City of Monterey
Fiscal Year 2024-25 CDBG

**Notice of Funding Availability (NOFA)**
Community Development Block Grant Program (CDBG)
Affordable Housing & Public Facilities Capital Improvement Projects

NOFA Opens: **November 1, 2023**
Application Due Date: **4:00 pm, December 1, 2023**
Application: [2024-25 Public Service Application and Checklist](#)

Required Grant Application Workshop:
10:00 am – 12:00 pm, November 15, 2023
Council Chamber: City Hall, 580 Pacific Street
ZoomGov: See [Monterey.org/Housing](#) for login information

No applications will be accepted after the due date and time.

Please submit all applications to:

Jennifer Cleary
HCD Programs and Projects Coordinator
City of Monterey
580 Pacific Street
Monterey, CA 93940
Program Contact: [Cleary@Monterey.org](mailto:Cleary@Monterey.org) (831) 646-3995
INTRODUCTION
The purpose of these instructions and notice is to solicit applications for viable affordable housing and public facilities projects through a competitive application process. The NOFA contains materials and information needed to apply for FY2024-25 Community Development Block Grant (CDBG) funds. The CDBG program is funded by the U.S. Department of Housing and Community Development (HUD) and administered by the City of Monterey. Interested parties must be either a 501 (c)(3) or a public agency to be eligible for funding.

Applicants must comply with all federal laws and restrictions described in the HUD regulations. **Note the funding amounts listed are subject to change.**

Applications for CDBG funding must be completed in full and submitted to the city either hard copy or by email no later than **4:00 PM December 1, 2023.**

CDBG funded projects must comply with strict eligibility criteria. **Prior to submission, please carefully review this information package to determine if your request for funds will qualify under the federal CDBG regulations.** For more detailed information on HUD guidelines, go to www.hud.gov.

APPLICATIONS SENT BY FAX WILL NOT BE ACCEPTED.
LATE OR INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.

PROGRAM BACKGROUND
The Community Development Block Grant (CDBG) Program was established by the Housing and Community Development Act of 1974 and is administered through the U.S. Department of Housing and Urban Development (HUD). The CDBG Program is a flexible program that provides community with funding to address a wide range of unique community development needs. The primary objective of the CDBG program is "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and very low income."

ELIGIBILITY
An application will be deemed eligible if each federal requirement is addressed and the application is completed in accordance with the CDBG program requirements. Each proposed project must:

- Demonstrate compliance with HUD’s National Objective of providing benefit to low-moderate income (LMI) persons or neighborhoods;
- Be an eligible activity consistent with the provisions of Title 24 – CFR – 570 (subpart C); and
- Target one of the applicable goals of the 2020-2025 City of Monterey Consolidated Plan.

CONSOLIDATED PLAN GOALS
- Assist in the creation and preservation of affordable housing opportunities for low and moderate income (LMI) and special needs households.
- Improve public infrastructure in the City’s LMI residential areas.
- Support activities to end homelessness.
- Support activities that strengthen neighborhoods.
- Promote fair housing choice.
- Provide for a suitable living environment for all residents and income levels.
INCOME REQUIREMENTS
All funded projects and activities must meet the CDBG national objective of benefiting low to moderate income persons which is defined as “under 80% Area Median Income (AMI),” (see current chart below). The AMI is subject to change based on HUD’s annual calculations and must be adjusted and adhered to throughout the life of the grant and subsequent affordability period.

<table>
<thead>
<tr>
<th>Monterey County, CA FY23 Income Limits</th>
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<tbody>
<tr>
<td>FY 2023 Income Limit Category</td>
</tr>
<tr>
<td>Low (80%) Income Limits</td>
</tr>
</tbody>
</table>

APPLICANT REQUIREMENTS
- Be a public entity or a non-profit organization 501 (c)(3).
- Governing Body of the organization should be vested in a responsible and active voluntary Board that meets at least quarterly and establishes and enforces policies. The Board should be large enough and structured as to be representative of the community it serves.
- The organization must provide for adequate administration of the program to ensure the delivery of services. One person should be designated as the director of the organization. If the project is awarded funding, the organization must provide a copy of its Personnel Policies and Procedures, which must include policies prohibiting discrimination, conflict of interest, grievance procedures, and affirmative hiring practices.

OTHER REQUIREMENTS
- Appropriate Insurance is required on all projects and performance and payment bonds covering 100% of the construction costs are required on all construction projects.
- Agencies and organizations receiving CDBG funding must be able to document that the individuals, or households, or the area the project serves meets the HUD minimum 51% low to moderate-income requirement.

CDBG PROGRAM FUNDING ALLOCATION TIMELINE

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DATE and TIME</th>
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<tbody>
<tr>
<td>Release of FY2024-25 NOFA for CDBG funding</td>
<td>November 1, 2023</td>
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<tr>
<td>Mandatory Workshop for Agencies applying for CDBG funds</td>
<td>November 15, 2023, 10am-12pm</td>
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<tr>
<td>Application Deadline for CDBG Funding.</td>
<td>December 1, 2023, 4pm</td>
</tr>
<tr>
<td>City Council Public Hearing to approve funding recommendations for CDBG program and the Annual Action Plan.</td>
<td>April 16, 2024</td>
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<tr>
<td>Submit 2024-25 Annual Action Plan to HUD</td>
<td>May 15, 2024</td>
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CDBG AFFORDABLE HOUSING & PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENT FUNDS
FY2024-25 Estimated CDBG funding: $200,000 *Subject to change.
ELIGIBILITY for CDBG AFFORDABLE HOUSING & PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENT FUNDS

These funds generally refer to projects that result in new affordable housing development, the preservation of existing affordable housing, or eligible public infrastructure capital improvement projects providing Low Mod Area Benefit or Low Mod Limited Clientele Benefit.

- Acquisition of existing property for an eligible rental or ownership housing project, to benefit low, very low, extremely low-income (ELI) and below 15% of the Area Median Income.
- Acquisition with Rehabilitation and/or conversion involving acquisition of existing buildings appropriate for conversion to rental housing which directly increases the supply of new affordable housing units.
- Rehabilitation of existing, low-income, owner-occupied, single-family homes.
- Public Infrastructure projects, including right-of-way improvements, utility improvements, ADA accessibility improvements and park facility improvements in low-income areas.
- Public facility projects, including facilities for persons with special needs such as homelessness, youth centers, senior centers, community centers, and public community facilities.

FUNDING PRIORITY

Priority will be given to projects that demonstrate the ability to:

- “Shovel Ready” Projects that can be completed prior to June 30, 2025.
- Projects that meet key community needs as identified in the City’s Consolidated Plan.
- Agency’s track record in implementing the proposed project or similar projects.

APPLICATION REVIEW AND AWARD PROCESS

Applications will be reviewed by City of Monterey staff for eligibility and compliance with HUD regulations. Recommended projects will be incorporated into the Public Review Draft of the City’s 2024-25 Annual Action Plan. The Public Review Draft Annual Action Plan will be presented to City Council for approvals on April 16, 2024, and will then be forwarded to the U. S. Department of Housing and Urban Development (HUD).

The following evaluation criteria will be used to evaluate project applications. The following criteria and the weighting of scores will be used during the rank and review process:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Project Eligibility</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Program Description</td>
<td>20%</td>
</tr>
<tr>
<td>Organizational Capacity and Experience</td>
<td>20%</td>
</tr>
<tr>
<td>Goals and Outcomes</td>
<td>40%</td>
</tr>
<tr>
<td>Budget and Fee Structure</td>
<td>10%</td>
</tr>
<tr>
<td>Past Performance Goals</td>
<td>Up to +10 or -10 points</td>
</tr>
<tr>
<td>Audit Review</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Funding/Local Priorities</td>
<td>10%</td>
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