



Legislation Text

File #: 08-0692, **Version:** 1

Recommendation to approve Community Development Advisory Commission funding recommendations for the Fiscal Year 2008 (FY 08) Nonprofit Assistance Program; and authorize City Manager to execute and amend, as necessary, loan documents with various nonprofit organizations approved for FY 08 Nonprofit Assistance Program in an estimated total amount of \$400,000. (Districts 2,4,6,7)

For the past thirteen years, the City Council has authorized the Department of Community Development to provide forgivable, no-interest loans to nonprofit organizations which own property and provide public services to low-income Long Beach residents. In the current fiscal year (FY 08), the budgeted amount approved by the City Council to assist nonprofit agencies was \$400,000. 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.

Six (6) applications for funding were received. The Nonprofit Assistance Program (NAP) committee of 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.
- 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 June 18, 2008 meeting, the CDAC recommended all six (6) agencies for FY 08 NAP funding totaling \$400,000. A summary of the applications received and the NAP funding recommendations are attached.

This item was reviewed by Deputy City Attorney Richard Anthony on June 13, 2008 and Budget Management Officer Victoria Bell on July 7, 2008

City Council action on this matter is not time critical.

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.

Approve recommendation.

Dennis J. Thys
Director of Community Development

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER