

**NOTICE OF FUNDING AVAILABILITY
CITY OF LEMOORE REDEVELOPMENT AGENCY
MULTI-FAMILY REHABILITATION GRANT PROGRAM**



RESPONSES DUE BY 4:00 P.M., FRIDAY, SEPTEMBER 30, 2011

MAIL RESPONSES TO:
Nanci C. O. Lima, City Clerk
City of Lemoore
119 Fox Street
Lemoore, CA 93245

INTRODUCTION

The City of Lemoore Redevelopment Agency has established a Multi-Family Rehabilitation Grant Program (Program) to facilitate rehabilitation of affordable multi-family rental housing to serve very low to moderate income households by providing gap assistance. Assistance will be provided in the form of a grant for up to 50% of the total approved project costs. The Agency expects its assistance to be leveraged with other resources that may include private equity, loans from lending institutions, etc. Qualified nonprofit and for profit developers, who can demonstrate the ability to rehabilitate and maintain affordable housing developments are encouraged to submit a proposal.

The deadline for first review is 4:00 p.m., Friday, September 30, 2011. Proposals received after that date will be considered, contingent on available funding.

BACKGROUND

The City and Agency provide financing for a range of housing programs and projects utilizing funds from various local, State and Federal funding sources. Funding is available through this Notice of Funding Availability (NOFA) for the purpose of financially assisting in the substantial rehabilitation of multi-family units in the City of Lemoore. The Agency is seeking projects to be funded with proceeds from the Lemoore Redevelopment Agency's 2011 Tax Allocation Bond.

GOALS

The goals of the Agency include continuing to promote safe and affordable housing opportunities in Lemoore and improving the quality of our existing housing stock. This Program has been designed to help achieve these goals.

CONDITIONS

The deadline for the first competitive round of submittals is 4:00 p.m., Friday, September 30, 2011. Proposals received after that time or date may be considered for funding if the project is viable, meets Program guidelines, addresses City/Agency priorities and funds remain available after the first review process or if funds become available due to negotiation or contractual failure of a previously funded project.

The Agency reserves the right to negotiate and award funding to multiple applicants and request additional information from applicants. By the act of submitting a proposal, applicants acknowledge and agree to the terms and conditions of the Program guidelines and to the accuracy of the information they submit in response to this NOFA. The Agency reserves the right to reject any and all proposals, waive any nonmaterial irregularities in the application requirements, or cancel this NOFA at any time. All proposal packages become the property of the Agency. All requirements of California Community Redevelopment Law apply under this NOFA. Any and all costs arising from preparation of this application and participation in the selection process incurred by any applicant shall be borne by the applicant without reimbursement by the Agency.

FUNDING AVAILABILITY

In issuing this NOFA, the Agency is requesting proposals that describe projects ready to begin construction at the time the application is made or which will be ready to begin construction by January 2012. The Agency currently has \$1.9 Million in Low to Moderate Income Housing Fund Proceeds from the 2011 Tax Allocation Bond budgeted for this Program.

Properties must require improvements in one or more of the following categories:

- 1) The property does not conform to HUD Section 8 Housing Quality Standards (HQS) or applicable building, housing, fire, electrical and plumbing codes;
- 2) The condition and appearance of the property is detrimental to the neighborhood environment; and/or
- 3) The proposed improvement will result in the conservation or more efficient use of fuel or energy.

Rehabilitation performed with this program must be considered substantial rehabilitation. That means that the after rehabilitation value of the project must be at least 25% greater than the pre-rehabilitation as-is value

The Program is specifically designed to assist owners of multi-family units where at least 51% of the tenants' incomes do not exceed 80% of the area median income for Kings County. The current income limits are as follows:

Household Size	Income Level		
	Very Low (50%)	Low (80%)	Moderate (120%)
1	\$20,050	\$32,050	\$48,050
2	\$22,900	\$36,600	\$54,900
3	\$25,750	\$41,200	\$61,800
4	\$28,600	\$45,750	\$68,650
5	\$30,900	\$49,450	\$74,150
6	\$33,200	\$53,100	\$79,650
7	\$35,500	\$56,750	\$85,150
8	\$37,800	\$60,400	\$90,600

Applicants will be eligible for a grant amount per unit based on the level of affordability each assisted unit is restricted to. The maximum grant amount is \$25,000 per very low income unit, \$20,000 per low income unit, and \$15,000 per moderate income unit assisted with the Program. This is a dollar-for-dollar matching grant program. For example, if the total project costs are \$800,000, the maximum grant possible is \$400,000. No repayment is required. However, the property owner must address HQS or code violations in all units in the complex, whether assisted or not.

The property owner and the Agency must enter into a Regulatory Agreement and Declaration of Restrictive Covenants, which shall be recorded against the property. This Agreement requires that the restricted units remain affordable to and occupied by income-qualified applicants for 55 years. The Agreement will specify the number of units restricted to each income level. At least 20% of the restricted units in an assisted project must be affordable to and occupied by very low income households.

The 2011 Affordable Rents (with deduction for average utility allowances) as outlined for this Program are as follows:

Income Level	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Very Low	\$ 505	\$ 565	\$ 625	\$ 667
Low	\$ 620	\$ 694	\$ 768	\$ 822
Moderate	\$ 963	\$ 1,080	\$ 1,197	\$ 1,285

In addition to the affordability restrictions, the owner must agree to maintain reserve accounts for the project. Reserve accounts are required for the long term maintenance and sustainability of the units. The required reserves are as follows:

Reserve Type	Rehabilitation
Replacement Reserves	\$300 per unit, per year
Operating Reserves	3 months estimated operating expenses & debt service

Any withdrawals from the replacement reserves must be approved by the Agency. Please see the Program guidelines for a more in-depth discussion of reserve requirements and eligible expenses.

All projects must maintain compliance with the Agency’s reporting, record-keeping and HQS requirements. On an annual basis, Agency staff will conduct compliance reviews of the project. The property owner will be required to certify their tenants’ eligibility and that the actual rental rates for the restricted units do not exceed the current affordable rental rates. The property owner will also be required to provide proof of Property Insurance and Reserve Accounts. In addition, the Agency will conduct an inspection to ensure that the property has been maintained as required by the Agreement.

FORMAT FOR RESPONSE TO NOTICE OF FUNDING AVAILABILITY

Applicants and other interested parties are encouraged to attend one of the scheduled application workshops. These workshops will cover the Program requirements and information needed to submit a successful application. Workshops are scheduled for Thursday, July 21st at 3:00 p.m. and Thursday, August 4th at 3:00 p.m. It is only necessary to attend one workshop. Workshops will be held in Lemoore City Council Chambers located at 429 "C" Street, Lemoore, CA 93245. If you are interested in attending a workshop, please contact the Housing Specialist listed below to RSVP.

The response to the Notice of Funding Availability must be made according to the requirements set forth in this section, both for content and sequence. Failure to adhere to these requirements or to include conditions, limitations or misrepresentations may be cause for rejection of the submittal. Use 8-1/2" x 11" (fold outs are acceptable for plans, charts, etc.) sheets and type size must be large enough to be easily legible (not smaller than 10 point).

- A. Deliver one original and one copy of the submittal to the person below. FAX OR E-MAIL SUBMITTALS WILL NOT BE ACCEPTED.

Nanci C. O. Lima, City Clerk
City of Lemoore
119 Fox Street
Lemoore, CA 93245

All responses to this NOFA must be submitted to the City Clerk on or before 4:00 p.m. on September 30, 2011. The Agency will complete review of all submitted proposals and submit recommended projects to the Redevelopment Agency Board for approval. Once the number of proposals is known, the schedule for Board approval will be coordinated with the applicant for each project.

The following person will serve as the Agency's contact for this Program. Any questions, inquiries and matters of coordination regarding this NOFA must be submitted to the contact below.

Brooke Austin, Housing Specialist
City of Lemoore
119 Fox Street
Lemoore, CA 93245
(559) 924-6702
baustin@lemoore.com

- B. Mandatory Content and Sequence of Submittals:

1. The Application. The Application included in this packet is to be included in the proposal package. An electronic version of the application is available by contacting the Housing Specialist listed above.
2. The following information must be provided for all ownership interests listed on the application with more than a 20 percent interest in the property: Balance Sheets, Income Statements, Statements of Cash Flows with notes, and Federal tax returns for the last three years.

3. A copy of the driver's license and social security card for each property owner.
4. A copy of recent credit report and score for each property owner (can be obtained from websites such as, annualcreditreport.com, freescore.com, etc.).
5. Complete project description. Please include pictures of the projects current conditions, architectural drawings and plans, if applicable, and a cost estimate for proposed rehabilitation.
6. Property information. Please provide a current property tax statement, copy of grant deed, a current mortgage statement (if applicable), and current proof of fire, liability and worker's compensation insurance (if applicable).
7. Tenant Information. Please complete the tenant information section of the application with the Head of Household Name, Unit Number, Bedroom Size, Number of Household Members, Household Annual Income and Rent Amount.

Once applications are reviewed and ranked, the applicants of projects that will be recommended to the Board will be contacted to obtain additional information that may be needed for Board Approval. This information may include, but is not limited to, the following:

1. A Preliminary Title Report.
2. An Appraisal that includes the "as-is" and "post rehabilitation" values.
3. A Rehabilitation Assessment.
4. A Lead-Based Paint Assessment Report.
5. An Asbestos Assessment Report.
6. A Pest Report.