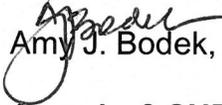


M E M O R A N D U M

DATE: October 21, 2015

TO: Board of Directors
The Long Beach Community Investment Company

FROM: 
Amy J. Bodek, President

SUBJECT: Award of CHDO Funds and Authorization to Execute an Agreement to Negotiate Exclusively with Home Ownership for Personal Empowerment (HOPE) for the Acquisition and Rehabilitation of Housing for Special Needs Individuals (Citywide).

RECOMMENDATION:

1. Approve the selection of Home Ownership for Personal Empowerment (HOPE) for an award of CHDO funds in the amount of \$1,047,000; and,
2. Authorize the President or designee to enter into an Agreement to Negotiate Exclusively with HOPE for the acquisition and rehabilitation of housing for special needs individuals.

DISCUSSION

The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990. It is the largest federal block grant to state and local governments designed to expand the supply of decent, safe, affordable housing for low-income households. Under the HOME program, the U.S. Department of Housing and Urban Development (HUD) provides formula grants to eligible state and local governments annually to fund a wide range of activities, including building, buying, and/or rehabilitating housing for rent or sale to qualified lower-income households.

Among other things, HOME requires Participating Jurisdictions (PJs) to set-aside at least 15% of its annual HOME allocation for eligible HOME activities to be undertaken by a special type of non-profit community-based service organization called a Community Housing Development Organization (CHDO). CHDOs must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. Eligible activities for CHDOs include new construction of rental housing, acquisition and/or rehabilitation of rental housing, new construction of owner-occupied housing, acquisition and/or rehabilitation of owner-occupied housing, and direct financial assistance to homebuyers of HOME-assisted housing that has been developed with HOME funds by the CHDO. It is the PJs responsibility

to qualify these organizations with CHDO designation and ensure that they meet certain requirements pertaining to their organizational structure, legal status, capacity and experience. CHDOs must serve as owners, developers or sponsors and must have the staff capacity to develop affordable housing for the community they serve.

On May 4, 2015, staff published a Notice of Funding Availability (NOFA) announcing the availability of approximately \$1,047,000 in HOME funds available to established CHDOs (Attachment A). The deadline for submitting proposals was June 12, 2015. A total of four proposals were received. Staff reviewed the proposals and scored them based on the criteria contained in the NOFA. Home Ownership for Personal Empowerment (HOPE) achieved the highest score.

HOPE is a non-profit housing developer whose mission is to create stable affordable housing options for individuals with developmental disabilities. For over twenty years, HOPE has demonstrated the ability to form effective partnerships and collaborations; work inclusively with municipalities; and, acquire, finance, rehabilitate, and maintain housing to fulfill their mission. Residents that live in HOPE properties are provided with case management and social services. They discover a new sense of independence by living without restraints and controlling their own lives. With this new independence, residents feel an increased sense of self-esteem, which encourages them to excel in other areas of their lives such as education, employment, and social development.

The original proposal submitted by HOPE was the acquisition and rehabilitation of two multi-family properties to provide 17 units of affordable housing for people with developmental disabilities. Unfortunately, those properties are no longer available. HOPE is currently looking for replacement properties. Staff is recommending approval of a 90-day Exclusive Negotiating Agreement (ENA), which will provide HOPE with time to submit a revised proposal and financial pro forma for a new site or sites. The President will have the ability to extend the term for one 90-day period. When properties are identified, staff will return to the LBCIC with a request to approve loans to HOPE for the acquisition and rehabilitation of the properties.

HOPE provides essential housing opportunities for an extremely vulnerable population. In addition, partnerships with CHDOs supports the implementation of Housing Element Program 4.1 (Affordable Housing Development Assistance), and for those reasons, staff supports the approval of an ENA with HOPE.

SUGGESTED ACTION:

Approve Recommendation.

Attachment: A - NOFA

AJB:PU:sm

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**CITY OF LONG BEACH
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)**

**NOTICE OF FUNDING AVAILABILITY (NOFA)
COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)**



DUE DATE: JUNE 12, 2015

NOFA OVERVIEW AND GENERAL INFORMATION

OPPORTUNITY

The City of Long Beach Department of Development Services (City) announces the availability of approximately \$1,047,000 in HOME Investment Partnerships Program (HOME) funds to be allocated to established Community Housing Development Organizations (CHDOs). Eligible activities under the NOFA are limited to the development or rehabilitation of rental or ownership units in the City of Long Beach.

As appropriate, financial assistance to selected projects will be made in the form of direct loans and/or deferred payment loans. The rates and terms of the loans shall be subject to negotiation on a project-by-project basis. All loans will be secured by a first or second lien on the property.

The deadline for submitting proposals in response to the NOFA is June 12, 2015. Proposals will be reviewed for compliance with the HOME Program regulations and the terms of this NOFA. Projects that are determined to comply with both the HOME Program Regulations and the NOFA will be evaluated according to the established NOFA Evaluation Criteria. In the event of a tie score, preference will be given to project(s) proposed to be located on one of the Long Beach Community Investment Company (LBCIC) owned properties that are subject to a Request for Proposals (RFP) that was issued by the City in early April 2015 with a submittal deadline of May 19, 2015.

The project(s) determined to be the most competitive will be presented to the Long Beach Community Investment Company (LBCIC) for confirmation and loan approval. The City reserves the right to request additional information and/or to reject any or all proposals.

The amount of financial assistance allocated to eligible projects under this NOFA will be limited to the availability of HOME CHDO funds. The City must commit all the CHDO funds identified in this NOFA no later than September 30, 2015, and the fund must be expended over a two- to four-year period.

NOFA OVERVIEW AND GENERAL INFORMATION

HUD REGULATIONS

The availability and use of these funds is subject to the HOME Program regulations imposed by the United States Department of Housing and Urban Development (HUD). A sample of pertinent HUD regulations follows:

1. 24 CFR Part 92, which is the "HOME Final Rule";
2. 24 CFR §92.351 for fair housing;
3. 24 CFR §92.352 for environmental requirements;
4. 24 CFR §92.353 for the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Section 104(d) of Housing and Community Development Act of 1974;
5. 24 CFR §92.354 and the Davis-Bacon Act for labor standards;
6. 24 CFR §92.356 for conflict of interest;
7. Where the 2014 Uniform Multifamily Rules are in conflict with the HOME Final Rule, the HOME regulations shall govern; and
8. 24 CFR Part 135 describes the HUD Section 3 requirements for HUD funded assistance connected to construction, rehabilitation, demolition or other public construction.

Specific implementing requirements imposed by the HOME Final Rule can be summarized as follows:

1. If an owner chooses to adopt and follow a written tenant selection policy that limits eligibility or gives a preference to a particular segment of the population, as permitted in the written agreement, the limitation or preference must not violate the nondiscrimination requirements imposed in 24 CFR §92.350. The owner must state whether or not a preference will be used for tenant selection prior to closing.
2. Awardees must use the HUD Utility Schedule Model for utility allowances. The utility allowances will be calculated by the City on an annual basis, and provided to the awardees with a deadline for implementation.

NOFA OVERVIEW AND GENERAL INFORMATION

3. Housing must be occupied by eligible tenants within six months following completion of construction or rehabilitation.
4. If one of the following events occurs, the HOME funds must be repaid:
 - a. For any housing unit that has not been rented or sold to eligible households within 18 months following the completion of construction; or
 - b. If the project is not completed within four years of the date funds were committed.
5. If a CHDO is created or sponsored by a for profit entity, the officers and employees of the for profit entity may not be officers or employees of the CHDO.
6. If a CHDO is acting as a developer or sponsor, the CHDO must have paid employees with housing development experience who will work on the HOME-assisted project. For its first year of funding as a CHDO, the CHDO may satisfy this requirement through a contract with a consultant that has housing development experience to train appropriate key staff of the organization.
7. If a CHDO is acting as an owner, it must demonstrate the capacity to act as owner of a project including:
 - a. The ability to hire and oversee the developer that constructs or rehabilitates the project;
 - b. The ability to hire or contract with an experienced project manager to oversee all aspects of the development; and
 - c. The ability to own and operate the project for the duration of the affordability period mandated by HUD.

CHDO's should carefully review the HOME Program Regulations prior to submitting a HOME CHDO Program Proposal. Please direct questions regarding this NOFA to Patrick Ure at Patrick_Ure@longbeach.gov.

PROPOSAL SUBMISSION PROCESS

The City has developed a comprehensive process to evaluate responses to this NOFA against specific evaluation criteria. The principal steps in the submission and evaluation process are:

1. Applicants must submit one (1) original and three (3) copies of the HOME CHDO Program Proposal and required attachments for review and consideration by the City. Proposals must include sufficient information to allow the comprehensive review and analysis of the proposed project.
2. The City will evaluate HOME CHDO Program proposals in accordance with the established Evaluation Criteria.
3. Applicants will be ranked in accordance with the score received using the Evaluation Criteria.
4. Applicants will be notified of the results of the evaluation no later than July 7, 2015.
5. The top scoring application(s) will be presented to the LBCIC for confirmation and loan approval.
6. Selected applicants should be prepared to close the project loan within 30 days following the receipt of LBCIC loan approval.
7. Completed HOME CHDO Program Proposals should be mailed or delivered to:

Patrick Ure
Housing Development Officer
City of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802

EVALUATION CRITERIA

HOME CHDO PROGRAM PROPOSALS

Proposed CHDO projects will be reviewed and scored on a competitive basis relative to the seven evaluation criteria identified below. The maximum possible score is 100 points. Proposed projects must pass the CHDO checklist criteria, and receive a minimum score of 70 points to be considered eligible for funding. A score above the minimum score does not guarantee funding.

1. CHDO STATUS (Pass/Fail)

CHDO Checklist is complete, and all documentation is verifiable and establishes the applicant as a CHDO.	Pass
CHDO Checklist is not complete or documentation is inadequate to establish the applicant as a CHDO.	Fail

2. EXPERIENCE AND QUALIFICATIONS (maximum 20 points)

CHDO has successfully completed a project similar in size and scope and within two years of project's closing.	20
CHDO has successfully completed a project but smaller in size and scope and within two years of project's closing.	10

3. PROJECT BUDGET (maximum 20 points)

Project budget is complete and anticipated development costs are reasonable.	20
Project budget is incomplete or anticipated development costs are outside of the norm.	10

4. SOURCES & USES OF FUNDS (maximum 20 points)

All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.	20
All sources and uses of funds are clearly indicated, but evidence of funding availability and commitments are incomplete.	10

EVALUATION CRITERIA HOME CHDO PROGRAM PROPOSALS

- | | | |
|----|--|----|
| 5. | <u>AFFORDABILITY (maximum 10 points)</u> | |
| | All units assisted with CHDO funds will be affordable to households earning less than 50% of the Los Angeles County median income (Median). | 10 |
| | At least 20% of the units assisted with CHDO funds will be affordable to households earning less than 50% of the Median, and the remaining units will be affordable to households earning less than 60% of the Median. | 5 |
| 6. | <u>PROJECT READINESS (maximum 20 points)</u> | |
| | Applicant has site control, and the project is anticipated to be completed by September 30, 2017 | 20 |
| | Project is anticipated to completed by September 30, 2018 | 10 |
| 7. | <u>NEIGHBORHOOD SUPPORT (maximum 10 points)</u> | |
| | Proposal application includes letters of support from all local neighborhood organizations in the area of the proposed project. | 10 |
| | Demonstrated effort to gain support from local neighborhood organizations. | 5 |

PROPOSAL FORM

Project Name:

Project Address(es):

Project Type:

Ownership

Rental

Total Number of Units:

CHDO Units:

Requested Amount of CHDO Funds:

Role of CHDO in the Project

Owner

Developer

Sponsor

CHDO INFORMATION

(If the CHDO is not acting as the developer, please provide all of the information below for the developer as well as for the CHDO. If the developer involves multiple entities, is a partnership, or joint venture, please provide duplicative information for each and identify the entity that will serve as the "lead" organization.)

Organization Name

Address

Contact Person

Telephone Number

Federal Tax Id Number

Duns #

PROPOSAL FORM

The applicant/developer certifies that the information and attachments comprising this proposal are true and correct. Unsigned/undated submissions will not be considered.

Legal Name of Applicant

Signature of Authorized Officer

Title

Date

BOARD AUTHORIZATION

Include a copy of the Board of Directors' resolution approving the proposed project and authorizing the submission of this NOFA response.

DEVELOPMENT TEAM

Identify the entities anticipated to be involved in implementing the project. If known, identify the lenders, attorneys, accountants, architects, engineers, general contractor, subcontractors, and consultants.

PROJECT DESCRIPTION

In two pages or less, describe the project, including the information listed below:

1. Location by street address and include an area map with the property(ies) indicated.
2. If there are existing structures, provide documentation indicating the year the structure was built.
3. Describe the following project components:
 - a. Type of structure;
 - b. Number of units;
 - c. Gross building area;

PROPOSAL FORM

- d. Net building area;
 - e. Unit mix
 - f. Number and type of parking spaces; and
 - g. Project amenities.
4. Identify the income and affordability restrictions proposed to be imposed on the units. Allocate the restrictions across the proposed unit mix.
 5. If the project will serve persons with special needs, describe the population to be served and the outreach or referral plan that will be used to publicize the availability of housing and/or supportive services.

SITE CONTROL AND DEMONSTRATION OF VALUE

If the project site is known at the time this application is submitted, include evidence of site control, and provide a real estate appraisal or current tax documentation that substantiates the value of the property. If the project site has not been identified, indicate when the site will be selected, and when the requested documentation will be available.

TENANT RELOCATION

If the project is occupied at the time of proposal submission, include a Tenant Relocation Plan. The developer is responsible for providing tenant relocation assistance should the proposed project require or result in the temporary or permanent displacement of current tenants. The Plan must include, at a minimum, the following:

1. Total number of households in the project and number to be permanently or temporarily displaced.
2. A list and description of all households to be temporarily or permanently displaced (include current address, name, household size, and ages of the household members).
3. Circumstances under which the displacement is necessary.
4. Description of assistance to be provided and a schedule for assistance.
5. Source(s) of funds to be used for relocation assistance.

PROPOSAL FORM

6. Procedures/methods by which those being displaced will be advised of their rights and available assistance.

DEVELOPMENT SCHEDULE

Complete the following table. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

Proposed Development Schedule	
Activity	Proposed Date (Month/Year)
Property Acquisition	
Environmental and/or Historic Review	
Preparing Project Plans and Specifications	
Obtaining Bids from Contractors and Subcontractors	
Securing and Packaging Project Financing	
Construction/Rehabilitation Commences	
Construction/Rehabilitation Completed	
Sales/Leasing Commences	
Sales/Leasing Completed	

PROJECT PRO FORMA ANALYSIS

Provide a pro forma analysis for the proposed project. Use the format presented in Attachment 1-A for rental projects and 1-B for ownership projects. The pro forma analysis includes the following tables:

1. Estimated Development Costs
2. Revenue:
 - a. Rental – Net Operating Income
 - b. Ownership – Net Project Value
3. Sources of Funds Statement

PROPOSAL FORM

MARKETING OF UNITS

Describe your process and timing for marketing the units. If your organization maintains a waiting list of individuals interested in renting/purchasing a unit from your organization, indicate how many persons or families are on the waiting list and how many of those persons or families are prequalified. Indicate who will be responsible for marketing the homes. If the CHDO plans to contract with a Realtor for marketing, provide a history of the relationship, indicating how many homes the Realtor has marketing on behalf of the CHDO over what time period.

NEIGHBORHOOD AND LOCAL GOVERNMENT SUPPORT

Include letters of support from local organizations and governmental entities within the area of the proposed project. The City cannot provide a letter of support.

EXPERIENCE AND REFERENCES

Provide descriptions of at least three projects and no more than five projects that are directly analogous to the project being proposed in the response to this NOFA. Of particular importance is the developer's experience with projects subject to HOME Program regulations. If this is the CHDO's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.

The following information should be provided for each project:

1. Site location;
2. Number of units in the project;
3. The total project costs;
4. The income and affordability restrictions that were imposed on the project;
5. Identification of any public financial assistance that was provided to the project;
6. The role the applicant played in the project; and
7. Contact information for a representative of the jurisdiction in which the project is located.

PROPOSAL FORM

CHDO STATUS

Complete the CHDO Checklist that is provided in Attachment 2, and provide the following supporting documentation:

1. Proof of legal status: Articles of Incorporation and Certificate of Status from Secretary of State; and
2. CHDO Board Certification in the form presented in Attachment 3.

ATTACHMENT 1 - A

**PRO FORMA ANALYSIS
RENTAL DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA**

TABLE 1

ESTIMATED DEVELOPMENT COSTS
RENTAL DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA

I. Property Acquisition Costs				\$ _____
II. Direct Costs				
On-Site Improvements				\$ _____
Parking Costs				
Surface	_____ Spaces			\$ _____
Above-Ground Structure	_____ Spaces			\$ _____
Subterranean	_____ Spaces			\$ _____
Residential Building Costs	_____ Sf GBA ¹	_____ Sf GBA		\$ _____
Contractor Costs				\$ _____
Direct Cost Contingency Allowance				\$ _____
Total Direct Costs				\$ _____
III. Indirect Costs				
Architecture, Engineering & Consulting				\$ _____
Public Permits & Fees				\$ _____
Taxes, Insurance, Legal & Accounting				\$ _____
Marketing & Leasing				\$ _____
Developer Fee				\$ _____
Soft Cost Contingency Allowance				\$ _____
Total Indirect Costs				\$ _____
IV. Financing Costs				
Land Carry Cost	\$ _____	Financed @ _____ % Interest		\$ _____
		_____ Month Development Period		
Construction Financing	\$ _____	Financed @ _____ % Interest		\$ _____
		_____ % Loan to Cost Ratio		
		_____ % Average Outstanding Balance		
Loan Origination Fees	\$ _____	Loan _____ Points		\$ _____
Total Financing Costs				\$ _____
V. Total Development Cost				\$ _____

¹ GBA = Gross Building Area

TABLE 2

**ESTIMATED NET OPERATING INCOME
RENTAL DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA**

I. Revenue

A. Market Rate Apartment Rent Revenue

_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____

B. High HOME Units

_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____

C. Low HOME Units

_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ # of Bdrms @ _____ Sf/Unit	_____ Unit(s) @	\$ _____ /Unit	\$ _____

D. Miscellaneous Apartment Income

\$ _____

Total Revenue

\$ _____

II. Expenses

General Operating Expenses	\$ _____
Property Tax Expense	\$ _____
Reserves Deposits	\$ _____

Total Expenses

\$ _____

III. Net Operating Income	(Total Revenue - Total Expenses)	\$ _____
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TABLE 3

SOURCES OF FUNDS - PERMANENT
RENTAL DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA

I. Permanent Loan		
Loan Amount		\$ _____
Loan Term	_____ Years	
Loan to Cost Ratio	_____ %	
Interest Rate	_____ %	
II. Equity Contribution		\$ _____
III. Other Sources (Identify)		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
IV. CHDO HOME Program Contribution		
V. Total Sources of Funds		\$ _____

ATTACHMENT 1 - B

**PRO FORMA ANALYSIS
"FOR SALE" DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA**

TABLE 1

ESTIMATED DEVELOPMENT COSTS
 "FOR SALE" DEVELOPMENT
 HOME CHDO PROGRAM NOFA
 LONG BEACH, CALIFORNIA

I.	Property Acquisition Costs			\$ _____
II.	Direct Costs			
	Off-Sites/Infrastructure			\$ _____
	On-Site Imps/Landscaping			\$ _____
	Attached Garages	_____ Sf	\$ _____ /Sf	\$ _____
	Residential Building Costs	_____ Sf GBA ¹	\$ _____ /Sf	\$ _____
	Contractor's Costs			\$ _____
	Direct Cost Contingency Allowance			\$ _____
	Total Direct Costs			\$ _____
III.	Indirect Costs			
	Architecture, Eng & Consulting			\$ _____
	Public Permits & Fees			\$ _____
	Taxes, Legal & Accounting			\$ _____
	Insurance			\$ _____
	Marketing & Promotion			\$ _____
	Developer Fee (Excluding Profit)			\$ _____
	Soft Cost Contingency Allowance			\$ _____
	Total Indirect Costs			\$ _____
IV.	Financing Costs			
	Land Carry Cost	\$ _____	Financed @ _____ % Interest	\$ _____
		_____ % LTC ²	_____ Term	
	Construction Financing	\$ _____	Financed @ _____ % Interest	\$ _____
		_____ % LTC	_____ Term	
	Loan Origination Fees	_____ Points		\$ _____
	Total Financing Costs			\$ _____
V.	Total Development Costs			\$ _____

¹ GBA = Gross Building Area

² LTC = Loan to Cost

TABLE 2

**NET PROJECT VALUE
"FOR SALE" DEVELOPMENT
HOME CHDO PROGRAM NOFA
LONG BEACH, CALIFORNIA**

I. Sales Revenues

A. Market Rate Sales Revenues

_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____

B. High HOME Units

_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____

C. Low HOME Units

_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____
_____ Bdrms/_____ Sf GLA	_____ Unit(s) @	\$ _____ /Unit	\$ _____

Total Sales Revenues \$ _____

II. Cost of Sales

Buyer's Title & Recording Costs	_____ Units @	\$ _____ /Unit	\$ _____
Sales Commission	_____ % Total Sales Revenues		\$ _____
Home Buyer Warranty Costs	_____ Units @	\$ _____ /Unit	\$ _____

Total Cost of Sales \$ _____

III. Developer Profit _____ % Total Sales Revenues \$ _____

IV. Net Project Value ¹ \$ _____

¹ Net Project Value is equal to "Total Sales Revenues" minus "Cost of Sales" and "Developer Profit".

TABLE 3

SOURCES OF FUNDS - CONSTRUCTION AND ABSORPTION PERIOD

"FOR SALE" DEVELOPMENT

HOME CHDO PROGRAM NOFA

LONG BEACH, CALIFORNIA

I. Construction Loan

Loan Amount		\$ _____
Loan Term	_____ Years	
Loan to Cost Ratio	_____ %	
Interest Rate	_____ %	

II. **Equity Contribution** \$ _____

III. **Other Sources (Identify)**

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

IV. **CHDO HOME Program Contribution**

V. **Total Sources of Funds** \$ _____

ATTACHMENT 2 CHDO CHECKLIST

Please complete the following CHDO checklist. The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule.

LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

_____ A Charter, or

_____ Articles of Incorporation

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ A Charter, or

_____ Articles of Incorporation

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by:

_____ A 501(c) Certificate from the IRS.

D. Has among its purposes the provision of decent housing that is affordable to low and moderate-income people, as evidenced by a statement in the organization's:

_____ Charter,

_____ Articles of Incorporation,

_____ By-laws,

_____ Resolutions, or

_____ A HUD approved audit summary

CAPACITY

- A. Conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards for Financial Management Systems," as evidenced by:

_____ An audited financial statement;

_____ A notarized statement by the president or chief financial officer of the organization;

_____ A certification from a Certified Public Accountant; or

_____ A HUD approved audit summary

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

_____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, or

_____ Contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization, and a training plan

- C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:

_____ Statement that documents at least one year of experience in serving the community, or

_____ For newly created organizations formed by local churches, service, or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

Note: The CHDO, or its parent organization, must be able to show at least one year of serving the community from the date the participating jurisdiction provides HOME funds to the organization. The organization, or its parent organization, must describe activities that serve the community such as developing new housing, rehabilitating existing stock, and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the organization's president, or by a HUD-approved representative.

ORGANIZATIONAL STRUCTURE

The CHDO's board must meet all of the applicable requirements set forth below to be eligible for certification. The Chairman of the Board must complete and sign Attachment 3.

- A. Maintains at least one-third of its governing board's membership for residents of low income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidenced by the organization's:

_____ By-Laws,
_____ Charter, or
_____ Articles of Incorporation

Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area.

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by:

_____ The organization's By-laws,
_____ Resolutions, or
_____ A written statement of operating procedures approved by the governing body

- C. A CHDO may be chartered by a State or local government, however, the State or local government may not appoint: (1) more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials, as evidenced by the organization's:

_____ By-Laws,
_____ Charter, or
_____ Articles of Incorporation

D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

_____ By-Laws,

_____ Charter, or

_____ Articles of Incorporation

RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. CHDO is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by:

_____ The organization's By-laws, or

_____ A Memorandum of Understanding (MOU)

B. A CHDO may be sponsored or created by a for-profit entity, however:

The for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

_____ The for-profit organization's By-laws; and

The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:

_____ By-Laws,

_____ Charter, or

_____ Articles of Incorporation

EXCERPTS FROM AN IRS LETTER

A sample of typical requests from the IRS to organizations seeking 501(c)(3) status is provided below. Although all situations are unique, this sample can help an organization more effectively plan and prepare for the process. For additional information, contact your local IRS office.

1. Submit a detailed description of all the activities of the organization -- past, present, and planned -- showing how you operate or will operate to achieve your purposes. Each activity should be separately described and the description should include as a minimum, the following:
 - a. Its purpose and nature.
 - b. Frequency and duration
 - c. How, when, where, and by whom it was, is, or will be conducted.
 - d. The requirements a person or organization must meet in order to participate in or receive benefit from the activity.
 - e. The amounts of any charges or fees and the basis for them.
 - f. What the activity has accomplished or will accomplish.
 - g. State what percentage of the total time and effort of the organization is devoted to carrying out each activity.

2. If the organization pays, has paid, or will pay compensation to or on behalf of persons who are officers, directors, or trustees or members of their families, or any other compensation, submit the following:
 - a. The name and title or relationship of such person to whom payment has been, is being, or will be paid.
 - b. The nature and/or purpose of payments (i.e., salary, wage, housing allotment, car allowance, etc.) and the amount of payment made or to be made on behalf of such person. If payments are to be made in more than one category, state each separately.
 - c. A detailed description of the positions filled by and the duties and services for which compensation will be paid.

- d. The amount of time each person devotes to the position (if prospective, how the payment will be affected by an upward or downward adjustment in time based on need of the organization).
 - e. The qualifications (training, background, experience) of such person for the position, duties, and services.
 - f. If any such person is employed outside the organization, the hours per week and weeks per year devoted to such outside employment.
 - g. Who determines compensation to be paid? What criteria are used to determine compensation?
 - h. How do you or will you insure that all compensation paid is "reasonable" and in return for service rendered?
 - i. Does the organization pay or plan to pay any of the personal living expenses of employees, directors, officers, founders, members, etc.? If so, explain in detail. Be specific.
3. Submit copies of any brochures, pamphlets, newsletters, advertisements, or other literature regarding your organization.
4. Providing housing for individuals who earn a certain percentage of an area's median income is not sufficient to establish that you are operated exclusively for charitable purposes, a prerequisite for exemption under Section 501(c)(3). Basing a determination of exempt status on a strict percentage test is generally not sufficient to confer tax-exempt status under Section 501(c)(3).
- If it appears that the organization may be engaged in assisting the poor and distressed, the organization must be able to show how it qualifies under 501(c)(3). If you claim to be eliminating prejudice and discrimination, submit descriptions of the existing prejudicial and discriminatory conditions that exist in the areas you are targeting for assistance and an explanation of how your activities will seek to alleviate such conditions. Be specific in your descriptions. Describe any educational or other programs you will provide to eliminate prejudice and/or discrimination.
5. If you claim to combat community deterioration, submit descriptions of the areas you will be targeting for relief. Provide evidence of the deterioration of the community. State whether any of the areas you will be targeting for assistance have been recognized as depressed by a governmental agency.

- a. Submit a copy of such determination as to the condition of the area served.
 - b. Submit a description from the authorizing agency as to how that agency defines "blight."
6. State whether any of your housing recipients will earn more than 80% of the area's median income.
 7. Why do you include moderate income families in your housing activities? How will this serve a charitable purpose? Discuss in detail.
 8. Have you been issued an employer identification number? If so, please let us know the number that has been assigned to you.
 9. Please submit any additional information you feel will help us better understand your organization.

CERTIFICATIONS

By signing below:

1. The applicant organization certifies that the information provided in this application for certification as a CHDO is true and complete;
2. The applicant organization understands that the City may conduct its own independent review of the materials submitted by the applicant, and may verify information from any source; and
3. The applicant organization understands that the City will not be responsible for any costs incurred by the applicant in developing and submitting this application, and that all applications submitted will become the property of the City.

Name and Title of Authorized Official:

Signature of Authorized Official:

Date: _____

ATTACHMENT 3
CHDO BOARD MEMBER CERTIFICATION

CHDO IDENTIFICATION

CHDO Name:
Date of Incorporation:
Contact Person:
Contact Phone:
DUNS Number:
EIN Number:
IRS Tax Status:
Service Area:

BOARD MEMBER REQUIREMENTS

A CHDO must be accountable to the low income residents of its service area by maintaining at least 1/3 of its governing body members as low income community representatives. A governing body member can be qualified as a low income community representative in any one of the following three ways:

1. Being a member of a low income household; or
2. Residing in a low income census tract or block group; or
3. Appointment to the governing body through election by members of another organization consisting exclusively of residents of a low income neighborhood.

Public representatives cannot be qualified as low income representatives, even if they meet the qualifying criteria. Public representatives include individuals elected, appointed, or employed by the City.

No more than 1/3 of the Board members may be public officials. The 1/3 low income resident and public official limits are based on the maximum number of Board members identified in the organization's by laws. Vacancies in the Board membership do not reduce these requirements.

IDENTIFICATION OF BOARD MEMBERS

List each Board member by name, then place a check indicating the representation that member brings to the Board. List only current and approved Board members. Do not list prospective Board members who have not been approved to join the Board.

Name & Contact Information	Member of a Low Income Household	Representative of a Low Income Area	Elected Representative of a Low Income Group	Not a Low Income Representative	Public Official

CHDO BOARD MEMBERS' CERTIFICATION

Each Board member is required to complete the form provided on the following page:

CHDO Board Certification

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Select only one of the following designations:

Public Official or Employee

I currently hold a publicly elected office; am employed by the City or an instrumentality of the City; or serve on any commission, board or other regulatory body by appointment of an elected official or other political body.

Member of a Low Income Household

I am a member of a household of ____ persons that has a combined expected income for 2015 that is less than 80% of the Los Angeles County median income for a household of this size.

Resident of a Low Income Area

I reside in census tract/block group number _____, which in the 2010 census has at least 51% of its households with incomes less than 80% of the Los Angeles County median income.

Elected Representative of a Low Income Group

I am elected by the membership of an organization whose membership is open to all residents of a defined neighborhood in which the 2010 census shows that more than 50% of the households have incomes less than 80% of the Los Angeles County median income, and my position on our governing body is primarily representative of that neighborhood group. The group name is _____, and the census tract/block group numbers served by the neighborhood group are: _____.

Not a Low Income Representative

OFFICER'S WARRANTY

By my signature below, I warrant that I am a duly qualified Officer of the organization, that the information provided for all current Board members of the organization is true and correct, and I have reviewed written documentation in the organization's files that support the information provided.

Signature: _____ Date: _____

Printed Name: _____

Title: _____