



## **Community Development Block Grant (CDBG) Real Property Acquisition Notice of Funding Availability to Qualified Nonprofit Developers to Support Affordable Housing Development**

Through this Notice of Funding Availability (NOFA) the City of Stockton Economic Development Department is announcing the availability of approximately \$1,500,000 in funding for the purpose of property acquisition that will lead to the development of affordable housing. This NOFA is being launched with an initial \$1.5 million in CDBG funding, however, as this NOFA is an over the counter NOFA, the City will continue to take applications and add additional funding in the event it becomes available. The City is seeking letters of interest and proposals from qualified nonprofit developers for the purpose of acquiring property that will support the development of affordable housing within the City of Stockton.

### **Eligible Uses & Property Types:**

- i. Eligible Uses: Real property acquisition for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households, as defined by HUD.
- ii. Eligible Property Types: Acquisition of vacant land, single family residences, motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.

***Eligible properties must be in city limits of Stockton CA.***

**This NOFA is intended to commit funding to acquire property to propose new affordable housing projects. Housing Projects that have already received funding commitments by the City of Stockton are NOT ELIGIBLE for funding under this NOFA.**

### **PROPERTY ACQUISITION UNIFORM RELOCATOIN ASSISTANCE (URA) REQUIREMENTS:**

Acquisition of real property with CDBG funds is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Specifically, 24 CFR 570.606(e) requires that acquisition of real property for a CDBG-funded activity or series of activities (including CDBG-funded acquisition itself) must comply with the URA real property acquisition requirements at 49 CFR Part 24, Subpart B.

- Voluntary Acquisitions: Because Federal funds will be used for property acquisition purposes under this NOFA, it is important to note that all property acquisition transactions as a result of this NOFA will be voluntary purchase/acquisition transactions.
- In a voluntary acquisition, an owner is not eligible for relocation assistance.
- If the property acquisition results in displacement of tenants, the tenants must be provided relocation assistance.
- Appraisal Requirements:
  - The applicant must develop an appraisal scope of work establishing the specific requirement of the appraisal.
  - Prior to closing escrow of the purchase transaction, the applicant must obtain an appraisal, at the applicant's expense, in accordance with 49 CFR 24.103 establishing the appraiser's estimate of the property's fair market value.
  - The appraisal requirements outlined in Part 24.103 are intended to be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).

- The appraisal must be submitted to the City for review and approval prior to acquisition.

Interested nonprofit affordable housing developers are requested to submit a letter of interest and proposal to the City of Stockton's Economic Development Department to consider potential acquisition sites. Letters/proposals will be accepted on an open and rolling basis, until funds are exhausted. Letters of interest must be submitted on organizational letterhead and signed by a duly authorized representative of the organization. Please include the following information in the proposal letter:

**1) Contact Information:**

- a. Completion of the "CDBG Real Property Acquisition Program" form, including all required information:
  - i. Contact information, including e-mail and telephone numbers, for the proposed project lead, development partner, architectural team, and project engineers, with applicable website information.
  - ii. Proposed property information, including the property address, parcel square footage, property sales price, Assessor Parcel Number (APN), AMI levels, current number of units and the planned number of housing units, and the target population.

**2) Experience and Capacity:**

- a. Provide information demonstrating the organizational capacity of the project team to procure full financing, manage construction, and complete the project within the specified timeline.
- b. Provide details on prior affordable housing projects developed by your organization: include information on the project budget, location, number of units, length of time from construction to occupancy.

**3) Proposed Project:** To the extent available, please provide information on the proposed project including:

**a. Detailed project description including:**

- i. Site address and Assessor Parcel Number. Include a detailed description of the property to be acquired including but not limited to parcel size, structure size, etc. **Explain the level of commitment or communications with the seller/property owner that has occurred.**
- ii. Zoning details and any rezoning requirements/plans if applicable; any other pertinent site information.
- iii. Total number of housing units to be created.
- iv. Target population to be housed (low/mod families, homeless or at-risk individuals, veterans, special needs, etc).
- v. Expected Area Median Income (AMI) levels to be served.
- vi. Tentative property acquisition timeline.
- vii. Tentative Project development timeline.

**b. Budget Considerations:**

- i. Estimated project budget sources and uses.
- ii. CDBG request from City of Stockton.
- iii. Explain in narrative format all additional financing needs and include details as to expected timeline of any additional funding sources yet to be secured.

**c. Ability to close escrow by March 31, 2024**

- i. Close of escrow of any proposed property acquisition transaction must be completed by March 31<sup>st</sup>, 2024. The applicant's proposal must address how this deadline will be met.

## **REGULATORY COMPLIANCE REQUIREMENTS**

### **Applicants must be able to:**

- Obtain financing to supplement the City loan to acquire the land/building and/or develop/rehabilitate the project, including having in place all funding sources sufficient to begin construction within 12 months of the date on the loan agreement and complete construction within 36 months of the date of the loan agreement. Preference will be given to projects that can be completed before the 36 month deadline.
- Build the project in accordance with local building code requirements and US HUD's Housing Quality Standards.
- When applicable, the applicant must comply with all HUD regulations prior to close of escrow, at the applicant's expense, including but not limited to:
  - Completion of Phase I/Phase II Environmental Site Assessments;
  - Completion of National Environmental Policy Act (NEPA) Environmental Assessment requirements;
  - Ability to adhere to Davis-Bacon Wage Rates for project construction;
  - Fair Housing Act and Affirmative Fair Housing Marketing Requirements;
  - Uniform Relocation Act (Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes; and
- Comply with City of Stockton insurance requirements (imposed at time of loan documents execution).
- Own, maintain, and manage the property in compliance with the terms of the City Program, for a term of 55 years or term otherwise approved by the City.

### **Eligible Applicants:**

- Nonprofit affordable housing developers.

### **Selection Criteria:**

- First come first served that meet City goals.
  - [Consolidated Plan 2020-2025](#)
  - [Local Homeless Action Plan](#)
- Ability to meet environmental clearance requirements as specified in this NOFA.
  - Applicant's that have completed Phase I/Phase II Environmental Site Assessments or who have undergone the NEPA process should include the applicable documents with their application.
- Project compliance with City housing plans.

### **Required Forms to be submitted after initial review and conditional acceptance:**

1. Sources and Uses Budget

2. Project Schedule
3. City Underwriting review documents

**No Guarantee**

This NOFA is a competitive funding opportunity. Applying for this NOFA does not guarantee funding. The City reserves the right not to fund applications. The City reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this application process. If such an action occurs, the City will notify all interested parties. The cost of preparing proposals for the City shall be the responsibility of the applicant and shall not be reimbursed by the City. Applications received by the City will not be returned.

**Please address Letters of Interest to:**

Carrie Wright, Director  
Economic Development Department  
City of Stockton  
400 E. Main St. 4<sup>th</sup> Floor  
Stockton CA 95202

Letters must be delivered via e-mail to:

[economic.development@stocktonca.gov](mailto:economic.development@stocktonca.gov)

Additional information about the proposed project or may be included as a separate PDF attachment.

Any questions must be submitted in writing to the email below with the subject line labeled as “CDBG Acquisition NOFA”:

[economic.development@stocktonca.gov](mailto:economic.development@stocktonca.gov)