FY 2020-2021 Community Development Block Grant (CDBG) Program Guidelines

CFDA 14.218

(FOR PUBLIC SERVICES AND PUBLIC FACILITIES APPLICATIONS AND PROPOSALS)

Submission Deadline:
Thursday, April 23, 2020, 5:00 p.m.

201 N Broadway
Escondido, CA 92025
Introduction & Community Development Block Grant Program Overview

Funding for the federal Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act. The US Department of Housing and Urban Development (HUD) provides grants on a formula basis to entitled cities and counties, including the City of Escondido, to develop viable urban communities through the provision of decent housing, a suitable living environment, and by expanding economic opportunities for lower income persons.

These Guidelines are for projects seeking funding during the fiscal year beginning on July 1, 2020. In FY 2020-2021, the City will receive approximately $1,818,942. A maximum of 15% of the total allocation (approximately $272,840) may be made available for public service programs and projects to be administered by the City or by subrecipients. Another 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements; the remainder will be available for public facilities and infrastructure projects, to be administered by the City or by subrecipients. The City may choose to reserve funding for City administered programs including senior and youth services, graffiti remediation and code enforcement activities.

For FY 2020-2021, two types of activities will be considered for funding through this application process: 1) Public Services projects and programs; and 2) Public Facilities/ Capital Improvement projects.

APPLICANT ELIGIBILITY

The following organizations are eligible to apply for this funding:

- Non-profit organizations, City departments, neighborhood organizations, schools, and faith-based organizations may apply for this funding. Non-profit organizations must be granted non-profit status under the Internal Revenue Code (Section 501(c)(3), (c)(4) or (c)(5)), and must be incorporated for at least one (1) year by the application submittal date.

  Faith-based organizations cannot use CDBG funds to support worship, religious instruction or proselytization. Religious activities must be offered separately from the CDBG supported activity. Faith-based organizations that participate in the CDBG program will retain independence from federal, state, and local governments and may carry outs its mission provided CDBG funds are not used to support religious activities. Faith-based organizations that participate in the CDBG program shall not discriminate against a program beneficiary on the basis of religion or religious belief.

NOTE: The City of Escondido does not directly fund individuals through this program.

PROJECT ELIGIBILITY

In order to qualify for CDBG funding, federal regulations require that all programs and projects must (A) meet one of three national Objectives; (B) address one or more of the local Consolidated Plan Goals and Priorities; (C) be an eligible activity as set forth in 24 CFR §570.201; and D) not be
ineligible as set forth in 24 CFR §570.207, among other requirements. Projects that fail to meet these applicable tests will NOT BE considered for CDBG funding.

A. National Objectives. CDBG projects must meet one of the National Objectives:

1) Benefit a majority of low and moderate-income (LMI) residents. "Low and moderate-income" is defined as those persons and households who earn at or below 80% of the Area Median Income (AMI) adjusted for family size for the San Diego Metropolitan Service Area (MSA) as defined in Section 102 of the Housing and Community Development Act of 1974, as amended. Income limits are adjusted annually by HUD. (See Attachment A of these Guidelines for current AMI limits.) Documentation of benefit to LMI persons is required for all CDBG-funded projects; or

2) Meet a community need having a particular urgency because existing conditions pose a serious and immediate threat to the health and/or welfare of the community and no other financial resources are available to meet the need; or

3) Aid in the prevention or elimination of conditions of slum and blight.

The City of Escondido has typically funded projects filling the first National Objective.

B. Consolidated Plan Goals and Priorities. In addition, the City has adopted local Goals and Priorities for allocation of CDBG funding. The Goals and Priorities, summarized below, are more fully described in the FY 2015-2019 Five-Year Consolidated Plan which is available for review at the Housing & Neighborhood Services public counter, located at 201 N Broadway, Escondido, CA 92025. The Draft FY 2020-2025 Consolidated Plan is also available for review on the City’s website at https://www.escondido.org/Data/Sites/1/media/pdfs/Neighborhood/FY_2015-2019_Five-Year_Consolidated_Plan.pdf; CDBG projects must address one or more of the local Goals/Priorities to qualify for funding:

Goal 1: Homeless services  
Priority Need: Support homeless shelter and other services

Goal 2: Basic Needs  
Priority Need: Provide access to food, water, shelter, and sanitation

Goal 3: Health and Human Development  
Priority Need: Provide access to recreation, education, and healthcare (including mental health)

Goal 4: Neighborhood revitalization  
Priority Need: Improve the livability of neighborhoods

C. Eligible Activities. Further, CDBG Projects and activities must be eligible as set forth in 24 CFR §570.201:
**Public Service Activities:** Eligible programs under the Public Services category include services concerned with nutrition, child care, mental health, drug abuse, education, fair housing counseling, energy conservation and others.

Examples of services and programs **potentially eligible** under this category include:
- Crime awareness and prevention programs serving low-income residents
- Programs providing services to homeless and non-homeless special needs persons, such as disabled persons, the elderly and other persons with special needs
- Neighborhood revitalization services - programs that support neighborhood revitalization efforts in targeted areas

**Public Facilities/Capital Improvement Activities:** Eligible projects under this category include public facilities, community facilities, parks, and public improvement projects, including but not limited to all facilities that are publicly-owned or privately-owned (by a non-profit organization or school) and open to the general public, and provide a benefit to low income residents or low income areas that are primarily residential.

Examples of projects **potentially eligible** under this category include:
- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, including Americans with Disabilities Act (ADA) improvements
- Infrastructure improvements (construction or installation) including but not limited to streets, curbs, and water and sewer lines
- Neighborhood facilities including libraries, recreational facilities, community centers, parks, playgrounds
- Facilities for persons with special needs such as senior centers, facilities for the homeless, or group homes for the disabled

**D. Ineligible Activities.** CDBG projects **must not be ineligible** as set forth in 24 CFR §570.207.

Examples of activities that will render a project **ineligible** include:
- Programs or services that primarily serve non-Escondido residents
- Projects or programs that do not serve primarily LMI persons
- New housing construction
- Political activities
- Income payments, stipends, marketing and fundraising
- Purchase of equipment, furnishings or personal property
- Services that promote religious activities
- Payment of debt or pre-award expenses
- Entertainment, furnishing and personal property
DOCUMENTATION OF BENEFIT TO LOW AND MODERATE-INCOME BENEFICIARIES

As noted above, all programs and projects funded with CDBG funds must benefit primarily LMI individuals and families (the primary national objective). In order to determine whether and how a project benefits LMI persons, the applicant must clearly define who will be served by the project or service (the “target population”). Documentation of benefit to LMI persons is required for all CDBG-funded projects.

Once the target population is determined, the proposed project will be categorized as either Area Benefit or Limited Clientele. Housing & Neighborhood Services staff will make the final determination of which category a project or program will fall into and the level of documentation required.

A. Area Benefit. If the program or project serves all residents of a particular area that contains primarily LMI persons, the project may qualify as an Area Benefit activity. For these activities:

1. The boundaries of the service area must be clearly defined. Applicants must attach a map showing the project location and draw lines on the map outlining the boundaries of the geographic area served; and

2. At least 51% of the residents in the service area must be LMI.

A map of Escondido’s low-mod census blocks is included as Attachment B for reference.

B. Limited Clientele. If the project serves a particular clientele that is primarily LMI (but serves the whole city), the project may qualify as a Limited Clientele activity. For these activities:

1. Intake and/or qualification procedures must be in place (or be developed) that capture demographic information from each participant, including race, ethnicity, household size and the income levels of all persons being served; AND

2. At least 51% of the persons served by the proposed program must be LMI (see Attachment A – Area Median Income Limits); OR

3. Presumed benefit: If the program exclusively serves clientele that are “presumed” to be LMI, information about income does not need to be collected; however, information about race, ethnicity, etc. must still be collected. “Presumed benefit” populations include abused children, battered spouses, elderly persons (age 62 and older), severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
HUD'S DEFINITION OF DISABLED PERSON:

A person who is determined to:

A. Have a physical, mental, or emotional impairment that:
   • Is expected to be of long-continued and indefinite duration;
   • Substantially impedes his or her ability to live independently; and
   • Is of such a nature that the ability could be improved by more suitable housing conditions; or

B. Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill or Rights Act (42 U.S.C. 6001-6007); or

C. Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

HUD'S DEFINITION OF ELDERLY PERSON / HOUSEHOLD:

A household where either the head of the household, or spouse/co-head, is age 62 or older.

ENVIRONMENTAL REVIEW REQUIREMENTS

An Environmental Review is required for each project or program that receives CDBG funding. Premature commitment or expenditures of any funds prior to completion of the environmental review will jeopardize the eligibility of the project. This includes use of an agency’s matching funds from other sources. Environmental reviews are required to comply with National Environmental Policy Act (NEPA) and HUD’s enforcement measures. The review includes analysis of 13 federal laws designed to protect certain environmental areas. If the Application is funded, City staff will initiate the review and the agency will be kept informed about the estimated length of time to clear the project.

The environmental review process for Public Service programs usually (but not always) requires a lower level review, normally can be completed at no cost, and can usually be cleared quickly so as not delay the program start up. However, especially for Public Facilities projects, if an Environmental Assessment or higher level of review is required, the project applicant may be required to engage a qualified professional from an outside environmental consulting organization whose qualifications must be approved by the City prior to engagement, at its own cost. Depending upon the project location and environmental conditions, projects involving construction, rehabilitation and demolition can take up to 120 days to obtain an environmental clearance.
ADA ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The Americans with Disabilities Act (ADA), State Title 24, and the Fair Housing Act prohibit discrimination based on disability. Please be advised that your project will be reviewed for compliance with federal and state laws as they relate to accessibility. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, required height for toilet seats, space for wheelchair maneuverability, accessible water fountains and counters, and other improvements needed to assure full access for the disabled, including the blind and deaf. Additional information can be found at www.ada.gov.

FINGERPRINTING

CDBG-funded staff working with children, persons with disabilities, and the elderly must be fingerprinted, via live scan fingerprinting. This is an eligible CDBG cost and should be reflected in the budget.

CONFLICT OF INTEREST

Conflicts of interest (or appearance thereof) can plague activities supported with federal funds. The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub-recipients that are receiving funds under a CDBG-assisted program who have responsibilities with respect to the CDBG activities or are in a position to participate in decision making processes or have access to inside information with regard to the activities can obtain a financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611). Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest.

The agency personnel should:

- Be familiar with the agency’s code of ethics and potential conflict of interest issues.
- Not take gifts or gratuities from persons or organizations associated with the procurement process.

DAVIS-BACON LABOR STANDARDS

Construction work that is financed in whole or in part with CDBG funds is most likely subject to the Federal labor standards requirements, including the Davis-Bacon and Related Acts, for
payment of prevailing wages. Additional information is available in the publication Contractor’s Guide to Davis-Bacon: Prevailing Wage Requirements for Federally-Assisted Construction Projects. A copy of this publication may be obtained from the HUD Labor Relations website located at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_standards_enforcement, which contains additional labor compliance resources that may be of assistance. Triggering of Davis-Bacon and Related Acts may increase the project costs.

If construction work is proposed, contact CDBG Program staff at (760) 839-4057 for assistance in determining whether your project is subject to Davis-Bacon requirements.

LEAD-BASED PAINT REGULATIONS

HUD has issued final regulations on notification, evaluation, and reduction of lead-based paint hazards in some facilities receiving federal assistance. Rehabilitation of facilities where children are served may be affected by this regulation resulting in testing the painted surfaces that will be disturbed to determine the presence of lead-based paint. If paint surfaces are not lead-free, safe work practices will be required along with possible methods of removal.

ASBESTOS TESTING

An asbestos survey (AHERA) will be required on all renovation projects to determine the presence of asbestos. The agency should include the cost of the survey and provide for contingency funds for remediation if asbestos is present. The survey will visually review all suspect asbestos containing materials (ACMs) associated with the building’s interior and will collect samples for laboratory analysis prior to the Public Facilities renovation project. The survey will identify whether asbestos containing materials were found and what classification.

SECTION 3 REQUIREMENTS

All housing construction, demolition, rehabilitation and other public construction projects funded with CDBG funds must comply with Section 3 requirements to the greatest extent feasible. The City is committed to improving economic conditions in our community. The City will actively implement Section 3 regulations to direct work paid for by federal funds to Section 3 Residents and to Section 3 Business Concerns. Under the federal regulations, Contractors will satisfy the “greatest extent feasible” requirements by meeting the following numerical goals:

1) 30% of all New Hires shall be Section 3 Residents. A New Hire is defined as a new, full-time employee hired on a permanent, temporary or seasonal basis for a position that is generated from the expenditure of HUD funds covered by the Section 3 regulations. New Hire refers to a...
person who is not on the Contractor’s payroll at the time of award of a Section 3 Covered Contract or at the time of receipt of Section 3 Covered Assistance.

2) 10% of the total dollar amount of all covered construction contracts and subcontracts shall be awarded to Section 3 Business Concerns; and

3) 3% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 Business Concerns. This includes professional service agreements provided that the work to be performed by the professional is for work generated by the expenditure of the Section 3 Covered Assistance or for work arising in connection with a Section 3 Covered Project.

VOLUNTEERS

The use of volunteers on a Public Facilities project, who are not otherwise employed by the agency or contractor, requires City approval. Depending on the work the volunteers will perform, state-licensing requirements will apply. For example, volunteers performing trade work (electrical, plumbing) must be licensed. To determine in-kind volunteer contributions requested in the budget, use the estimated amount of what a paid worker would earn doing the same type of work.

MATCHING OR LEVERAGED FUNDS (COST SHARING)

Matching or leveraged funds are those other agency resources (non-CDBG) immediately accessible and firmly committed that are to be applied to the program or project. Leveraged funds can include a combination of cash, grants, loans, or in-kind resources available to finance the program costs. Program costs can be shared among all leveraged funding sources. In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified and documented in the Application. Volunteer services may be counted if the service is an integral and necessary part of an approved CDBG-funded program. Rates for hours should be consistent with those paid for similar work in the labor market in which the applicant competes for the services involved. The value assigned to donated materials and supplies should be reasonable and should not exceed market value at the time of donation.

CDBG APPLICATION REVIEW PROCESS

The City of Escondido’s CDBG funds will be allocated annually through an Application process to the maximum extent practicable within the City of Escondido. To encourage public participation in the development of the CDBG program, the City has adopted a Citizen Participation Plan.
which outlines the procedures to be followed by public officials and private citizens to establish projects to be funded for a given program year that address identified needs in the Five Year Consolidated Plan. The complete Citizen Participation Plan is available for review in the City of Escondido’s Housing & Neighborhood Services Division, 201 N Broadway, Escondido, CA 92025.

A summary of the Application Review Process is provided below for applicants and/or private citizens who wish to participate in the City’s CDBG program:

- Upon receipt of an Application received prior to the deadline, Housing & Neighborhood Services staff will log the Application and mark it with the date and time received.
- Staff will initially review all Applications for completeness, conformance with technical criteria as listed in these Guidelines and the Application itself, and if appropriate, will transmit a copy of the Application submittal to appropriate City departments for additional review. Criteria for review will include, but not be limited to:
  - Eligibility of the activity under CDBG regulations;
  - Compliance with a CDBG national objective;
  - Consistency with the priorities and specific Goals established in the Five-Year Consolidated Plan;
  - Prior experience with CDBG and/or other grant programs;
  - Prior experience in the community;
  - Agency administrative and financial capacity to carry out the proposed activity;
  - Pre-award risk analysis based on a variety of criteria including but not limited to funding, subrecipient history, complexity of the project;
  - Feasibility and appropriateness of the project budget; and
  - Appropriateness of the design of the proposed project or program delivery approach.
- Staff may request additional information from applicants for further clarification as required. This review summarizes the project and notes any concerns with the proposal.
- An internal review committee may be utilized. If utilized, review committee members will be provided with the Applications, the technical review summaries, and any agency response, if additional information was requested.
- Staff (and the review committee, if any) will review each eligible Application, and will forward recommendations to City Council at a Public hearing. Staff will make copies of all eligible Applications available for City Council and public review 72 hours prior to the Public hearing(s).
- The City Council will review and adopt final allocations to projects and programs at a Public Hearing (typically held in April/May). These final allocations will be included in the One Year Action Plan that will be submitted to HUD on or before May 16, 2019 (or a later date if justified by CPD Notice 19-01).
- Once the One Year Action Plan is approved by HUD and all other stated conditions are met (including completion of the required Environmental Review), project activities may begin (but no earlier than July 1, 2019).
TECHNICAL ASSISTANCE AVAILABLE

The CDBG program staff are available to provide technical assistance in determining project/program eligibility and to ensure proposed projects are in compliance with the CDBG National Objectives and other regulations established by HUD. Staff cannot provide assistance in developing a program or writing the Application.

Technical assistance is available from 8:00 a.m. to 5:00 p.m. Monday through Friday. Please call Housing and Neighborhood Services staff at (760) 839-4057 for assistance by telephone or to make an appointment in the office.

SUMMARY OF ADDITIONAL CDBG PROGRAM REQUIREMENTS

- Congress created the CDBG program and numerous federal regulations apply. Agencies that are funded (subrecipients) will be required to execute a contract with the City listing their responsibilities for meeting all federal requirements along with the City.
- Affirmative action, nondiscrimination in services and employment practices and ADA requirements apply; certification of a Drug Free Work Place is required.
- Subrecipients and contractors must not be de-barred.
- Funded agencies cannot be indebted to the IRS or to the City of Escondido nor have judgments or liens.
- The City’s Section 3 and MBE/WBE goals must be met to the greatest extent feasible.
- Subrecipients and contractors must have a verifiable DUNS number.
- City and HUD shall have access to the project records and payroll records as set forth in the funding agreement.
- Subrecipients are responsible for Worker’s Compensation benefits, or claims by employees and must indemnify and hold the City harmless against any and all claims.
- CDBG funds are reimbursed monthly and based upon required source documentation, i.e. timecards, cancelled checks, receipts, bank statements, etc.
- Quarterly and Annual performance reports are required (see Attachment C for additional information).
- Proof of Insurance is required if funding is awarded (see Attachment D for additional information).
- Subrecipients will be subject to desk and/or on-site monitoring throughout their contract period.
- Organizations are strongly discouraged from applying for funds unless they are ready to implement the activity proposed for funding. If contracts are not signed within 6 months of the start of the fiscal year (December 31, 2019), funds are subject to cancellation. CDBG Public Service projects must be implemented by July 1, 2019 and must start providing services effective July 1, 2019.
Subrecipients will be subject to timeliness of funds. Subrecipient should design their program with an eye to minimize the amount of CDBG funds that will sit idle for a long period of time. The City will require that the subrecipient submit reimbursements on a monthly or quarterly basis in order to meet this criteria.

PREMATURE COMMITMENT OR EXPENDITURE OF FUNDS PROHIBITED

IMPORTANT: Program expenses that have been committed or expended prior to HUD approval of the One Year Action Plan, City Council approval of the project allocation, NEPA environmental clearance, and execution of the CDBG contract are not eligible for reimbursement.
Attachment A – Area Median Income Limits for San Diego County

(subject to annual revisions)

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<td>$22,550</td>
<td>$25,700</td>
<td>$28,900</td>
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Income Limits effective May 6, 2019
Attachment B – Map of Low-Mod Census Tracts
Attachment C – Reporting Requirements for Funded Agencies

Applicants receiving FY 2020-2021 City of Escondido Community Development Block Grant (CDBG) funding must be aware of the following additional reporting requirements.

Why Accurate Reports are Necessary:

CDBG funds are allocated to projects and programs throughout the City of Escondido; however the funds originate at the federal level, through the U.S. Department of Housing and Urban Development (HUD). The City of Escondido is required to report to HUD the accomplishments of each grant given to agencies.

How long will CDBG-Funded Agencies be required to report:

Agencies funded for Public Services programs: Agencies will be required to submit Quarterly and Annual performance reports on forms provided by the City for the entire fiscal year in which the program is funded.

Agencies funded for Public Facility improvement projects: Pursuant to the CDBG regulations, any real property acquired or improved in whole or in part with CDBG funds in excess of $25,000 shall be used to meet one of the national objectives (benefit low/moderate income persons) until five years after expiration of the contract with the City. Therefore, agencies receiving this category of funding will be required to submit Quarterly and Annual performance reports on forms provided by the City for the duration of the contract and for five years after completion of the project.

Additionally, agencies must provide a copy of financial audits for any year in which CDBG funds were used. Typically, this will mean that agencies funded for Public Service programs will be required to provide an audit for FY 2019-2020. Construction projects which are not completed in a single fiscal year will be require multiple audits to be submitted. Failure to provide appropriate financial statements will make an agency ineligible in future years.

What reports will be required of CDBG-Funded Agencies:

All projects that provide benefit to LMI residents (except those providing an Area Benefit) will be required to collect, and keep records of specific demographic data about their program participants, and to report that data quarterly and annually on forms provided by the City (the Periodic Program Report). Intake and/or qualification procedures must be in place (or be developed) to capture demographic data and other information from each participant. Required report measures include:

- The number of persons assisted;
- Income levels of all persons assisted (30, 50, or 80% of the median income, adjusted for household size; see Attachment A – Area Median Income Limits table);
• Race and ethnicity of the persons assisted;
• The number of persons assisted that are homeless;
• The number that are disabled; and
• The number that female heads-of-household.

In addition, a narrative report must accompany each Periodic Program Report and can be tailored to report progress on the objectives of the contract with the City, as well as analyze the benefits of the program to the community. Report measures will be negotiated and may include:

• The progress of the activity (include at least one performance measurement: progress of construction, % of completion, etc.);
• Amount of Other funds leveraged for the program (how and to what extent CDBG funds were helpful in attracting other grant or donor funds);
• Additional measures of success that were volunteered in the original project Application to attract CDBG funding (number of parents attending meetings, number of new jobs created, etc.)

Reimbursement Claims:

This is a cost reimbursement program. No funds will be provided to grantees upfront. Back-up documentation will be required for all costs submitted for reimbursement. Only those items included in the approved budget, or through an approved budget amendment, will be eligible for reimbursement.
CITY OF ESCONDIDO
CDBG PROGRAM
PERIODIC PROGRAM REPORT

FY Period Reported: FY 15-17
Quarter Reported: 
Agency Name: 
Reporter’s Name: 
Program Name: 
Phone Number: 

Numbers reported must reflect the number of Persons served. Persons served is defined as all program clients assisted with Escondido’s CDBG funding that are not already counted by other cities’ CDBG funding. If your program receives funding from other sources and/or assist clients from more than one city, you should count them as long as they are not already counted by the other city(ies), households (H) may only be reported with prior approval of the Housing & Neighborhood Services Division only.

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<th>QUARTERLY</th>
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<td>Year-to-date total # of Hispanics each race</td>
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<td>White</td>
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<td>Native Hawaiian/Other Pacific Islander</td>
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<td>American Indian/Alaskan Native</td>
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DO NOT FILL IN THE SHADED BOXES BELOW.

Extremely Low Income (0-30% MFI)
Low Income (30-50% MFI)
Moderate Income (50-80% MFI)
Income above 80% MFI

3. TOTAL

Homeless
Female Headed Households
Disabled/Spedal Needs

IMPORTANT—PLEASE NOTE: 1) Hispanic is no longer considered a race, but an ethnicity and must be reported separately. A member of any race may also report as Hispanic. “Other” is for multi-racial reports only and must be identified in the narrative report. 2) Totals for lines 1, 2a, and 3 must match each other for each column. 3) List only unduplicated program participants—clients receiving continued services from previous fiscal year may be counted only once during the contract year (usually in the first month). 4) A narrative report must accompany this form. The narrative should reflect all other data collected as agreed in the contract, such as number of families served, number of projects completed, number of program hours provided, or other performance outcome measures. For questions about this report form, please contact Nancy Melander at (760) 839-4579 or nmelander@escondido.org.
Attachment D – Insurance Requirements for Public Service Proposals

If the Application is funded, the agency will enter into a contract with the City of Escondido. All City contracts require insurance and indemnification language so that the responsibility for paying claims is established with the agency and ensures that financial resources are available to pay claims. The subrecipient shall agree to provide an acceptable certificate of insurance and endorsements evidencing coverage. The insurance requirements listed are minimum requirements and the City in no way warrants that the minimum limits are sufficient to protect the agency from liabilities that might arise from carrying out the funded program. The agency is free to purchase additional insurance, as they deem necessary.

Depending upon the program activities and the program beneficiaries, several types of insurance coverage will be required. This information is provided to help in the development of the overall operating cost of the proposed program and to ensure sufficient funds are set aside for insurance.

**Minimum Scope and Limits of Insurance** - coverage with limits of liability not less than those stated below are required for funded CDBG Public Service programs.

**Commercial General Liability**
- General Aggregate $2,000,000
- Products – Completed Operations Aggregate $1,000,000
- Each Occurrence $1,000,000

**Automobile Liability - Combined Single Limit $1,000,000**
- Required only if activities involve the use of transportation in the provision of services
- Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

**Worker’s Compensation and Employers’ Liability**
- Workers’ Compensation
- Statutory
- Employers’ Liability

**Professional Liability - Errors and Omissions Liability**
- Required only if activities involve providing professional services
- Each Claim $1,000,000

**NOTICE OF CANCELLATION:** Insurance policies must be the appropriate coverage for and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits.
ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed in the state of California and with an “A.M. Best” rating of not less than A-, with a V or better in the Financial Size Category. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect the Agency from potential insurer insolvency.

VERIFICATION OF COVERAGE: The City must receive certificates of insurance (ACORD form or equivalent approved by the City) as required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage. The City of Escondido must be listed as an additional insured (to the extent City is indemnified pursuant to the Indemnity Provisions herein) on all certificates of insurance.

PROFESSIONAL LIABILITY INSURANCE: Professional liability insurance protects against losses that occur when a "professional" fails to practice his or her art to the usual and customary standards of that profession.

Therefore, there can be risks to the Agency associated with errors (or allegations of errors) in the professional’s work product or judgment. In order to determine if your proposed program will need professional liability insurance, ask yourself:

- Will the program employ professional licensed or certified workers (i.e. accountants, teachers, medical professionals, psychologists, etc.)?
- Will the information developed by the professional be used in a decision-making process within the Agency that could create a liability?

If the answer is yes to either of these questions, then professional liability insurance would be required.

The types of losses that can occur under such circumstances are often excluded under general liability policies. They can be covered through separate professional liability insurance policies, also known as “errors and omissions” (E&O) liability insurance.

Examples of services that would require professional liability coverage include but are not limited to:

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<thead>
<tr>
<th>Accountants</th>
<th>Childcare workers</th>
<th>Consultants</th>
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<tbody>
<tr>
<td>Auditors</td>
<td>Financial consultants</td>
<td>Teachers</td>
</tr>
<tr>
<td>Attorneys</td>
<td>Medical professionals</td>
<td>Social Workers</td>
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