9, we are assuming that the Total Operating Expenses need to match the Total Operating Revenue. Please confirm. If this is the case, we are also assuming that you want us to include the **Total Projected** revenues in the budget forms in addition to the Total Committed and Total Pending revenues. However, the Budget Forms for Section 9 only have columns for revenues labeled Total Committed and Total Pending. Since there is no room to add another column to Budget Form 9, do you want us to include Total Projected revenues in the Total Committed or Total Pending revenue column?

**RESPONSE: Total revenue should match total expenses. You can include projected revenue in the pending column.**

9. (NEW) With respect to the Total Project Cost in the Project Budget in Section 9, we are assuming that this figure should be the same as the Total Project Cost indicated on Section 1 (Cover Sheet) for the application. Please confirm or clarify.

**RESPONSE: You are correct.**

10. (NEW) For Budget Form 9A, we are assuming that you want actual budget numbers for project expenses spread by funding source in the columns on the form and not an “X” in those cells for the various funding sources (like the Work Plan) where expenses will be allocated. Please confirm or clarify.

**RESPONSE: We want actual numbers.**

11. (NEW) For Form 9A do you want us to include our CDBG request for 2010-2011 or only all of the “other funds/leverage” for the project?

**RESPONSE: Include CDBG request in the “City SJ/Other City Funds” section.**

12. (NEW) We understand that we do not have to complete and submit a Form 9A for FY 2011-2012. Please confirm.

**RESPONSE: That is correct. However, we will need this document prior to releasing funds in FY 2011-2012.**

13. **(NEW)** For Budget Form 9A the definitions for the Status Codes at the bottom of the form do not align with the definitions in the instructions on page 14 for the Level of Commitment or Status for other sources/leverage that we used for the tables in Section 5. We have the following questions about this:

- Firm Commitment (Status Code 1) on Form 9A does not include “funds on hand”, which is included in the Status definition for Received/Committed funding on page 14 for Section 5. Funds on hand by definition are “received” and include, but are not limited to, funds from agency reserves or funds raised in previous years that are held and earmarked for the following year. Also, “Agency Reserved Funds” are actually included as a revenue source on Form 9A. To have consistency with the format of Form 9A and the definitions we used in Section 5 related to the status of other funds for the project, can we include “funds on hand” as a Firm Commitment or Status Code 1 on Form 9A? If not, what Status Code would we use for Form 9A?

**RESPONSE: Yes**

- The definitions for Anticipated Renewal of Existing Grant (Status Code 2) on Form 9A and for Projected status on page 14 reference the continuation of an existing grant (page 14) or grant that was received in the current year (Form 9A). While the Projected status definition on page 14 also includes “a realistic projection of fees, donations, and other revenues based upon prior year actual”, the definition for Anticipated Renewal of Existing Grant (Status Code 2) on Form 9A makes no reference to “Projected” at all. To have consistency with the information we provided in Section 5 related to the status of funds for the project, would you consider expanding the definition of Anticipated Renewal of Existing Grant (Status Code 2) on Form 9A to include Projected as “a realistic projection of fees, donations, and other revenues based upon prior year actual”? If not, what Status Code should we use for a realistic projection of fees, donations, and other revenues based upon prior year actual for Form 9A?

**RESPONSE: Status 2 on Form 9A is meant to be “Projected” and “anticipated renewal...” is the definition. Therefore, you can use Status 2 for projected funds.**

- The definition for Pending (Status Code 3) on Form 9A asks us to include an application date for any applications submitted. Because the space is limited on Form 9A, can we include this information as a note immediately following or below the form?

**RESPONSE: Yes**

14. (NEW) In FAQ #83 you indicated that we could include the value of donated professional services as in kind in our budget if the amount did not exceed 10% (or one half) of the 20% match. We have the following questions related to in kind on the budget forms:

- We are assuming that applicants should include in-kind in the appropriate line item expense categories in the budget on Form 9. Please confirm or clarify.

**RESPONSE: As noted previously, revenue should equal expenses. If you include in-kind revenue in the revenue section it should also be included in the budget.**

- For Form 9A, we are also assuming that applicants can add or include a separate column to reflect expenses supported by In-Kind. Please confirm or clarify.

**RESPONSE: Yes**

- If our in-kind, which is a donation, is “a realistic projection of donations based upon prior year actual”, for Form 9A what status code do we assign to it?

**RESPONSE: If the donation is cash, it should not be listed as in-kind because it represents hard dollars. The amount should be based on sound projections and noted as projected. However, if the donation is something other than cash, it should be noted as in-kind.**

15. (NEW) For the letters of commitment or documentation of in-kind that are requested in Section 5, we have the following questions:

- We understand that these letters and/or documentation are now optional, are not required to be submitted with our application, and that applicants will not lose any points or be disqualified if they do not include them with the application. Please confirm or clarify.

**RESPONSE: As noted in the instructions on page 14 of the instructions, “This documentation must be submitted at the time of application..” and is therefore not optional.**

- If we have such letters and/or documentation to submit with our application, do you want us to attach these as Supporting Documents with one hard copy only or do you want us to attach a hard copy of these letters/documents to the original and to the 5 copies of the application?

**RESPONSE: You can submit as a supporting document and provide only one hard copy.**

- If we are attaching these letters and/or documentation to the original and the 5 copies of the application, we are also assuming that you want us to include a soft copy with the CD submission of the application. Please confirm or clarify. If we are submitting soft copies on CD, can we scan these letters and/or documentation in a PDF format, as some are from outside sources (e.g., from funding sources on their letterhead or auditors) and we do not have a Word version?

**RESPONSE: Please see response to previous question.**

16. (NEW) FAQ #52 instructs us to write the narrative portion of the application in a **two year project context**, and you ask for two year Budgets (except Form 9A), two year Goals and Outcomes, and two year Work Plans. However, Section 6, Question #1, asks about a project’s readiness to begin delivery of proposed services on **July 1, 2010**. Since year #2 of this grant would be a renewal of an existing project and the project will carry over on July 1, 2011, we are also assuming that you want us to discuss and detail project readiness as of **July 1, 2010 only** for Question #1 and not as of July 1, 2011 as well. Please confirm or clarify that you are still asking about project readiness as of **July 1, 2010 only**.

**RESPONSE: You are correct.**

17. (NEW) Should we count in-kind value as part of the program budget?

**RESPONSE: Yes**

18. (NEW) Under Section 9A (Other Funds Budget Allocation), how do we indicate the Status of Funds if there are multiple funding sources in each column? For example, looking at Personnel Services, we may have 3 different grants under Federal Funds, 2 grants under State Funds, 3 grants under County Funds, and the statuses of these grants vary from 1 to 3. In the previous example, can we aggregate the funding statuses of all 8 grants, so that the Status of Funds box for the Personnel line items says simply “1, 2, 3”? If not, can you please suggest a more appropriate way of doing this?

**RESPONSE: The format suggested is acceptable.**

#### ELIGIBLE ACTIVITY QUESTIONS

1. What are eligible activities under CDBG?

**RESPONSE: See Attachment III (starting on page 35) of the CCS & CDI-Non-Construction Instructions for details.**

2. Two years ago we were directed by the Housing Department to submit a funding request under CDI non-construction under eligible activity, Fair Housing, for homebuyer education. We are preparing and application for the same program and it is our understanding that we should submit under the same funding category. Is that correct?

**RESPONSE: This is incorrect. Homebuyer education is a public service activity and not a fair housing activity.**

3. Do you provide funds for rental, security deposit, and utility assistance for clients? If so, would that go under the self-sufficiency bucket?

**RESPONSE: CDBG regulations classify these costs as “income payments” and are generally ineligible. However, the costs are eligible if the “income payment” is an emergency grant made over a period of up to three consecutive months. These payments “must be made directly to the provider of such items or services on behalf of an individual or family.”**

#### AUDIT QUESTIONS

1. We chose not to have an audit in 2008-2009. If it's possible to have it done before Jan. 5, can we have our auditor go back and do one?

**RESPONSE: Yes, current guidelines require two most recent audits and interim financial statements dated as of September 30, 2009. Also note the as a condition of funding, CDBG will require completion of annual audits.**

2. Do you want 1<sup>st</sup> quarter financials?

**RESPONSE: Yes, please submit Interim Financial Statements as of September 30, 2009.**

3. Can the audited financial statement be prepared by a legal CPA?

**RESPONSE: Yes, audits must be completed by a certified public accountant and according to generally accepted auditing standards.**

4. Can we put the electronic version of the audited financial statement on a CD and hand you a hard copy? Does it have to come directly from the accountant?

**RESPONSE: Please submit only hard copies of your audited financial statements.**

5. Please clarify how we should submit financials.

**RESPONSE: Please submit only hard copies of your audited financial statements.**

6. Do the interims have to be certified?

**RESPONSE: No**

7. What financial statements do you need?

**RESPONSE: We need financial statements for the last two fiscal years.**

8. What if our expenses exceed our revenue? Will you be looking at our net assets?

**RESPONSE: Expenses exceeding revenues is a concern and will be noted accordingly. We will also review net assets. The intent of the review is to look at the entire financial picture of the organization.**

9. Are you going to look at the management letter and our response?

**RESPONSE: Yes, if applicable, please make sure to include with your audits.**

10. If the agency does an annual report, is that something we should also attach?

**RESPONSE: Yes**

11. If the audited 2008-2009 financial statement is not complete, can we submit statements for the prior two years?

**RESPONSE: If the agency fiscal year ends on June 30, you must submit with the application a letter from the chief executive, with support information from the CPA, explaining why the**

**audit is not complete and when completion is expected. If available, submit a draft audit and interim financial statements as of September 30, 2009.**

12. It says the audited financial needs to be e-mailed from a CPA, I thought you didn't want any e-mails.

**RESPONSE: The general citywide policy allows for email submission of an agency audit from the CPA. We will still require a copy of a signed cover letter from the auditor as part of the submission.**

13. Our agency fiscal year ends on Dec 31; we fall into the category of agencies having fiscal year ending after June 30. As stated in the instruction for the grant (quoted below), agencies like ours will need to contact CDBG management for additional instructions. Please let us know what we need to do for the Audited Financial Statements.

**RESPONSE: Please provide the agency's two most recent audits (ending December 31, 2007 and 2008). Also provide interim financial statements ending September 30, 2009.**

14. In the document "General Information and Application Instructions" for the non-construction CDBG, it states on page 5, "Additional Application Requirements" - Audited Financial Statements: Applicants must submit the agency's 2008 and 2009 Independent Audits, including any Management Letters. Our fiscal year ends on June 30, but our audited financial statements for 2009 will not be finished by Jan. 5th, could we submit for 2009 the un-audited financial statement and then when we get our audited financial statement, submit the audited financial statement then?

**RESPONSE: Please see above response to question #11 (Audit Question section).**

15. At the December 3 workshop you indicated that the interim (1<sup>st</sup> Quarter or September 30) financial statements did not need to be approved by our Board of Directors in response to our inquiry. However, this response was not included in the FAQ's posted on December 16. FAQ # 6 Audit Questions indicates that the financial statements do not need to be "certified". Could you also confirm that the interim (1<sup>st</sup> Quarter or September 30) financial statements do not need to be approved by our Board of Directors?

**RESPONSE: They do not need to be confirmed by the Board of Directors.**

16. Do the hard copies of our audited financial statements that we submit with the application need to be bound if we have run out of bound copies for FY 2007-08? Can we submit a stapled copy? We are currently funded, so the CDBG Office already has a bound copy of our 2007-08 audit on file which we had to submit last year.

**RESPONSE: You can provide a stapled copy.**

17. Can we provide our financial statements for November rather than September 30, 2009?

**RESPONSE: While you can provide additional interim financial statements, you must provide statements up to September 30, 2009.**

18. (NEW) It was explained at the CDBG applicant training that the first quarter financial statement (9/30/09) to be provided needed to include four reports, two of them being the income and expense statement and the balance sheet. What are the other two reports that need to be included as part of the Interim Financial Statement?

**RESPONSE: Please include the agency budget which includes individual program budgets and a budget for support services (i.e. management and fundraising). There is not a fourth document.**

19. (NEW) Our Board of Directors has chosen to conduct a full outside audit of our agency on alternate years (the next audit is planned for FYE June 30, 2010 and will be completed in October 2010.) Our last audit was for the FYE June 30, 2008. We have a completed form 990-EZ for the FYE June 30, 2009. Please confirm that by submitting the following documents that we will be in compliance:  
Audit for FYE June 30, 2008  
990-EZ for FYE June 30, 2009  
Financial Statements for September 30, 2009

**RESPONSE: The listed documents are accepted. In addition, please also include a letter or board resolution stating the alternate year audits, the FYE June 30, 2006 audit.**

### FUNDING PRIORITY QUESTIONS

1. Can we submit an application to more than one bucket?

**RESPONSE: Yes, however agency are limited to a maximum of \$150,000.**

2. Can a single project apply to more than one bucket?

**RESPONSE: No, a project must fit within one bucket.**

3. Our project fits in a little bit of each bucket, does this mean we can't provide all the services that don't fit in one bucket? Do we have to take that component out of the program?

**RESPONSE: Applicants should focus on the major outcomes of the project to determine which bucket in which to apply. If the goal is for a client to achieve self-sufficiency then the application would fit under the self-sufficiency bucket.**

4. Should domestic violence shelters be considered "Basic Services" or "Homeless Prevention Services?"

**RESPONSE: In determining which funding category to apply, focus on the outcomes the project will plan to achieve.**

5. We are a licensed social daycare program for seniors. We do not provide healthcare services. What bucket should we apply to?

**RESPONSE: As stated previously, the key is to focus on the outcomes the project will achieve. These outcomes, whether self-sufficiency, basic needs, etc. should determine in which funding category to apply.**

6. We are interested in applying for a CDBG for our Center for Survivors of Torture and are a new applicant. If our program has a multitude of outcomes—different staff positions providing different self-sufficiency services--might we make two applications to the same Self Sufficiency bucket?

**RESPONSE: If the outcome of the project is for your clients to achieve self-sufficiency, then we would view that as one project with multiple activities.**

<p>7. In regards to Section 2, what is the funding priority for CDI?</p> <p><b>RESPONSE: CDI priorities are predominately economic development and housing rehabilitation.</b></p>
<p>8. Is it access to getting healthcare or covering the cost of healthcare that is eligible? Can clients who don't qualify for Medicaid, but meet the low-income requirement qualify?</p> <p><b>RESPONSE: The funding category applies to access to healthcare and not healthcare premiums.</b></p>
<p>9. What does "non-recreation" refer to? Is it just health respite or also daycare? Most senior day programs have recreational/social activities.</p> <p><b>RESPONSE: The key factor is the desired outcome of the project. If the primary objective of the project is to provide respite services, but the services also include a recreation component, then that would be eligible. However, if the primary objective of the project is to merely provide recreational/social activities, then that would not be eligible.</b></p>
<p>10. Please define "Health Care Services."</p> <p><b>RESPONSE: As noted in response #8 above, eligible activities would be those that provide access to health care.</b></p>
<p>11. The funding priority for seniors and disabled is shown as "Access to Health Care for Seniors and Disabled" throughout the Instructions and the power point presentation from the workshop. Yet, in the Application, Section 2, "Project Eligibility," Question 2., the Funding Priorities shown are: " Self Sufficiency- Counseling and Case Management, " Basic Needs, " Assistance to Health Care for Seniors and the Disabled, " Legal Services/Fair Housing . Is the correct term "Access" or "Assistance"?</p> <p><b>RESPONSE: We would consider "assistance to" to mean "access to".</b></p>
<p>12. (NEW) Our program provides vocational English language training and employment services to recently arrived refugees. We understood through the Application Workshop that our program most likely falls under the Objective of Suitable Living Environment with Outcome 1, Availability/ Accessibility. Is this correct? We just want to be sure that our program does not fall under Economic Opportunity. The description in the instructions referred to the creation of jobs – which our program does not do.</p> <p><b>RESPONSE: As noted previously, the key factor in determining which funding category in which to apply, agencies should look at the desired outcome. If the project provides ESL classes so that clients can achieve self-sufficiency, then the project would fit under the Self-Sufficiency bucket. CDBG will not recommend in which funding category to apply and instead asks agency's to review the desired outcome of the project to determine in which funding category to apply.</b></p>

13. **(NEW)** Our agency has a currently funded CDBG project that provides both basic needs (shelter and meals) AND self-sufficiency (case management and workshops). Under the new RFP, these activities are broken out into two funding priorities/"buckets". In applying for the new funding cycle, would we need to complete two separate applications in order receive continued funding for both services? If so, what is the maximum amount of funding our agency can request? Our current grant award is \$50,327. Can we apply for 150% of our current award for each application (\$75,490.50 X 2 applications = \$150,981; capped at \$150,000)? Or would it be 150% of our current award divided into two buckets (\$75,490.50 / 2 applications = \$37,745.25 per application)?

**RESPONSE: CDBG is not suggesting the projects be split up into two funding priorities. As noted previously, the key factor in determining which funding category in which to apply should be the desired outcome or impact. For example, if the desired final impact of the project is to provide individuals the tools they need to become self-sufficient then you should consider applying under the self-sufficiency category. However, if the desired final impact is to only address the basic needs of a client, then the agency should consider applying under the basic needs category.**

### MATCH REQUIREMENT QUESTIONS

1. Is it no more than 15% or 50% that can be in-kind as part of the 20% match?

**RESPONSE: No more than 50% of the 20% match requirement can be in-kind. In other words, no more than 10% of the minimum 20% match can be in-kind.**

2. Do we need to have any documentation for the 20% matching? Is it a threshold issue? Is it 20% of the total project cost?

**RESPONSE: You need to note on the application the status (Received/Committed, Projected or Pending) of the 20% match. Documentation will be required prior to contract signing and the match is based on total project cost. CDBG will not fund a project unless it has a minimum 20% match.**

3. If we know in advance we're getting matching funds from other cities, do we include the entire county or just the City of San Jose?

**RESPONSE: Include all funds your agency will use to cover total project costs.**

4. Is verification a part of the application? Can we use CSJ as a matching fund? For example, can the matching fund be HNMF?

**RESPONSE: Funds received from other City of San Jose sources (i.e. HNMF) can be used as matching funds. Verification will be requested if selected for funding and prior to contract signing.**

5. Please explain the matching fund. For example, my total budget is \$200,000. I'm asking for \$40,000, which is 20% of the total project cost. Is that correct?

**RESPONSE: The minimum 20% match is based on total project cost. If your total project budget is \$200,000 you must show that you have at least \$40,000 in other funds to serve as a match. The 20% is not based on what your agency is requesting from CDBG.**

6. If it isn't part of the project, do we show other funds?

**RESPONSE: Please show all sources of funds for the project in Section 9A of the application.**

7. Can we use other federal funds as matching funds?

**RESPONSE: Yes**

8. Some agencies are on funding cycles. How do we submit verification for that?

**RESPONSE: The application requires that you note the status of the matching funds. CDBG will require written verification of funds prior to signing a contract.**

9. The county funding is on a three-year cycle. Can we submit a letter from the funder stating that they are on the three-year cycle and that the agency is in compliance and will anticipate renewed funding?

**RESPONSE: Yes. CDBG will require written verification of funds prior to signing a contract.**

10. Do we need a letter of guarantee from the other funding sources?

**RESPONSE: CDBG will require written verification of funds prior to signing a contract.**

11. If we have several projects that we're doing, is it 20% of the total cost?

**RESPONSE: The 20% match requirement is based on total project cost. For example, if the total cost of the project is \$200,000, then you must show that you have \$40,000 in matching funds.**

12. Could in-kind be counted as the 20% match?

**RESPONSE: In-kind can be a portion of the match, but not the entire 20%.**

13. (NEW) If it is two years, do we need to show the commitment letters for 2 years? Most agencies will not have that.

**RESPONSE: You do not need to provide commitment letters for two years. However, in both years agencies must provide written verification of 20% match prior to signing a contract and reimbursing costs.**

### CONSTRUCTION QUESTIONS

1. Over the course of 15 years, programs and populations change. If the use has changed, but we're still serving low-mod, is that OK?

**RESPONSE: The 15-year same use restriction requires that if an agency decides to discontinue to provide services during the 15 years, it must either repay the conditional loan or identify another agency that can continue to provide services to low-moderate income clients.**

<p>2. If we rent, but not own, is it OK for the owner to sign something the loan documents?</p> <p><b>RESPONSE: Agencies must provide evidence that it will maintain site control for at least 15 years. A leasehold interest signed by the owner of a property would suffice. However, a deed restriction would be placed on the property and the owner must also agree to this restriction.</b></p>
<p>3. We're leasing a city facility for 12 years. Do we have to go back to the City and extend our lease for another three years?</p> <p><b>RESPONSE: Yes, you must have a site control for 15 year</b></p>
<p>4. Will you be carrying a note on me for 15 years? If I have a 15 year note from before, can the two notes run concurrently?</p> <p><b>RESPONSE: Yes, we will issue a promissory noted secured by a deed of trust. The two notes can un concurrently, however the terms of the two notes will not change.</b></p>
<p>5. Does the City's conditional loan requirement apply to Rehab?</p> <p><b>RESPONSE: The 15-year same use restriction applies to all project that receive CDBG construction dollars.</b></p>
<p>6. If you have a multi-use building, do 50% plus 1 of the residents need to fit in the low-mod income category?</p> <p><b>RESPONSE: 51% of the clients you serve must be low-moderate income clients.</b></p>
<p>7. Is the project budget and timeline considered part of the application?</p> <p><b>RESPONSE: Yes</b></p>
<p>8. Is the start of Section 2, the beginning of the narrative, the start of the 15 pages?</p> <p><b>RESPONSE: No, the start is Section 1.</b></p>
<p>9. Is NEPA clearance required before the contract is in place?</p> <p><b>RESPONSE: Yes</b></p>
<p>10. If 65% of the funding is carved out for construction projects, do CBO's have a separate pot within that separate from City projects?</p> <p><b>RESPONSE: 65% represents the percentage of CDBG funds set aside for Community Development Improvement Construction and Non-Construction projects. The funds are distributed amongst city and CBO projects. CBO and city projects do not compete with each other.</b></p>
<p>11. What are the Section 3 requirements?</p> <p><b>RESPONSE: Section 3 reads in part: "The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing." The provisions of Section 3 apply to any contractor that receives over \$100,000 and requires meeting</b></p>

certain thresholds. More information on Section 3 will be provided if awarded funds.

12. What are the minimum and maximum amounts?

**RESPONSE: The minimum grant request for construction projects is \$100,000. There are no maximums.**

13. Is HUD open to design-build projects?

**RESPONSE: We are not aware of HUD's opinion on this matter.**

14. Is there a resource in materials about the needs of a historic building rehabilitation?

**RESPONSE: Information on historic preservation can be found at the following link:**  
<http://www.hud.gov/offices/cpd/communitydevelopment/rulesandregs/laws/sec5320.cfm>

15. Please provide links to Section 3, MWBE, and Davis-Bacon

**RESPONSE: Davis Bacon information can be found at:**  
<http://www.dol.gov/compliance/laws/comp-dbra.htm>

**Section 3 information can be found at:** <http://www.hud.gov/offices/ftheo/section3/section3.cfm>

**MBE/WBE information can be found at (scroll down to page 15):**  
<http://www.hud.gov/offices/cpd/communitydevelopment/training/basicallycdbgmanual/chapter19.pdf>

16. We have a construction manager who is providing services in-kind. Do we need to put that in our bid?

**RESPONSE: You can include the services of a construction manager as an in-kind match.**

17. For CDBG construction budgets, can we use the budget and timeline forms prepared by an architecture firm for our project or are we required to use the forms in the application?

**RESPONSE: While you are free to use the information provided by your architecture firm, please use the forms in the application.**

18. Can the 75% be CDBG funding we're anticipating? We need 20% down, so conceivably will CDBG pay for 80%?

**RESPONSE: The 75% can be CDBG funding and can represent up to 80% of total project cost. However, prior to contract signing CDBG will require evidence of the 20% match. In effect, if CDBG pays 80%, the agency will have to have 100% of funding in place prior to contract signing. For example, let's say the total project cost is \$100,000 and you are requesting \$80,000. The agency will have to have the remaining 20% (thereby representing 100% of total project cost) in place prior to entering into a contract with CDBG.**

19. Let's say the project is \$100,000. Do we have to show that we have 75% of the total budget in place?

**RESPONSE: Yes**

20. What is meant by loans under Rehabilitation Residential Structures?

**RESPONSE: This is a funding mechanism option available to housing rehabilitation programs. For example, the Housing Rehabilitation program of the City of San Jose offers low-moderate income homeowners loans or grants to complete rehabilitation of their homes.**

21. When should we get the appraisal done?

**RESPONSE: To avoid unnecessary spending by the agency, we recommend completion of the appraisal once an agency receives notification of award. This will occur in Mid-March 2010.**

22. If we have 4 separate construction rehab and remodel projects do we need to submit a grant application for each project? If yes, the supportive documents and permanent file on CD does that need also 4 separate copies. Do we need a set of 4 certifications for each, A,B,C, for the project? All 4 projects are part of our 12 properties where we have various live-in housing programs for mental health services.

**RESPONSE: You need to submit an application, to include all certifications and exhibits, for each project. You only need to submit one copy of the permanent agency files.**

23. As to acquisition if we have an option to purchase how long if awarded, would we be able to enter into escrow to purchase, how long until we would receive a check after the award notice? How best to handle a purchase option?

**RESPONSE: An option to purchase is allowable under CDBG, however such an option does not guarantee that CDBG will select the project for funding. It is important to note that CDBG will not expend funds or enter into a contract prior to federal environmental clearance. Lastly, we do not provide a check directly to an agency. The CDBG funds are transferred via wire to the escrow company shortly before or at closure of escrow.**

24. (NEW) Can we purchase a building that is a part of a 1031 exchange with CDBG funds?

**RESPONSE: Yes, however CDBG will enter into contract with an agency until a federal environmental review is complete.**

25. (NEW) If we have a purchase option and after submitting the grant, for example in May, a better property comes available can we change to purchase the new property that has come up for sale instead of the property submitted with the grant application?

**RESPONSE: Yes, however CDBG will enter into contract with an agency until a federal environmental review is complete.**

26. (NEW) How long should we keep the purchase option open, and how long until we get cash to make the acquisition after the date of award?

**RESPONSE: Please see response to question #23, Construction Questions, above.**