
**CITY OF PALMDALE
NOTICE OF FUNDING AVAILABILITY
2022-2023 CDBG & HOME**

The City of Palmdale is currently seeking applications for the 2022-2023 program year for Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds. These programs are funded through the U.S. Department of Housing and Urban Development (HUD) and are administered locally by the City of Palmdale (City). This Notice of Funding Availability (NOFA) covers a one-year period for CDBG and HOME activities that will begin July 1, 2022 and end June 30, 2023.

Background

The Federal Housing and Community Development Act of 1974, as amended provides Federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds for projects that promote the development of viable urban communities by providing decent housing, suitable living environments, and expanded economic opportunities, particularly for persons of low and moderate income.

Funds Available

The City will have available an estimated \$1,400,000 in CDBG and \$400,000 in HOME funds for 2022-2023.

Application Guidelines

For funding consideration, all proposed Activities and/or projects must meet the CDBG and/or HOME eligibility requirements identified in this NOFA. Respondents to this NOFA must complete the appropriate application noted below:

Application Form A: HOME and/or HOME CHDO Program Application

Application Form B: Community CDBG Activity Application

Application Form C: CDBG Capital Projects - Internal City Department Activity Application

Beginning December 15, 2021 the application may be obtained online at <https://www.cityofpalmdale.org/302/CDBG---HOME-Grants>, by calling the Department of Neighborhood Services Housing Division at (661) 267-5126 or in person at the Department of Neighborhood Services office located at 38250 Sierra Highway, 2nd Floor Palmdale, CA 93550.

Please note that any modifications and/or changes made to the format of the application may result in the rejection of your application.

The application must be **typed** (not handwritten) and the original must have signatures in **blue ink**.

Submission Requirements

Applicants must complete the appropriate application form for each proposed Activity type (Form A, B or C) and submit **one (1) original single-sided application and two (2) double-sided copies of the application that are individually bound with binder clips or rubber bands (no staples), along with one (1) electronic copy on a media device such as a Flash Drive or compact disk (CD)**. The original application form must be clearly marked and contain original signatures and must be easily reproducible on a standard copying machine.

No faxed or emailed applications will be accepted. Attach only the required documentation. Any additional information not requested will be disposed of and not considered as part of the application.

Submission Deadline

All applications must be received in the City of Palmdale Department of Neighborhood Services, Housing Division by **2:00 p.m. on Thursday, January 18, 2022.**

If by mail: City of Palmdale
Housing Division
38250 Sierra Highway, 2nd Floor
Palmdale, CA 93550
Attention: Sophia Reyes, Housing Manager

****SPECIAL NOTE**** - The U.S. Postal Service DOES NOT deliver mail (U.S. Postal, Express Mail, Certified, Priority, Overnight, etc.) to any City physical address(es) on Fridays. The City's office hours are Monday through Thursday from 7:30 a.m. to 6:00 p.m.

If by hand delivery: City of Palmdale
Housing Division
38250 Sierra Highway, 2nd Floor
Palmdale, CA 93550
Attention: Sophia Reyes, Housing Manager

****SPECIAL NOTE**** - Please ensure application receives a time stamp as to the date and time of submission.

This requirement is firm as to place, date and time. Mailed applications should be posted in time to be received by the date, time and location noted above.

Applications that are incomplete, have an insufficient number of copies, exceed the prescribed response limits, have content errors or deficiencies, or that are submitted after the deadline may be rejected. Once submitted, proposals may not be amended, unless the amendment has been requested by the City. The City reserves the right to contact an applicant if additional information is required. The City, at its sole and absolute discretion, with or without cause, and without liability to any applicant, reserves the right to accept or reject any and/or all proposals either in whole or in part, waive any informalities or irregularities of any proposals, cancel this NOFA at any time, and/or take any action in the best interest of the City.

NOFA Questions and Technical Assistance

City staff is available to answer questions related to this NOFA and provide technical assistance to any agency wishing to submit an application until **6 p.m. on January 13, 2022.** Please contact Sophia Reyes, Housing Manager at (661) 267-5126 or by email at housingdivision@cityofpalmdale.org.

Right to Waive Irregularities

The City of Palmdale reserves the right to:

- Withdraw this solicitation at any time without prior notice and, furthermore, make no representation that any contract occur and that funds will be awarded to any respondent to this solicitation.
- Waive any irregularities in the NOFA process and to reject any and all submissions not in the best interest of the City.

- To request additional information and materials.
- Retain all submitted applications. Selection or rejection of an application does not affect these rights.

Application Review and Decision Process

The application review process has three phases. In the first phase, all applications are reviewed by Housing Division staff for completeness and eligibility under federal regulations. Incomplete or ineligible applications will not be submitted for further consideration.

The second phase of the application review process includes review by the Consolidated Plan Application Review Committee. Agency capacity, experience and past performance are also considered. The Consolidated Plan Application Review Committee prepares funding recommendations that are incorporated into the Draft Annual Action Plan.

The third phase of the application review process includes a public hearing before the City Council concerning the Annual Action Plan, which will include the Consolidated Plan Application Review Committee’s funding recommendations. The decision of the City Council with respect to CDBG and HOME funding allocations shall be final. The action of the City Council adopts the Annual Action Plan, which is the CDBG and HOME program annual budget submitted to HUD.

If you have questions or require additional information, please contact Sophia Reyes, Housing Manager at (661) 267-5126 or by email at housingdivision@cityofpalmdale.org.

Appeals

The funding decision of the Palmdale City Council shall be final.

Income Limits

The purpose of the CDBG and HOME program is to provide housing and community development opportunities for low- and moderate-income individuals and/or households. HUD establishes income limits annually based upon the Area Median Income (AMI) for eligibility under these programs. The 2021 income limits for Los Angeles County are provided below:

2021 Income Limits, effective June 1, 2021								
Income Level	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
30% AMI Extremely Low-Income	24,850	28,400	31,950	35,450	38,300	41,150	44,000	46,800
50% AMI Very Low- Income	41,400	47,300	53,200	59,100	63,850	68,600	73,300	78,050
60% AMI	49,680	56,760	63,840	70,920	76,620	82,320	87,960	93,660
80% AMI Low/Mod- Income	66,250	75,700	85,150	94,600	102,200	109,750	117,350	124,900

Source: www.hudexchange.info/programs/home/home-income-limits/

Written Agreements

If selected and awarded funding, your agency will be required to execute a written agreement with the City of Palmdale. The agreement must be executed and returned to the City within 60 days of the City's transmittal to your agency. Failure to do so may result in termination of the award and loss of funding. The agreement outlines terms and conditions of funding for your agency and the City. The agreement is a legally binding contract and failure to adhere to its terms and conditions may result in the termination and required repayment of the funding award. Each agreement will contain, at a minimum, the following information derived from your agency's application:

Description of Activity Services: This provides an overview of the proposed Activity services or project as described in the application, goals and objectives, and specific services (e.g., working hours, location of services, number of clients to be served) achievable based on the funding level approved by the City Council. The description of activity services also describes in detail how the funds will be used to support the activity or project.

Project Budget: The budget lists the specific uses of funds approved by the City (e.g., personnel, consultants, utilities, supplies, rental assistance payments). Please note that all CDBG and HOME funding is disbursed on a reimbursement basis.

Activity Performance Measurement Plan / Schedule of Performance: This schedule outlines the major activities and expected outcomes for each quarter of the year based on HUD and/or City performance indicators and goals specified in your agency's application. For capital projects, this schedule outlines the major milestones through project completion.

General Requirements

Readiness: Activities and projects must display evidence of readiness to proceed. All leverage and match funding, if applicable, must be in place and all land use requirements met prior to submission of application. Applicants must demonstrate that CDBG and HOME funds will be fully spent within the program year. Applicants for affordable housing construction projects may request a waiver of this requirement. Such waivers may be granted only for affordable housing and/or City sponsored capital improvement projects and at the sole discretion of City staff.

CDBG Public Service Conditions to Disbursement: The written agreement will specify that the disbursement of CDBG Public Service funds to your agency is subject to the following conditions at the time each disbursement is to be made:

- Your agency shall have provided to the City a complete payment request with documentation supporting the eligible CDBG costs incurred;
- Your agency shall have submitted to the City a monthly or quarterly report of progress toward achieving the Activity Performance Measurement Plan;
- If payment is for the professional services of a consultant or contractor, your agency will be required to provide the City with appropriate evidence that consultant or contractor is not federally debarred or suspended and shall have provided a copy of the executed contract between your agency and the consultant or contractor;
- The ratio of disbursement of CDBG funds to your agency shall not exceed the ratio of progress toward achieving the Activity Specific Performance Measurement Plan identified in the written agreement; and
- The City's obligation to provide CDBG funds to your agency shall be subject to the availability of CDBG funds to the City from HUD.

Indemnification: Agencies approved for funding must agree to defend, indemnify, and hold harmless the City, its officers, agents and employees from and against all liability, claims, demand, losses, and expenses, including attorney's fees, original and on appeal, arising out of or related in any way to the performance of the agreement.

Insurance: Agencies approved for funding will be required, at minimum, to maintain the insurance coverages described below, each of which shall contain a provision that forbids any cancellation, changes or material alterations without prior notice to the City at least 30 days in advance. The insurance coverage shall be evidenced by an original certificate of insurance provided prior to the execution of the written agreement. The required insurance (as of July, 2021, subject to change in the written agreement) is as follows:

- Comprehensive Commercial General Liability Insurance. Sub-recipient shall obtain general liability insurance with \$1,000,000 limit on a per occurrence basis with a \$2,000,000 general aggregate limit.
- Statutory Worker's Compensation Insurance. Sub-Recipient shall require the carriers of this coverage to waive all rights of subrogation against the Department, the City, Housing Authority of the City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, their officers, volunteers, employees, contractors and subcontractors. Sub-Recipient shall maintain all California statutory requirements of \$1,000,000 limit.
- Auto Insurance – shall be required to cover all employees who may operate a vehicle as part of the proposed activity/project for owned, hired and non-owned vehicles on a per occurrence basis with combined single limits of \$1,000,000.
- All policies, with respect to the insurance coverage required above, except for workers' compensation coverage, shall contain additional insured endorsements naming the City of Palmdale, the Housing Authority of the City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, the Palmdale Civic Authority and their officers, agents, employees and volunteers as additional named insured, with respect to liabilities arising out of the performance of Services hereunder.
- Please note, the above insurance requirements are a minimum, additional insurance types or limits may be required based on the proposed activity. **If a Respondent has a question as to their ability to provide required coverage to ensure compliance with coverage requirements, or if Respondent would like to inquire of the specific level of coverage required for their proposed activity, Respondent shall forward their questions prior to proposal submittal.**

Licenses: Agencies approved for funding will be required to obtain a City of Palmdale business license.

Monitoring: Agencies approved for funding will be required to maintain and submit adequate information necessary to monitor Activity accountability and progress in accordance with the terms and conditions of the written agreement.

Fair Housing, Nondiscrimination and Equal Opportunity: The City of Palmdale, in accordance with federal and state law and City policy, prohibits discrimination on the basis of race, color, national origin, religion, sex, gender identity, pregnancy, physical or mental disability, medical condition, ancestry, marital status, age, sexual orientation, citizenship or service in the uniformed services. Agencies awarded funding will be required to comply with all applicable fair housing, nondiscrimination and equal opportunity requirements.

Notification: All applicants will be notified between April 1, 2022 and June 30, 2022 of funding determinations. Receipt of an award letter does NOT guarantee funding. Funds may not be obligated until

an environmental review has been prepared by City staff and approved by HUD, the written agreement is signed by all parties, and a notice to proceed is issued. Please be aware that past funding does not guarantee future funding or funding at the same level.

Compliance with Applicable Laws, Rules and Regulations: Agencies that are awarded CDBG and/or HOME funding must act in accordance with all applicable federal, State of California, and City of Palmdale laws, rules, and regulations. Applicants are strongly encouraged to be familiar with these requirements prior to submitting a funding request. These include, but are not limited to, the following:

a. 24 CFR Part 107 and 108, the regulations issued following Executive Order 11063 and Executive Order 12892 which prohibits discrimination and promotes equal opportunity in housing;

b. 24 CFR Part 24 and 24 CFR Part 5, the regulations that prohibit use of debarred or suspended contractors on federally assisted projects and Drug Free Workplace requirements; issued according to Executive Order 12549;

c. Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, regarding eligibility restrictions for certain resident aliens;

d. 24 CFR Part 58, the regulations prescribing the Environmental Review procedure under the National Environmental Policy Act of 1969 and 24 CFR Part 50, Protection and Enhancement of Environmental Quality, except that Sub-Recipient does not assume City's environmental responsibilities at 24 CFR 570.604;

e. 24 CFR Part 7 and 41 CFR Part 60, regulations on equal employment opportunity without regard to race sex, color, religion, age, national origin, and disability in federally assisted construction contracts;

f. The Uniform Administrative Requirements of 2 CFR Part 200, including Cost Principles and Audit Requirements, and as indicated at 24 CFR Part 92.505 and CDBG provisions set out in subsection (a) of 24 CFR 570.502;

g. 24 CFR Part 87 and Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), regulations for restrictions on lobbying and required certifications;

h. 36 CFR Part 800, the regulations outlining the procedures for the protection of historic and cultural properties;

i. Age Discrimination Act of 1975 (42 U.S.C. 6101), the regulations that prohibit discrimination on the basis of age;

j. 29 CFR Part 5 for CDBG-Funded construction contracts of \$2,000 or more – "Davis-Bacon and Related Acts";

k. Clean Air Act (42 U.S.C. 7401) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), regulations and provision that requires compliance with all applicable standards, orders, or regulations issued following the rule;

l. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c), the regulations on contracts for construction or repair awarded by subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act;

m. Executive Order 13170, regulations on increasing opportunities and access for Disadvantaged Businesses;

n. HUD requirements, all other required reports, circulars, and procedures when applicable;

o. 2 CFR 200, Cost Principles for State, Local, and Indian Tribal Governments that identify cost principals;

p. 2 CFR 200, regulations concerning annual audits;

q. Residential Lead Based Paint Hazard Reduction Act of 1992, the regulations implemented by 24 CFR Part 35, Subpart B imposes certain requirements on disclosure of lead base paint hazards;

r. Section 3 of the U.S. Housing and Urban Development Act of 1968 providing for economic opportunities for low and very low local residents in connection with assisted projects;

s. Executive Order 11246 concerning Equal Employment Opportunity in connection with Federally-assisted projects;

t. Section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR Parts 59 through 79;

u. 24 CFR 570.606 requirements for displacement, relocation, acquisition and replacement of housing;

v. 24 CFR 570.612 and the requirements of Executive Order 12372 pertaining to CDBG-funded planning or construction of water or sewer facilities including storm sewers as well as all sanitary sewers (but not including water and sewer lines connecting a structure to the lines in the public right of way or easement);

w. 24 CFR 570.613 requirements concerning eligibility restrictions for certain resident aliens on covered activities that have income eligibility requirements limiting the benefits exclusively to low- and moderate-income persons or that are targeted geographically or otherwise to primarily benefit low- and moderate-income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application;

x. 24 CFR 570.614 requirements concerning Section 504 of the Rehabilitation Act of 1973, 24 CFR Part 40 and 41, the regulations that sets forth policies and procedures for the enforcement of standards and requirements for accessibility for disabled persons. The Architectural Barriers Act of 1968 and the American with Disabilities Act provide additional laws on accessibility and civil rights to individuals with disabilities;

y. 24 CFR 570.615 requirements concerning housing counseling as defined in 24 CFR 5.100, that is funded with or provided in connection with CDBG funds must be carried out by a HUD-certified housing counselor in accordance with 24 CFR 5.111.

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Community Development Block Grant (CDBG) Program

Introduction

The Housing and Community Development Act of 1974, as amended, has as its primary objective the development of viable urban communities through the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income. Recipients of CDBG funds must certify that their use of funds will address one of three broad objectives – benefit low- and moderate-income families, aid in the elimination of blight, or meet urgent needs which pose a serious threat to the health or welfare of a community.

City of Palmdale's CDBG Program

The CDBG Program (CFDA No. 14.218) generally provides for a wide range of eligible activities. This NOFA process shall prioritize allocation of CDBG funds to Activities and projects that:

1. Clearly and measurably address the needs of low- and moderate-income Palmdale residents;
2. Directly contribute to, or are consistent with, ongoing housing, community and economic development efforts in Palmdale;
3. Activities or Projects that address specific barriers to accessibility to be removed and how the improvements will benefit disabled Palmdale residents;
4. Have well-defined sources and uses of funding, including proposed uses that are necessary and reasonable to address identified needs;
5. Identify appropriate leveraged or matching funds that are committed or in-hand at the time of application; and
6. Will be implemented by incorporated public, nonprofit and for-profit entities possessing appropriate capacity relative to the complexity and size of the proposed Activities or project.

Eligible Applicants

1. Applicants must be incorporated public, nonprofit or for-profit agencies able to implement the approved Activity or project within the boundaries of the City of Palmdale.
2. Applicants must demonstrate the financial management and programmatic expertise to successfully develop, design, implement and monitor the proposed Activity or project. This expertise can be demonstrated through previous experience in successfully developing Activities or projects similar to the one proposed, either by partners or key agency staff.
3. Applicants must be able to meet all federal, State of California, and City of Palmdale requirements relative to the CDBG program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, acquisition, labor, lead-based paint, conflict of interest, debarment and suspension and flood insurance. Pertinent requirements are noted in *General Requirements* section of this NOFA. All applicants should be aware that if funded, additional requirements will apply.

Eligible CDBG Activities

Under current regulations, Activities and projects assisted with CDBG funds may include a range of activities. The list below is condensed and simplified from CDBG regulations. Construction projects must

be shovel-ready and able to commence within the program year and be completed within a reasonable and defined schedule thereafter.

Public Service Activity:

1. **Public services** directed toward improving the community's services concerned with abused children, elderly persons, battered spouses, homeless persons, handicapped persons, illiterate persons or migrant farm workers, education welfare, or recreation, etc. There is a Federal cap of 15% of the City's CDBG allocation, estimated at \$210,000 for program year 2022-2023. Please be mindful that there may be multiple public service applications submitted for needs identified in the City's Consolidated Plan.

Other CDBG Activities:

2. **Acquisition** of real property for a public purpose.
3. **Disposition** of real property acquired with CDBG funds.
4. Acquisition, construction, reconstruction, rehabilitation, or installation of **public facilities and improvements**, for example, including senior citizen centers, parks, playgrounds, centers for the disabled, neighborhood facilities, solid waste disposal facilities, fire protection facilities and equipment, parking facilities, public utilities, street improvements, water and sewer facilities, foundations and platforms, pedestrian walks and walkways, and flood and drainage facilities. Buildings for the general conduct of business are excluded. *To be eligible, public facility improvements must demonstrate a predominant benefit to seniors, disabled adults and/or low- and moderate-income Palmdale residents.*
5. **Clearance, demolition, and removal** of buildings and improvements.
6. **Interim assistance** to alleviate harmful conditions in deteriorating areas where permanent improvements will be carried out at a later date.
7. **Relocation payments** and assistance for persons displaced by housing and community development program activities.
8. **Removal architectural barriers** to enhance the mobility and accessibility for elderly and disabled persons to publicly or privately-owned buildings.

CDBG National Objectives

Each activity must be eligible and must address one of the three CDBG National Objectives:

1. Benefit persons of low- and moderate-income, including those presumed to be low- and moderate-income as described at 24 CFR Part 570.208(a)(1)(ii)(A) and those who are able to supply appropriate evidence of low- and moderate-income status as described at 24 CFR Part 570.208(a)(1)(ii)(B). For area benefit activities described at 24 CFR Part 570.208(a)(1)(i), the project must have a direct impact on a primarily residential area in which the total population residing in the designated Census Tract block groups is at least 51.00 percent low- and moderate-income. The Census Tract block groups do not need to be coterminous, but must be the entire area served by the project. Note that the low- and moderate-income percentage is subject to change each year based on data supplied to the City by HUD.
2. Aid in the prevention or elimination of blight.
3. Meet other community development needs of particular urgency (usually the result of a natural disaster).

More detailed information on Eligible Activities and National Objectives can be found in the *Guide to National Objectives and Eligible Activities for Entitlement Communities* handbook. This document is located on the U.S. Department of Housing and Urban Development web site at:

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>.

Ineligible CDBG Activities

Pursuant to 24 CFR 570.207, the following activities may not be assisted with CDBG funds unless authorized under provisions of 24 CFR 570.203 or as otherwise specifically noted here or when carried out by an entity known as a Community Based Development Organization pursuant to 24 CFR 570.204:

1. Funds spent on buildings used for the general conduct of government, except to remove architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census Current Population Report definition of “severely disabled.”
2. General government expenses, which includes expenses required to carry out the regular responsibilities of the unit of general local government.
3. Political activities.
4. Purchase of equipment:
 - a. Construction equipment. The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing or depreciation pursuant to 2 CFR part 200, subpart E, as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under §570.201(c).
 - b. Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c).
 - c. Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation in accordance with 2 CFR part 200, subpart E, for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to §570.201(e).
5. Operating and Maintenance Expenses. The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for Activity staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under §570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:
 - a. Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and
 - b. Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

6. New housing construction, except that certain activities in support of the development of low or moderate income housing may be eligible including the costs of site assemblage and the provision of public improvements.
7. Income payments, such as housing allowances, down payments, and mortgage subsidies, except emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

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HOME Investment Partnership Program (HOME)

Introduction

The Home Investment Partnerships Program (HOME) (CFDA No. 14.239), a source of housing development funds created was authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, and first became available in 1992. The purposes of HOME are to: (1) expand the supply of permanent affordable housing for low and very low-income families and individuals, (2) to promote partnerships between States, local jurisdictions and nonprofit organizations, and (3) to expand nonprofit organizations' capacity to develop and manage affordable housing.

City of Palmdale's HOME Program

The City of Palmdale receives HOME Investment Partnerships (HOME) funds each year from the U.S. Department of Housing and Urban Development (HUD).

HOME Funding Limits

HOME funds are intended to leverage other affordable housing funds to maximize the resources available for the development of affordable housing opportunities, particularly in areas of the City where housing choices are limited. Other sources typically leveraged with HOME include public and private grants, loans, equity investments, Federal/State Tax Credits and in-kind contributions.

The total HOME award may not exceed the HUD Section 234 maximum per unit subsidy limits applicable at the time of HOME commitment for the number of units that will be designated as "HOME units." The current limits listed in the table below are subject to change in 2022.

Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
\$153,314	\$175,752	\$213,717	\$276,482	\$303,489

Source: U.S. Department of HUD, Los Angeles Field Office effective September 9, 2021

For homeownership housing, the maximum purchase price / after rehabilitation value may not exceed the following limits:

	1 Unit	2 Unit	3 Unit	4 Unit
Existing	\$510,000	\$652,000	\$790,000	\$979,000
New	\$510,000	\$652,000	\$790,000	\$979,000

Source: U.S. Department of HUD, effective June 1, 2021.

HOME Eligible Activities

Eligible projects must (1) increase the supply of rental housing affordable to low-income or special needs households, (2) preserve existing affordable housing that is likely to be lost, or (3) create home ownership opportunities for low-income first-time homebuyers. Preservation projects are defined as either projects that will preserve units that will be lost due to conversion to other uses or projects where health or safety hazards put households at risk of losing their homes. Funding is available for the following housing project types:

- Site Acquisition
- Development of Rental or Ownership Housing
- Rehabilitation of Existing Rental or Ownership Housing
- Development of Transitional Rental Housing
- Tenant Based Rental Assistance (TBRA)

Tenant Displacement Strongly Discouraged: Where possible, applicants are encouraged to propose projects that prevent or minimize displacement, such as acquisition of vacant properties, properties being voluntarily sold by an owner-occupant, rehabilitation projects that require only temporary relocation, or new construction projects. If funds will be used in a project that involves acquisition of a property with residential or commercial tenants, federal Uniform Relocation Act or Section 104(d) requirements must be met.

Eligible Applicants

For-profit and non-profit applicants with a successful track record of developing affordable housing opportunities are eligible to apply for HOME funds for a specific project in the City of Palmdale. Applicants must be registered in the Central Contractor Registry (CCR) found at <https://www.bpn.gov/ccr/default.aspx>, have a valid Unique Identity ID number and may not be debarred by the U.S. Government (www.sam.gov). Applicants will be required to demonstrate financial capacity and development experience commensurate with the project for which HOME funds are to be provided. Submission of recent audited financial statements, tax returns, a development portfolio and references is required.

Eligible Beneficiaries and Affordability Requirements

Eligible Household Incomes: HOME units must be occupied by low- and very-low income households. Income limits are listed on page 3 of this NOFA.

Below Market Rate Rents: In addition to the above income limits, City Staff will review each proposed project to assure that proposed rents conform to the high or low HOME rents and are below the market rate for the area, thus providing an affordable housing opportunity not otherwise available in the community.

Affordability Requirements -- Rental Housing: 90% of the HOME units must be rented to households with incomes at or below 60% of AMI (Program Rule). Further, 20% of the HOME units must be rented to households with incomes at or below 50% of AMI (Project Rule).

The maximum rents that may be charged for very-low income units (50% of AMI), including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by very-low income households must be the lesser of the low HOME rents or the high HOME rents.

The maximum rents that may be charged for low-income units (up to 80% of AMI) including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by low-income households must be the lesser of the high HOME rents or the Fair Market Rents.

If the unit receives Federal or State project-based rental subsidy and the Very Low Income family pays as contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

The maximum allowable rents each year will be based on the low and high HOME rents published annually by HUD. In projects where housing will be rehabilitated, rents charged after rehabilitation should not exceed the prior rent levels.

Affordability Requirements -- Ownership Housing: Maximum sales prices will be established for housing developed for first-time home buyers, taking into account household incomes, current interest rates, a low or no downpayment, and typical lending qualification guidelines. The project must assure that housing will remain affordable to eligible households for the term of the agreement, or that subsidy funds will be recaptured upon resale to allow development of additional affordable housing.

HOME Investment Partnership Program (HOME) COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) Funding

HOME CHDO Funds

To assist in achieving the purposes of the HOME Program, listed on page 12, no less than 15% of the HOME allocation is reserved for investment in housing to be developed, sponsored, or owned by a Community Housing Development Organization (CHDO).

HOME CHDO Funding Limits

HOME CHDO funds are intended to leverage other housing funds to maximize the available resources for housing, particularly in areas of the City where assisted housing choices are limited. Sources of leverage include public and private grants, loans, equity investments and in-kind contributions. The total CHDO award may not exceed 50 percent of the total development or operating budget, up to the HUD 234 maximum per unit subsidy limits, applicable at the time of the HOME commitment for the number of units that will be designated as HOME units. The current limits listed in the table below are subject to change in 2022.

Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
\$153,314	\$175,752	\$213,717	\$276,482	\$303,489

Source: US Department of HUD, Los Angeles Field Office effective September 9, 2021.

HOME CHDO Eligible Activities

Eligible projects must (1) increase the supply of rental housing affordable to low-income or special needs households, (2) preserve existing affordable housing that is likely to be lost, or (3) create home ownership opportunities for low-income first-time homebuyers. Preservation projects are defined as either projects that will preserve units that will be lost due to conversion to other uses or projects where health or safety hazards put households at risk of losing their homes. Funding is available for the following housing project types and development activities:

- * Transitional housing
- * Permanent rental housing
- * Down payment assistance for first-time buyers
- * Homeownership activities for first-time buyers
- * New construction
- * Acquisition and rehabilitation
- * Site improvements
- * Capitalized reserves
- * CHDO capacity-building activities

Home Ownership Activities: Projects must demonstrate that affordability will be maintained over time, with tracking provided by non-profit organizations (such as community land trusts, limited equity cooperatives, mutual housing organizations) or CHDO in partnership with private lenders. Housing development projects may request for education and counseling for first-time homebuyers.

CHDO Capacity Building Activities: Agencies that are certified CHDOs may apply for operating support. The funds must be used for activities that will enhance the capacity of the organization to develop and/or manage housing. CHDOs can use these funds to pay for board and staff training, project development costs, staff costs, legal fees, and consultant services eligible under HOME. Nonprofits seeking to become

a CHDO and have provided services in Palmdale within the past year may also apply for funds to build their capacity to become a CHDO.

Tenant Displacement Strongly Discouraged: Where possible, applicants are encouraged to propose projects that prevent or minimize displacement, such as acquisition of vacant properties, properties being voluntarily sold by an owner-occupant, rehabilitation projects that require only temporary relocation, or new construction projects. If funds will be used in a project that involves acquisition of a property with residential or commercial tenants, federal Uniform Relocation Act or Section 104(d) requirements must be met.

Eligible HOME CHDO Applicants

CHDOs and non-profits that have the capacity to become a CHDO are eligible to apply for these funds.

Eligible Beneficiaries and Affordability Requirements

Eligible Household Incomes: Projects supported by HOME CHDO funds must provide housing that is affordable to income-eligible households, rental housing for households up to 60 percent of the Area Median Income ("AMI") and home ownership projects for households up to 80 percent of AMI are eligible for funding. Income limits are listed on page 3 of this NOFA.

Below Market Rate Rents: In addition to the above income limits, City Staff will review each proposed project to assure that proposed rents are below the market rate for the area, thus providing an affordable housing opportunity not otherwise available in the community.

Affordability Requirements -- Rental Housing: Rent, including utilities, may not exceed 30 percent of the maximum monthly income level established for each assisted housing unit. The maximum allowable rents each year will be based on City of Palmdale household income guidelines published annually by the US Department of Housing and Urban Development. In projects where housing will be rehabilitated, rents charged after rehabilitation should not exceed the prior rent levels.

Affordability Requirements -- Ownership Housing: Maximum sales prices will be established for housing developed for first-time home buyers, taking into account household incomes, current interest rates, a low or no down payment, and typical lending qualification guidelines. The project must assure that housing will remain affordable to eligible households for the term of the agreement, or that subsidy funds will be recaptured upon resale to allow development of additional affordable housing.

NOFA Frequently Asked Questions

1. Will we be held to the budget, timeline, and goals in the application?

Yes. All will be part of your agreement with the City.

2. What if something happens and we need to change our budget, timeline, or goals?

An amendment to the agreement can be executed if there are legitimate reasons for doing so. However, you should not count on this, particularly if your agency wants an amendment because it did not begin the project on time or has changed its mind about the project scope or budget.

3. Our agency wants to apply for two separate Activities/Projects, can we use one application?

Agencies are allowed to submit for multiple types of Activities/Projects. Please use one application per Activity applied for. For example, if an agency wishes to apply for CDBG and HOME funds, please submit two separate applications for each Activity type.

4. Will we get the full amount of funding requested?

Activities or Projects may receive full or partial funding depending on the nature of the project, amount requested, funds available and NOFA evaluation criteria results. If your project is not viable without full funding, make sure to indicate this fact on your application.

5. When will we know whether we will be funded? When can we spend the money?

The City anticipates making preliminary award notification between April 2, 2022 and June 30, 2022, with funds available for reimbursement beginning on or about October 1, 2022. Receipt of an award letter is not a final guarantee of funding. Agencies must receive a written Notice to Proceed.

6. Can we spend our money now and be reimbursed by CDBG/ HOME/ HOME CHDO funds later?

No. If you commit or expend funds before receiving Notice to Proceed, you will not be eligible for reimbursement at any time.

7. Will we hear from you even if our application does not receive funding?

Yes. All agencies will be notified in writing whether their application will be fully or partially funded or not funded at all.

8. Is it acceptable to submit the original application late as long as it is faxed, emailed, or postmarked by the submission deadline?

No. The City of Palmdale Housing Division must receive the complete application package (one original single-sided, three double-sided copies that are individually bound with binder clips or rubber bands, and one electronic copy on a media device such as a Flash Drive or compact disk (CD), no later than the submission deadline. Faxed or emailed applications will not be accepted. Mailed applications received by the Housing Division after the deadline has passed will not be accepted. Please plan accordingly.