



City of South Gate
FY 2018-2019 & 2019-2020
HOME Investment Partnerships Program (HOME)
Community Housing Development Organizations (CHDO)

COMBINED APPLICATION FOR CHDO
QUALIFICATION AND REQUEST FOR PROJECT
PROPOSALS

Qualifications Due: March 11, 2019 before 5:00 p.m.

**Submit to:
City Clerk's Office
Attn: Vivian M. Garcia
8650 California Avenue, South Gate, CA 90280**



HOME Investment Partnerships Program (HOME)

Community Housing Development Organizations (CHDO)

I. Overview

The City receives HOME funds from the U.S. Department of Housing and Urban Development (HUD) to assist in the production of housing for low-income persons. The City seeks to maximize the benefits of these funds through partnership with local eligible agencies interested in becoming a Community Housing Development Organization (CHDO).

This year, the City has combined the Qualification Process with the submission of eligible projects/programs. The City is seeking applications and proposals from organizations that can be certified as Community Housing Development Organizations (CHDOs), with the qualifications and capacity to develop affordable, single-family or multi-unit homebuyer housing for lower income households at or below 80% of area median income per the income requirements of the HOME regulations. **For this application process, only proposals submitted by CHDOs successfully certified in the City of South Gate will be considered.**

Up to **\$161,661.15** in HOME CHDO funds from FY 2017-18 and FY 2018-19 is expected to be available under this Request for Proposals, subject to approval by the City Council and final funding amounts from HUD. Eligible projects will involve the acquisition/new construction or acquisition/rehabilitation/preservation of affordable single-family homes for homeownership, including condominium conversions. Proposals must comply with the regulations of the HOME Program Final Rule (24 CFR Part 92). **For proposals submitted by any non-profit organizations that have not been certified as a CHDO in the City of South Gate, any such proposal cannot be recommended for final approval until the organization has successfully applied for and received this certification.**

Applications for CHDO Certification and project proposals will be accepted on or before March 11, 2019 by 5:00pm at the City Clerk's Office Attn: Vivian M. Garcia, 8650 California Avenue, South Gate, CA 90280. Respondents must include one (1) unbound original, three (3) bound copies, and one electronic version on a CD.



II. GUIDELINES/INSTRUCTIONS

ELIGIBLE APPLICANTS

Eligible applicants are non-profit developers and organizations who are or who wish to become a certified CHDO and provide affordable housing in the City of South Gate. Interested applicants must first be qualified based on the criteria established under the HOME rule (24 CFR Part 92, as amended) for CHDOs. The Excerpt from HOME Investment Partnerships Program Final Rule CHDO Definitions and Checklist for CHDO Qualifications (CHDO Checklist) in **Appendix A** provide a description and checklist of the specific criteria required to become certified as a CHDO and the documentation to be submitted. The CHDO Checklist must be completed and documentation submitted by all applicants who wish to be qualified as a CHDO in the City of South Gate. **An application for CHDO Certification and supporting documentation may be submitted at any time prior to or along with a project proposal.**

ELIGIBLE ACTIVITIES

The HOME funds set aside for CHDO activities under this RFP may be used to acquire and construct or acquire and rehabilitate homebuyer properties. The following table outlines the activities eligible for consideration during this RFP cycle:

SELECTED ACTIVITIES	ELIGIBLE CHDO ROLES		
ELIGIBLE ACTIVITY	CHDO Developer	CHDO Sponsor	CHDO Owner
Acquisition/Rehabilitation of Rental Properties	X	X	X
New Construction of Rental Properties	X	X	X

Additional guidance on the use of CHDO funds is provided in HUD CPD Notice 97-11, CPD Notice 97-09, and CPD Notice 96-09 (<https://www.hudexchange.info/home/home-cpd-notices>) and on HUD’s website (<https://www.hudexchange.info/home/topics/chdo>). The Code of Federal Regulations contains regulatory guidance on CHDOs at 24 CFR 92.2 and 92.300-303. **CHDOs should carefully review the HOME Program Final Rule (24 CFR Part 92) and above-listed resources prior to submitting a HOME CHDO Program Proposal.**

A minimum number of units to be assisted using these funds has not been established. However, the total number of units proposed for a program constitutes one of the criteria affecting overall evaluation points (see Evaluation Criteria section below).



AVAILABLE FUNDING AND FORM OF SUBSIDY

The City expects to allocate up to **\$161,661.15** in HOME funds under this RFP, subject to City Council approval and final funding amount from HUD. The funding for eligible affordable housing projects will be made to the eligible CHDO in the form of deferred payment forgivable loans at zero interest. All loans will be secured by a first or second lien on the property. Recipients will be required to execute a loan agreement, regulatory agreement and related loan and construction documents. Enforceable regulatory agreements acceptable to the City and allowable under the HOME Program regulations will be imposed upon all HOME-assisted homebuyer units through this program.

GENERAL HOME PROGRAM COMPLIANCE

The Cranston-Gonzales National Affordable Housing Act of 1990 (NAHA) and all amendments thereto provide for the requirements of the HOME Program. These requirements are codified with the most recent (2013) amendments at 24 CFR Part 92 (the 2013 HOME Final Rule). All projects must comply with the 2013 HOME Program Final Rule. In the event that Congress or the Department of Housing and Urban Development (HUD) adds or changes any statutory or regulatory requirements concerning the use or management of HOME funds, program participants shall comply with such requirements.

AFFORDABILITY REQUIREMENTS

HOME-assisted units must be affordable at initial occupancy and over a minimum affordability period as outlined below. Multi-family units must meet income eligibility and property standards over the affordability period. Homebuyer assistance is subject to recapture provisions over the affordability period. HOME units that fail to meet affordability requirements for the minimum required period are subject to full repayment to the City.

Homeownership Assistance Activities HOME amount per unit	Minimum period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years



MINIMUM/MAXIMUM INVESTMENT AMOUNTS

Minimum HOME Investment: The minimum amount of HOME funds is \$1,000 multiplied by the number of HOME-assisted units in a project. The minimum only applies to the HOME funds in a project and does not include any other funds.

Maximum HOME Investment: The maximum per-unit HOME subsidy varies and is determined by HUD. Current maximums are listed below. The maximum per unit HOME subsidy for any approved project will be based upon any subsequent updates provided by HUD.

Bedrooms	Non-elevator	Elevator
0	52,405	56,609
1	59,489	64,896
2	71,908	78,914
3	90,256	102,087
4+	101,987	112,062

OCCUPANCY REQUIREMENTS

HOME distinguishes between the units in a project that have been assisted with HOME funds and those that have not. A project may consist of units with various sizes and amenities, some of which may be HOME-assisted, while others are not. A HOME-assisted unit is a term that refers to the units within a HOME project for which occupancy and/or resale restrictions, or any combination of the foregoing, apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.



INCOME TARGETING

Projects subsidized by the HOME Program must comply with income limits, as established by HUD, as follows:

- **Home Rental Housing:** All HOME funds must benefit households at or below 80% of AMI. “Area Median Income” is defined and published periodically by HUD for the HOME Program for the Los Angeles-Long Beach Metropolitan Area. Current Income Limits for the Los Angeles-Long Beach Metropolitan Area are as follows:

Current Income Limits as of May 2018

	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
30% AMI	20,350	23,250	26,150	29,050	31,400	33,740	38,060	42,380
50% AMI	33,950	38,300	43,650	48,450	52,350	56,250	60,100	64,000
80% AMI	54,250	62,000	69,750	77,500	83,700	89,900	96,100	102,300

EXPENDITURE REQUIREMENTS

The 2013 HOME Final Rule states that projects must be completed within four (4) years of that date of the agreement between the City and the CHDO.

Additionally, the HOME Final Rule requires that any homebuyer unit that has not been sold to an eligible homebuyer within nine (9) months of completion of construction must be converted to a HOME rental unit that complies with all HOME requirements for the period of affordability applicable to such rental units.

OTHER FEDERAL REQUIREMENTS

The HOME Program Final Rule (24 CFR Part 92) contains more program requirements that are outlined in this RFP. CHDOs should carefully review the HOME Program Final Rule prior to submitting a proposal. Projects must comply with all applicable HOME Program regulations, as well as other federal requirements, including but not limited to:

- Environmental Review (24 CFR Part 58)
- Non-discrimination and Equal Access
 - Fair Housing and Equal Opportunity (24 CFR Part 1; 42 U.S.C 3601-3620 and 24 CFR Part 100-115; Executive Order 11063 as amended by Executive Order 12259 and 24 CFR Part 107; 24 CFR Part 146)



- Affirmative Marketing – Approved applicant(s) are required to market all units in assisted projects in accordance with the City’s Affirmative Fair Marketing Procedures and all State and Federal Fair Housing Laws
- Handicapped Accessibility
 - Americans with Disabilities Act (42 USC 12131; 47 U.S.C 155, 201, 218 and 225)
 - Fair Housing Act (42 U.S.C. 3601-19 and 24 CFR 100.205)
 - Removal of Physical Barriers (Section 504 of Rehabilitation Act of 1973)
- Employment and Contracting
 - Section 3 of the Housing and Urban Development Act (24 CFR Part 135)
 - Minority/Women’s Business Enterprise (Section 21 of the National Affordable Housing Act and 24 CFR 35.36(e))
- State and/or Federal Labor Standards/Prevailing Wages (Davis-Bacon and related provisions)
- Acquisition and Relocation (Uniform Relocation Act; 49 CFR Part 24)
- Lead-based Paint Evaluation and Control (24 CFR Part 35)
- Procurement Requirements (24 CFR Part 85)
- Use of Debarred Contractors Prohibited (24 CFR Part 85)

APPLICATION SUBMITTAL AND REVIEW PROCESS

APPLICATION DEADLINE

Applications and proposals will be accepted until March 11, 2019, at 5:00 P.M. Proposals are to be submitted at:

**City Clerk’s Office
Attn: Vivian M. Garcia
8650 California Avenue, South Gate, CA 90280**

No late proposals will be accepted. Applications submitted by fax or email will NOT be accepted.

Questions regarding the Application/RFP should be submitted in writing to Abel Torres at atorres@sogate.org. The City reserves the right to negotiate and award contracts to multiple respondents, to reject any or all submittals, to waive any irregularities in the submittals, and/or to cancel, in whole or part, this RFP if it in the best interest of the City to do so.



APPLICATION AND PROPOSAL CONTENTS

Requirements for CHDO Certification are outlined in the Checklist for CHDO Qualifications in **Appendix A**. A completed Checklist for CHDO Qualifications and all supporting documents must be included in order to be considered for certification.

Proposal requirements are outlined in the Project Proposal Summary Application and Narrative and all required attachments as listed in **Appendix B**.

APPLICATION REVIEW PROCESS AND ANTICIPATED TIMELINE

As a combined application, the two parts will be evaluated separately.

1) **Qualification as a CHDO:**

Housing Division staff will review the submittals to determine whether the organization is eligible to be a CHDO based upon the information provided. Housing Division staff may contact the applicant to request additional information. If the organization is unable to provide staff with the additional information that is requested within a reasonable period of time, the applicant will be determined ineligible.

Housing Division will utilize the CHDO Checklist (**Appendix A**) for the review of each CHDO submission. All applicants will be notified of approval or denial of certification, and the reasons therefore if application is denied, within 14 days of application submittal.

2) **Proposal Evaluation and Schedule:**

All submittals will be reviewed by Housing Division staff to determine responsiveness to the submittal requirements. Proposals deemed to be responsive will then be reviewed by staff and ranked in accordance with the evaluation criteria. Staff will prepare recommendations for the City council and each of the finalists may be invited to make a presentation to the City Council.

The Housing Division reserves the right to request additional information on proposals submitted and may reject any and all proposals at its direction. Following the City Council's decision, the City will finalize a contract with the selected applicant(s). Funding for selected project(s) will proceed following the completion of the Environmental Review and/or other mandatory requirements including contracts and documents, as required by the HOME Program regulations.



EVALUATION CRITERIA

All eligible, complete proposals will be reviewed and ranked by Housing Division staff. Proposals will be ranked relative to the evaluation criteria below.

- The applicant's ability and capacity to perform the administrative, managerial, and operational functions and to oversee the services necessary for the successful completion of the proposed project.
- Reasonableness of the applicant's timeline to receive commitments of leveraged funds in order to meet HOME fund commitment deadlines.
- The effectiveness of the proposed project in contributing to neighborhood improvement, stability, and elimination of blight.
- The effectiveness of the financing plan developed by the applicant for the long-term operation of the project.
- The number of residents to be served as well as project cost on a per-bedroom basis.
- Reasonableness of the applicant's proposed timeline for project completion and achievement of full occupancy, and demonstrated ability to meet the timeline.
- The effectiveness of the proposed project in addressing identified housing priorities and in addressing the demonstrated need of target residents.
- The applicant's past performance in executing similar work.

If the City has committed funds to a project that can no longer proceed (i.e. other required funding is no longer available, site is not feasible due to environmental issues, etc.), the City reserves the right to re-distribute funds to the next highest ranked proposal.

CONDITIONS FOR FUNDING

Funding allocations available through the RFP are made contingent upon approval by the City of South Gate and sufficient funding availability. Actual award of HOME funds may depend on funds being made available from HUD. Should such funds not be granted to the City, the City reserves the right to cancel any contract.

Additionally, any such agreement for the use of HOME funds will be conditional in nature until the assessment process is satisfactorily completed. Such an agreement will provide that the agreement to provide funds to the project is conditioned on the City's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review (24 CFR Part 58).



Further, HOME funds may not receive a final commitment from the City of South Gate until all necessary financing is secured, a budget and production schedule is established, underwriting, market assessment and subsidy layering is complete, and construction is expected to start within 12 months.

CITY'S RIGHT AND OPTIONS

This solicitation does not commit the City to award a contract, to any cost incurred with preparation of a proposal, or to procure or contract for services or supplies. The City reserves the right to accept or reject any or all submittals received in response to this request, to negotiate with any qualified source, request additional documentation, or cancel in whole or part this process in its sole and absolute discretion. Subsequent to negotiations, prospective awardees may be required to submit revisions to their proposals. All persons or entities responding to the Request for Proposals should note that any contract pursuant to this solicitation is dependent upon the recommendation of the City staff and the approval of the City Council.

The City reserves the right to postpone selection for its own convenience, amend the Anticipated Schedule, to withdraw the Request for Proposals at any time, and to reject any and all submittals without indicating any reason for such rejection. As a function of the Request for Proposals process, the City reserves the right to remedy any technical errors in the response to the Request for Proposals and modify the published scope of services. The City reserves the right to request that specific personnel with specific expertise be added to the team, if the City determines that specific expertise is lacking in the project team. Proposals and other information provided by applicants will not be returned.

The City reserves the right to abandon the Request for Proposals process and/or change its procurement process for the contract at any time if it is determined that abandonment and/or change would be in the City's best interest.

The City will not be liable to any contractor for any costs or damage arising out of its response to the Request for Proposals.



Appendix A

City of South Gate

REQUEST FOR QUALIFICATIONS

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) CERTIFICATION



FACT SHEET

HOME Program Definition of Community Housing Development Organization

The information contained in this Fact Sheet refers to the definition of Community Housing Development Organization (CHDO) in Subpart A, Section 92.2 of the HOME Final Rule (including changes required by the 2013 HOME Final Rule underlined in the text below).

Community housing development organization means a private nonprofit organization that:

- (1) Is organized under State or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;
 - (ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
 - (iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and
 - (iv) The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private non-profit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of “community housing development organization;”



- (5) Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, “Standards for Financial Management Systems;”
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by:
 - (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, “community” may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - (ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;
- (9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization.



An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of §92.300(a)(2). A non-profit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and

- (10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.



ORGANIZATION: _____

COMPLETED BY: _____

DATE: _____

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. Please check each item submitted with the CHDO Certification Checklist and include a signed copy of Appendix C with your application.

I. 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) (3) of the Internal Revenue Code of 1986, as evidenced by:

_____ **A 501(c)(3) 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,**

_____ **A HUD approved audit summary**

_____ **By-laws, OR**

_____ **Resolutions.**



II. CAPACITY

A. Conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards for Financial Management Systems," (specifically 24 CFR 84.21 for the HOME program) as evidenced by:

_____ **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

_____ **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 one year of serving the community from the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), 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 president of the organization or by a HUD-approved representative.

III. ORGANIZATIONAL STRUCTURE

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 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.**



IV. 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:

(1) 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;

(2) 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.**

V. IN ADDITION TO THE DOCUMENTS ABOVE, PLEASE SUBMIT THE FOLLOWING:

_____ List of Board Members, their home addresses, affiliations and place of employment

_____ A description of the manner in which Board members are selected

_____ Staffing Plan or list of staff members of the organization and their positions

_____ Board of Directors meeting schedule for the next six months, including time and location

_____ Copies of minutes of last two Board meetings

_____ Signed certification for each Board member that is fulfilling the low-income representation requirement. Certifications must state in which of the following ways the Board member meets the low-income requirement:

(a) Has annual gross income less than 80% of the Area Median Income; or

(b) Is a resident of a low-income neighborhood (at least 51% of the residents have an annual gross income less than 80% of the current Area Median Income); or

(c) Is an elected representative of an organization composed primarily of residents of a low-income neighborhood (at least 51% of the residents have an annual gross income less than 80% of the current Area Median Income).



VI. REQUIRED CORE HOUSING DEVELOPMENT COMPETENCIES:

Developer applicants must have paid staff that possess the core competencies listed herein (depending on the project and whether the applicant will be an Owner, Developer or Sponsor), and must have a staff plan specifying the number of full-time staff persons and percentages of these persons' working hours which are allotted to housing projects. The required core housing development competencies are the knowledge, skills and ability to:

- A) Conduct market/needs analyses and conceptual project design;
- B) Choose and negotiate purchase of a suitable site;
- C) Select and work with architects and other consultants;
- D) Understand and comply with local planning, zoning and building requirements;
- E) Create a development pro forma and operating budget;
- F) Identify financing sources and apply for funding;
- G) Comply with other lender requirements;
- H) Deal with community concerns;
- I) Choose and work with construction contractors;
- J) Manage the construction process;
- K) Successfully market a project;
- L) Comply with HOME program requirements, construction close-out and long-term obligations.

City reserves the right to request additional information from applicants in order to verify documentation submitted. **It is applicant's responsibility to provide adequate documentation and evidence to demonstrate it meets the requirements for CHDO Certification.**



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Applications will be reviewed and scored based on the following four evaluation criteria. Each criterion is assigned a maximum number of points as shown below

Criterion 1 Consolidated & Comprehensive Plans and Targeted Populations	0-25 Points
Criterion 2 Project Preparation	0-25 Points
Criterion 3 Management Capacity and Real Estate Experience	0-25 Points
Criterion 4 Capacity for Project Financing and Leveraging	0-25 Points

TOTAL	Minimum/Maximum Points	0-100 Points
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Each criterion is divided into incremental elements. Applicants could obtain points in each box if any portion of criterion is met for that element as indicated below. The final score for each criterion will be a sum of the points awarded of all of the boxes for each element. The criteria and their respective elements are described on the following pages.



Application Instructions

Application Submission

Applications must be received for consideration of funding by the City Clerk's Office – Attn: Vivian M. Garcia at 8650 California Avenue, South Gate, CA 90280 by 5:00p.m., March 11, 2019. Funds will be awarded for qualified proposals on a first come, first serve and first-qualified basis thereafter until all funds are allocated.

- **Late applications will not be considered.**
- **Any application submitted with an unsigned Application Cover Sheet will not be accepted.**

1. Submissions by facsimile machine or e-mail will not be accepted.
2. Applicants are requested to submit one original and three (3) copies of the application along with requested worksheets and attachments for each proposed project.
3. To maintain the application's print quality, the applicant should use colored, textured, heavy weight or tabbed paper. Bindings should be restricted to a clip or staple. Avoid notebooks or folders requiring page perforation.
4. Applications responses should be typewritten according to the following specifications:
 - Where narrative response is requested, the written response should be in a readable font size of 12 point or larger, on single-sided white paper and limited to the number of pages indicated.
 - Where completion of worksheets is indicated, the responses should be made on the worksheets provided.
 - Narrative responses and requested attachments should be placed in the sequence indicated in the Application Components sections.
5. Attachments (other than narratives and worksheets):
 - All attachments should be on 8-1/2 by 11-inch white paper for submission.
 - Attachments are not subject to the page limits for narrative responses.
6. Applicants may submit one or more project proposals; however, each proposal must be submitted separately with all requested forms and attachments.



Questions

For questions or additional information, please contact Housing Administrator Vivian M. Garcia at 323-563-9585 at the Community Development Department's Housing Division located at 8650 California Avenue, South Gate, CA 90280

Application Components

The response for each component is to be in a written narrative, on an application worksheet, and/or through an attachment as instructed in the Application Components. The application submission will begin with Worksheet #1 and end with a completed Application Checklist (Worksheet #7) and all attachments. Each of the following Application Components is to be submitted in the following sequence.

COMPONENT

FORMAT

A. Application Cover Sheet	Worksheet # 1
B, Application Summary Sheet	Worksheet # 2
C. Consolidated & Comprehensive Plans and Targeted Populations	Worksheet # 3 and Written Narrative
D. Project Preparation	Worksheet # 4 Worksheet # 5 and Written Narrative
E. Management Capacity & Experience in Real Estate	Written Narrative
F. Capacity for Project Financing and Leveraging	Worksheet # 6 and Written Narrative
G. Application Checklist	Worksheet # 7



A. Application Cover Sheet

Each application is to include an Application Cover Sheet – Worksheet # 1. Applicant’s executive director or designee authorized to legally bind the application organization must sign each Application Cover Sheet. **NOTE: Unsigned Application Cover Sheets will result in the rejection of the application.** The total proposed funding request amount should be listed on the Application Cover Sheet. Applicants that submit jointly with other nonprofit organizations are to designate one organization as the application contact. This organization will complete and sign the Application Cover Sheet. Joint organization applications are to be indicated on the Application Cover Sheet and each participating organization is to be listed where requested.

B. Application Summary Sheet

Each application is to include an Application Summary Sheet – Worksheet # 2. The information on the Application Summary Sheet provides a snapshot of the project; the project description should be brief and to the point. Please use the space provided; do not attach additional pages.

C. Consolidated & Comprehensive Plans and Targeted Populations (Maximum 25 Points)

This section of the proposal describes affordable housing needs that the project will address and clearly defines the client population to be served.

1. Complete Worksheet # 3: Targeted Populations; identifying the priority household populations the applicant’s project is designed to serve.
2. Provide a narrative on no more than one (1) typewritten page that lists and responds to each request for information in the order presented below. Document your source(s) of information. *Please clearly label your narrative as “C. Consolidated Plan and Targeted Populations and place your narrative directly after Worksheet # 3.*
 - a. Describe the population, community and number to be served by the proposed project, including the type of affordable housing that will result from this project.
 - b. Does this project serve special needs populations? If yes, describe special needs population to be served.
 - c. Describe the need to be addressed and how it relates to the affordable housing goal and objective described in part 2 (a) of this question.



D. Project Preparation (Maximum 25 Points)

This section addresses status of the proposed project and whether the proposed project preserves and/or rehabilitates existing affordable units within the areas of greatest need or targeted areas as designated by City of South Gate.

1. Complete Worksheet # 4: Targeted Areas.

2. Complete Worksheet # 5: Project Preparation. *Clearly label requested attachments as directed and place behind Worksheet # 5.*

a. Provide a narrative on no more than two (2) typewritten pages. The narrative should list and respond to each request for information in the order presented below. Please clearly label your narrative as “D. Project Preparation Narrative” and place your narrative after Worksheet # 5.

- For what purposes would you be requesting this funding?
- Outcome to be achieved (include description of all units, HOME funds and non-HOME funds).
- Project activities or services that address proposed outcomes
- Present a clear and reasonable work plan including an estimated project timeline, milestones to be accomplished within the funding period, and how long until the project will be complete including estimated completion date.
- Describe any unique or innovative elements of the proposed project.
- Meet Energy Start standards?
- Meet HUD Section 504 accessibility standards?
- Is made affordable to very low-income (<50% AMI) households?
- Is made affordable to extremely low-income (<30% AMI) households?
- Are designated for low- and very-low income elderly residents?
- Are subsidized with project-based assistance through a Federal, state or local rent assistance program.
- Are made for affordable income elderly residents and are subsidized with project-based assistance through a Federal, State or local rental assistance program.

b. If the proposal is a collaborative submission with other organizations, explain how the project will be jointly conducted, identify roles and responsibilities of each participating party, and a description of the proposed project and beneficiaries who will benefit from the collaboration. Include a letter of agreement between the collaborating organizations.



E. Management Capacity & Experience in Real Estate (Maximum 25 Points)

Applicant describes the project activities and how these will be accomplished within a specified time period – preferably within twelve (12) months.

1. Provide a narrative on no more than two (2) typewritten pages. The narrative should list and respond to each request for information in the order presented below. *Please clearly label your narrative as “E. Management Capacity and Experience in Real Estate” and place your narrative after Worksheet # 5 and Worksheet # 5 Attachments.*

- a. Provide evidence of a successful track record of adequate organizational experience in owning and managing real estate. If the nonprofit applicant does not have an established track record, describe how the organization has partnered with another nonprofit organization with applicable experience.
- b. Provide a detail of how your organization’s experience relates to the proposed affordable housing project.
- c. Describe a recent successful project.

F. Capacity for Project Financing and Leveraging (Maximum 25 Points)

This section of the proposal should show evidence of the ability to leverage non-city cash for project costs. This may include past grant-history, firm commitments or demonstrated capacity to leverage funds. Financing and operating plans are feasible. Financing, other than City funds, has been committed or secured. Applicant demonstrates evidence of additional commitments of non-City financial other material resources that are available to or attainable by the applicant and that will significantly support the project. Resources may include volunteers, in-kind contributions, cash donations, goods, supplies and service donations, grants and/or contracts. Evidence of adequate reserves for project would be identified in this section (i.e. bank accounts).

1. Complete worksheet # 6.
2. List and respond to each request for information in the order presented below. Provide no more than one (1) typewritten page of narrative. Narrative responses should be explained and consistent with information provided on Worksheet # 6.

Briefly indicate whether any other city, county, and/or non-profit contributions, including a request for rehabilitation funds, or awards will support or are anticipated to support this project. Explain their commitment status.



3. Provide a current organization-wide budget. *Please clearly label this attachment as F. Budget-Organization Budget. Please behind Worksheet # 6 and Narrative.*

4. Provide three (3) most recent annual audited financial statements and auditor's opinion and management letter, if issued. Audits must be conducted by an independent license certified public accountant. If an audit(s) is not available, please explain why.



**WORKSHEET 1 – APPLICATION COVER SHEET
PLEASE READ AND SIGN BELOW**

Total Funding Requested: \$ _____ (\$ _____ HOME)

Organization Name: _____

Address: _____

Contact Person: _____

Federal Tax ID: _____

Telephone: _____

Fax: _____

DUNS #: _____

Identify if the application(s) is being submitted jointly with other organizations:

- Yes (List other organization(s) by name):
- No

(SIGN BELOW, UNSIGNED COVERSHEETS/APPLICATIONS WILL NOT BE ACCEPTED)

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE, information contained in this proposal is accurate. By signing this application, the undersigned offers and agrees, if the proposal is accepted, to furnish the items or services, subject to final negotiation and acceptance by City of South Gate Housing Division.

Executive Director (or representative) Signature

Date

Print Name

DEADLINE FOR SUBMISSION FOR CONSIDERATION OF FUNDING IS 5:00 P.M., MARCH 4, 2019

Projects will be scored, underwritten and awarded on a first come first, first serve basis.

**SUBMIT ORIGINAL AND THREE (3) COPIES TO:
City Clerk's Office – Attn: Vivian M. Garcia
8650 California Avenue, South Gate, CA 90280**



WORKSHEET 2 – APPLICATION SUMMARY SHEET

Project Title: _____

Funding Requested:

Acquisition: \$ _____

Rehabilitation: \$ _____

Total Funding Requested \$ _____

Are you currently a City of South Gate approved Community Housing Development Organization (CHDO)?

- Yes No

Do you intend to apply for CHDO designation under this RFP?

- Yes No

Project Type (please mark all that apply):

Estimated Total Number of Units to be acquired: _____

- Foreclosed Non-Foreclosed

Estimated Total Number of Units to be rehabilitated: _____

- Foreclosed Non-Foreclosed

Estimated Total Number of units currently owned by your organization to be rehabilitated: _____

Unit Type (please check all that apply)

- Condominium
 Single family detached
 Townhouse
 Other: Specify _____



Anticipated Service Area Neighborhood or Street Boundaries:

1,2,3,4 District(s): _____

Tax Map(s) #: _____

Brief Project Description: _____



WORKSHEET 3 - CONSOLIDATED & COMPREHENSIVE PLANS PRIORITIES AND TARGETED POPULATIONS

Indicate the objectives as to which the applicant's project is designed to meet. All households must be low income households (at or below 80% AMI), but indicate very low (at or below 50% AMI) or extremely low-income households (at or below 30% AMI) for objective #3.



WORKSHEET 4 – TARGETED AREAS

Please attach a map or project narrative with the following information about the proposed project area of focus (**Please label the map or narrative as Attachment 4a, and place behind Worksheet #4**).

1. a. Concentration of low-income residents
- b. Concentration of affordable housing
- c. Minority concentration

2. Project will preserve and/or rehabilitates affordable units (Check One):

Yes No

3. Estimated Total # of new affordable housing units in the area the project will produce:



WORKSHEET 5 – PROJECT PREPARATION

Number of years organization in operation: _____

Date Incorporated: _____

Total number of units produced:

Rehabilitated _____

Owned _____

Managed _____

Constructed _____

Estimate a percentage of above total housing units produced that served very low and low-income persons:

30% of median and below _____

50% of median and below _____

80% of median and below _____

Number of employees/volunteers in organization:

Full-time employees _____

Part-time employees _____

Volunteers _____

Number of employees/volunteers to work on project:

Full-time _____

Part-time _____

Volunteers _____

Type of Proposed Project

Project must be a homeownership project.

Project preserves and/or rehabilitates existing affordable units (Check One):

Yes No

Please check Yes or No, as appropriate, for the proposed project and provide attachments as indicated in the sequence below. Clearly label requested attachments as directed below and place these attachments behind this worksheet.



1. Do you have a site(s) identified? If yes, provide location site map(s) for the project(s). Label as Attachment 5a.

Yes No

2. If the site is identified, do you anticipate the property requiring a rezoning/special use permit for your proposed project?

Yes No

3. Has total project financing been identified for this project?

Yes No

4. Is project ready for implementation assuming HOME funding under this RFP?

Yes No

Identify age of housing units to be preserved and/or rehabilitated: _____

Identify the condition of the housing to be preserved and/or rehabilitated (Check One)

No rehabilitation needed, units have been inspected and meet city codes and standards;

Minor rehabilitation required (total rehabilitation costs \$25,000 per unit); or

Substantial rehabilitation required (total rehabilitation costs \$25,000 or more per unit).

Demolition/development property does not meet code

Do you have schematics and preliminary site plan for the project?

Yes No

Do you have detailed cost estimates for rehab work? If yes, submit one copy and identify source of estimates. Clearly label.

Yes No

Do you have an engineering report detailing property condition?

Yes No

Has an appraisal been completed for the property?

Yes No

If yes, what is the appraised value of the property? \$ _____

What is the assessed value of the property? \$ _____



WORKSHEET 6 – ESTIMATED PROJECT COSTS AND FINANCING

1. Estimated Project Costs:

Acquisition: _____

Rehabilitation: _____

Other (financing, insurance, legal fees): _____

Total Estimated Project Cost:

<u>Per Unit</u>	<u>Total</u>
\$	\$
\$	\$
\$	\$
\$	\$

2. Project Financing: *(If additional space is needed, insert additional page(s) following this one, and clearly label as Worksheet # 6, continued.)*

Proposed HOME Funds: \$ _____

Equity

Yes or No

Source:	Amount: \$	Committed:
Source:	Amount: \$	Committed:
Source:	Amount: \$	Committed:
Total Equity:	\$	

Loans

Yes or No

1 st Trust: \$	at	% IRR* for	months	Source Committed:
2 nd Trust: \$	at	% IRR* for	months	Source Committed:
3 rd Trust: \$	at	% IRR* for	months	Source Committed:
Total Loans:	\$			

Total Project Financing: \$ _____

Total HOME as % of Total Project Financing: _____%

*IRR-Internal rate of return also known as the effective interest rate.



Complete for Proposed Homeownership Projects Only:

Project Description

# of Units	Square Footage	# of Bedrooms/ Bathrooms	Structure Type	Type of Construction	Cost/Unit	Sales Price/Unit
					\$	\$

Targeted Purchasers:

of Purchasers: _____ Income as % of AMI: _____

of Purchasers: _____ Income as % of AMI: _____

of Purchasers: _____ Income as % of AMI: _____

Does the project involve any temporary relocation?

Yes No

Projects requiring permanent relocation will not be considered for funding.



WORKSHEET 7 – APPLICATION CHECKLIST

APPLICATION COVER SHEET

- Worksheet # 1

APPLICATION SUMMARY SHEET

- Worksheet # 2

CONSOLIDATED & COMPREHENSIVE PLANS PRIORITIES AND TARGETED POPULATIONS

- Worksheet #3
- 1-Page Narrative

PROJECT PREPARATION

- Worksheet # 4
- Worksheet # 5
- 2-Page Narrative

MANAGEMENT CAPACITY AND EXPERIENCE IN REAL ESTATE

- 2-Page Narrative

CAPACITY FOR PROJECT FINANCING AND LEVERAGING

Estimated project Costs and Financing

- Worksheet # 6
- 1-page Narrative
- Organization Budget
- Three most recent annual audited financial statements

APPLICATION CHECKLIST

- Worksheet #7