

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

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



DUE DATE: AUGUST 14, 2017

NOFA OVERVIEW AND GENERAL INFORMATION

OPPORTUNITY

The City of Long Beach Department of Development Services (City) announces the availability of approximately \$950,000 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 acquisition and/or rehabilitation of rental housing units serving individuals or households with developmental disabilities.

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 August 14, 2017. 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.

The project(s) determined to be the most competitive will be presented to the 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, 2017, 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 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 August 18, 2017.
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, 3rd Floor
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
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CHDO Checklist is not complete or documentation is inadequate to establish the applicant as a CHDO.	Fail
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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
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CHDO has successfully completed a project but smaller in size and scope and within two years of project's closing.	10
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3. PROJECT BUDGET (maximum 20 points)

Project budget is complete and anticipated development costs are reasonable.	20
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Project budget is incomplete or anticipated development costs are outside of the norm.	10
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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
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All sources and uses of funds are clearly indicated, but evidence of funding availability and commitments are incomplete.	10
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EVALUATION CRITERIA

HOME CHDO PROGRAM PROPOSALS

5. AFFORDABILITY (maximum 20 points)

All units assisted with CHDO funds will be affordable to households earning less than 50% of the Los Angeles County median income (Median). 20

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. 10

6. PROJECT READINESS (maximum 20 points)

Applicant has site control, and the project is anticipated to be completed by September 30, 2019 20

Project is anticipated to completed by September 30, 2020 10

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.

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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. The pro forma analysis includes the following tables:

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

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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)

\$ _____

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. <u>Total Sources of Funds</u>	\$
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