

NOTICE INVITING INTEREST

The City of Malibu is requesting notification from eligible Developers interested in applying for federal Community Development Block Grant – Disaster Recovery (CDBG-DR) funding available to cover funding gaps needed to finance new construction, reconstruction or rehabilitation for affordable multi-family housing projects consistent with the California Housing and Community Development's (HCD) Policies and Procedures Manual for Disaster Recovery – Multi-family Housing Program (DR-MHP) and the United States Department of Housing and Urban Development's (HUD) requirements, located within the city limits of Malibu in Los Angeles County, California.

Eligible Developers who are interested in applying for CDBG-DR gap funding for affordable multi-family housing projects are invited to submit the Notice of Interest form to the City of Malibu. Forms shall be received by email to the City Clerk, at cityclerk@malibucity.org, at or before 5:00 p.m. on Monday, July 18, 2022, after which time they will be reviewed by City staff in consultation with HCD to inform next steps for the funding allocation.

Community Development Block Grant – Disaster Recovery

CDBG-DR funds are intended to support the State of California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations (DR-4407) in response to the 2018 Woolsey Fire. The CDBG-DR funds for multi-family housing development were appropriated under Public Law 115-123. HCD is the lead and responsible agency for administering the CDBG-DR funds allocated to the State of California.

The City of Malibu has been awarded approximately \$15,803,348 of federal CDBG-DR funds available through the HCD DR-MHP. The funding is intended to serve as gap funding for eligible affordable multi-family housing projects in accordance with the HUD limits per affordable housing unit. The current HUD limits are provided herein

Disaster Recovery – Multi-Family Housing Program

In response to the recent wildfires, HUD allocated CDBG-DR funds to HCD to be distributed statewide to disaster-affected areas. In the aftermath of the Woolsey Fire, the City of Malibu was identified as a subrecipient of these funds. The Policies and Procedures Manual for the DR-MHP and more information are available on HCD's website, located at <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr2018/index.shtml>. The manual includes project eligibility requirements and criteria for large multifamily construction projects, defined as 8 units or more. Currently, HCD is still developing the requirements for small multi-family housing projects with less than 8 units. It is unknown when the requirements for small multi-family projects will be available.

Project Eligibility

Eligible multi-family projects include apartment buildings and mixed-use developments that benefit low- and moderate-income individuals and vulnerable populations such as seniors, large families, people experiencing chronic homelessness in need of supportive housing or those with special needs. Rents for these units must remain within the federal limits for affordability for 20 years for new construction units and 15 years for rehab or reconstruction units.

To qualify as affordable, rents must not be more than the High Home Rent Limit established by the U.S. Department of Housing and Urban Development for the Los Angeles-Long Beach-Glendale area and renters must qualify as low- or moderate-income defined as having a household income at or below 80% area median income. The rent limits are adjusted each year by HUD and HCD. The High Home Rent Limits for the area, effective as of June 15, 2022, are as follows

| Efficiency | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom | 6 Bedroom |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$1,335 | \$1,432 | \$1,721 | \$1,979 | \$2,188 | \$2,396 | \$2,603 |

These limits are annual figures that are adjusted every year.

“Low-income” persons means individuals, families, and households whose incomes are no more than 50 percent of the median income of the area involved, as set by HUD. “Moderate-income” persons means individuals, families, and households whose incomes are not less than 50 percent and no more than 80 percent of the median income of the area involved, as set by HUD. The income limits are adjusted each year by HUD and HCD.

The current income limits effective June 15, 2022 are available on the HCD’s website at:<https://www.hcd.ca.gov/docs/grants-and-funding/2022-home-income-limits-effective-june-15.pdf>.

Per HCD large project guidelines, eligible project must have a minimum of eight (8) total units, and minimum of four (4) affordable units or thirty percent (30%) of the units must be affordable units, whichever is greater. Pursuant to 24 CFR 570.483(b)(3), if the project is a rehabilitation project or a senior new construction project, the project must include at least fifty-one percent (51%) of units as affordable, or a waiver must be requested. All rehabilitation projects must result in the addition of affordable units to the affordable housing stock to be deemed eligible. The HCD guidelines for small projects have yet to be released.

In addition, eligible project must meet one of the HCD Project types defined in the [“2019 Multifamily Housing Program Guidelines”](#) Article 2, Section 7302 (e) (1-5) including, 1) Large Family, 2) Special Needs, 3) Seniors, 4) Supportive Housing, and/or 5) At High Risk.

Program Funding

Pursuant to 42 USC 5305(a)(4), authorized activities under this statute include the clearance, demolition, removal, Reconstruction, and Rehabilitation of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately-owned properties). New housing construction is also eligible as established in 83 FR 5844, paragraph B.32 of Section VI. Please note that rehabilitation and reconstruction activities must increase the supply of affordable housing units to be considered.

Eligible Costs Include:

- Architectural and engineering design;*
- Permitting fees;*
- Developer fees;*
- Acquisition*
- Mobilization, site prep, and clean up; and*
- Construction, reconstruction or rehabilitation costs;
- Other cost authorized by the program.

Ineligible costs include:

- Pre-application costs and application development costs
- Advances of any type, including construction
- Facility operating or maintenance expenses

* Costs associated with architectural and engineering design, permitting fees, developer fees, acquisition, and mobilization costs shall only be eligible as part of a project that has secured funding and financing to develop housing units. In addition, such funds would only be available via reimbursement for an approved and fully funded project at or after closing on the construction financing.

Program Funding Cap Per Affordable Housing Unit

HCD caps the amount of CDBG-DR funding that can be used to subsidize each affordable housing unit. The current CDBG funding caps per affordable housing unit in California, effective as of March 17, 2022, are shown below.

| Efficiency | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom |
|------------|-----------|-----------|-----------|-----------|
| \$159,754 | \$183,132 | \$222,694 | \$288,094 | \$316,236 |

These funding caps are annual figures that are adjusted every year.

The form of CDBG-DR MHP assistance to Developers can be awarded as a loan, forgivable loan, or grant. Pursuant to HCD Policy and to address a financial gap, projects can be funded up to the HUD cap for each eligible affordable housing unit, but the total CDBG_DR MHP assistance cannot exceed forty percent (40%) of the total project cost. A minimum of sixty percent (60%) of the Project cost must be covered by other funding sources.

Eligible projects may include both market rate and affordable units, but DR-MHP funds may only be used for affordable units.

Disbursement of Program Funds

All sources of funding required to develop and operate the Project with positive cashflow for the duration of the affordability period must be identified, documented as committed, and accessible prior to the issuance of a firm commitment letter or the disbursement of any CDBG-DR funds.

Developers shall be paid on a reimbursement basis based on the documented and satisfactory completion of Project work.

Eligible Developers

Eligible Developers include for-profit or non-profit entities, individuals, general or limited partnerships, or limited liability companies.

Other Requirements

Other requirements, in addition to those listed above, include but are not limited to:

- Projects must comply with the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). Compliance with CEQA and NEPA must be completed prior to finalization of the funding commitment. Projects must have environmental review clearance prior to the issuance a firm funding commitment letter.
- Applicants must comply with all funding source requirements, including but not limited to California prevailing wage requirements and Davis Bacon federal labor standards; Section 504 of the Rehabilitation Act of 1973; Americans with Disabilities Act (ADA); Affirmatively Furthering Fair Housing Act; Section 3 of the U.S. Housing Act of 1968, Equal Opportunity and related requirements in 24 CFR Section 982.53, as amended; prohibition against eminent domain, Architectural Barriers Act of 1968; federal and state requirements related to Minority Business and

Women Business Enterprises (M/WBE), Duplication of Benefits, the Uniform Relocation Assistance and Real Property Acquisition Act, Building Standards (CalGREEN, WUI, Broadband Infrastructure), Article XXXIV, and the National Objective of Demonstrating Benefit to LMI Persons; federal labor standards regulations under 29 CFR Part 5 and other regulations; and state and federal regulations pertaining to remediation of lead, asbestos and other existing hazards.

Eligible developers are encouraged to review HCD's Policies and Procedures Manual for the DR-MHP to learn more about all the program requirements. The Manual is located on the HCD website at <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbq-dr/cdbq-dr2018/index.shtml>.

Major Program Milestones

- CEQA/NEPA Environmental Review and Approval must be completed by December 2023
- Construction financing must be secured by December 2023
- Projects must start construction by April 2024
- Projects must be completed by December 2026

Program Milestones, with the exception of the completion date, may be modified on a case-by-case basis with the approval of HCD. If the developer anticipates an issue with the milestones above, please include a description of the challenge and an alternative date in the NOI.

City of Malibu Coastal Development Permit Requirements

The City of Malibu is located within the coastal zone. All eligible projects must obtain a coastal development permit. This permitting process can take approximately 18 months on average for projects that are consistent with the City's Local Coastal Program and the State's housing requirements.

Recapture of Funds

A Developer may be required to repay all, or a portion of the funds received. The reasons for recapture include, but are not limited to the following:

- A Developer withdraws from the Program prior to completion of the Project and fails to meet a national objective
- A Developer does not meet the affordability requirements for the term of affordability
- A Developer is found to have used program funds for an ineligible activity or cost

- A Developer does not report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other Duplication of Benefits received after award, or has funds remaining after the Project is completed.

The recapture method and timeframe will be consistent with 2 CFR part 200 or other applicable cost principles. Complete recapture provisions will be included in the agreements between the City and Developer.

Public Records Act

All interested Developers shall understand that under the California Public Records Act, all documents that they submit in response to this Notice Inviting Interest are considered public records and may be made available to the public upon request.

Clarifications

The City will respond to requests for clarification to the Notice Inviting Interest in written Addendum(s) as needed. Inquiries should be directed by email only to eshavelson@malibucity.org. All requests for clarification must be received by Wednesday, July 13, 2022.

Submittal Requirements

The City of Malibu requests that Eligible Developers submit the Notice of Interest form (Attachment 1) by email to the City Clerk, at cityclerk@malibucity.org, **at or before 5:00 p.m. on Monday, July 18, 2022**, after which time they will be reviewed by City staff in consultation with HCD.

Attachment 1

Notice of Interest Form for Eligible Developers

CITY OF MALIBU

Community Development Block Grant – Disaster Recovery
Multifamily Housing Program
Notice of Interest

NOTICE OF INTEREST COVER PAGE
FOR PROSPECTIVE AFFORDABLE HOUSING DEVELOPERS

Notice to be Received on or before July 18, 2022 at 5:00 P.M.

AFFORDABLE HOUSING DEVELOPER

Name _____

Street Address _____

City _____ State _____ Zip Code _____

Telephone Number _____

Email _____

DEVELOPER'S STATEMENT OF INTEREST

City of Malibu
Malibu, California 90265

Pursuant to the foregoing Notice Inviting Interest, the undersigned declares that he/she has carefully examined the requirements of the federal Community Development Block Grant – Disaster Recovery (CDBG-DR) Program, the State of California Housing and Community Development Department's Multifamily Housing Program Final Guidelines and read the accompanying Notice Inviting Interest, and hereby states they are interested in pursuing CDBG-DR Multifamily Housing funding for an affordable housing project within the city limits of Malibu, California and to do all the work required to complete such work in accordance with all applicable requirements and guidelines set forth in this Notice.

The undersigned swears or affirms under penalty of perjury that the information provided herein is true and correct.

Developer's Name _____ Date _____

Title _____ Signature _____

Developer's Name _____ Date _____

Title _____ Signature _____

Names of Co-Partners or Corporation Officers and Titles

Address: _____ Telephone No. _____

Doing Business as
Individual/Partnership/Corporation

State of Incorporation

Federal Tax Identification Number _____
California Department of Industrial Relations Identification Number _____
D-U-N-S Number _____

Federal System of Award Management Number _____
Licensed in accordance with an act providing for the registration of Contractor's
License

License No. _____ Class _____ Expiration Date _____

DEVELOPER'S CORPORATE PROFILE STATEMENT

Eligible Affordable Housing Developers are asked to provide some basic corporate profile information.

Years in Business: _____

Number Development Projects Constructed: _____

Number of Employees: _____

Estimated Annual Revenue: _____

Does the firm currently own land in Malibu, CA? _____

**STATEMENT OF DEVELOPER'S PROPOSED PROJECT
CONTINUED**

Anticipated Total Development Cost: _____

Anticipated Number of Units: _____

Anticipated DR-MHP funding request: _____

Does the firm currently have other funding it can leverage for the project? If so, please list the funding sources:

If the firm anticipates any issues with the program milestones and/or requirements, please include a description of the challenge and include items for consideration including alternative dates, if proposed:

**STATEMENT OF AFFORDABLE HOUSING DEVELOPER'S
QUALIFICATIONS AND REFERENCES**

Interested Affordable Housing Developers are asked to provide a general description of similar affordable housing projects they have successfully delivered leveraging federal funds.

List and describe the three recent projects delivered by your firm and provide reference contacts to demonstrate your ability to complete the work and comply with the requirements outlined in the Notice Inviting Interest. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Project Name: _____

Project Address: _____

Total Number of Multifamily Housing Units: _____

Total Number of Affordable Multifamily Housing Units: _____

Partner Agency: _____

Contact Individual: _____

Email Address: _____

Phone No.: _____

Address: _____

Project Budget: _____

Sources of Funding: _____

Date of Completion: _____

Current Project Status: _____

Any claims against or by the Developer on project: _____

Description of completed project:

Reference No. 2

Project Name: _____

Project Address: _____

Total Number of Multifamily Housing Units: _____

Total Number of Affordable Multifamily Housing Units: _____

Partner Agency: _____

Contact Individual: _____

Email Address: _____

Phone No.: _____

Address: _____

Project Budget: _____

Sources of Funding: _____

Date of Completion: _____

Current Project Status: _____

Any claims against or by the Developer on project: _____

Description of completed project:

Reference No. 3

Project Name: _____

Project Address: _____

Total Number of Multifamily Housing Units: _____

Total Number of Affordable Multifamily Housing Units: _____

Partner Agency: _____

Contact Individual: _____

Email Address: _____

Phone No.: _____

Address: _____

Project Budget: _____

Sources of Funding: _____

Date of Completion: _____

Current Project Status: _____

Any claims against or by the Developer on project: _____

Description of project completed:

DEBARMENT AND SUSPENSION CERTIFICATION
TITLE 49, CODE OF FEDERAL REGULATIONS PART 29

The bidder under penalty of perjury, certifies that except as noted below, the Developer or any person associated therewith in the capacity of owner, partner, director, officer, or manager:

is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;

has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years;

does not have a proposed debarment pending; and

has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder's responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Notice of Interest. Signing this Notice on the signature portion thereof shall also constitute signature of this Certification.

STATEMENT OF AFFORDABLE HOUSING DEVELOPER'S

STATE OF CALIFORNIA, COUNTY OF _____

I am the _____

_____ of _____

_____, the Developer herein. I have read the foregoing statement and know the contents thereof; and I certify that the same is true to my knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

Executed on _____ at _____, California.

(Date)

(Place)

I declare, under penalty of perjury, that the foregoing is true and correct.

Signature of Developer

Title

Signature of Developer

Title

INSTRUCTIONS FOR SIGNING NOTICE OF INTEREST

Corporations

- a) Give name of Corporation.
- b) Signatures: President or Vice-president and Secretary or Assistant Secretary.
- c) Others may sign for the corporation if the City has been furnished a certified copy of a resolution of the corporate board of directors authorizing them to do so.

Partnerships

- a) Signatures: All members of partnership. One may sign if City has a copy of authorization

Joint Ventures

- a) Give the names of the joint venturers.
- b) Signatures: All joint venturers. One may sign if City has a copy of authorization.

Individuals

- a) Signature: The individual.
- b) Another may sign for the individual if the City has been furnished a notarized power-of-attorney authorizing the other person to sign.

Fictitious Names

- a) Show fictitious names.
- b) Satisfy all pertinent requirements show above.