



City of Raleigh

Request for Proposals #: 274-HCD-FY26-6

Title: FY 2026-2027 Community Enhancement Grant

Proposal Due Date and Time: December 1, 2025 @ 3:00pm EST

ADDENDUM NO. 1

Issue Date: November 20, 2025

Issuing Department:

Direct all inquiries concerning this RFP to:

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Grant Administrator

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City of Raleigh

Addendum #1 to RFP 274- HCD-FY26-6

Issue Date: November 20, 2025

To: All Proposers

This Addendum, containing the following additions, clarifications, and/or changes, is issued prior to receipt of proposal packages and does hereby become part of the original RFP documents and supersedes the original RFP documents in case of conflict.

Receipt of this addendum must be acknowledged by signing in the area indicated below. Please make the follow additions, clarifications, and/or changes to the RFP as listed below and **sign and return this addendum with your proposal package.**

#1 Question:

Would this grant support childcare payments for young adult homeless parents' minor children?

#1 Response:

Yes, under certain conditions, CDBG funds can be used to support childcare services—especially when targeted at low- to moderate-income (LMI) individuals, which include homeless families.

However, eligibility depends on how the program is structured and whether it meets HUD's national objectives, particularly:

- Benefit to LMI persons (e.g., through public services),
- Supportive services tied to transitional or permanent housing,
- Compliance with the 15% cap on public service expenditures.

If the childcare payments are part of a broader supportive services program for homeless young adults or tied to a housing initiative, they're more likely to qualify.

What is the 15% Cap on Public Service Expenditures?

Under the federal Community Development Block Grant (CDBG) program, grantees (usually cities or counties) are allowed to use CDBG funds for a wide range of activities.

However, there is a limit on how much it can spend on "public services."

Public services include things like: Childcare, Job training, Health services, Homeless services, Crime prevention, Education programs

If you're offering a service (like childcare), you must:

Be very detailed and show that your activity qualifies as a public service benefiting LMI individuals.

And give provide the specific amount that you plan to allocate to support paying for childcare. \$200,000 associated with the CEG funds is part of the cap for the year for the City of Raleigh

#2 Question:

We anticipate completing our audit before the Dec. 1 grant deadline. If it is not, can we submit a letter from the auditors stating that it is in process and submit it as soon as it is available?

#2 Response:

Unfortunately, this is a competitive grant application, and all applicants must adhere to the same requirements and timelines. The completed grant application must be submitted by December 1. To ensure consistency, fairness, and transparency, there is no flexibility to accept any required materials—or any portion of the application—after the deadline.

#3 Question:

After reviewing the RFP, we have a question regarding the financial thresholds. Our current operating budget is below \$80,000, which means a request for the \$20,000 minimum would exceed the 25% requirement outlined in Section 3.2.

Could you please clarify if this budget rule is an absolute threshold? Or is there any flexibility or alternative consideration for newer, growing organizations that demonstrably serve the grant's priority populations?

We want to ensure we are respectful of your process and only proceed if an application would be considered.

3 Response:

Regarding your inquiry about the financial thresholds:

As outlined in Section 3.2 of the RFP, the City has established minimum threshold requirements that must be met for an application to be considered for further evaluation. These thresholds are in place to ensure financial feasibility and programmatic capacity for managing grant funds.

Specifically:

- The project budget must fall between \$20,000 and \$50,000.
- The requested amount must not exceed:
 - 25% of your organization's total annual operating budget, and
 - 50% of the total program/project budget.

Unfortunately, these thresholds are considered absolute requirements, and applications that do not meet them will not be eligible for review or evaluation.

We certainly understand the challenges smaller or newer organizations may face in meeting these thresholds, and we encourage you to continue engaging with our office or seeking out other capacity-building opportunities that may support your organization's growth and future eligibility.

#4 Question:

Our organization currently works with an independent bookkeeper who manages our financials monthly, and we also engage an accounting firm annually to prepare and file our 990 forms.

Otherwise, our last formal 'audit' was a financial compilation (vs. a full audit) by a CPA firm in 2021/2022. Historically, we have been able to bypass this request due to our budget size (<\$500K), including our grants with the City of Raleigh Arts Commission, for which we've been awarded three times, including for 2025–26.

Given this set-up, would it be acceptable for us to submit our financial statements to our existing accounting firm and have them provide a formal statement to satisfy the requirement? Or would we still need to engage a separate, external firm specifically for an audit or review?

4 Response:

Our understanding is that any applicant requesting \$25,000 or more should provide their most recent fiscal year's audited financial statements. This would mean that a review or compilation would not qualify. This item is always detailed in our reviews. We specifically check to see if

the auditor is licensed in North Carolina but understand that at times there are constraints to having an NC audit completed.

If the applicant is requesting less than \$25,000 they do not need to follow the audit requirement.

#5 Question:

In the RFP, it explicitly states that funds cannot be used for rent and utilities. I understand that this is aimed at agency overhead. We will be submitting an application in support of our emergency shelter program and would like to include rent and utilities for these units and the families living in them as part of our budget. Is this expense considered eligible?

#5 Response:

If your proposal's rent and utilities are directly tied to shelter units occupied by eligible families, and not to your agency's administrative space, these costs are typically eligible as part of program operations.

Key Distinction:

Agency Overhead vs. Program Delivery Costs

When an RFP (Request for Proposals) says "*CDBG funds cannot be used for rent and utilities,*" it usually refers to agency operational costs — i.e., your organization's office rent, staff utilities, etc.

However, program delivery costs — such as paying for rent and utilities on behalf of program participants (e.g., families in an emergency shelter) — can be eligible, if they meet certain criteria under HUD regulations.

Potentially Eligible Use: Rent & Utilities for Program Beneficiaries

Under 24 CFR 570.201(e) and 570.207(b)(4), CDBG funds can be used for Public Services, including:

- Operation of emergency shelters
- Payment of rent, utilities, or other costs directly supporting clients

As long as the activity serves low- and moderate-income persons, and fits within an approved public service activity (often limited to 15% of the jurisdiction's annual CDBG allocation).

#6 Question:

The individuals served through the project must be residents of the City of Raleigh. They do not have to resident in the purple areas of the map in the RFP.

There is no match requirement.

Expansion is an option but not a requirement.

#6 Response:

Based on standard HUD Community Development Block Grant (CDBG) – Public Services rules and how the City of Raleigh typically administers them:

Residency requirement: Yes — individuals served must be residents of the City of Raleigh, but do not need to live within the specific "purple" CDBG-eligible areas shown on the RFP map.

The map generally shows where CDBG funds can be spent for physical projects (like infrastructure or housing rehab), but for Public Services projects, the key requirement is that the beneficiaries are low- and moderate-income (LMI) Raleigh residents.

Match requirement: Correct — there is no match requirement for CDBG Public Services funding.

Applicants will include other funding sources, but a match is not required.

Expansion option: Also correct — program expansion (serving more people, new services, etc.) is an option, not a requirement.

Projects can either expand an existing service or continue a current eligible service that benefits low- to moderate-income Raleigh residents.

#7 Question:

Funding Requested-I see that we are to list all of our funding for the program, including state and federal funding. While we already have our state contracts executed for SFY27, we generally do not receive our federal contracts until closer to the fiscal year start. However, we are able to reasonably predict our level of funding, based on this year's contract. For this section, should I list FY26 federal funding amount and select "awarded"? Or since we do not have FY27 contracts executed, list it as only applied?

#7 Response:

Funders ask about other funding sources to ensure transparency, fairness, accountability, and project viability.

If you have documentation that supports the funds are going to be awarded, you can select "Awarded"

Example: An award notice from the funder with a 2025 date and the amount could support "Awarded"

If you don't have documentation to support "Awarded", I would recommend selecting "Applied" Funders ask about other funding sources (or "current and pending support") on a grant application for several important reasons:

Possible reasons:

- To evaluate project feasibility
 - If you have partial funding from other sources, it can demonstrate credibility and momentum.
 - Having co-funding or matching funds signals that others believe in your project and increases confidence that it can be successfully completed.
- To understand partnerships and collaboration
 - Knowing who else is funding you helps them see your network of support — which organizations or agencies align with your mission.

#8 Question:

Will we need to upload a budget excel sheet and budget justification. I clicked through the application portal and did not see a space to upload, but just wanted to confirm that all project budget information required is contained in section 3.

#8 Response:

There is no additional Excel spreadsheet required as part of providing the budget and justification for this grant opportunity. All of the budget related questions are included in the application format via Neighborly.

#9 Question:

Can you clarify if Fringe benefits are considered program expenses, or non-reimbursable administrative expenses? This includes the cost of benefits such as 403B, health plan, vision, dental, disability, workers comp, etc. It would be allocated out based on salaries.

#9 Response:

Under HUD's Community Development Block Grant (CDBG) regulations, fringe benefits that are directly related to salaries for employees working on the CDBG-funded public service activity are considered **eligible program expenses**, not non-reimbursable administrative costs.

This includes reasonable and allocable costs for benefits such as health insurance, dental, vision, disability, workers' compensation, and retirement contributions (e.g., 403B), provided they are:

- **Consistent with your organization's established policies** for all employees,
- **Proportionally allocated** to the CDBG activity based on the percentage of staff time charged to the program, and
- **Properly documented** through payroll records and benefit calculations.

Administrative or overhead costs that are not tied to the delivery of the CDBG-funded service (e.g., general agency management, accounting for the entire organization) would fall under the administrative cap, but **fringe benefits tied to direct program staff** may be charged as program expenses.

#10 Question:

Could you please provide some detail regarding the barrier and service challenge section of the application?

We fall under the Limited Clientele-DV objective. Is the barrier/ service impact section to describe the barriers DV clients face when they arrive at InterAct and the service challenge/service impact question to describe the challenges they face to achieve the goals of the service?

What is the definition of service impact?

#10 Response:

Here is clarification to help you craft a clear and aligned response for the Barrier and Service Challenge / Service Impact sections—especially under the Limited Clientele – Domestic Violence (DV) objective.

1. Barrier Section – What to Describe

In this section, you should focus on the barriers DV clients face when they arrive or attempt to access services.

These are typically external or systemic obstacles that prevent individuals from safely, quickly, or effectively connecting with support.

Examples might include:

- Safety concerns or fear of retaliation
- Lack of safe transportation to leave an abusive situation
- Limited financial resources or access to basic needs
- Trauma symptoms that hinder help-seeking
- Language or cultural barriers
- Lack of identification or documentation
- Stigma and fear of not being believed

Goal of this section:

Describe the initial conditions that make it difficult for a DV survivor to access services or take their first steps toward safety.

2. Service Challenge / Service Impact Section – What to Describe

This section is intended to discuss the challenges clients face in achieving the goals of your program once they are already engaged in services, as well as how those challenges affect the service delivery process.

Service Challenge

These are obstacles that arise during service provision, such as:

- Long-term housing shortages
- Limited access to affordable legal representation
- Need for extended healing time due to trauma
- Difficulty maintaining employment because of safety disruptions
- Childcare or school-related complications
- Limited availability of mental health services

Service Impact – What It Means

“Service impact” refers to how those challenges affect the outcomes, timelines, or effectiveness of the services you provide.

It answers:

- How do these barriers influence the client’s ability to reach stability, safety, or independence?
- How do these challenges affect your program’s ability to deliver services as designed?
- What measurable or observable impacts occur because of these obstacles?

Examples of service impact:

- Longer average shelter stays because housing is hard to secure
- Higher caseload intensity due to complex trauma
- Extended timelines for clients to meet case plan goals
- Reduced participation in counseling because of childcare gaps
- Increased need for crisis intervention staff

How to Think About the Two Sections

A simple way to frame it:

- Barrier:

What stands between a DV survivor and accessing support?

- Service Challenge / Service Impact:

What stands between the survivor and successfully achieving outcomes after they begin receiving support—and how does that affect the program?

Both sections help the City understand the realities DV programs face and how funding can address those gaps.

#11 Question:

I missed attending one of the required information sessions.

#11 Response:

Thank you for your interest in the City of Raleigh’s Community Enhancement Grant (CEG) funding opportunity.

This program is highly competitive, and all applicants must meet the same eligibility requirements to ensure consistency, fairness, and transparency throughout the process. One of the basic threshold requirements is attendance **at least one CEG information session**.

Unfortunately, there is no flexibility to modify or waive this requirement for any interested applicant.

We encourage you to stay informed about future CEG funding cycles and other City of Raleigh grant opportunities by subscribing to our email and text updates:

 **Grant Opportunities:** raleighnc.gov/grants-funding-and-relief/grant-opportunities

 **MyRaleigh Subscriptions:** raleighnc.gov/engage-city/services/sign-email-alerts-and-newsletters

Through **MyRaleigh Subscriptions**, you can receive free notifications about City grants, programs, events, and project updates. Simply sign up using your email address or wireless number and select the topics that interest you.

Jacqueline Jordan
Grant Administrator

SIGN BELOW AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.

Proposer Name & Company: _____ **Date:** _____

Signature: _____ **Title:** _____