

COUNTY OF SAN BERNARDINO
DEPARTMENT OF COMMUNITY DEVELOPMENT AND HOUSING

**CDBG PROGRAM GUIDELINES
2011-2012 PROGRAM YEAR**

WHAT IS CDBG?

In 1974, the federal government enacted the Federal Housing and Community Development Act. Title I of the Act combined several funding programs into a single program called "Community Development Block Grant" (CDBG). Congress designed the CDBG program to enhance and maintain the viability of urban communities. The CDBG program accomplishes these goals by providing decent housing, suitable living environments and expanded economic opportunities; principally for low- and moderate-income persons. The U.S. Department of Housing and Urban Development (HUD) administers the CDBG program through state and local governments.

Communities receiving CDBG block grants are free to develop their own programs and funding priorities based on local community development needs. However, these "entitlement communities" must promote the **national CDBG objectives** by giving the highest funding priority to activities which benefit low- and moderate-income persons, or which aid in the elimination and prevention of slums and blight. Under certain circumstances, CDBG funds may be used as needed to address an immediate threat to public health and safety. CDBG activities must adhere to federal eligibility requirements to ensure consistency with the national objectives. (See CDBG Project Eligibility)

THE COUNTY CDBG PROGRAM

The County of San Bernardino receives annual CDBG entitlement funding as an "urban county", responsible for implementing a CDBG program for the unincorporated areas of the county and the twelve (12) cities that cooperate in the County CDBG Program.

Staff estimates approximately \$7.5 million of CDBG funding will be allocated to the County for FY 2011-2012. **Of this amount, approximately \$4.6 million will be allocated to the county unincorporated communities, which will be utilized for major capital and infrastructure improvements, the senior home repair program and to pay for County administrative and program delivery costs. Applications for these projects will be solicited directly from county departments only.** The remaining amount of approximately \$2.9 million will be allocated to the twelve (12) cooperating cities to fund **both** public service program and infrastructure improvements. Minimum threshold amounts are being increased for both public service programs and construction activities. **The new minimum threshold amounts are \$10,000 for public service programs and \$75,000 for construction activities. Big Bear Lake, Grand Terrace, and Needles are cities receiving less than \$100,000 which will have no limit, but may only fund four (4) projects. Organizations are encouraged to submit proposals to provide public services and community infrastructure improvement projects that will benefit residents within the following twelve (12) cooperating cities:**

Adelanto	Grand Terrace	Needles
Barstow	Highland	Twentynine Palms
Big Bear Lake	Loma Linda	Yucaipa
Colton	Montclair	Town of Yucca Valley

Cities that have a population over 50,000 are eligible to receive CDBG entitlement grants directly from HUD. There are twelve (12) cities in San Bernardino County that receive and administer their own CDBG entitlement grants from HUD. As such, these cities, referred to as metropolitan cities, do not cooperate as part of the County's CDBG Program. The metropolitan cities are:

Town of Apple Valley	Hesperia	Rialto
Chino	Ontario	San Bernardino
Chino Hills	Rancho Cucamonga	Upland
Fontana	Redlands	Victorville

Please do not submit a proposal for County CDBG funding for a project only benefiting residents of any of the twelve (12) metropolitan cities. Such proposals should be directed to that metropolitan city's CDBG program. If the project benefits residents of the County CDBG Program and residents of metropolitan cities, matching funds in proportion to the percentage of non-cooperating residents to be served must be provided by other funding sources.

CDBG PROJECT ELIGIBILITY

Federal regulations define the parameters for using CDBG funds according to the national objectives. They also specify eligible program activities. Copies of these regulations are available on HUD's website at: <http://www.hud.gov/offices/cpd/lawsregs/> or from CDH upon request.

- **Eligible activities** include acquisition of real property for an eligible use, construction and rehabilitation of public facilities, demolition and clearance of deteriorated buildings, community services for low-and moderate-income persons or households, removal of barriers that restrict the mobility of elderly and severely disabled adults, and special economic development activities.
- **Ineligible activities** include construction of religious facilities or government buildings, new housing construction, equipment purchases, maintenance and operation expenses, political or religious proselytizing, and fund raising.

THE PROPOSAL REVIEW PROCESS

The County's 2011-12 CDBG program year will begin on July 1, 2011 and will end June 30, 2012.

- Construction project proposals will not be accepted as complete without a properly executed Maintenance and Operation Commitment (page 4) and an Estimated Annual Maintenance and Operation Budget (page 5). These elements of the proposal provide assurances of long-term benefits of CDBG-funded improvements. All organizations that receive CDBG block grant funding for facility improvements are required to enter into a Maintenance and Operation (M & O) contract that must be executed between the County and the designated M & O Entity as specified on the construction proposal (page 4). The term for M&O contract will either be 5 years for projects funded under \$25,000 or 10 years for projects that receive funding that exceeds \$25,000. **Federal regulations do not permit the use of CDBG funds for facility maintenance and operation costs.**
- Public service proposals require signed acknowledgment that insurance coverage, including but not limited to Workers Compensation, General Liability, Automobile Liability, and Errors and Omissions or Professional Liability, will be required before CDBG funds can be made available to approved projects. See attached Indemnification and Insurance Requirements.
- County staff will review all proposals for eligibility based on their consistency with the national CDBG objectives and the strategies and goals of the adopted Consolidated Plan. Eligible proposals will be forwarded to the appropriate cities for funding priority ranking/recommendations.
- County CDBG cooperating cities will receive copies from CDH of all proposals identifying their city as a benefit area and requesting CDBG funding for that area. Each city will hold a public hearing to prioritize proposals and recommend funding levels to the Board of Supervisors.
- The County of San Bernardino Board of Supervisors will hold a public hearing to consider all funding recommendations and approve CDBG projects. The hearing is anticipated for late April, 2011. Contact CDH for the schedule date. **(A detailed application time line will be provided at the Application Training.)**

The Board of Supervisors has the final decision authority in funding County CDBG program proposals. The deadline for submitting project proposals is **January 21, 2011**. (Application forms must be received by CDH no later than 4:00 p.m. PST at the office listed below, or must be postmarked by this date.)

For more information, please contact: County of San Bernardino,
Department of Community Development and Housing
290 North D Street, Sixth Floor,
San Bernardino, CA 92415-0040
Phone: (909) 388-0800 Fax: (909) 388-0929

INDEMNIFICATION AND INSURANCE REQUIREMENTS

Indemnification - The Contractor agrees to indemnify, defend and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from and cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim therefore, except where such indemnification is prohibited by law.

Insurance - Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract the following types of insurance with limits as shown:

Workers' Compensation - A program of Workers' Compensation insurance or a state approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits, covering all persons providing services on behalf of the Contractor and all risks to such persons under this Agreement. If Contractor has no employees, it may certify or warrant to County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Risk Manager. With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance. If the County's Risk Manager determines that there is no reasonably priced coverage for volunteers, evidence of participation in a volunteer insurance program may be substituted.

Comprehensive General and Automobile Liability Insurance - This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

Additional Named Insured - All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain additional endorsements naming the County and its officers, employees, agents and volunteers as additional named insureds with respect to liabilities arising out of the performance of services hereunder.

Waiver of Subrogation Rights - Contractor shall require the carriers of the above required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors.

Policies Primary and Non-Contributory - All policies required above are to be primary and noncontributory with any insurance or self-insurance programs carried or administered by the County.

Proof of Coverage - Contractor shall immediately furnish certificates of insurance to the County Department administering the contract evidencing the insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within sixty (60) days of the commencement of an Agreement, the Contractor shall furnish certified copies of the policies and all endorsements.

Insurance Review - The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk. Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to the Agreement. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Professional Liability - Professional liability insurance with limits of a least \$1 million per claim or occurrence.