

**CITY OF LONG BEACH
COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM (CDBG)
NOTICE OF FUNDING AVAILABILITY
(NOFA)**

Deadline: November 17, 2022, 4 p.m.



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NOFA OVERVIEW AND GENERAL INFORMATION

Opportunity

The City of Long Beach Department of Development Services (City) announces the availability of \$4 million in Community Development Block Grant Program (CDBG) funds to be awarded to qualified local nonprofit organizations/Community-Based Development Organizations (CBDO's). Funding under this NOFA is for the support of the development of new affordable rental units in the City of Long Beach to provide housing for low-and moderate-income (LMI) persons. The funding will be provided for the acquisition of land for the future development of rental affordable housing. Proposed projects must contain a minimum of 40 units. Multiple acquisitions may be awarded funds, for a total of \$4 million.

As appropriate, financial assistance to selected acquisitions will be made in the form of 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 lien on the property. Applicants who previously received a commitment from the City are not eligible to apply for the same land parcel(s).

The City will be imposing a lender fee sufficient to reimburse the City for its consultant and legal fees incurred in connection with the preparation and finalization of the City loan documents for the selected acquisition(s). The fee shall be deposited into escrow and disbursed to the City at the close of acquisition.

The deadline for submitting proposals in response to the NOFA is 4:00 P.M. on November 17, 2022. Proposals will be reviewed for compliance with the CDBG Program regulations and the terms of this NOFA. Proposals that are determined to comply with both the CDBG Program Regulations and the NOFA will be evaluated according to the established NOFA Evaluation Criteria.

The proposal(s) determined to be the most competitive will be presented to the Long Beach Housing Development 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 acquisitions under this NOFA will be limited to \$4 Million. These funds must be expended by May 15, 2023, and an affordable housing project must be developed within a four-year period from commitment date.

NOFA OVERVIEW AND GENERAL INFORMATION

Questions related to this CDBG NOFA must be submitted by email to silvia.medina@longbeach.gov by 4:00 P.M. on November 3, 2022.

CDBG Program Overview

The Community Development Block Grant (CDBG) Program is one of the longest-running programs administered by the U.S. Department of Housing and Urban Development (HUD). It provides annual funding to entitled cities and counties to carry out a wide range of community development activities to improve the lives of their low-and moderate-income residents through the creation and expansion of economic and community development opportunities in support of livable communities.

CDBG Program statute requires that each activity funded, must meet one of the three national objectives; Benefit to low-and moderate income (LMI) persons; Aid in the prevention of elimination of slums or blight; and meet a need having a particular urgency.

Community Development Block Grant Program (CDBG) funds must be awarded to qualified local nonprofit organizations/Community-Based Development Organizations (CBDO's).

Community-Based Development Organizations (CBDOs) - 24 CFR § 570.204

A CBDO is an organization which has the following characteristics:

- (i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and
- (ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and
- (iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and
- (iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area

NOFA OVERVIEW AND GENERAL INFORMATION

of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section

HUD Regulations

The availability and use of the funds under this NOFA are subject to the CDBG Program regulations imposed by the United States Department of Housing and Urban Development (HUD) and can be found at 24 CFR Part 570.

NOFA OVERVIEW AND GENERAL INFORMATION

Applicants should carefully review the CDBG Program Regulations prior to submitting a Proposal. Please direct questions regarding this NOFA to Silvia Medina at silvia.medina@longbeach.gov.

PROPOSAL SUBMISSIONS PROCESS

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

1. Applicants must submit: one (1) original printed version of the proposal and required exhibits. In addition, please submit three (3) printed copies and one (1) PDF format copy on a flash drive of the proposal and required exhibits. Proposals must include sufficient information to allow the comprehensive review and analysis of the future proposed project.
2. The City will evaluate 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 December 19, 2022.
5. The top scoring application(s) will be presented to the LBCIC for confirmation and loan approval.
6. Completed proposals should be mailed or delivered to:

Silvia Medina
Real Estate Project Coordinator
City of Long Beach
411 W. Ocean Blvd., 3rd floor
Long Beach, California 90802

THRESHOLD REQUIREMENTS

CDBG Program funds will be used to fund the acquisition of land for future development of affordable rental housing projects (new construction) in the City of Long Beach. As such, all activities must comply with the CDBG regulations, which are found in 24 CFR Part 570.

Site Control

All proposals must provide current site control status such as an option to purchase; a purchase and sale agreement; or a letter of intent.

EVALUATION CRITERIA

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

1. EXPERIENCE AND QUALIFICATIONS (maximum 50 points)
Applicant has successfully completed a project similar in size and scope and within the last two years. 50
2. PROJECT READINESS (maximum 25 points)
Applicant has entered into an Option to Purchase, a Purchase and Sale Agreement, or a Letter of Intent and the acquisition is anticipated to close no later than May 15, 2023. 25
3. LOCATION (maximum 25 points)
The proposed acquisition site is in an area that will provide opportunity and resources for residents. In an effort to affirmatively further fair housing, projects located in a "High Resource" region in the TCAC/HCD Opportunity Map are preferred. 25

SUBMITTAL REQUIREMENTS

Transmittal Letter

The proposal must include a transmittal letter, limited to two pages, on official letterhead that provides a narrative description of the acquisition site and future proposed development project. The letter must also provide contact information for the person with authority to negotiate on behalf of the development team. The Applicant must certify that the proposal response and exhibits are true and correct. An unsigned and/or undated submission will not be considered.

Application

An application is provided in Attachment 1 to this CDBG NOFA. The application is provided in a Word format. The Applicant may either complete the attached form, or the form can be recreated and submitted in PDF form. Instructions for filling out the Application follow:

Applicant Information

If the Applicant is not acting as the developer, please provide all of the requested information for the developer as well as for the Applicant. If the developer involves multiple entities, please provide all the requested information for each entity, and identify the entity that will serve as the “lead” organization.

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.

Assistance Request

Identify the amount of CDBG Program assistance being requested. Describe the proposed repayment structure for the CDBG loan including an identification of the interest rate and the manner in which the CDBG loan will be repaid. Identify any other financing sources to which the CDBG loan and/or the income and affordability covenants are proposed to be subordinated.

SUBMITTAL REQUIREMENTS

Other Funding Sources

Identify any other proposed funding sources necessary to complete the acquisition. Identify any funding sources that have already been committed to the project, funds for which applications have been submitted, and funds for which applications are anticipated to be submitted. Applicants should maximize the use of available state and county funding to reduce the subsidy needs from the city.

Acquisition Timing

If the acquisition timing is anticipated to vary across several properties to be assembled for the future housing development, provide a timing schedule for each property.

Non-Profit Organization/Community-Based Development Organizations (CBDO's)

To determine CBDO status, complete the Community Development Grant Program CBDO Application that is provided in Attachment 3 and provide copies of the organizations Articles of Incorporation and Bylaws.

Location Map

One of the goals of the City's Assessment of Fair Housing is to expand affordable housing opportunities citywide, including high-opportunity areas. Provide a map illustrating the location of the proposed development site. Indicate if the proposed development is located within a high-opportunity area, which is shown in Attachment 2 as the non CDBG areas. If available, provide a conceptual site plan for a new construction project.

Neighborhood and Local Government Support

Include letters of support from local organizations and governmental entities within the area of the future 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 CDBG NOFA. Of particular importance is the developer's experience with projects subject to CDBG Program regulations. If this is the Applicant'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:

SUBMITTAL REQUIREMENTS

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

Financial Statements / Capacity

Provide audited financial statements for the development team for the past two years. If audited financial statements are not available, please submit evidence of the development team's financial capacity to develop the future proposed project.

ATTACHMENT 1

CDBG PROGRAM NOFA APPLICATION



**CITY OF LONG BEACH
CDBG PROGRAM NOFA APPLICATION**

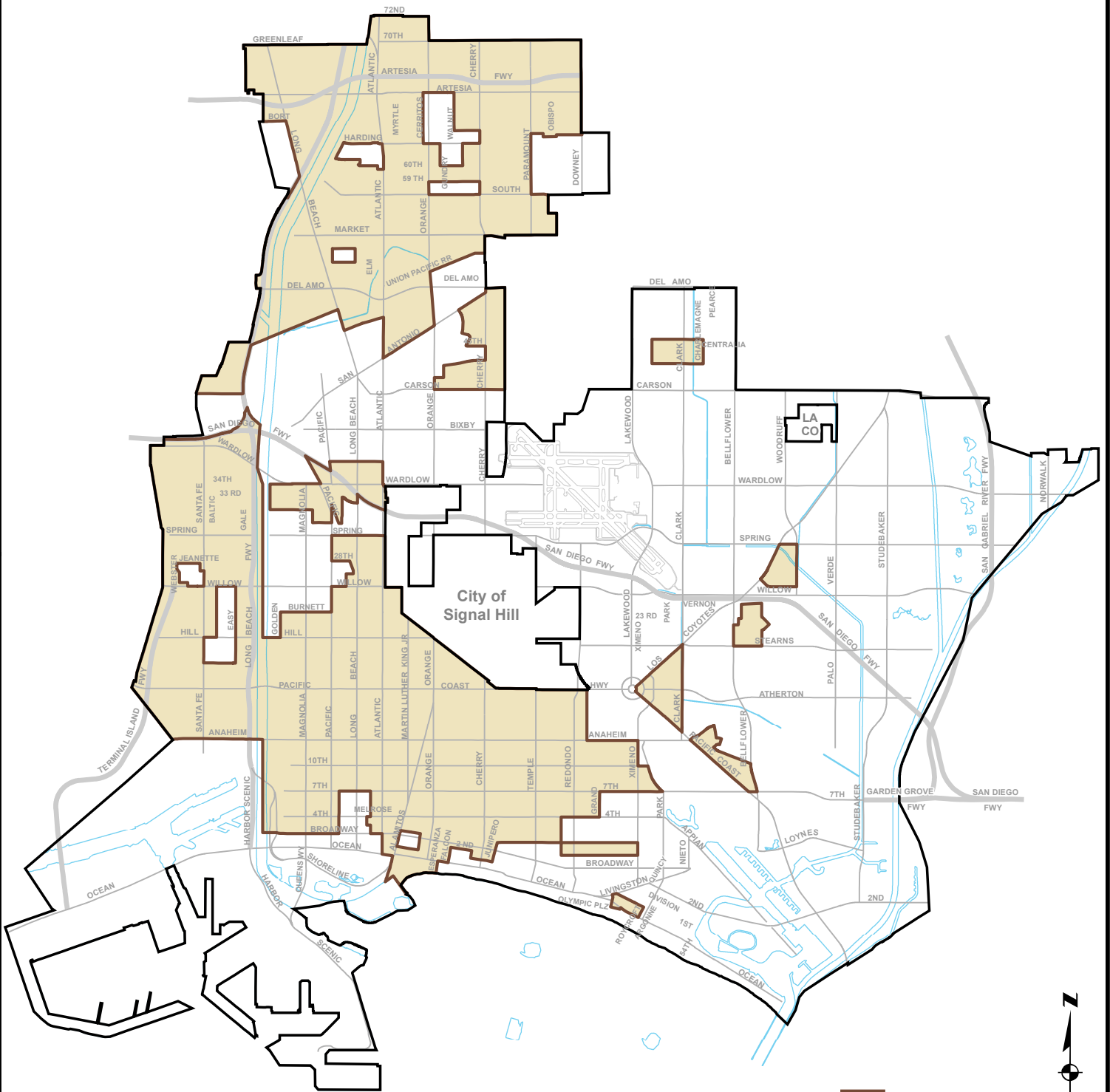
APPLICANT INFORMATION			
Development Team Name:		Application Date:	
Contact Person:		Phone:	
Address:			
City:	State:	Zip Code:	
Development Team Structure: Partnership _____ Corporation _____ LLC _____ Other (Specify) _____			
Developer:		Architect:	
Contractor:		Management Company:	
SITE INFORMATION			
Site Location:			
Site Address:			
City: Long Beach	State: CA	Zip Code:	
Description of Existing Conditions:			
Environmental Issues:			
Site Size:	# of Existing Units:	Site Control: Yes _____ No _____	
Form of Site Control: Purchase & Sale Agreement _____ Option to Purchase _____ Letter of Intent _____			
Purchase Price:	Appraised Value:	Appraisal Date:	
Tenant Relocation:	Temporary: Yes _____ No: _____	Permanent: Yes _____ No _____	
ASSISTANCE REQUEST			
Amount of CDBG Funds Requested:			
Proposed Loan Terms Description:			
Loan Term: _____ Years	Interest Rate: _____%	Interest Type: Simple _____ Compounded _____	
Subordination Required: Yes _____ No _____			
Method of Repayment:			
OTHER FUNDING SOURCES			
Source Name	Amount	Repayment Terms	Application / Award Dates

**CITY OF LONG BEACH
CDBG PROGRAM NOFA APPLICATION**

ACQUISITION TIMING				
				Proposed Date Month & Year
City Loan Approval				
All Funding Sources Awarded				
Acquisition Date				
PROPOSAL EXHIBITS				
	Yes	No	Not Applicable	Comments
Transmittal Letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Evidence of Site Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Location Map / Conceptual Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Support Letters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Experience and References	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial Statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

ATTACHMENT 2
MAP OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
AREAS





 CDBG Areas

City of Long Beach, California

Community Development Block Grant (CDBG) Areas



Department of
Technology and Innovation GIS

Effective April 1, 2019

Disclaimer
This map of the City of Long Beach is intended for informational purposes only. While reasonable effort has been made to ensure the accuracy of the data, The City assumes no liability or damages arising from errors or omissions. This map is provided without warranty of any kind. Do not make any business decisions based on this map before validating your decision with the appropriate City office.

ATTACHMENT 3

CBDO APPLICATION



Community Development Block Grant Program
Community-Based Development Organization (CBDO) Application

Organization: _____ Date _____

Contact Person: _____ Title: _____

Address: _____ Tel. No. _____

_____ Email _____

Project Name: _____

Project's Primary Service
Area: _____

To be considered for designation as a Community-Based Development Organization (CBDO) you must demonstrate that your organization satisfies ALL the required criteria by providing the information listed:

1. Legal Entity Organized to Undertake Community Development Activities

Organization must be an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) within an identified geographic area of operation.

- a. Include evidence of organization's legal incorporation (e.g., state certification);
- b. Include signed and certified copies of your current by-laws and/or articles of incorporation. Identify the section(s) of these documents which state that the organization was established for purposes of undertaking community development activities, including housing and/or economic development;
- c. Identify the geographic area served by your organization:

2. Organizational Purpose

Organization must have as its primary purpose the improvement of the physical, economic, or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of low-income persons.

- a. Identify below the specific section of your Articles of Incorporation or By-laws, which identify your organization's primary purpose, including its emphasis on assisting low-income persons and households:

3. Organization may be nonprofit or for-profit. However, any monetary profits to shareholders or members must be incidental to operations. Check one of the following:
 - a. ____ Organization is a nonprofit as evidenced by a 501(c)(3) or (4) Certificate of Nonprofit Status from the Internal Revenue Service. Certification may be conditional or final; pending IRS applications are **not** adequate. Include a copy of the IRS letter.
 - b. ____ Organization is for-profit. However, primary purpose of organization is to further community development and assist low-income households in service area. Any monetary profits earned are incidental to this purpose. Identify section of articles of incorporation or by-laws which support this statement:

4. A minimum of 51 percent of a CBDO's governing board must be composed of **low-income residents** of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low-income neighborhood organizations located in its geographic area of operation. Demonstrate that your organization satisfies these criteria by providing **ALL** the following information:
 - Reference section of By-laws or Articles of Incorporation which defines Board membership and demonstrates that Board composition satisfies CBDO criteria.
 - Provide a certification from the President or Chairman of the current governing board stating that the Board composition meets the minimum CBDO criteria (use form provided as **Attachment A**).
 - Total number of Board Members: _____
 - Number of current Board Members which are:
 - low income residents of service area; _____
 - owners or senior officers of private establishments in service area _____; or
 - representatives of low income neighborhood organizations located in and serving the service area _____.

NOTE: *A single Board member cannot be used to satisfy more than one of the above criteria.*

5. Members of governing body must be nominated and approved by the general membership of your organization or by its permanent governing body. Check one of the following:

_____ Board members are nominated and approved by general membership of organization.

_____ Board members are nominated and approved by permanent governing body.

_____ Board members are nominated and approved by the following process (describe):

Please identify the section of your by-laws and/or articles of incorporation which specify the procedure for election of board members:

6. No more than one-third of the organization's governing body may be appointed by or consist of elected or other public officials or employees or officials of an organization which does not qualify as a CBDO. Please complete the following:

— Number of board members which are elected or public officials: _____

— Number of board members which are appointed by an organization which does not qualify as an CBDO _____

7. Is your organization subject to requirements under which its assets revert to the recipient upon dissolution?

_____ YES

_____ NO

8. Is your organization free to contract for goods and services from vendors of its own choosing?

_____ YES

_____ NO

Certification: Low-income Community Representation

To ensure low-income community representation in the development of affordable housing and/or economic development, federal regulations require that a minimum of 51 percent of the governing board of a Community-Based Development Organization (CBDO) must be composed of members who are:

1. Low-income residents of service area;
2. Owners or senior officers of private establishments in service area; or
3. Representatives of low-income neighborhood organizations located in and serving the service area.

Federal regulations define a low-income neighborhood as a neighborhood where 51 percent or more of resident households have incomes which are 80 percent or less of area median income. A low-income resident or household is defined as an individual residing in a household with a combined income of 80 percent or less of the area median income, adjusted for household size as defined by the U.S. Department of Housing and Urban Development.

I hereby certify that the current governing Board of _____ (organization) meets the minimum federal requirement. **Of a total governing Board of _____ members, represent the low-income community** including:

1. _____ Who are low-income residents of service area;
2. _____ Who are owners or senior officers of private establishments in service area; and
3. _____ Who are representatives of low income neighborhood organizations located in and serving the service area.

I hereby certify that the above information is true and correct to the best of my knowledge. I acknowledge and understand that the information provided in this document will be relied upon for purposes of determining the eligibility for the CDBG program. I acknowledge that a material misstatement fraudulently or negligently made in this statement may constitute a federal violation and may result in the denial of participation in the CDBG program.

Signature

Date

Printed Name

Chairman of the Board for: _____(Organization)



Long Beach Development Services
411 W. Ocean Blvd., 3rd Floor
Long Beach, CA 90802

Visit us at longbeach.gov/lbds



To request this information in an alternative format or to request a reasonable accommodation, please contact the Development Services Department at longbeach.gov/lbds and 562.570.3807. A minimum of three business days is requested to ensure availability; attempts will be made to accommodate requests with shorter notice.