

State Community Development Block Grant Program
Economic Development Allocation

NOTICE OF FUNDING AVAILABILITY

CALIFORNIA COMMUNITY ECONOMIC ENTERPRISE FUND COMPONENT
Fiscal Year July 1, 2009 through June 30, 2010



STATE OF CALIFORNIA
Department of Housing and Community Development
Division of Financial Assistance
State Enterprise and Economic Development Section (SEEDS)
Community Development Block Grant Program (CDBG)

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SECTION 1

1.1 NOTICE OF FUNDING AVAILABILITY (NOFA)

The Department of Housing and Community Development (Department) announces the availability of approximately **\$2.8 million** in State Community Development Block Grant (CDBG) funding. Eligible CDBG jurisdictions may submit an application for a maximum grant of **\$300,000** from the 2009-2010 California Community Economic Enterprise Fund (Enterprise Fund) Component of the Economic Development Allocation.

Please contact your State Economic Development Representative (see Appendix A) if you have any questions about the NOFA. You may also contact MeLisa Adams, Program Administrative Assistant at (916) 552-9362 or visit the State Enterprise and Economic Development Section (SEEDS) website at <http://www.hcd.ca.gov/fa/cdbg> for additional information.

NOTE: *The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such action occurs, the Department will notify all interested parties.*

Authorizing Legislation and Regulations

The CDBG Program is authorized by the Housing and Community Development Act of 1974 as amended, and Subpart I of the Federal Community Development Block Grant Regulations. The requirements of the State Program are found in the State CDBG Regulations, Title 25 of the California Code of Regulations, Section 7050, et seq.

Application Key Dates

| | |
|-------------------------------------|------------------------|
| NOFA Release | June 12, 2009 |
| Application Release | June 12, 2009 |
| Final Filing Date | August 21, 2009 |
| Housing Element Compliance Deadline | October 28, 2009 |
| Award Announcement | November 9, 2009 |

Response to this NOFA is due no later than 5:00 p.m. on August 21, 2009.
Postmarks will not be accepted. Applications received after the deadline submission will not be accepted. Response to this NOFA and required copies must be submitted by mail or personal delivery to the following address:

State Community Development Block Grant Program
California Department of Housing and Community Development
1800 Third Street, Room 330, Sacramento, CA 95811
Attn: 2009-2010 Enterprise Fund Application

Note: Any documentation submitted that has been marked “Confidential” or “proprietary” will not be accepted. All documents submitted in response to the NOFA will become the property of the Department and will be regarded as public record under California Public Records Act under Government Code Section 6250 st. seq., and subject to review or release to the public.

Please call (916) 552-9362 to have the Program Administrative Assistant accept your application if you are hand delivering your application to HCD.

Number of Copies

The Applicant will submit one (1) original and two (2) copies. Each original and copy should be placed in a three-ringed binder and index tabs must separate all sections in the application. **All pages in the Application must be numbered.**

Enterprise Fund Application Information

Enterprise Fund applications can be obtained in the following ways:

1. Contact your State Economic Development Representative (see Appendix B).
2. Contact the Program Administrative Assistant at (916) 552-9363 or via e-mail at madams@hcd.ca.gov.
3. Download an electronic version of the application via the HCD website at <http://www.hcd.ca.gov/fa/cdbq/funds/>.

The Enterprise Fund NOFA, and Application and Supplemental Information contain all the required instructions, information and forms to complete an application for submission by the applicant.

Enterprise Fund Application Workshops

The Department may conduct information workshops starting in late June 2009 at several locations throughout the State. Applicants will be notified about workshop dates, times, and locations via the HCD website and e-mail. If you want to be placed on, or are unsure whether you are on, the CDBG mail list, please contact your Economic Development Representative or the Program Administrative Assistant.

These workshops will be held after the release of the NOFA. Each workshop will include a presentation covering application preparation and staff will be present to answer questions. Prior to attending an Enterprise Fund Application Workshop, eligible applicants should review this NOFA and the application materials. Applicants are advised to bring these materials to the workshop.

Uses of Funds

Under the Enterprise Fund Component, CDBG grants are competitively awarded to jurisdictions. Jurisdictions may use the funds to support the following programs:

1. Business Assistance Loans
2. Microenterprise Technical Assistance and Loans

Activities that are eligible for funding are listed in Section 2 under Eligible Activities on page 5. The Department reserves grant funds for use by the grantees with individual funding decisions being made by the jurisdictions consistent with their application and CDBG program guidelines. Individual project funding decisions are made by the jurisdiction.

1.2 IMPORTANT INFORMATION FOR ALL APPLICANTS TO READ

Applicants should carefully read the following information regarding CDBG program guidelines and requirements that may affect your application:

1. Maximum award limits under both the Economic Development and General/Native American components will be determined on a yearly basis and announced in each year's NOFA. The 2009-2010 Enterprise Fund has set a maximum award limit of \$300,000 per application.
2. Eligible applicants are CDBG jurisdictions (see Appendix B) who have not been notified by the State CDBG Program that they are ineligible to participate or are being "held-out" due to performance findings that have not been cleared/resolved by the jurisdiction for the year 2009. Jurisdictions should contact their CDBG Economic Development Representative if there are any questions regarding your eligibility or "hold-out" status.

3. Applicants may use CDBG funds to create a Façade Improvement Program under their Microenterprise Assistance Program. The purpose of the Façade Improvement Program is to allow eligible microenterprise businesses to use CDBG funds to improve the appearance of the exterior façade where the business is located. The goal of the resulting building façade improvements is to create a positive downtown business environment.

Under this program a microenterprise business, with the consent of the property owner, may borrow CDBG funds to make exterior improvements to that part of a commercial building where the primary entrance to the business is located. Examples of exterior improvements that are eligible under this program include the following: painting the exterior façade, replacement/refurbishing of doors, windows, decorative stone, awnings, signage, and lighting. CDBG funds may not be used for improvements to the interior of the business or improvements to landscaping, sidewalks, or walkways. Also, improvements that fall under the American with Disabilities Act (ADA) is not an eligible use of funds. CDBG jurisdictions are responsible for developing guidelines defining what types of exterior façade improvements are eligible for funding and should contact the State CDBG Representative for questions.

Applicants who wish to conduct a Façade Improvement Program will need to update their Microenterprise Program Guidelines and include a copy of the updated guidelines in their 2009-2010 Enterprise Fund Application. Applicants shall provide a description of the Façade Improvement Program that includes the program's structure, management and staffing; public noticing and reporting requirements; procedures for approving, documenting, closing, and servicing a façade loan transaction; and procedures for establishing and maintaining files for recordkeeping.

4. All applicants are required to submit a current local economic development plan (Plan) that will be used to evaluate, and rate and rank each applicant's application. A Plan must have been locally adopted and is considered current if it is not older than 5 years old.

If a Plan is 5 years or older, the applicant must submit the most current Plan as well as a detailed narrative. The narrative must address (1) the specific need for CDBG funding that includes a description quantifying the current local economic conditions necessitating CDBG funds, and (2) quantify how CDBG funds will be used to support local economic development programs leading to the creation and/or expansion of businesses and jobs in the community.

5. Microenterprise Assistance Programs may only assist Targeted Income Group (TIG) clients with CDBG funds.

6. Jurisdictions must submit all business loans including microenterprise loans to the State for approval before funds may be disbursed by the jurisdiction. Jurisdictions making loans from a Program Income Revolving Loan Account must also submit their loans to the State for approval before funds may be disbursed.
7. Housing Element status will be confirmed with the Housing Policy Division. Jurisdictions not in compliance at that time will not be eligible to be awarded funds.
8. Under the Business Assistance activity, full back-up documentation of employee income is no longer required. Self Certifications are sufficient when prepared by the employee.
9. Each business provided assistance under the Business Assistance Activity must demonstrate that the assistance provided meets minimum federal public benefit standards. One job must be created or retained for every \$35,000 of CDBG assistance. "Gap financing" is no longer a requirement for business loans.
10. Applicants are subject to various HUD overlay requirements. These include but are not limited to: citizen participation, environmental review, and procurement of services. Please refer to the application and the most recent CDBG Grant Management Manual for information on national objectives and HUD overlay requirements.
11. To participate in any CDBG program, the Department will require that all applicants/jurisdictions confirm they are not on the Federal Debarred List. The easiest way to check if your organization is not on a Federal Debarred list is to follow the following steps:
 - Go to the epls website: www.epls.gov
 - On the left hand side of the screen, click on Multiple Names
 - A message about searching will pop up. Check the box and close out the window.
 - In CAPS, enter the jurisdiction name with the word "AND" in between "CITY". For example, for the City of Los Banos, you would enter, '**CITY AND LOS BANOS**'. (Note: do not type CITY OF LOS BANOS, but 'CITY AND LOS BANOS').
 - Print out the message stating that "Your search returned no results" and include a printout in your application and in your CDBG file.

12. The federal government now requires businesses and organizations to provide a Dun & Bradstreet (D&B) Data Universal Numbering System (DUNS) number as part of their grant applications and proposals. The easiest way to get a DUNS number is to follow the following steps:
- HUD recommends using the telephone request line to obtain a DUNS number. The following are basic steps to begin this process beginning with a telephone call. The telephone call to obtain a DUNS number takes approximately five to ten minutes, and a DUNS number will be assigned at the conclusion of the phone call. To call D&B, use the toll-free number for federal grant applicants: 1-866-705-5711.
 - For using the internet, jurisdiction's, businesses or organizations can register for a DUNS number at the D&B's website found at:
<https://eupdate.dnb.com/requestoptions.asp>. While at this site, go to the "Get Starting, Get a D-U-N-S Number" column on the left-hand side of the webpage and enter entity name, City, and State, which will take you to a second webpage. On this second page, go to the bottom right-hand corner and choose "Get a DUNS Number – Price: NO CHARGE" to proceed.

1.3 APPLICATION REVIEW PROCESS

Each application will be first reviewed for "completeness" (Refer to Section 1 of the Application for a checklist of required items). In order for an application to be considered "complete", it must contain all the required information described in the application. Complete applications will then be "rated and ranked" according to the criteria described on page 11, Application Evaluation, Criteria and Scoring. Incomplete applications will not be rated or ranked and applicants will be informed with a written explanation of the deficiencies within 30 days.

Award Decision

The CDBG Program will submit its recommendation for funding to the Director of the Department based on the applications that were "rated and ranked". The Director's final funding decision is made approximately 80 days from the final application filing date.

Awards Processing

All applications that are to be funded will be processed through a standardized Grant Agreement (Agreement). The Agreement will contain information about the terms and special conditions of the award. Special conditions must be cleared within 90 days of the State's execution of the Agreement (stamped approval date). If special conditions are not met, the Department may terminate the Agreement.

Applicants are not permitted to incur any grant-related costs prior to the approval date stamped on the Agreement or without the Department's written approval. Information about processing times and authorization requirements will be provided at the time the Agreement is sent to the grantee.

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