



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** October 26, 2021

**TO:** Mayor and Council Members

**FROM:** Section 8, Housing and Community Development Block Grant Department

**SUBJECT:** Resolution Amending the Fiscal Year 2021-2022 Budget to Allocate Funding for the Community Development Block Grant (CDBG-CV3) CARES Act – Rent Relief Program

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### RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

1. Adopt a resolution amending the Fiscal Year 2021-2022 Budget, in the amount of \$1,035,671, to allocate funding for the Community Development Block Grant CARES Act Rent Relief Program; and
2. Approve the reallocation of prior year 2020-2021 funds in the amount of \$317,419.74, to administer the Inglewood Rent Relief Program. (Grant Funds)

### BACKGROUND:

On March 27, 2020, the federal government passed Title XII of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”); the purpose of this legislation is to provide funding to local government agencies to prevent, prepare for, and respond to the housing needs created by the coronavirus crisis (COVID-19).

On August 11, 2020, Mayor James T. Butts, Jr., presented an initiative to authorize staff to develop the COVID – 19 Rent Relief Program. As such, the Inglewood Rent Relief Program was developed to assist individuals and/or families impacted by the Coronavirus pandemic.

On August 20, 2020, the Mayor and Council Members approved and accepted the CDBG-CV (Round 1 of CARES Act funding) funds in the amount of \$827,507; adopted the COVID-19 Inglewood Rent Relief Program Policies and Procedures Manual, approving the implementation thereof; and amended the Fiscal Year 2019-2020 Budget to appropriate \$827,507 for the implementation of the rent relief program.

On September 11, 2020, the U.S. Department of Housing and Urban Development (HUD) notified the City of its allocation of CARES Act HUD CDBG-CV Round 3 funds in the amount of \$1,035,671. Cumulatively (CV and CV3), the City has been awarded \$1,863,178 in CDBG-CV CARES Act Grant Funds.

On October 20, 2020, the City Council conducted a public hearing and took final action on

DR-4.

substantial amendments to the City's Citizen Participation Plan and Fiscal Year 2020-2021 Annual Action Plan to authorize the use of the \$1,035,671 for a COVID-19 Rental Assistance Program. Based upon City Council approval of the substantial amendment, City staff submitted the City's amended Citizen Participation Plan with the amended Fiscal Year 2020-2021 Annual Action Plan and required certifications to HUD in order to receive the \$1,035,671 in HUD CDBG-CV Round 3 funding. Regulations allow jurisdictions to allocate up to 20% (\$207,134) of the award towards administrative cost.

On September 28, 2021, the City Council accepted CDBG –CV (Round 3) funds in the amount of \$1,035,671.

**DISCUSSION:**

The City of Inglewood is a Grantee of the following entitlement cities formula block grant program in response to the COVID-19 health and economic crisis:

- Community Development Block Grant CARES Act (CDBG-CV) Round 3

Programs funded with CARES Act CDBG-CV Round 3 funds address issues related to health and economic problems impacting housing, public services, and public infrastructure, with a priority to serve the needs of extremely low- to moderate-income households and/or areas where at least fifty-one percent (51%) of the residents are identified as being extremely low- to moderate-income.

Since the inception of the Inglewood COVID – 19 Rent Relief Program, the City of Inglewood has issued approximately \$144,184 in rent relief payments to landlords on behalf of tenants who were struggling to pay their rent. The City of Inglewood received over 1,000 inquiries/applications for rent relief and the Community Development Block Grant (CDBG) Division is responsible for processing those requests. Through today's budget amendment action, the CDBG Division anticipates reallocating Fiscal Year 2020-2021 CDBG-CV1 funds, in the amount of \$317,419.74, into Fiscal Year 2021-2022.

The CARES Act directs HUD to allocate funds to Participating Jurisdictional Grantees, as defined and designated in Section 106 of the Housing and Community Development Act of 1974, as amended.

On September 28, 2021, the Mayor and City Council adopted a resolution to accept the CDBG-CV3 funding, in the amount of \$1,035,671, from HUD. Today's action will amend the Fiscal Year 2021-2022 Budget and reallocate funding for administrative expenses.

As a recipient of the CARES Act CDBG-CV funding, HUD allows a maximum of twenty percent (20%) of the allocation to be used for those administrative costs directly related to the administration of the City of Inglewood Rent Relief Program. Administrative costs, such as staffing, office supplies, advertisement, and other direct costs, are eligible costs under the twenty present (20%) administrative cap.

The CDBG Division staff is responsible for ensuring that the City complies with statutory deadlines for the expenditure of HUD funds and program delivery. Currently, the CDBG Division has a total of five staff members administering the Rent Relief program: two (2) CDBG staff members and three (3) part-time assistants. With over one thousand (1,000) applications received in Phase 1 and approximately four hundred twenty-eight (428) packets received in Phase 2, pending review, staff is working extra hours to review and process applications.

The chart below defines households that would be considered low- to moderate-income:

<b>2021 HUD Income Limits</b>			
<b>Household Size</b>	<b>30 percent Extremely Low-Income Limits</b>	<b>50 percent Very Low-Income Limits</b>	<b>80 percent Low-Income Limits</b>
<b>1 Person</b>	\$24,850	\$41,400	\$66,250
<b>2 Person</b>	\$28,400	\$47,300	\$75,700
<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900
Los Angeles County Median Income \$80,000			

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

There is no impact to the General Fund. Upon adoption of the resolution amending the Fiscal Year 2021-2022 Budget, CDBG-CV3 funds, in the amount of \$1,035,671, will be placed into Account Code No. 221.031.3159.5251.00 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act).

Per HUD guidelines, eighty percent (80%) of the award, or \$828,536.80, will be allocated to rent relief and reflected in Account Code No. 221.031.3159.45046.00 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act-Rent Relief Program).

Twenty percent (20%) of the award, or \$207,134.20, will be allocated to salaries and reflected in Account Code No. 221.031.3159.11001.00 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act-Salaries).

Additionally, a Special Expense line is being set up to allocate \$50,000 in CDBG-CV3 funds. These funds will be placed into Account Code No. 221.031.3159.45031.00 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act-Special Expense).

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Resolution Amending FY 2021-2022 Budget  
2021-2022 HUD CDBG-CV Round 3  
October 26, 2021**

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This budget amendment also reallocates CDBG-CV1 2020-2021 funds in the amount of \$317,419.74. This includes unused salary funds in the amount of \$87,317.02; these funds will be placed into the Fiscal Year 2021-2022 Budget under Account Code No. 221.031.3159.11001.01 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act-Salaries). The reallocation amount also includes unused rent relief funds in the amount of \$230,102.72; these funds will be placed into Account Code No. 221.031.3159.45046.00 (HUD (CDBG) Fund-Housing, Section 8, and CDBG-CARES Act-Rent Relief Program).

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment No. 1 – Resolution

Attachment No. 2 – Award Notification Letter dated September 11, 2020

**PREPARED BY:**

Lori Jones, CDBG Grants Coordinator

Roberto Chavez, HUD Programs Manager

**COUNCIL PRESENTER:**

Roberto Chavez, HUD Programs Manager

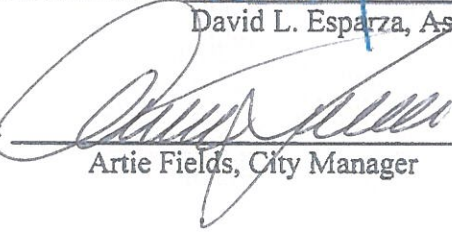
**APPROVAL VERIFICATION SHEET**

**DEPARTMENT HEAD/  
ASSISTANT CITY MANAGER APPROVAL:**

**ASSISTANT CITY MANAGER APPROVAL:**

  
\_\_\_\_\_  
David L. Esparza, Assistant City Manger/CFO

**CITY MANAGER APPROVAL:**

  
\_\_\_\_\_  
Artie Fields, City Manager

# **ATTACHMENT NO. 1**



1           **WHEREAS**, the City Council desires to amend the FY 2021-2022 Budget to  
2 allocate the CDBG-CV Round 3 funds to the Rent Relief Program and reallocate funds  
3 from FY 2020-2021, as more fully detailed in Exhibit A;

4           **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF**  
5 **INGLEWOOD DOES RESOLVE AS FOLLOWS:**

6           **Section 1.** The FY 2021-2022 Budget is hereby amended as shown in Exhibit A,  
7 attached hereto and incorporated herein by reference.

8           **Section 2.** The City Clerk shall certify to the adoption of this resolution and the  
9 same shall be in full force and effect immediately upon adoption.

10           **PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_  
11 2021.

12  
13 \_\_\_\_\_  
14 James T. Butts, Jr., Mayor

15 **ATTEST:**

16  
17 \_\_\_\_\_  
18 Aisha L. Thompson, City Clerk



**Exhibit A**

Fund: 221 HUD (CDBG) Fund  
 Agency: 031 Section 8, Housing & CDBG  
 Orgn: 3159 CDBG CARES ACT

<u>REV SOURCE CODE</u>		FY2021-22 Budget	Amendment Request	Increase/ (Decrease)
5251.00	CARES ACT-Rent Relief Program	\$ 300,000	\$ 1,653,091	\$ 1,353,091
<b>Total</b>		<b>\$ 300,000</b>	<b>\$ 1,653,091</b>	<b>\$ 1,353,091</b>

**Total            \$ 1,353,091**

Fund: 221 HUD (CDBG) Fund  
 Agency: 031 Section 8, Housing & CDBG  
 Orgn: 3159 CDBG CARES ACT

<u>OBJECT CODE</u>		FY2021-22 Budget	Amendment Request	Increase/ (Decrease)
11001.01	Salaries	\$ -	\$ 244,451	\$ 244,451
<b>Total</b>		<b>\$ -</b>	<b>\$ 244,451</b>	<b>\$ 244,451</b>

Fund: 221 HUD (CDBG) Fund  
 Agency: 031 Section 8, Housing & CDBG  
 Orgn: 3159 CDBG CARES ACT

<u>OBJECT CODE</u>		Budget	Request	(Decrease)
45046.00	CARES ACT-Rent Relief Program	\$ 300,000	\$ 1,358,640	\$ 1,058,640
<b>Total</b>		<b>\$ 300,000</b>	<b>\$ 1,358,640</b>	<b>\$ 1,058,640</b>

Fund: 221 HUD (CDBG) Fund  
 Agency: 031 Section 8, Housing & CDBG  
 Orgn: 3159 CDBG CARES ACT

<u>OBJECT CODE</u>		FY2021-22 Budget	Amendment Request	Increase/ (Decrease)
45031.00	Special Expense		\$ 50,000	\$ 50,000
<b>Total</b>		<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>

**Total:            \$ 1,353,091**

# **ATTACHMENT NO. 2**



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

September 11, 2020

The Honorable James Butts  
Mayor of Inglewood  
1 W Manchester Boulevard  
Inglewood, CA 90301-1764

Dear Mayor Butts:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department immediately allocated \$2 billion on March 27, 2020, the same day President Trump signed the Act, based on the fiscal year 2020 CDBG formula; this constituted the first round of CDBG-CV funds. Next, \$1 billion was required by the Act to be allocated to States and insular areas within 45 days of enactment of the Act; HUD accomplished this on May 11, 2020, and this constituted the second round of CDBG-CV funds. Finally, the remaining \$2 billion in CDBG-CV funds was required by the Act to be allocated to states and local governments at the discretion of the Secretary on a rolling basis; HUD accomplished this on September 11, 2020, and this constituted the third round of CDBG-CV funds. Additionally, up to \$10 million will be set aside for technical assistance.

Accordingly, this letter informs you that your jurisdiction's allocation for the third round is \$1,035,671. Your cumulative amount for all allocation rounds is \$1,863,178.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2019 and FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations the HUD Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent,

prepare for, and respond to coronavirus.

The CDBG CARES Act Federal Register Notice (FR-6218-N-01) was released on August 10, 2020. The notice describes the allocations and grant procedures applicable to the CDBG-CV grants. It also describes the program flexibilities, waivers, and alternative requirements that apply to the CDBG-CV grants as well as the fiscal year 2019 and 2020 CDBG grants. As further such flexibilities become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and the requirement that each grantee have adequate procedures to prevent the duplication of benefits (DOB). HUD will provide guidance and technical assistance on DOB, the prevention of fraud, waste, and abuse, and on documenting the impact of this program for beneficiaries.

Reminder, all CPD Grantees must ensure they maintain active Dun and Bradstreet Numbering System (DUNS) numbers in the System for Award Management (SAM) system. Entities must have an active and unexpired DUNS before execution of grant agreements to avoid delays in the obligation of funds- which will delay your ability to drawdown funds in the Integrated Disbursement & Information System (IDIS). Grantees are required to maintain an active SAMs registration by re-activating their DUNS number annually in the SAM system for the entire drawdown period of their grants. DUNS numbers can be registered and renewed each year at the following website: <https://www.sam.gov/SAM/>.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,



John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development