Community Enhancement Grant (CEG) Pre-Application Assessment and FAQ

Background

The City of Raleigh Community Enhancement Grant (CEG) program awards funds annually through a competitive Request for Proposals (RFP) process. Designed to fund public services that support neighborhood improvements or innovative services for low- and moderate-income persons and neighborhoods, the CEG is funded with a portion of the City's federal Community Development Block Grant (CDBG) award. The primary objective of the CDBG program is to develop viable communities by providing decent housing, suitable living environments and economic development opportunities, principally to low- and moderate-income residents. Because federal funds are used to support the CEG, agencies must have the capacity to meet federal requirements if awarded funding. No program will be awarded funds more than two years in a row.

Community Enhancement Grant Cycle

The annual grant cycle is similar each year and generally follows this sequence:

- November: Request for Proposals (RFP) made public.
- December: Mandatory workshops are held for any agency wishing to apply.
- January: Proposals are due.
- January-March: Review Committee reviews and scores proposals.
- March/April: Review Committee makes recommendations for funding public, as part of the Annual Action Plan process.
- May: City Council makes the final decision on funding.
- July 1-June 30: Contract period for awarded grants.

Purpose

The goal of this Pre-application Assessment and FAQ is to help potential applicants gain a better understanding of the requirements associated with this grant as well as the application elements.

Objectives of this Pre-Application FAQ

❖ To review the City of Raleigh's CEG application elements.

❖ To provide additional information for project eligibility standards set forth by The US Department of Housing and Urban Development and the City of Raleigh.

Definition(s)

Low- and moderate-Income	Persons and households who earn _at or below 80%_ of the Area Median Income (AMI) adjusted for family size for the Raleigh Metropolitan Service Area (MSA)

<u>****THIS IS NOT THE APPLICATION****</u>

ORGANIZATIONAL REQUIREMENTS

CDBG-CEG funds are _only_ awarded to registered 501(c)3 organizations.
> ➢ _Cannot_ be awarded to individuals
> ➢ Organizations _cannot_ be funded more than 2 consecutive years in a three-year span

The following verification items should be readily available:
- ✓ IRS 501(c)(3) tax determination letter
- ✓ Articles of Incorporation
- ✓ Most recent IRS tax form (990)
- ✓ Conflict of Interest Policy
- ✓ Verification of SAM.gov registration

In addition, an applicant should be prepared to answer the following questions.

Organizational Capacity	Mission Statement	Board of Directors
❖ What is the organization's history? ❖ Is the Project Manager's resume up to date? ❖ Is there an organizational chart? ❖ Who are the program personnel and what are their titles?	❖ Is the mission statement clear and concise? ❖ Does the project reflect your mission?	❖ How many members are on your Board of Directors? ❖ Do you have a Board of Directors list with addresses, term, and roles? ❖ Were the minutes kept at the most recent board meeting?

Organization Collaboration
> ❖ Do you have documentation to support claims of collaboration with service providers and/or other neighborhood organizations?
> > ➢ Accepted documentation:
> > > ▪ Confirmation Letter,
> > > ▪ Contract,
> > > ▪ Memorandum of Agreement (MOA), etc.

Additional Information to Consider
- ❖ Are those staffing the project appropriately experienced and trained for this program?
- ❖ Is there a written Policies & Procedures manual, specific, to this program?
- ❖ Evaluation, Outcomes/Objectives, and Scope of Work
- ❖ Is the project clear, specific, and well explained?
- ❖ Are the project's goals clearly stated?
- ❖ Are measurable objectives identified?
- ❖ Are project implementation procedures clear?

PROJECT ELIGIBILITY REQUIREMENTS

All three criteria listed below must be met in order to qualify for CEG funding.

CDBG-CEG PROJECT ELIGIBILITY CRITERIA	
➢ Meet the <u>LMI Benefit</u> National Objective as set forth by HUD	1. *Limited Clientele: At least 51% of persons served will have household income less than 80 % AMI* 2. *Limited Clientele: Persons are presumed to be low-income because the program will serve exclusively only members of at least one of the following populations: homeless persons, abused children, victims of domestic violence, elderly persons, severely disabled adults, persons living with HIV/AIDS, migrant farm workers, persons who are illiterate.* 3. *Area Benefit: The project will benefit all residents in an area where at least 51% of households have household income less than 80 % AMI.* *<u>(One of the above criteria must be met)</u>*
➢ Address <u>one or more</u> of the City's 2021-2025 Consolidated Plan Goals and Priorities	1. *Increase the supply of affordable housing* 2. *Enhance the homelessness to housing continuum* 3. *Increase Services to build self-sufficiency and sustainability* *<u>(One goal/priority must be met)</u>*
➢ Must be an eligible public service activity as set forth in <u>24 CFR §570.201 (e)</u>	*The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to:* ➢ Employment services (e.g., job training) ➢ Crime prevention and public safety ➢ Childcare ➢ Health services ➢ Substance abuse services (e.g., counseling and treatment) ➢ Fair housing counseling ➢ Education programs ➢ Energy conservation ➢ Services for senior citizens ➢ Services for homeless persons ➢ Welfare services (excluding income payments) ➢ Recreational services *<u>(Program activity must be eligible)</u>*

Questions to consider when determining the LMI Benefit:

- ➢ Who will the service be provided to?
- ➢ Where will the service be provided?
- ➢ What are the income levels in the area where the service will be provided?

Faith-Based Organizations

- ➢ Registered 501(c)3 faith-based organizations are welcome to submit applications for CEG funding
- ➢ Faith-based organizations *can and have* been funded through the CEG program
- ➢ However, certain key restrictions on the use of funds awarded do apply, including, but not limited to:
  - The program or service funded with CEG funds cannot be restricted to those sharing the religious beliefs of the organization or who are members of a particular faith. The service must be open to, and marketed to, all income eligible persons and households, regardless of individual faith or adherence.
  - Employees hired to work in the program funded with CEG funds cannot be discriminated against based on the religious beliefs (or lack of them) held by potential job applicants.
  - No religious requirements can be imposed as a part of the service provided. For example, participation in prayers or attendance at religious services cannot be a requirement of participation in the program.
- ➢ ***If funded, make sure any religious activities are separated from those offered by the government funded activity (CEG)***.

Record Keeping and Filing Considerations

- ➢ Records should demonstrate that each activity undertaken meets the criteria for National Objectives compliance.
- ➢ Is there a process for maintaining orderly and comprehensive files that are secured for confidentiality where necessary?

BUDGET AND FINANCIAL REQUIREMENTS

❖ 501(c)3 organizations can request between $20,000 and $60,000
  ➤ Administrative cost _are not_ reimbursable expenses
  ➤ Only _25 percent_ of the total agency budget can be requested
  ➤ Only _50 percent_ of the project budget can be requested

Are these items finalized?
  ✓ Comprehensive budget
  ✓ Current year operating budget
  ✓ Name/address of accountant or chief financial officer
  ✓ Most recent financial statement (if requesting less than $25,000)
  ✓ Most recent audit (if requesting $25,000 or more)

Administrative costs	Examples of Administrative costs
➤ *Expenses allocated for the overall function and management of the agency, rather than for the direct conduct of program services or fundraising activities*	➤ Board of Directors, Committee and staff meetings ➤ Legal/Accounting/Financial Services ➤ Salary, FICA, and fringe benefit expenses for non-direct service staff time

Comprehensive Budget	Explanation of comprehensive budget
✓ Staff Cost for CDBG-CEG funded tasks only *(covered by grant)* ✓ Program-Project Cost (*covered by grant)* ✓ Administrative-Indirect Cost *(not covered by grant, but must be submitted)*	❖ An organization may have a $2M annual operating budget, but the CDBG-CEG specific program/project budget may cover $250K in total costs. ❖ The CBDB-CEG process would require that applicant match 50% of the funds of the CDBG-CEG specific program/project budget – in this example that would be $125K match. This would make the program/project budget comprehensive.

Other Components to Consider
➤ Are costs identified and calculated clearly?

Faith-Based Organizations
➤ CDBG funds _cannot_ be used to support worship, religious instruction or proselytization ➤ Religious activities _must_ be offered separately from the CDBG supported activity ➤ Organizations _shall not_ discriminate against a program beneficiary due to religion or religious belief

PLEASE NOTE

> **This is not the application. You will need to complete and submit during a separate process. This document was created to assist you with preparing for the actual CEG RFP process.**
>
> **Always feel free to contact us at: federalprograms@raleighnc.gov**

All City of Raleigh grant opportunities are posted on our website and communications are sent out thru GovDelivery to subscribers.

We recommend signing up for communications from Housing & Neighborhoods thru MyRaleigh Subcriptions to be notified about any future grant opportunities.

Some other resources suggested:
- The City's Human Relations Services Agency Grant
- Nonprofit Capacity Building Program

CEG FREQUENTLY ASKED QUESTIONS

Agency & Capacity Questions

Questions	Answers
1. Is there a requirement for amount of time an agency is in business?	➢ There is not a minimum, but the agency ***must be certified as 501c3 nonprofit at the time of submission***. ❖ A newly formed agency might not score as high, however, because we are looking for documentation of experience.
2. Do you have a specific vision for how we should reference the manual? Direct quotations or simply page numbers where more information can be found?	➢ When answering a question, you should quote the Policies & Procedure Manual. ❖ If the section in the manual is too lengthy, quote some and reference the page number for the remainder.
3. The application requests Board minutes documenting Board authorization for this application. Our next BOD meeting is scheduled after the application deadline. Is there another manner in which we can accommodate this request?	➢ Here are options for addressing the requirement that the Board approve the submission of the application, in order of preference: ❖ If your Board won't be meeting before the due date of the grant application but will be meeting later in January, include with your application a written note from your Board Chair that she/he is aware of the application, that the Board will discuss it at the next meeting before the end of January and that the Board is expected to approve the application. Written minutes documenting that Board action will be submitted by the end of the day February 1st. ❖ If your Board won't be meeting at all in January, Board approval can be indicated in a few other ways, assuming your By-Laws allow it and include it with your application. ❖ Have an electronic vote of the full Board that can be documented. ❖ Have an electronic vote of the Board Executive Committee that can be documented.

	❖ Provide a written statement from the Board Chair indicating Board support of the submission of the application.
4. Can you elaborate more on collaboration? Are direct partnerships allowed?	➢ In instances in which there is collaboration, this should be clearly defined. ➢ It is fine if the program is a partnership between agencies, however, ***the application should come from only one agency***, and the budget should clearly delineate how costs are determined and shared amongst the agencies.

Programming/Eligibility Questions

Questions	Answers

1. If we serve disabled, is income documentation still required?	➢ Income documentation is required unless your population being served meets HUD's criteria of 'presumed eligible.'
	   o Examples of 'presumed eligible' include:
	      ▪ homeless persons,
	      ▪ abused children,
	      ▪ victims of domestic violence,
	      ▪ elderly persons,
	      ▪ severely disabled adults,
	      ▪ persons living with HIV/AIDS,
	      ▪ migrant farm workers, and
	      ▪ persons who are illiterate.
	
	➢ According to HUD, persons are considered severely disabled if they:
	   o Use a wheelchair or another special aid for 6 months or longer;
	
	      ▪ Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking);
	
	      ▪ Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities of daily living (going outside the home, keeping track of money or bills,

	preparing meals, doing light housework and using the telephone);
	▪ Are prevented from working at a job or doing housework;
	▪ Have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation; or
	▪ Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).
2. Are you using HUD's definition of "homeless" only?	➢ We will accept HUD'S definition as well as the McKinney-Vento definition that Wake County Public Schools uses.
3. Will funding cover services to undocumented individuals?	➢ In order to qualify for services, an individual must meet the income qualifications outlined in the RFP and be residing within the Raleigh city limits.
4. Are collective impact backbone services allowed – i.e., a project that coordinates across agencies that provide direct services, builds local capacity, organizes volunteers, works with agencies on shared metrics, or supports cross agency collaboration rather than a project that provided direct services (case management)?	➢ In order to qualify for funding, there must be some way to connect the services being provided to the individuals served.
5. We have a psychosocial rehabilitation program that provides job training services for individuals with mental illness and they do that through training in a commercial kitchen that we have access to. Our program may be moving to new space soon and I am wondering if block grant funds would fund the renovation/upfit of a new kitchen space including the purchase of commercial-grade equipment (refrigerators, stoves, sinks, etc.)	➢ In the history of the Community Enhancement Grant, there have been two occasions when capital expenditure applications were awarded funding: ❖ Security measures for a domestic violence shelter; and ❖ a commercial freezer for a food bank. In both instances, households served by the organizations were presumed to be households with incomes less than 80 percent of area median income (AMI). ➢ ***The improvements paid for with grant funding were essentially not transferable for other uses***.

	❖ For example, a purchase of an iPad for a program serving homeless persons would not be eligible because it is impossible to ensure that such an electronic device would not be used for reasons other than the intended one. ❖ On the other hand, the security measures and the commercial freezer could be reasonably expected to be used as intended for the life of the equipment. ➢ It behooves the applicant to demonstrate the need for the equipment and to provide assurance that the equipment would be used to serve only income eligible households fo0r the life of the equipment.

Funding Questions

Questions	Answers
1. Is the Community Enhancement Grant a reimbursable grant?	➢ Yes. In order to receive payment, you must submit a draft invoice to the City for allowable expenses. ➢ After the invoice has been approved, your agency will be reimbursed. ***The grant period is from July 1 – June 30.*** Any allowable program related expenses incurred after July 1 will be allowed to be invoiced.
2. Can in-kind contributions and donations count towards the project budget's total (when calculating the 50%)?	➢ Yes, but they should be clearly documented as to what they are and how they are calculated.
3. Do the 3 sources include funding from your own agency?	➢ Funding from your own agency can count as one of the 3 funding sources but should be clearly explained/documented.
4. Are we allowed to edit/add additional lines in the funding sources table or would you like only the top four companies/foundations/etc. and a fifth "Other" category?	➢ The table requesting funding sources on page 5 has five rows. These funding sources should be sources of funding for the project/program you are seeking funding for. ➢ If you have more than 5 sources of funding, feel free to add the necessary number of rows you need. All funding sources included here should be included on the Excel budget form as well.
5. If we have more than 3 sources of funding (in addition to donations) for the program we are	➢ Yes, add columns as needed.

requesting CEG supplemental funding, should we add additional columns to the Budget worksheet?	
6. If the project is larger than Raleigh - Would we provide a budget based on the % of Raleigh residents served?	➢ Project budget would be total budget, although it should be broken down to include the portion covering Raleigh.
7. Does the audit have to be done by a CPA in NC or if you have had a financial audit done in another state would that suffice?	➢ The firm does not need to be located in NC but must be properly registered/licensed to conduct audits.
8. Are video recording materials an eligible cost?	➢ The purchase of small electronics such as computers, pads/tablets, telephones, video recording equipment, and accessories ***is not*** an eligible cost for the Community Enhancement Grant.
9. What about funds to cover a venue where training would occur?	➢ Yes, funds to cover a training space are allowable.

Faith-based Questions

Questions	Answers
1. My church is a 501c3. Can we apply or do we have to set up a separate 501c3 organization to be able to apply?	➢ The short answer is no, a faith-based organization does not need to set up a separate 501c3 to be eligible for funding from the Community Enhancement Grant program. Nor is it necessary to have a board separate from the board that governs the faith-based organization. ➢ However, certain key restrictions on the use of funds awarded do apply, including, but not limited to: ❖ The program or service funded with Community Enhancement Grant funds ***cannot*** be restricted to those sharing the religious beliefs of the organization or who are members of a particular faith. ***The service must be open to, and marketed to, all income eligible persons and households, regardless of individual faith or adherence.*** ❖ Employees hired to work in the program funded with Community Enhancement Grant funds ***cannot be discriminated against based***

	on the religious beliefs (or lack of them) held by potential job applicants.
	❖ *No religious requirements can be imposed as a part of the service provided.* For example, participation in prayers or attendance at religious services cannot be a requirement of participation in the program.

Application-related Questions

Questions	Answers
1. To clarify, is this the person drafting the application (i.e. the individual to whom responses or questions regarding the application should be sent)? I have listed myself as the Grant Writer but want to make sure I am reading it correctly.	➢ The name of the person who wrote the grant should be included here. If the person is a staff member of the agency, indicate that. If the person was contracted by the agency to write the grant, indicate that.
2. Will there be absolutely no additional questions permitted after Dec. 15? We are still working on the budget portion of our application and I am not sure if our CFO may encounter areas in which she has a question or two. Would we be permitted to email or call in that scenario?	➢ You will need to do the best you can. I am trying to share all questions asked with everyone, so no one has an advantage. The purpose of the budget is to show sources and uses; specifically, how the sources of funds will be used. Do the best you can.