



CITY OF LONG BEACH

C-8

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 13, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Community Development Advisory Commission funding recommendations for the Fiscal Year 2006 (FY 06) Nonprofit Assistance Program; and authorize the City Manager to execute and amend, as necessary, loan documents with various nonprofit organizations approved for FY 06 Nonprofit Assistance Program in an estimated total amount of \$500,000. (Districts 1, 2, 7 and 8)

DISCUSSION

For the last eleven years, the City Council has authorized the Department of Community Development to provide forgivable, no-interest loans to property owners of nonprofit agencies providing public services to low-income Long Beach residents. In the current fiscal year (FY 06) the budgeted amount approved by the City Council to assist nonprofit agencies was \$500,000. The Nonprofit Assistance Program (NAP) is funded by federal Community Development Block Grant (CDBG) funds.

NAP loans must be used solely for physical improvements to rehabilitate, reconfigure, convert, and/or improve the facilities of nonprofit agencies. The minimum loan amount is \$5,000 and the maximum loan amount is \$70,000. Loan recipients are required to participate financially in the rehabilitation by providing a cash match equal to five percent of the total amount determined to be necessary to make eligible improvements. Deeds of Trust securing the NAP loans are recorded against the property. The loans will be forgiven, over time, provided the nonprofit agency continues to provide services to low income residents at the improved facility.

Ten (10) applications for funding were received. The Community Development Advisory Commission (CDAC) reviewed and ranked each application based on pre-established criteria.

The NAP selection criteria includes:

- The proposed improvements will increase or significantly enhance services to low-income Long Beach residents.
- The funding will be used to comply with health, building, fire, safety, and/or zoning regulations, or to improve facility accessibility by meeting ADA requirements.

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- The nonprofit organization applying for NAP assistance has submitted all application information including organization history, audit information, verification of ability to meet the five percent match requirement, and documentation regarding the clients served.
- The facility has not received NAP funding more than two times.

At its May 17, 2006 meeting, the CDAC recommended seven (7) agencies for FY 06 NAP funding totaling \$500,000. A summary of the applications received and the NAP funding recommendations are attached.

This item was reviewed by Deputy City Attorney Donna F. Gwin on May 19, 2006 and Budget Management Officer David Wodynski on May 25, 2006.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

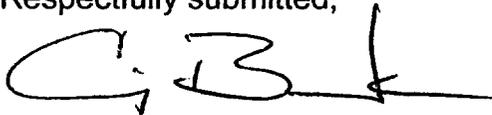
FISCAL IMPACT

Sufficient CDBG funds to support the Nonprofit Assistance Program are budgeted in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD). There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



~~FR~~ PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

DJT/mcv

Attachment

APPROVED:

Christine J. Sheppin
for GERALD R. MILLER
CITY MANAGER