



**COMMUNITY, HOUSING, AND
HUMAN SERVICES
DEPARTMENT**
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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Request for Proposals

2025 Program Year

The City of Spokane assures that grants will be conducted and administered in compliance with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3620), the Age Discrimination Act of 1975, Executive Orders 11063, 11625, 12138, 12432 and 12892, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Americans with Disabilities Act (title II) and implementing regulations.



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TIMELINE

Subject to change without notice.

Activity/Process	Date
RFP Advance Notice sent out via e-mail	November 6, 2024
Publish Public Notice of Funding Availability	November 15, 2024
Applications Available	November 15, 2024
Individual Technical Assistance meetings available*	Nov 18, 2024—Jan 10, 2025
Technical Assistance Virtual Workshops*	December 3—5, 2024
Applications Due 5:00 pm	January 15, 2025
Acknowledgement Letter sent to all applicants	January 17, 2025
Staff reviews	January 16—30, 2025
CHHS Committee application review	January 31—February 28, 2025
CHHS Committee funding recommendations	February 28, 2025
CHHS Board approval of funding recommendations	April 2, 2025
CHHS Board recommendations presented to Council Committee	April 14, 2025
City Council approval of funding recommendations	April 28, 2025
Applicants notified of funding decisions; contract process begins	May 2, 2025
Mandatory Subrecipient Workshops	Dates TBD – June 2025
Contract Start Date	July 1, 2025

***Applicants must attend either a technical assistance workshop or an individual technical assistance meeting before submitting a CDBG application. Applications will be rejected if the applicant does not participate in a technical assistance session.**

FUNDING SOURCES

Source	Amount
U.S. Department of Housing and Urban Development, Community Development Block Grant (CDBG)	\$3,046,000*
CDBG Single Family Rehabilitation Revolving Loan Fund	\$1,200,000**

*Estimated 2025 allocation. This can and will change.

** Estimated program income that can only be used to fund single family rehabilitation activities.

FUNDING ALLOCATIONS

Category	Maximum Amount
Public Services & Employment Training	\$456,900*
Capital Projects, Public Facilities, Home Repair, Home Ownership	\$1,580,400*
Home Rehabilitation	\$1,200,000**
Neighborhood Community Development Program	\$400,000***

*Estimated 2025 allocation. This can and will change.

**Fully funded from Single Family Rehabilitation revolving loan fund.

*** Neighborhood Community Development Program activities will NOT be selected through this RFP.

GENERAL INFORMATION

The City of Spokane, through the Community, Housing, and Human Services (CHHS) Department is seeking proposals for Program Year 2025, which runs from July 1, 2025—June 30, 2026. Successful proposals must address the 2025 CDBG funding priorities found on page 9 of this document and must meet the guidelines articulated in this Request for Proposals (RFP).

Those interested in submitting a proposal for consideration must meet with City Staff for technical assistance before January 10, 2025; and complete the application and all required documents by 5:00 pm on Wednesday, January 15, 2025, through the Neighborly application portal.

Timeliness

Jurisdictions receiving CDBG grants must carry out their programs in a timely manner, as measured by the rate of expenditure of funds. A jurisdiction receiving CDBG, in accordance with the CDBG regulations at 24 CFR 570.902, must have a balance no greater than one and one-half (1.5) times its annual grant remaining, 60 days prior to the end of the program year. HUD has a longstanding policy of reducing the next year's grant allocation of a grantee that continues to be untimely.

Jurisdictions that fail to meet the timeliness requirement two or more years in a row, are required to work with HUD on plans to become compliant with the requirement. The City of Spokane is currently working with HUD to meet the timeliness requirement. The City and HUD agreed that the City will:

- Require mandatory technical assistance for CDBG applicants
- Clearly articulate the spend down requirements in new RFPs for all potential applicants
- Conduct quarterly reviews of all CDBG subrecipients for performance, including spend down as a performance metric
- De-obligate non-performing projects, and re-program funds into performing projects
- Limit contract extensions

Contract Terms

Public Service, Economic Development, Microenterprise, Homeownership, and Home Rehabilitation contracts will have a contract term beginning July 1, 2025, and ending June 30, 2027. Project performance and progress will be reviewed quarterly. Unused funds at the end of year one will be de-obligated. Unused funds in year one may also result in a decrease in year two's allocation, or a cancellation of the contract for non-performance.

Public Facilities/Public Improvements and Multi-Family Rehabilitation contracts will have a contract term beginning July 1, 2025, and ending June 30, 2026. City of Spokane CDBG funds should be considered "last in" gap funding for projects. The project scope and budget should reflect what the organization can complete during the contract term. Project performance and progress will be reviewed quarterly, and a lack of progress may result in contract cancellation.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to cities and urban counties to develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C. 5301 et seq. The regulations implementing the CDBG Program are found at 24 CFR Part 570.

HUD awards grants to participating jurisdictions to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Participating jurisdictions develop their own programs and funding priorities, but all activities must meet one of HUD's national objectives:

1. Benefit to low- and moderate-income (LMI) persons;
2. Aid in the prevention or elimination of slums and blight; and
3. Meet a need having a particular urgency (referred to as urgent need)

NATIONAL OBJECTIVES

All projects are required to meet at least one of the following three national objectives:

1. **Primary benefit low- and moderate-income persons or households.** Low- and moderate-income (LMI) refers to those earning less than 80% area median income.
 - a. **Area Benefit** – Most commonly used category for community-wide activities. To qualify, an activity must benefit all residents within a defined geographic area(service area) where residents are predominantly (51% or more) low-and moderate-income based on the latest available [HUD Low- and Moderate-Income Map](#) . (Select the new interactive map application)
 - b. **Limited Clientele** – A limited clientele activity benefits a specific sector of the community rather than all the residents in a particular area, of which at least 51% must be LMI persons. To qualify for this category the activity must meet one of the following criteria:
 - i. Collect information from participants about family size and income through intake forms to demonstrate that at least 51% of clientele do not exceed the LMI limits.
 - ii. Exclusively benefit clientele HUD has presumed are principally LMI, including abused and neglected children, seniors, severely disabled adults, persons experiencing homelessness, domestic violence survivors, illiterate adults, migrant farm workers, or persons living with HIV/AIDS.
 - c. **Housing** - This is an eligible activity undertaken for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low- and moderate-income households. (Specific requirements dependent upon activity type.)
 - d. **Jobs** - These are eligible activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a fulltime equivalent basis) will be made available to, or held by, low- and moderate-income persons

2. **Aid in the elimination of slum or blight conditions** – HUD has strict guidelines on how CDBG funds can address the condition of physical decay or deterioration in the communities through targeted interventions. Only acquisition, clearance, relocation, historic preservation, and building rehabilitation activities qualify for this national objective.

3. **Meet an urgent community need** – Generally, this objective is only used in the case of recent serious natural disasters (e.g., earthquakes, hurricanes, etc.).

INCOME LIMITS FOR THE CITY OF SPOKANE

2024 HUD MEDIAN FAMILY INCOME LIMITS FOR CITY OF SPOKANE								
Effective June 1st, 2024								
Household Size	1	2	3	4	5	6	7	8
Extremely Low (30%) Income Limits	\$20,550	\$23,500	\$26,450	\$29,350	\$31,700	\$34,050	\$36,400	\$38,750
Very Low (50%) Income Limits	\$34,250	\$39,150	\$44,050	\$48,950	\$52,900	\$56,800	\$60,700	\$64,600
Low (80 %) Income Limits	\$54,800	\$62,650	\$70,500	\$78,300	\$84,550	\$90,850	\$97,100	\$103,400

2025-2029 CONSOLIDATED PLAN GOALS

Through extensive public engagement, the City of Spokane identified the following four goals, and associated priorities for CDBG, HOME, and ESG funded activities. These goals and priorities will guide the City of Spokane in spending the yearly formula grants awarded by HUD. The City of Spokane will identify which CDBG priorities will be funded in each funding round. Not all priorities will be funded every year.

Goal	Priorities
Increase access to essential services for low- and moderate-income households and neighborhoods in the City of Spokane.	Public services <ul style="list-style-type: none"> • Mental health services • Childcare services • Addiction treatment services • Supportive services for vulnerable populations (low-to-moderate income residents, persons living with disabilities, LGBTQIA+, etc.) Help for nonprofits
Improve public/community infrastructure for low- and moderate-income households and neighborhoods.	Help for nonprofits Neighborhood improvements More and/or improved childcare facilities
Increase and preserve the stock of affordable housing options for low- and moderate-income households.	Affordable rental housing Affordable homeownership opportunities Housing repair and rehabilitation
Create and expand economic development opportunities for low- and moderate-income individuals.	Workforce development <ul style="list-style-type: none"> • Job training programs • Employment opportunities Microenterprise programs

2025 CDBG FUNDING PRIORITIES

Public Services/Economic Development Applications that address the community priorities of mental health services, childcare services, and job training programs will be prioritized for funding.

Capital Applications that address facility improvements for non-profits, more or improved childcare facilities, multi-family rental housing rehabilitation will be prioritized for funding.

Home Rehabilitation Applications that address repair and rehabilitation of single-family homes will be prioritized for funding.

Homeownership Applications that address home ownership opportunities for households earning 80% AMI or less will be prioritized for funding.

ELIGIBLE ACTIVITIES

To be considered an eligible activity, the following conditions must be met:

1. The proposed activity meets a HUD National Objective

2. The proposed activity falls under an identified goal in the 2025-2029 Consolidated Plan
3. The proposed activity must be eligible based on the selected CDBG criteria below

Categories of Eligible Activities

Category	Definition	Application Type
Public Facilities and Improvements	Acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or facilities. Facilities must be publicly owned or traditionally provided by the government, or owned by a nonprofit, and operated to be open to the general public.	Capital
Public Services	Provision of public services designed to benefit low- and moderate-income individuals and communities by addressing various social needs and improving quality of life. <i>Funds obligated for Public Services activities must not exceed 15% of the annual grant allocation plus 15% of Program Income received during the prior year.</i>	Public Services/Economic Development
Economic Development	Assistance to increase workforce development, job skills and training, and the advancement of businesses owned by or serving low- to moderate-income populations.	Public Services/Economic Development
Microenterprise Assistance	Facilitating economic development through the establishment, stabilization, and expansion of microenterprises. A <i>microenterprise</i> is a business having five or fewer employees, one of whom owns the business.	Public Services/Economic Development
Rehabilitation	Single-unit rehabilitation or repair of an owner-occupied residential property.	Home Rehabilitation
	Multi-unit structures. Two or more units which LMI occupies at least 51 percent of the units.	Capital
Homeownership Assistance	Providing financial assistance to low- and moderate-income households to assist them in the purchase of a home.	Homeownership

Detailed eligible activity guidance is provided in the following Appendices:

- APPENDIX – ELIGIBLE ACTIVITIES FOR HOME REHABILITATION
- APPENDIX – ELIGIBLE ACTIVITIES FOR HOMEOWNERSHIP
- APPENDIX – PUBLIC FACILITIES AND IMPROVEMENTS
- APPENDIX – INCOME LIMITS

INELIGIBLE ACTIVITIES

The general rule is that any activity not specifically authorized under the CDBG regulations and statute is ineligible to be assisted with CDBG funds. In addition, the regulations stipulate the following activities may **not** be assisted with CDBG funds:

- Buildings for the general conduct of government. However, the removal of architectural barriers from government buildings is eligible under the category of public facilities and improvements.
- General government expenses
- Financing for religious activities
- Financing for political activities or to engage in other partisan political activities are ineligible. However, a facility assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, if the building is available to all community organizations on an equal basis.
- Purchase of equipment, with the following exceptions:
 - Compensation for the use of construction equipment through leasing, depreciation, or use allowances is eligible
 - Fire protection considered an integral part of public facilities is eligible. This includes fire engines, specialized tools, life-saving equipment, and protective clothing worn by firefighters.
- Purchase of personal property, including equipment, fixtures, motor vehicles, furnishings, or other personal property
- Operating and maintenance expenses (of public facilities, improvements, and services), with the following exception:
 - Operating and maintenance expenses associate with public service activities, interim assistance, and office space for program staff employed in carrying out CDBG activities
- New housing construction, except under certain conditions or when carried out by a Community-based Development Organization (CBDO)
- Income payments made to an individual or family for items such as food, clothing, housing, or utilities

ELIGIBLE APPLICANTS

To receive CDBG funding, the applying organization must be considered an eligible applicant and the following conditions must be met:

1. The applicant must be qualified to be a *subrecipient*, as defined by 24 CFR 570.500(c): a public or private nonprofit agency, authority, or organization, or a for-profit agency* listed under 24 CFR 570.201(o) receiving CDBG funds from the grantee or another subrecipient designated by a grantee to receive CDBG funds to carry out CDBG-eligible activities
**The only eligible activity for which a for-profit agency may apply for is Economic Development*
2. The applicant must have current registration within the System for Award Management (SAM) – *this information will be collected within the application*
3. The applicant must have a Unique Entity ID (UEI; formerly the DUNS number) assigned through SAM – *this information will be collected within the application*
4. The activity (or activities) proposed by the applicant must meet one of the CDBG National Objectives and meet all eligible activity criteria
5. The activity (or activities) must respond to the needs of the City of Spokane, as outlined in the 2025-29 Consolidated Plan

6. The applicant must not have an inherent conflict of interest and must have no part in the net earnings of the organization or agency
7. The applying organization must have a functioning accounting system and protocols that are operated in accordance with generally accepted accounting principles, or have designated an entity that will maintain such an accounting system
8. The applying organization must provide a current budget showing the applicant's capacity to execute the proposed activity and the ability to secure additional funding necessary to operate the proposed activity

ELIGIBLE COSTS

According to basic regulations in the Omnibus Circular, a cost is allowable under the CDBG program if the expenditure is:

Necessary, reasonable, and directly related to the grant.

The standard applies equally to:

- Salaried and administrative services contracts
- Real property and equipment purchase or leases
- Publication costs for electronic and print media, including distribution, and promotion
- Travel and other administrative expenditures

Authorized by the grantee.

The City of Spokane authorizes expenditures by approving the budget for the activity.

Not prohibited under federal, state, or local laws or regulations.

See "Ineligible Activities".

Consistently treated.

The subrecipient must apply generally accepted accounting principles (GAAP) in computing the cost and use the same procedures in calculating costs for its non-Federally assisted activities.

Allocable to the CDBG program.

A cost is allocable to a specific cost objective (e.g., grant, program, or activity) in part to the relative benefits received by that objective ([2 CFR 200.405\(a-e\)](#)):

- If an office is used by two programs during the same hours, the costs of the office should be allocated between the two programs equally.
- The same expense cannot be claimed against more than one grant (i.e., double billing is prohibited).
- A cost originally allocable to a specific Federal grant program cannot be shifted to another Federal grant program to overcome funding shortages, avoid restrictions imposed by the grant or law, or any other reasons.
- In accordance with the guidance found in [2 CFR Part 200, Subpart E](#), the structure of direct and indirect costs must be clear. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently either as a direct or indirect cost.

- *Direct costs* are directly related to a specific cost activity, as noted in [2 CFR 200.413\(a-f\)](#).
- *Indirect costs* are for common objectives that benefit more than one activity (e.g., salaries and executive officers, accounting and auditing, other costs of general administration) as noted in [2 CFR 200.414\(a-g\)](#).
- For major nonprofit organizations, indirect costs must be classified within two broad categories: Facilities and Administration as noted in [2 CFR 200.414\(a\)](#). For such organizations, indirect costs must be supported by an indirect cost proposal/allocation plan approved by the Cognizant Agency, on behalf of all Federal agencies (see [2 CFR 200.1](#)).

Net of all applicable credits.

Any credits such as purchase discounts or price adjustments must be deducted from the total costs charged. Subrecipients are not allowed to make a profit from any costs charged to CDBG funds ([2 CFR 200.406\(a-c\)](#)).

RULES AND REGULATIONS

The following rules and regulations govern the CDBG program and apply to all CDBG-funded activities:

[24 CFR 570](#)—Community Development Block Grants details the regulations of the CDBG program. Subparts J and K include the basic program regulations governing the management and financial systems for the CDBG program. These sections apply to both the grantee (City of Spokane) and subrecipients of CDBG funding.

[Subpart J \(24 CFR 570.500-570.513\)](#)—Grant Administration addresses general responsibilities for grant administration, include the applicability of uniform administrative requirements such as provisions of subrecipient agreements, program income, use of real property, record keeping and reporting, and closeout procedures.

[Subpart K \(24 CFR 570.600-570.613\)](#)—Other Program Requirements deals with other federal requirements that may apply to CDBG-funded activities. All CDBG-funded activities must comply with regulations addressing civil rights, uniform administrative requirements, cost principles, and conflicts of interest. Additional requirements, depending on the activity, may apply: labor standards; environmental standards; flood insurance; relocation; displacement; acquisition; employment and contracting opportunities; lead-based paint; and/or use of debarred, suspended, or ineligible contractors.

[2 CFR 200](#)—Omnibus Circular governs cost principles, administrative systems, fiscal procedures, and audit requirements.

It is essential for all applicants to understand the rules and regulations surrounding CDBG-funded activities. Applicants are encouraged to review *Playing by the Rules: A Handbook for Subrecipients on Administrative Systems*, found under “Subrecipient Resources” on the CHHS website: <https://my.spokanecity.org/chhs/documents/>. Applicants may also request Technical Assistance regarding CDBG rules, regulations, and eligible costs.

SPECIAL CONDITIONS

City of Spokane Business License

Section 8.01.070 of the Spokane Municipal Code states that no person may engage in business with the City without first having obtained a valid annual business registration. The SUBRECIPIENT shall be responsible for contacting the State of Washington Business License Services at www.dor.wa.gov or 360-705-6741 to obtain a business registration. If the SUBRECIPIENT does not believe it is required to obtain a business registration, it may contact the City's Taxes and Licenses Division at (509) 625-6070 to request an exemption status determination.

Insurance Requirements

During the term of the agreement, the SUBRECIPIENT shall maintain in force at its own expense, the following insurance coverages:

- A. Worker's Compensation Insurance in compliance with RCW 51.12.020, which requires subject employers to provide workers' compensation coverage for all their subject workers; and
- B. General Liability Insurance on an occurrence basis, with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. It shall include contractual liability coverage for the indemnity provided under this contract. It shall provide that the City, its officers and employees are additional insureds, but only with respect to the GRANTEE's services to be provided under this contract;
 - 1) Acceptable supplementary Umbrella insurance coverage, combined with the GRANTEE's General Liability insurance policy must be a *minimum* of \$1,000,000, in order to meet the insurance coverages required under this Contract.
- C. Automobile Liability Insurance with a combined single limit, or the equivalent of not less than \$1,000,000 each accident for bodily injury and property damage, including coverage for owned, hired and non-owned vehicles.

There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without sixty (60) days written notice from the SUBRECIPIENT or its insurer(s) to the City. As evidence of the insurance coverage(s) required by this Agreement, the SUBRECIPIENT shall furnish acceptable Certificates of Insurance (COI) to the City at the time it returns this signed Agreement. The certificate shall specify the City of Spokane as "Additional Insured" specifically for SUBRECIPIENT's services under this Agreement, as well as all of the parties who are additional insureds, and include applicable policy endorsements, the sixty (60) day cancellation clause, and the deduction or retention level. The SUBRECIPIENT shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

FEDERAL REQUIREMENTS

CDBG applicant must adhere to all federal guidelines and administrative requirements outlined in [2 CFR part 200](#) and [24 CFR Part 570 -- Community Development Block Grants](#). 2 CFR part 200 is the primary source for guidance on administration and financial management. Whereas 24 CFR part 570 outlines all CDBG program specific regulations. These regulations and requirements are also applicable to all subawards or sub-contractors. Below are a list of regulations and requirements which applicants must comply with (not limited to):

Equal Opportunity and Fair Housing Accessibility Laws

Require that CDBG subrecipient administer their project in a manner that affirmatively furthers equal opportunity and fair housing. All CDBG grantees will be required to undertake specific activities to further fair housing. CDBG grantees must assure all activities and services are accessible to persons with disabilities.

The Fair Housing Act requires HUD and its recipients of federal financial assistance to do more than simply not discriminate; they must take meaningful actions to overcome patterns of segregation and foster inclusive communities.

Lead-Based Paint

For all projects involving rehabilitation, acquisition, disposition, homebuyer assistance, leasing, support services, operations, or tenant-based rental assistance in federally owned residential property or other housing receiving federal assistance, the SUBRECIPIENT agrees to follow all requirements of the federal regulation at 24 CFR 570.608, and 24 CFR Part 35, Subpart B.

Audit

Agencies receiving CDBG funds are required to submit an independent audit or an A133 single audit.

- **Agencies expending less than \$1,000,000 of federal funds** annually must submit an independent audit of their organization's financial statements.
- **Any agency expending more than \$1,000,000 or more of federal funds** must meet all federal single audit requirements as outline in 2 CFR Part 200. A single audit includes a financial audit and an audit of compliance with federal regulations.

The Uniform Relocation Assistance and Real Property Acquisition Polices Act of 1987

Applies to federally assisted activities that involve acquisition of real property or the displacement of persons, including displacement caused by rehabilitation and demolition activities. Any person or business displaced as a direct result of federal assistance must be provided with the Uniform Relocation benefits.

Section 3 Clause

When the total amount of federal assistance for a project exceeds the threshold of \$200,000, Section 3 applies. Section 3 is applicable to projects involving housing rehabilitation, housing construction, and other public construction projects assisted with HUD funds.

The Section 3 program requires recipients of HUD funding to direct employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons within their community. Section 3 is a provision of the HUD Act of 1968 and is found at 12 U.S.C. 1701u. The regulations are found at 24 CFR Part 75.

Environmental Review requirements

All projects awarded CDBG funds are subject to an environmental review conducted by the City of Spokane CHHS department after a project is recommended for funding. A project may not begin until final environmental review is complete and a Notice to Proceed is issued.

Build America, Buy America (BABA)

The SUBRECIPIENT must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Subrecipient's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

Davis-Bacon and related acts

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation, or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

Procurement

Subrecipient shall maintain and follow procurement policies and procedures in accordance with 2 CFR 200 subpart D, for all purchases funded by federal funds.

Change of Use Restrictions

All public facilities improved by CDBG funds must be used for their approved purpose and meet the approved national objective until five years after the project has been completed and closed in HUD's Integrated Disbursement and Information System (IDIS).

Conflict of interest

In allocating funds for CDBG, the City of Spokane relies on the substantial expertise available from private and public sector individuals who have agreed to volunteer their time. The City recognizes that these individuals, and the entities with which they are associated, may have an interest in applying for the funding made available through this program. While the City recognizes the need to protect against the exercise of undue influence in obtaining benefits made available through this program, the program should be available to those who have the experience, expertise, and willingness to undertake the development of critically needed services for low-income, Spokane residents. At the same time, it is necessary to ensure that the City retains its ability to call upon residents to assist in the ongoing development of the program, without requiring them to forego possible benefits from the program.

The conflict in a conflict of interest exists when there is a perception of conflict regardless of whether a particular individual is influenced by a secondary interest. If the circumstances are reasonably believed (based on experience and objective evidence) to create a risk that decisions made may be unduly influenced by other interests, then a conflict does exist. Any conflict of interest must be disclosed, and the appropriate procedures must be followed. A conflict of interest may be classified as one of the following:

Primary and Material Conflicts of Interests - A project will not be eligible if any of its sponsors, owners, or members of their households or immediate families are directly involved in the evaluation and funding determinations under the program. These include, but are not limited to: 1) members of the Spokane City Council or staff, the CHHS Affordable Housing Committee, CHHS Human Services Committee, the CHHS Board; 2) staff members of the City of Spokane Community, Housing, and Human Services; 3) members, staff members, or family members of any developer consultant or developer membership group; 4) members of any other state or local government unit that has regulatory involvement in the development, site, or approval of the project; and 5) board members and employees of any organization under contract or retained by the City to manage, advise, or assist in the program for compensation.

Remote Conflicts of Interest - A project owner or sponsor must adhere to the following procedures when they or a member of their household or immediate family are directly involved in the management of or serves in a decision or policy making capacity with the program. In addition, these procedures must be adhered to if the sponsor is a membership group, corporation or partnership and there is a director, officer, partner, or shareholder who is directly involved in the management of or serves in a decision or policy making capacity with the program. Under such circumstances, the project sponsor or owner must:

1. disclose in writing the existence and extent of a conflict of interest and the individual, or group's interest in the project to the program staff and/or Director of the City of Spokane Community, Housing, and Human Services Department;
2. the individual, or group with a conflict of interest must remove himself/herself from all involvement in the process of evaluating and determining whether the project is eligible for, and/or approved for, funding;

3. the individual, or group with a conflict of interest must refrain from influencing any other person involved in evaluating and/or determining whether the project is eligible for, and/or approved for, funding; and/or
4. an individual, or group with a conflict of interest regarding project proposals under consideration will not vote on or rank projects during the funding round in which his/her project is being considered.

The application includes a conflict-of-interest form to be used in disclosing conflicts of interest. All owners/developers/sponsors/providers must review and complete the form. The CHHS Director will consult with City Legal regarding all potential conflicts of interest and will make decisions concerning conflict of interest issues on an individual basis.

Additional information on CDBG project eligibility, program monitoring, reporting and requirements, may be found in HUD's [Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems - HUD Exchange](#)

RECORDKEEPING

CDBG subrecipients must establish and maintain documentation for all administrative functions and financial transactions related to funded proposals. These items include but are not limited to program guidelines, beneficiary data, original invoices, contracts, receipts, and bank statements.

CDBG subrecipients are expected to expend grant amounts within 12 months of contract execution. CDBG subrecipients must ensure that all CDBG funds are used for eligible, approved, and allowable activities. Allowable means expenditures are reasonable, allowable, and properly allocated, and must be consistent with the 2 CFR 200 regulations.

DOCUMENTS REQUIRED FOR APPLICATION SUBMISSION

- Applicant Assurances (Download template in Neighborly)
- Risk Assessment (Download template in Neighborly)
- Articles of Incorporation/Bylaws
- Conflict of Interest
- Non-profit 501(c)3 - If applicable.
- Copy of signed board resolution or signed board minutes authorizing submittal of a Community Development Block Grant application
- Federal Tax form 990
- Financial Statements and Audit
- List of Board of Directors
- Local Business License
- Map of Project Area:
<https://experience.arcgis.com/experience/279eca0222754f8a954bbf8cf995a1a3>
- Project Budget (Download template in Neighborly)
- Resumes of project team members

APPLICATION AND SELECTION PROCESS

Before you begin preparing the application, please review this document thoroughly to understand the CDBG program specific requirements, the City of Spokane's CDBG funding priorities as identified in the 2025-2029 Consolidated Plan, as well as the CDBG application process.

Applicants must attend either a technical assistance workshop or an individual technical assistance meeting before submitting a CDBG application. Applications will be rejected if the applicant does not participate in a technical assistance session.

Applicants must have experience offering programs supported with federal grants, or partner with organizations who can provide grant-assisted program management expertise. The applicant is responsible for securing all funding necessary to finance a project. Formal commitment of CDBG funds will not be made until all funding sources are secured.

Please carefully review the conflict of interest section of the RFP. All conflicts will be reviewed by the CHHS Director and the City's Legal Department, and must be addressed in a satisfactory manner.

Application and Project Selection Process:

The following outlines the typical process of an application for CDBG funds.

- Applicant contacts appropriate staff for CDBG technical assistance if unable to attend a technical assistance workshop.
- Applicant submits application and all associated documents via the Neighborly Portal.
- Staff conducts a threshold review of the applications, obtains additional information and clarification, and summarizes information for the appropriate review committee. The threshold review will be completed within two weeks from the application deadline. The purpose of this screening is to determine the completeness of each application, and project eligibility for CDBG funding criteria.
- The committee review and rating period will occur approximately two weeks following the threshold review, depending on the number of applications. CDBG Public Service, Economic Development, and Microenterprise applications will be reviewed by the Human Services Committee of the CHHS Board. All other CDBG applications will be reviewed by the Affordable Housing Committee of the CHHS Board. The appropriate committee will score the proposals, select proposals for funding, and identify funding amounts for selected proposals. Each review committee will submit funding recommendations to the CHHS Board for review.
- The CHHS Board reviews the funding recommendations. If in agreement, the CHHS Board sends the recommendations to the City Council for final approval.
- Funding recommendations generated by this RFP are not considered final until the Spokane City Council approves the funding recommendation.
- Applicants will be notified as to the status of their application via an "Application Status" email sent to the email addresses provided for the contacts listed in the application. For applicants not selected for funding, the email will identify the reason(s) that a project was not selected for funding.

- CDBG agreements are executed between the borrower and the City. Funding commitments will be effective for up to six months. If an applicant and the City are unable to come to agreement regarding the terms of the contract within that time frame, CDBG funds will be made available to alternate projects.

Application Submission:

Applications are available at <https://portal.neighborlysoftware.com/SPOKANEWA/Participant>

Complete applications must be received by the CHHS Department by 5:00 p.m., January 15, 2025.

Evaluation Criteria:

Projects will be evaluated based in part on conceptual soundness, organizational capacity, financial feasibility, project readiness, and past performance if applicable. A brief description concerning each factor is listed below.

- **Conceptual Soundness** - The project design and scope of work are consistent and feasible and responds to an identified community need. The project addresses the 2025 CDBG funding priorities. The site, structure, location, and program design are appropriate for the proposed activity. The applicant works to promote Fair Housing or partners with organizations that work to promote Fair Housing. Elements of the project concept meet all threshold and eligibility requirements of the CDBG program, including target population and affordability. The scope and budget of Multi-Family Rehab, Public Facility/Public Improvement projects are such that applicants can meet project outcomes June 30, 2026.
- **Financial Feasibility** - Budget forms are consistent, accurate, and thorough. Estimates and costs are reasonable and well supported or justified. A rigorous attempt to leverage other funds is documented. Documentation of conditional and committed funds is included. Budget forms indicate sufficient cash flow and reserves to maintain and operate the project in a prudent and responsible manner for the length of commitment/contract term.
- **Organizational Capacity** - The skills and experience of the applicant are appropriate to the size and complexity of the project. The applicant is fiscally sound and has reliable systems and personnel to manage and account for public funds. The applicant has realistically assessed obstacles and challenges, including shortfalls in organizational expertise, and has a reasonable mitigation plan to address them. The project's management plan assures reasonable operation and maintenance of the project or program for the length of commitment. Partnerships between the applicant and organizations that work to reduce disparities in housing and who serve marginalized and impacted communities are established. Performance on past City-funded projects met expectations.
- **Readiness** - The project schedule and secured funding commitments indicate that all proposed activities will be completed by the end of the contract term – 12 months for capital projects, 24 months for service projects. Public Service projects can be fully operational, all staff hired within 90 days of the contract start date.

RFP Appeal Process

CHHS has established a Request for Proposal (“RFP”) Appeal Process.

Applicants will be notified as to the status of their application via an “Application Status” email sent to the email addresses provided for the contacts listed in the application.

Applicants must request a debrief conference with a member of the selection committee prior to submitting an appeal for consideration. The request for a debrief must be received within three (3) business days after the “Application Status” email is sent to the Applicant.

Send requests for a debrief session to any of the following:

Email: chhsrfp@spokanecity.org

Or Mail:

ATTN: CHHS Operations Manager
Spokane City Hall, 6th Floor
808 W. Spokane Falls Blvd
Spokane, WA, 99201

Or Phone: 509-625-6009

Discussion at the debriefing conference is strictly limited to the following:

- Evaluation and scoring of that Applicant’s Application.
- Any written comments from evaluators related to that Applicant.
- Review of Applicant’s final score. This information is publicly posted.

The selection committee members will not discuss any items other than the three bullet points above. Debriefing conferences may be conducted on the telephone or by other electronic means and will be scheduled for a maximum of thirty (30) minutes. Inappropriate or hostile behavior will result in the termination of the debriefing session.

Appeals may be filed only by Applicants who submitted a response to this RFP and who have participated in a debriefing conference.

Upon completing the debriefing conference, the Applicant is allowed five (5) business days to submit a written appeal to the CHHS Operations Manager. Written appeals must be received no later than 5:00 pm Pacific time on the fifth business day following the debriefing. The written appeal should be addressed to the CHHS Operations Manager, signed by the applicant, and submitted in one of the following ways:

Email: chhsrfp@spokanecity.org

Subject line should clearly state “APPEAL of RFP Funding Decision”

Or Mail:

ATTN: CHHS Operations Manager
Spokane City Hall, 6th Floor

808 W. Spokane Falls Blvd
Spokane, WA, 99201

The appeal must identify the RFP, the grounds for the appeal from the list below with specific facts, and complete statements of the action(s) being appealed. A description of the relief or corrective action being requested should also be included.

Only appeals stipulating an issue of fact concerning the following subjects will be considered:

- A matter of bias, discrimination, or conflict of interest on the part of an evaluator;
- Errors in computing the score;
- Non-compliance with procedures described in this RFP, CHHS, or federal policy.

Appeals will be dismissed as without merit if they address issues such as an evaluator's professional judgment on the quality of an application, or the City's assessment of its own and/or other agencies' needs or requirements.

Scores received are not a valid basis of appeal and will be dismissed as without merit unless included with facts supporting bias, discrimination, or conflict of interest on the part of an evaluator.

The written appeal will be reviewed by the CHHS Director. The CHHS Director is not involved in the award process. The CHHS Director will consider the record along with all available facts and issue a final decision within ten (10) business days of receiving the appeal.

The final determination of the appeal shall:

- Find the protest lacking in merit and uphold the selection committee's action; or
- Find only technical or harmless errors in the selection committee's process and determine the selection committee to be in substantial compliance and reject the protest; or
- Find merit in the protest and provide the selection committee options which may include:
 - Correct the error(s) and re-evaluate all applications, or
 - Cancel this RFP and begin a new process, or
 - Make other findings and determine other courses of action as appropriate.

Administrative Requirements:

The CHHS Department often receives inquiries about administrative details. The following information addresses questions frequently asked by applicants:

- CDBG funds for approved projects will only be disbursed upon presentation of an acceptable request for funds through the Neighborly portal. Requests for payment will require documentation of expenses. Construction projects may require additional documentation.
- Performance reporting is due each month and submitted through the Neighborly portal. Requests for payments may be held until CHHS receives the performance report.
- Requests for payment are typically paid within 30 days of receipt. To receive payment, the subrecipient must submit all required documentation of expenses as outlined in the contract.

- When applicable, tenant income will have to be verified, and National Standards for the Physical Inspection of Real Estate (NSPIRE) inspections will be conducted (rental property).
- The Affordability Period requirement for some projects is recorded as a covenant running with the land and is not removed when the property is sold, the debt repaid, etc.

NEIGHBORLY APPLICATION PORTAL

The City of Spokane uses Neighborly for all aspects of subrecipient management, including application submittal and grant management (e.g., draw requests and accomplishment reporting). **All applications for the Program Year 2025 CDBG RFP must be submitted via Neighborly by the application deadline, 5:00 pm on Wednesday, January 15, 2025.** Incomplete applications will not be accepted.

Instructions for completing the application, including required attachments, are included throughout the application. Applicants must complete and sign the application forms. Staff will review applications and applicants may be contacted for additional information and clarification, if needed.

The application portal is hosted by Neighborly Software and is accessible via any internet connected device. The recommended browser is Google Chrome, but the system will work with any modern web browser.

Neighborly Application Portal:

<https://portal.neighborlysoftware.com/SPOKANEWA/Participant>

If you have already created an account through the City of Spokane, log in using your credentials. If you are a new user, you will need to create an account by registering with your email address. Select the “Register” tab and enter your email address, then select “Send verification code”. To verify your email address, the system will send you an email with a verification code. *If you do not receive the email, wait several minutes and check your spam or junk mail folders. If the email is in either folder, mark the message as “Not Junk” or “Not Spam” to ensure you receive all future system notifications.*

Additional instructions for creating and accessing your Neighborly account can be found in the *Subrecipient User Guide*, linked under Neighborly Software Resources on the CHHS website: <https://my.spokanecity.org/chhs/documents/>.

Important note: The link to the City of Spokane Neighborly portal is unique and must be used to create an account and access the City of Spokane RFP. Those applying to multiple RFPs (e.g., City of Spokane and Spokane County) must use the unique links for each application portal. Accounts and applications are not transferable.

TECHNICAL ASSISTANCE

Applicants must attend either a technical assistance workshop or an individual technical assistance meeting before submitting a CDBG application. Applications will be rejected if the applicant does not participate in a technical assistance session.

Virtual Workshops (all workshops will be held via Microsoft Teams)

Home Rehabilitation

Tuesday, December 3, 2024

1:00-2:00 pm

Contact Tessa Jilot at tjilot@spokanecity.org for an invitation.

Homeownership

Tuesday, December 3, 2024

2:00-3:00 pm

Contact Tessa Jilot at tjilot@spokanecity.org for an invitation.

Public Facilities

Wednesday, December 4, 2024

2:00-3:00 pm

Contact Carlos Plascencia at cplascencia@spokanecity.org for an invitation.

Public Services and Economic Development

Thursday, December 5, 2024

2:00-3:00 pm

Contact Kimberly Babb at kbabb@spokanecity.org for an invitation.

Individual Technical Assistance Meetings

Individual technical assistance meetings are available by appointment through January 10, 2025. Contact the appropriate staff below to schedule an appointment:

Staff	Technical Assistance Areas	Email	Phone
Kimberly Babb, Program Professional	Public Services Economic Development Microenterprise	kbabb@spokanecity.org	(509) 625-6048
Tessa Jilot, Program Professional	Home Rehabilitation Homeownership	tjilot@spokanecity.org	(509) 625-6327
Carlos Plascencia, Program Professional	Capital Projects Public Facilities	cplascencia@spokanecity.org	(509) 625-6321

APPENDIX – ELIGIBLE ACTIVITIES FOR PUBLIC SERVICE, ECONOMIC DEVELOPMENT AND MICROENTERPRISE

Public Services

To be an eligible under CDBG guidelines public service must be either:

- a new service; or
- an expanded service if funded by municipal funds in the last 12 months

Please be advised that projects specifically focused on homeless services will not be prioritized for funding in this RFP. While we recognize the importance of these services, this cycle will prioritize other areas of need within our community. The Department of Community, Housing, and Human Services (CHHS) offers other funding sources specifically dedicated to supporting homeless services and initiatives. We encourage applicants to review the RFP guidelines carefully to ensure alignment with this year's funding priorities.

Area benefit: 51% of the residents in a service area have low to moderate incomes and services are targeted to individuals living in the qualifying area.

If using L/M Area Benefit in your application, you must:

1. Identify boundaries of the service area
2. Demonstrate that at least 51% of people living in the area have low or moderate incomes by using the CDBG L/M income area data map application:
<https://experience.arcgis.com/experience/279eca0222754f8a954bbf8cf995a1a3>
3. [Demonstrate that the area is primarily residential through a zoning map](#)

Limited Clientele: Services are targeted to low- and moderate-income persons or people who are presumed to be low or moderate income, regardless of where they live.

If using L/M Limited Clientele in your application, you must either:

1. Document the income of the persons assisted by the service/complete an income qualification process to certify low/mode income threshold
2. Show that the person receiving assistance is included in one of HUD's presumed benefit groups:
 - a. abused children
 - b. elderly persons (62+)
 - c. victims of domestic violence
 - d. homeless persons
 - e. severely disabled persons
 - f. illiterate persons
 - g. persons living with HIV/AIDS.

Operation and maintenance may be paid with CDBG funds only for the portion of the building where a public service is being carried out. Rental of a facility for a service is considered a part of delivery of service and should be treated as a public service.

Eligible activities including but not limited to:

- **Child Care Services:** Services that will benefit children (generally under age 13), including parenting skills classes.
- **Employment Training:** Assistance to increase self-sufficiency, including literacy, independent living skills, resume writing, job coaching, “how to get and keep a job” training, or training students in a particular field on skill when there is no tie to a specific position or business.
- **Fair Housing Activities:** Fair housing services (e.g. counseling on housing discrimination) as public services. The activity needs to meet a national objective.
- **Food Banks:** Costs associated with the operation of food banks, community kitchens, and food pantries, such as staff costs, supplies, utilities, maintenance, and insurance.
- **Health Services:** Services addressing the physical health needs of residents of the community.
- **Homeless/AIDS Patients Programs:** Costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance.
- **Legal Services:** Services providing legal aid to low- and moderate-income (LMI) persons.
- **Mental Health Services:** Services addressing the mental health needs of residents of the community.
- **Neighborhood Cleanups:** One-time or short-term efforts to remove trash and debris from neighborhoods. Examples of legitimate uses include neighborhood cleanup campaigns and graffiti removal.
- **Senior Services:** Services for the elderly (62 years of age).
- **Services for Abused and Neglected Children:** Daycare and other services exclusively for abused and neglected children.
- **Services for Persons with Disabilities**
- **Services for victims of domestic violence, dating violence, sexual assault or stalking**
- **Substance Abuse Services:** Substance abuse recovery programs and substance abuse prevention/education activities.
- **Tenant/Landlord Counseling:** Counseling to help prevent or settle disputes between tenants and landlords.
- **Youth Services:** For example, recreational services limited to teenagers and teen counseling programs. Counseling programs that target teens but include counseling for the family as well.
- **Microenterprise Assistance:** Financial assistance, technical assistance, or general support services to owners and developers of microenterprises. The activity must be designed to exclusively serve microenterprises.

APPENDIX – ELIGIBLE ACTIVITIES FOR HOME/HOUSING REHABILITATION

CDBG funds may be used to assist existing homeowners with the repair and rehabilitation of owner-occupied units.

In order to meet the Housing LMI national objective, structures with one unit must be occupied by a LMI household. Please apply via the ***Home Rehabilitation application***.

Two-unit structures must have at least one unit occupied by a LMI household. In structures with three or more units, LMI households must occupy at least 51 percent of the units. Please use the ***Capital application***.

The following activity types are eligible for CDBG funding under the Home Rehabilitation category:

Eligible types of property

Residential—A privately-owned residential property. This includes manufactured housing when such housing constitutes part of the community’s housing stock.

Eligible types of assistance

Costs—Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).

Financing—Grants, loans, and other forms of financial assistance may be provided under this category.

Security devices—Installation costs of smoke detectors, carbon monoxide detectors, dead bolt locks, and other devices for security purposes.

Conservation—Costs required to increase the efficient use of water (e.g., water saving faucets and shower heads) and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation, and modification or replacement of heating and cooling equipment.

Water and sewer—Costs of repairing or connecting existing residential structures to water distribution lines or local sewer collection lines.

Barrier removal—Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.

Landscaping, sidewalks, and driveways—The costs of installation or replacement of landscape materials, sidewalks, and driveways *when incidental to other rehabilitation of the property*.

Lead-based paint hazard evaluation and reduction—The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.

Rehabilitation services—Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities eligible under this category; under the Section 312 of the Housing Act of 1964, as amended; under Section 810 of the Act; or under Section 17 of the United States Housing Act of 1937.

*Rehabilitation does **not** include:*

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as:
 - a window air conditioner; or
 - a washer or dryer (but a stove or refrigerator is allowed); or
 - labor costs for homeowners to rehabilitate their own property.

APPENDIX – ELIGIBLE ACTIVITIES FOR HOMEOWNERSHIP

The following activity types are eligible for CDBG funding under the Homeownership category:

Under the provisions at §570.201(n), grantees and their subrecipients may provide financial assistance to low- and moderate-income households to assist them in the purchase of a home.

Eligible Activities

The specific purposes for which financial assistance using CDBG funds may be provided under this category are to:

- Subsidize interest rates and mortgage principal amounts, including making a grant to reduce the effective interest rate on the amount needed by the purchaser to an affordable level. (The funds granted would have to be applied towards the purchase price.) Alternatively, the grantee/subrecipient could make a subordinate loan for part of the purchase price, at little or no interest, for an amount of funds the payments on which, together with that required under the first mortgage, would be affordable to the purchaser.
- Pay all or part of the premium (on behalf of the purchaser) for mortgage insurance required up-front by a private mortgagee. (This would include the cost for private mortgage insurance.)
- Pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser.
- Pay up to 50% of the down payment required by the mortgagee for the purchase on behalf of the purchaser.

Note: The use of funds under this category is *specifically limited to assisting low- and moderate-income households. Reference: §570.201(n)*

Additional Eligible Activities in Conjunction with Homeownership

- Housing counseling
- Homeownership education programs
- Homeownership budgeting/financial counseling

APPENDIX – ELIGIBLE ACTIVITIES FOR PUBLIC FACILITIES AND IMPROVEMENTS

The CDBG program identifies publicly owned facilities and infrastructure such as, streets, playgrounds, and underground utilities, and buildings owned by non-profits that are open to the general public, as Public Facilities and Improvements.

Eligible types of facilities and improvements include:

- Infrastructure improvements (construction or installation) including, but not limited to streets, curbs, and water and sewer lines;
- Neighborhood facilities including, but not limited to public schools, libraries, recreational facilities, parks, playgrounds; (e.g. community centers)
- Facilities for persons with special needs such as facilities for the homeless or domestic violence shelters, nursing homes, or group homes for the disabled.

ELIGIBLE ACTIVITIES

Eligible types of activities under public facilities and improvements are:

Acquisition, construction, reconstruction, rehabilitation, and installation of public facilities and improvements are eligible activities.

INELIGIBLE ACTIVITIES

The *maintenance and repair* of public facilities and improvements is generally ineligible (e.g., filling potholes, repairing cracks in sidewalks, mowing grass at public recreational areas or replacing street light bulbs). Sometimes there is a gray area between what is considered maintenance or repairs versus construction or rehabilitation. The regulations specifically state certain items are ineligible in 570.207(b)(2)(i), for example, pothole repairs. Generally, improvements with a useful life of less than five to eight years are considered repairs and not new construction. For example, road sealing is considered maintenance, while a new asphalt overlay is considered construction.

Operating costs associated with public facilities or improvements are ineligible unless part of a CDBG-assisted public service activity or eligible as an interim assistance activity.

The *purchase of equipment* with CDBG funds is generally ineligible. Some exclusions do apply.

Buildings used for the *general conduct of government* cannot be assisted, but CDBG funds can be used at these properties to remove architectural barriers to provide access for people with disabilities.

Government expenses and *Political activities* are ineligible.

New housing construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction.

Income Payments. The general rule is that CDBG funds may not be used for income payments.

NATIONAL OBJECTIVE

LMI BENEFIT NATIONAL OBJECTIVE

CDBG-funded public facilities and improvements will typically be categorized under the LMI Benefit national objective as an Area Benefit activity.

Under the area benefit criteria, the public facility/improvement must benefit all residents of an area where at least 51 percent of the residents are LMI. The service area need not have coterminous boundaries with Census tract borders or other officially recognized boundaries but must be primarily residential in nature.

If qualifying an activity under the Area Benefit criteria, records to keep include:

- Boundaries of the service area.
- Documentation that the area is primarily residential (e.g. zoning map) and
- Income characteristics of households in the services area (Census/American Community Survey data)

Public facilities funded by CDBG may sometimes qualify under the Limited Clientele criteria of the LMI national objective. The regulation stipulates that the facility benefit a specific targeted group of persons, of which at least 51 percent must be low- and moderate-income. This can be achieved by meeting one of the following criteria

- Serving at least 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income.
- Having income-eligibility requirements that limit the service to persons meeting the LMI income requirement, as evidenced by the administering agency's procedures, intake/application forms and other sources of documentation.
- Serving a group primarily presumed to be LMI such as abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
- Being of such a nature and in a location that it may be concluded that the activity's clientele are LMI.

APPENDIX – INCOME LIMITS

HUD MEDIAN FAMILY INCOME (MFI) LIMITS 2024												
(Effective 6/01/2024) Median Income for Spokane is \$97,900												
HH Size	80% MFI (Moderate Income)			60% MFI (Low Income)			50% MFI (Very Low Income)			30% MFI (Extremely Low Income)		
	<u>Annual</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Hourly</u>
1	\$54,800	\$4,567	\$26.35	\$41,100	\$3,425	\$19.76	\$34,250	\$2,854	\$16.47	\$20,550	\$1,713	\$9.88
2	\$62,650	\$5,221	\$30.12	\$46,980	\$3,915	\$22.59	\$39,150	\$3,263	\$18.82	\$23,500	\$1,958	\$11.30
3	\$70,500	\$5,875	\$33.89	\$52,860	\$4,405	\$25.41	\$44,050	\$3,671	\$21.18	\$26,450	\$2,204	\$12.72
4	\$78,300	\$6,525	\$37.64	\$58,740	\$4,895	\$28.24	\$48,950	\$4,079	\$23.53	\$29,350	\$2,446	\$14.11
5	\$84,550	\$7,046	\$40.65	\$63,480	\$5,290	\$30.52	\$52,900	\$4,408	\$25.43	\$31,700	\$2,642	\$15.24
6	\$90,850	\$7,571	\$43.68	\$68,160	\$5,680	\$32.77	\$56,800	\$4,733	\$27.31	\$34,050	\$2,838	\$16.37
7	\$97,100	\$8,092	\$46.68	\$72,840	\$6,070	\$35.02	\$60,700	\$5,058	\$29.18	\$36,400	\$3,033	\$17.50
8	\$103,400	\$8,617	\$49.71	\$77,520	\$6,460	\$37.27	\$64,600	\$5,383	\$31.06	\$38,750	\$3,229	\$18.63