



CITY OF RANCHO SANTA MARGARITA
2026-2027
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PUBLIC SERVICE GRANT APPLICATION GUIDELINES

PURPOSE

The City of Rancho Santa Margarita is accepting applications from tax-exempt California nonprofit corporations that provide public services to city residents who are eligible for Community Development Block Grant (CDBG)-funded services.

CDBG PROGRAM DESCRIPTION

The primary objective of the CDBG program, which is administered by the federal Department of Housing and Urban Development (HUD), is to develop viable communities by:

- Providing decent housing
- Providing a suitable environment
- Expanding economic opportunities

All CDBG-funded activities must primarily benefit low- and moderate-income persons as defined by HUD (see below).

Rancho Santa Margarita receives an annual CDBG allocation from HUD. The City is free to select from a range of eligible activities established by HUD for CDBG funding, including public services. HUD limits funding for public services (i.e., social service programs) to a maximum of 15 percent of the City's annual grant award. For Fiscal Year 2026-2027, the City anticipates receiving approximately **\$200,000** in CDBG funds; however, HUD has not officially notified the City about its actual FY 2026-2027 CDBG allocation; therefore, for planning purposes, the maximum amount that Rancho Santa Margarita will allocate for all public service programs is **\$30,000** - funding estimates are subject to change. **Additionally, it is important to note that the CDBG program has been earmarked for elimination; therefore, 2026 funding is not secure at any level.**

PROGRAM REQUIREMENTS

All CDBG-funded activities must meet one of the program's National Objectives and must benefit a minimum percentage of low- and moderate-income individuals.

A. CDBG NATIONAL OBJECTIVE

All CDBG-funded activities must meet one of the program's three broad national objectives:

1. Provide a benefit to low- and moderate-income persons
2. Aid in the prevention or elimination of slums or blight
3. Meet other community development needs having a particular urgency (i.e., declared disaster)

B. BENEFITS TO LOW/MODERATE INCOME POPULATION

Overall, 70 percent of CDBG program beneficiaries must meet HUD's definition of a low- or moderate-income person. A person is considered low- and moderate-income if their household income is less

than or equal to 80 percent of the county median income. Program beneficiaries must be able to provide evidence of income. Current income limits, adjusted for household size, are as follows:

<u>Number of Persons in Household</u>	<u>Low/Moderate Income Limit *</u>
1	\$94,750
2	\$108,300
3	\$121,850
4	\$135,350
5	\$146,200
6	\$157,050
7	\$167,850
8	\$178,700

* Current 2025 income limits. HUD updates income limits annually.

C. BENEFIT TO THE RANCHO SANTA MARGARITA COMMUNITY

Eligible activities must show evidence of benefit to Rancho Santa Margarita residents. Reliable accounting of the number of low- and moderate-income Rancho Santa Margarita residents directly assisted with grant funding must be provided. All program beneficiaries must provide evidence that Rancho Santa Margarita is (or was) their last permanent residence for at least three months.

D. NONPROFIT STATUS

Eligible service providers must be tax-exempt California nonprofit corporations before the application deadline. Proof of nonprofit status must be provided at the time of application. Additionally, applicants must be in good standing with the State of California and the IRS.

E. PERMITS AND LICENSES

Programs must have, or obtain, all required local, State, and Federal permits and licenses. Applicants must also comply with and be in good standing with the permit- or license-issuing agencies and applicable land-use regulations.

F. INSURANCE

All agencies awarded CDBG funds will be required to obtain and maintain the following insurance coverage:

1. General Liability: \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

An endorsement naming the City of Rancho Santa Margarita as additional insured is also required.

FUNDING

The City has not established a minimum or maximum grant amount; however, applicants should consider the cost of providing the proposed services and administering grant funds when determining the grant request. Applicants should also consider the total CDBG available to the City for grantmaking. Priority may

be given to applications that focus funds on **direct benefits** for city residents rather than on staffing or operating costs.

Note: The City is not obligated to fund all program elements requested in an application (for example, the City could choose to fund a portion of program staff costs but not administrative staff costs). Funding will only be granted for CDBG-eligible expenditures as delineated in federal regulations. Funding will be provided for eligible expenditures on a reimbursable basis, subject to program regulations and the federal Office of Management and Budget guidelines. Applicants are directed to review applicable regulations for additional information regarding the eligible use and management of CDBG/federal funds. Links to relevant regulations are provided below:

- [CDBG Regulations \(24 CFR 570\)](#)
- [Federal Grant Administrative Regulations \(2 CFR 200\)](#)
- [Single Audit Regulations \(2 CFR 200 Subpart F\)](#)

SELECTION CRITERIA

The City's CDBG Public Services Grant Advisory Committee (CDBG Committee) will review and evaluate applications. Typically, applicants have the opportunity to present their grant applications to the CDBG Committee in an interview format. Interviews will likely be held in the evening. Once final details are determined, an update regarding the CDBG Committee's grant recommendation process will be provided to all applicants. It is anticipated that the CDBG Committee will meet in late February or early March 2026.

INSTRUCTIONS FOR SUBMISSION REQUIREMENTS

- Applications are due **Thursday, February 12, 2026, at 3 PM**. Applications should be mailed or delivered to the **City of Rancho Santa Margarita City Hall, 22112 El Paseo, Rancho Santa Margarita, CA**, and identified as **2026-2027 Public Service Grant Application – Attention Mike Linares**.
- The original application must be printed on standard white letter-size paper, one-sided, and not stapled or inserted into any binding or notebook.
- Applicants must also submit an unsigned MS-Word electronic copy of the application (application only) by the due date and time.
- All other required materials must be submitted in PDF format on a USB storage device. Ensure all passwords for documents such as tax returns and audits are removed.
- Do not provide any program materials, letters of recommendation, etc.
- **APPLICATIONS SUBMITTED AFTER THE DEADLINE WILL NOT BE ACCEPTED.**

CITY CONTACT INFORMATION

Requests for an electronic copy of the application or questions regarding the application process should be directed to Mike Linares, City of Rancho Santa Margarita Community Development Consultant, at mlinares@cityofrsm.org.