



CITY OF
PORTLAND, OREGON

PORTLAND HOUSING BUREAU

Nick Fish, Commissioner
Margaret Van Vliet, Director
421 SW 6th Avenue, Suite 500
Portland OR 97204
(503) 823-2375
Fax (503) 823-2387
www.portlandonline.com/PHB

CDBG/HOME PROJECT SUPPORT PROGRAM

APPLICATION

Fiscal Year 2010-2011

Due Monday, June 7, 2010, at Noon

Name of Organization: _____

Contact Person: _____

Title: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

Website: _____

Amount of HOME CHDO operating support requested: _____

Amount of CDBG funds requested: _____

The undersigned certify that the information provided herein, to the best of his/her knowledge, is true, complete, and accurately describes the proposal. For purposes of review and evaluation, the undersigned authorizes release of this information to City of Portland / Portland Housing Bureau.

Board Chair's Name & Signature

Date

Executive Director's Name and Signature

Date

CDBG/HOME PROJECT SUPPORT PROGRAM

I. Funding Framework for 2010-2011

The Portland Housing Bureau (PHB) is pleased to offer competitive support grants to eligible nonprofit housing development organizations for affordable housing development activities. PHB is offering access to two federal funding sources for the CDBG/HOME Project Support Program:

- A. Community Development Block Grant (**CDBG**) to support work on the development of CDBG- funded projects;
- B. **HOME** to support Community Housing Development Organizations (CHDOs) while engaged in the development of HOME-funded projects.

The CDBG/HOME Project Support Program prioritizes supporting organizations that:

- A. Meet federal funding eligibility guidelines outlined in this application;
- B. Have satisfactorily completed all CDBG/HOME reporting requirements in past year;
- C. Are developing projects that support the following City housing policy goals:
 - Implementing Home Again: the Ten Year Plan to End Homelessness;
 - Developing permanent supportive housing units;
 - Preserving and maintaining affordable housing units;
 - Closing the minority homeownership gap.

II. Eligibility

Each of the federal funding sources has different regulations that govern eligible activities and eligible recipients. Specific program requirements are listed separately by sub-sections in the RFP. Recent communications with HUD have led to a modified definition of eligible activities by PHB for the FY 2010-11 Project Support Program. HOME CHODO operating support is only available to CHDOs with a HOME-funded project that is currently receiving funds or a project that has a written agreement to receive HOME funds within the next 24 months. Asset management is not eligible for CDBG funding under this solicitation.

All applicants must satisfy the following requirements:

- A. Be in good standing as an Oregon 501(c)(3) non-profit corporation;
- B. Serve a low-income constituency in Portland;
- C. Have a primary mission focused on the provision of affordable housing;
- D. Have a track record of successfully completed community development projects;
- E. Be accountable to a low-income community or constituency by providing a structure for low-income beneficiaries to participate in the organization's decisions regarding the development and operation of projects or in its organizational activities.

III. Instructions

Electronic copies of the application may be downloaded from the PHB web site at www.portlandonline.com/PHB

PHB's Solicitation Coordinator for this RFP is Karl Dinkelspiel. All questions and requests for clarification should be directed solely to the Solicitation Coordinator in writing at dinkelspielk@pdc.us. Responses to all questions will be posted on the PHB website and will be available to all interested parties.

Applications are due Monday, June 7, 2010, at Noon. Please mail or deliver one (1) original application for funding to:

Karl Dinkelspiel
CDBG/HOME Project Support Program Application
Portland Housing Bureau
421 SW 6th Avenue, Suite 500
Portland, OR 97204

IV. Required Documents

Organizations may choose to apply for one or both sources of funding by submitting the provided forms – a “FORM A” for each project submitted for CDBG funding and/or a “FORM B” for the HOME funding.

Additionally, all applicants shall submit one copy of the following items:

- A. Executed cover sheet as provided
- B. Current list of Board of Directors;
- C. Organizational chart with staff names and functions;
- D. Board approved current year operating budget;
- E. Proposed operating budget for FY 2010-2011 showing proposed uses of CDBG/HOME Project Support funds;

V. Reporting, Industry Goals/Self-Assessments

Organizations that receive CDBG/HOME funding for fiscal year 2010-2011 under this funding application will be required to submit quarterly progress reports and a yearend summary of accomplishments.

VI. RFP Schedule

Release RFP	May 24, 2010
Proposals Due	June 7, 2010
Selection Committee	June 15, 2010
Awards Announced	June 23, 2010
Contracts Executed	Retroactive to 7/1/10 after budgets are approved

FUND A: CDBG - GRANTS TO SUPPORT CDBG-FUNDED PROJECTS

I. Overview

PHB will make available up to \$673,000 in CDBG funds to support eligible non-profit's project delivery costs directly associated with a CDBG-funded housing project under development. Project delivery costs might include the organization's cost preparing work write-ups, work specifications, and cost estimates, review of these items when prepared by others, project underwriting, construction inspections and oversight, project document preparation, costs associated with a project-specific environmental review, costs associated with informing tenants or homeowners about relocation rights or benefits, costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants. An organization may include indirect costs (benefits, occupancy costs such as rent and utilities, administration) that are allocated in accordance with its HUD approved allocation plan, as part of the cost of an employee performing work on a CDBG-funded project.

Only housing projects in Portland that have received a written commitment of CDBG funds from the Portland Development Commission or PHB are eligible. All CDBG funding received under this funding application must be for expenses directly linked to an eligible project and cannot be duplicative of expenses covered by the project's development budget. Organizations will be required to track staff time allocated directly to an eligible project.

II. CBDO eligibility

If the CDBG-funded project is new construction, applicant must be certified as a Community Based Development Organization (CBDO) by July 1, 2010 and the project must be located in a designated area (CBDO Special Activities Area). Appendix I provides the definition of a CBDO and Appendix II shows the designated Special Activities Area for Portland. If requesting funding related to a CDBG-funded new construction project, please contact the following PHB staff for additional information: Karl Dinkelspiel at dinkelspielk@pdc.us for map information and Stella Martinez at smartinez@ci.portland.or.us for CBDO certification information.

III. Criteria to evaluate proposals for CDBG funding

- A. Project is a CDBG-funded housing project in Portland that has received a commitment of CDBG funds from the Portland Development Commission or PHB. Project must be under development including projects in receipt of a certificate of occupancy for less than six months on July 1, 2010;
- B. If the CDBG-funded project is new construction-- organization is certified as a CBDO as of July 1, 2010 and project is in designated geographic area;
- C. Funding requested as it relates to the CDBG-funded project's budget and the non-profit's operating budget;
- D. History of successfully completing affordable housing projects as proposed;
- E. Organization's willingness/ ability to track allocated staff to the CDBG project;
- F. Project's compliance with CDBG regulations.

IV. Notes and Instructions: Please use FORM A to provide information on each CDBG-funded project for which funding is requested.

FORM A – CDBG PROJECT SUPPORT

Please use one form for each CDBG-funded housing project. Group together any 1-4 unit scattered site projects. Add lines or attach information as needed.

Name of organization: _____

Staff name and contact information: _____

Project name: _____

Project address: _____

Project description: _____

Is this project new construction? Yes No

If so, is your organization CDBO certified for FY 2010-2011 and is the project in a CDBO special-activities area?

Yes No

Is the project receiving CDBG funds or does the project have a written commitment from PDC/PHB for CDBG funds? Yes No

CDBG funds previously committed to project under prior year's Project Support Program or the "PNDESC" initiative: \$ _____

Other CDBG funds previously committed to project: \$ _____

CDBG funds previously committed to this project (sum of two lines above): \$ _____

Date of project's financial closing (actual or projected): _____

Date of project's certificate of occupancy (actual or projected): _____

Please identify project delivery expenses directly attributable to this project that are requested for funding under this RFP. If funding for staff/employee time is requested, please include position/title, short description of tasks to be undertaken, employee cost to organization as allowed under HUD approved allocation plan, and number of hours.

Total CDBG funds requested under FY 2010-2011 Project Support Program:			

Please describe why the project expenses listed above are not covered by the project's development budget. Please attach the project's development budget.

FUND B: HOME CHDO OPERATING SUPPORT

I. Overview

PHB will make available up to \$229,800 in HOME CHDO operating support for CHDO's currently developing HOME-funded housing. HOME assistance for operating expenses to a CHDO in a fiscal year may not exceed \$50,000 or 50% of the CHDO's total annual operating expenses for that year, whichever is greater.

As a condition of receiving operating support, CHDO grantees commit to undertake activities to facilitate the development of affordable housing meeting HOME program requirements.

II. HOME Project Eligibility

All applicants for HOME funding must be eligible CHDOs (see Appendix 1 for definition). Before submitting this application, please contact Stella Martinez, 503.823.2383, Stella.Martinez@portlandoregon.gov for assistance with CHDO certification.

Recent communications with HUD have led to a modified definition of eligible activities by PHB for this FY 2010-11 RFP. HOME CHODO operating support is only available to CHDOs with a HOME-funded project that is currently receiving funds or a project that has a written agreement to receive HOME funds within the next 24 months. Organizations with a project that has received HOME funds may be eligible for operating support under this RFP if, on 7/1/2010, it is less than six months from receipt of the project's certificate of occupancy. Support of asset management activities or other organizational expenses of CHODOs without a current HOME project will not be funded. Costs directly associated with a HOME project are also ineligible for assistance.

This RFP is making HOME CHDO operating funds available for reasonable and necessary costs for the operation of the CHDO while developing and working towards the development of the identified HOME project. Operating expenses may include: salaries, wages, employee compensation and benefits; employee training; travel; rent; utilities; taxes; insurance; equipment.

III. Criteria to evaluate proposals for CHDO Operating Support

- A. CHDO certification as of July 1, 2010 for FY 2010-2011;
- B. History of successfully completing affordable housing projects as proposed;
- C. Operating support request as it relates to CHDO's operating budget;
- D. CHDO is developing a project in Portland for which it has a written agreement to receive HOME funds that will close within 24 months or is currently receiving HOME funds, and project is in compliance with HOME regulations.

IV. Notes and Instructions: Use **FORM B – HOME CHDO Operating Support** to provide information on your organization.

FORM B – HOME CHDO OPERATING SUPPORT

Please fill out a single Form B for all HOME funding requested. Attach narrative or add lines to this form as needed.

Name of Organization: _____

Staff name and contact information: _____

A. HOME project(s) triggering CHDO’s eligibility for operating support:

Please list all HOME-funded projects that are receiving HOME CHDO funds, or have a written agreement with PHB/PDC to receive HOME funds within 24 months. Include the project name and address, amount of HOME funding, date of financial closing (actual or projected), and date of project’s certificate of occupancy (actual or projected):

B. Operating Support Requested:

This RFP is making HOME CHDO operating funds available for reasonable and necessary costs to operate the CHDO while it is (i) developing a HOME-funded project, or (ii) working towards the development of a HOME project that has a written agreement from PHB/PDC to receive HOME funds within the next 24 months. Eligible organizational operating expenses may include: salaries; wages; employee compensation and benefits; employee training; travel; rent; utilities; taxes; insurance; equipment, materials and supplies. Costs associated with the implementation of a HOME project are not eligible for CHDO operating assistance.

Please describe the general operating assistance requested under this solicitation. If requesting assistance with salaries, please include position/title, tasks to be undertaken, employee cost to organization as allowed under HUD approved allocation plan, and anticipated number of hours.

C. Total HOME CHDO operating support requested for FY 2010-2011: _____

APPENDIX I - DEFINITIONS

I. Community Based Development Organization (CBDO) HUD regulations for CBDO can be found in Subpart C, 570.204

<http://www.hud.gov:80/offices/cpd.communitydevelopment/rulesandregs/regulations/subc/570.204cfm>

Eligible CBDOS. (1) A CBDO qualifying under this section is an organization which has the following characteristics: (i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and (ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and (iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and (iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and (v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and (vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and (vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and (viii) Is free to contract for goods and services from vendors of its own choosing. (2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements: (i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or (ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or (iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e). (3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section. [60 FR 1944, Jan. 5, 1995]

II. Community Housing Development Organization (CHDO):

(See HUD Notice CPD 97-11 for details of these requirements). A CHDO is a specific type of private nonprofit entity. CHDOs must meet certain requirements as follows:

A. Legal Status

1. **Organized under state/local law:** CHDOs must be organized under state and local law.
2. **Purpose of organization:** Provision of decent housing that is affordable to low- and moderate-income persons must be among the purposes of the organization. This commitment must be evidenced in the CHDO's: Charter; Articles of incorporation; By-laws, or a resolution of the CHDO's board of directors
3. **No individual benefit:** No part of the CHDO's earnings (profits) may benefit any members, founders, contributors or individuals.
4. **Clearly defined service area:** A CHDO should have a clearly defined *geographic* service area.
5. CHDOs do not need to represent a single neighborhood
6. A CHDO may include in its service area an entire community (that is, a city, town, village, county or multi-county area), but not the whole state.
7. Nonprofits serving special populations *must also* define the geographic boundaries of their service areas.
8. **Nonprofit status:** A CHDO must have received a tax-exempt ruling from the IRS under Section 501(c) of the Internal Revenue Code of 1986 in order to be designated by the PJ as a CHDO.
9. There are many incorporation options under Section 501(c), depending on the type and purpose of the organization seeking the designation for tax-exemption.
10. The 501(c) designations permissible under HOME are:
 - 501(c)(3)status – a charitable, nonprofit corporation;
 - 501(c)(4)status – a community or civic organization/
 - Section 905 status – a subordinate organization of a 501(c) organization.

B. Organizational Structure

1. The CHDO is intended to respond to a particular community's needs. Therefore, the structure of the board of directors of a CHDO is viewed as the main indicator of community control over the CHDO.
2. The CHDO board must be composed as follows:
 - At least one-third must be representatives of the low-income community
 - No more than one-third may be representatives of the public sector (including employees of the participation jurisdiction)
 - The balance is unrestricted, and may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise.

C. Capacity and Experience

1. **CHDO experience:** A CHDO must also demonstrate that it has at least one year of experience serving the community where it intends to develop the HOME-assisted housing.
 - Newly created organizations wishing to become CHDOs can meet this requirement if the parent (or sponsoring) organization is a nonprofit and has provided services to the community for at least one year.
 - The year of service does not have to be directly related to housing.
 - Prior service to the community cannot consist of a for-profit organization's work in that community.
2. **CHDO capacity:** CHDOs must demonstrate the capacity of their key staff to carry out the HOME-assisted activities they are planning. This means that CHDOs must have:
 - Experienced key staff who have successfully completed projects similar to those proposed by the CHDO;
 - Key staff with limited or no experience, and who will use experienced consultants for the planning and development activities, as long as there is a plan in place for the consultant to train the key staff.
 - **Financial standards** CHDOs must have financial accountability standards that conform to 24 CFR 84.21, "Standards for Financial Management Systems.

APPENDIX II – CBDO Eligible Map (Click on Icon to view)

