



CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

R-28

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

June 1, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Authorization to Execute Property Rehabilitation Loan Agreements With Various Nonprofit Organizations Recommended for Funding Under the 2003-2004 Nonprofit Assistance Program (Districts 1, 2, 4, 6, 7, 8, and 9)

DISCUSSION

For the last nine 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. This current fiscal year (FY 03) the budgeted amount approved by the City Council was \$500,000 in an effort to assist more nonprofit agencies. The Nonprofit Assistance Program (NAP) is funded by federal Community Development Block Grant (CDBG) funds.

The 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 5 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.

Seventeen applications for funding were received. The Community Development Advisory Commission reviewed and ranked each application based on pre-established criteria.

The NAP selection criteria include:

- 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.
- The nonprofit organization applying for NAP assistance has submitted all application information including organization history, audit information, verification of ability to meet the 5 percent match requirement, and documentation regarding the clients served.

HONORABLE MAYOR AND CITY COUNCIL
June 1, 2004
Page 2

At its May 19, 2004 meeting, the Community Development Advisory Commission recommended nine (9) agencies for FY 2003-2004 (FY 04) NAP funding totaling \$500,000. A summary of the applications received and the NAP funding recommendations is attached.

This item was reviewed by Senior Deputy City Attorney Donna Gwin on May 20, 2004 and Budget Manager Mike Killebrew on May 20, 2004.

TIMING CONSIDERATIONS

Council action on this matter is not time critical.

FISCAL IMPACT

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

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve the attached Community Development Advisory Commission funding recommendations for the FY 04 Nonprofit Assistance Program (NAP); and
2. Authorize the City Manager to execute and amend, as necessary, loan documents with various nonprofit organizations approved for FY 04 NAP assistance in an estimated total amount of \$500,000.

Respectfully submitted,

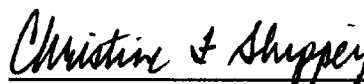


for MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

DJT/mcv

Attachment

APPROVED:


for GERALD R. MILLER
CITY MANAGER