



CITY OF INGLEWOOD

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Community Development Department
Community Development Block Grant Division



DATE: February 9, 2010

TO: Honorable Council Members

FROM: Community Development Department

THRU: Timothy E. Wanamaker, City Administrator

SUBJECT: Receive and File a Substantial Amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan and Set a Public Hearing

1. Proposal:

It is recommended that the Honorable Council Members receive and file a proposed substantial amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan, and set a public hearing on Tuesday, March 2, 2010 at 7:00 p.m. to consider public input for submission to the United States Department of Housing and Urban Development (HUD).

2. Background Information:

In 1994 the City of Inglewood applied, and was approved for, \$10 million in Section 108 Economic Development Loan funding, secured by the City's annual Community Development Block Grant (CDBG) entitlement allocation (Loan # B-94-MC-06-0520). The City drew down \$5 million in loan proceeds, (minus loan origination fees) and in 1999 immediately began remitting loan payments back to the federal government, including interest, in the amount of \$800,000 annually from the City's CDBG entitlement allocation. The entire \$5 million loan was repaid to the United States Treasury, including interest in the amount of \$458,579.86, for a total amount credited to the City's loan repayment of \$5,458,579.86 in August 2003.

Of the initial \$4,980,000 million Section 108 loan proceeds received by the City (1999), approximately \$2.5 million was expended for various infrastructure improvement activities throughout the In-Town Redevelopment Area, including Market Street vehicular, pedestrian, landscape and lighting improvements, as well as for business improvement, expansion and retention loans. The remaining \$2.4 million was placed in a City interest-bearing account. A recent accounting identified the total amount of CDBG/Section 108 Loan proceeds/funding, including interest earned to-date, in the amount of \$3,854,098 in revenue account code 221-32600 – Deferred Revenues – Section 108.

Since July 2004, various budgets representing the funding for the Senior Center Complex included the use of the Section 108 funds; however, no definitive

SPH-1

decision was made to actually utilize the funding for eligible expenses on the project. On April 28, 2009, the Mayor and Council Members approved a draft budget with various funding sources for the Senior Center Complex, including Section 108 loan funds.

In accordance with Notice CPD 01-10 issued by the U.S. Department of Housing and Urban Development in June 2001, "...the same regulations governing the use of CDBG grants govern the use of the (Section 108) guaranteed loan proceeds, including national objectives and other requirements." Eligible activities are listed at 24 CFR Part 570.703. The Section 108 loan proceeds are considered CDBG funds, and as such, the regulations governing the interest earnings also apply. Interest earned on HUD-CDBG funds is considered program income and can only be utilized on CDBG-eligible activities under 24 CFR Part 570.504 (b).

The reallocation of unexpended and unallocated CDBG Program Income funds must be documented in the City's Consolidated Annual Action Plan as a substantial amendment to the Plan. During the public hearing process, members of the public will have an opportunity to provide input regarding the recommended use of CDBG Program Income funds to be allocated for installation of two artificial turf fields and for construction of recreational facility portion of the Locust Street Senior Center and Senior Residences Project (subsequently referred to as the Senior Center project). Both uses are eligible CDBG public improvement projects in accordance with 24 CFR Part 570, Section 201(c) – Basic Eligible Activities, Public Facilities and Improvements, which states:

"Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, carried out by the recipient or other public or private nonprofit entities. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance."

Subsequent to the public hearing, if the Honorable Council Members approve the reallocation of CDBG Program Income funds, and adopt a resolution amending the FY 2009-2010 budget, staff must prepare documentation for HUD indicating the amendments to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Consolidated Annual Action Plan by adding the public facilities improvement project and funding for the new construction project for senior citizens as priority community development and housing needs for the City of Inglewood. Subsequent to approval of the amendment to the Consolidated Plan, and the amendment becomes effective and can be implemented after a 30-day review

and comment period by the public in accordance with citizen participation regulations at 24 CFR Part 91.105(c) – Amendments to the Consolidated Plan.

- **Statement of Options**

The Honorable Council Members have the following options:

- A) It is recommended that the Honorable Council Members receive and file the draft substantial amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan and set a public hearing on Tuesday, March 2, 2010 at 7:00 p.m. to consider public input on the amendment.
- B) The Honorable Council Members can choose not to receive and file the draft substantial amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan, can choose to set the public hearing for Tuesday, March 2, 2010 at 7:00 p.m. to receive and file the draft substantial amendment and consider public input during the public hearing.
- C) The Honorable Council Members can choose not to receive and file the draft substantial amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan and can choose to set the public hearing for another date to receive and file the draft substantial amendment and consider public input during the public hearing.
- D) The Honorable Council Members can choose not to receive and file the draft substantial amendment to the FY 2007-2010 Consolidated Plan and the FY 2009-2010 Annual Action Plan and can choose not to set a public hearing, thereby effectively not amending the FY 2007-2010 Consolidated Plan and FY 2009-2010 Annual Action Plan and thereby not authorizing use of the funds for these purposes.

- **Administrative/Management Issues**

Although the budget for the Senior Center Complex was approved by the Mayor and Council Members on April 28, 2009, the CDBG-eligible activity is not included in the City's Consolidated Plan. To utilize the funding the City must adhere to the following process:

- a) Prepare a substantial amendment to the Consolidated Plan.
- b) Amendments to the Consolidated Plan require a public hearing, with a minimum of two weeks notice, to determine that the activities are priority community development and housing needs.

- c) Specify that the projects are eligible CDBG activities.
- d) Identify the national objective and the public benefit standard met by the amendment.
- e) Approve a resolution amending the fiscal year 2009-2010 budget to add the funding to the FY 2009-2010 project revenue and expenditure budgets.
- f) Provide a 30-day public comment period on the amendment and respond to any written comments with 15 days of receipt of the written comment.
- g) Forward the Consolidated Plan amendment to HUD for approval.
- h) Upon approval of the amendment, Finance Department staff can set up the funding for the projects in HUD's Integrated Disbursement and Information System (IDIS) as CDBG Program Income and CDBG Division staff can fund the project activities with the program income received in IDIS and evaluate and report project performance to HUD.
- i) The City and the Redevelopment Agency must approve a Cooperative Agreement authorizing the use of the CDBG Program Income funds for the joint Senior Center project.
- j) Eligible project expenses can be paid from the City's project budget, for eligible expenditures, including reimbursement to the City and Redevelopment Agency, subsequent to approval of the Cooperative Agreement.
- k) Program performance will be included in the fiscal year-end Consolidated Annual Performance Evaluation Report (CAPER).

- **Financial/Funding Issues and Sources**

There are no impacts to the General Funds as a result of setting the public hearing and implementation of the activities outlined in the draft substantial amendment to the FY 2007-2010 Consolidated Plan and FY 2009-2010 Annual Action Plan. It is recommended that the Honorable Council Members approve the amendment including allocating \$3,000,000 million in Section 108/CDBG Program Income for the recreational component of the Senior Center Complex and \$854,098 million for the construction of the two multipurpose artificial turf fields for football and soccer in Edward Vincent Park.

3. Critical Milestones:

- a) Receive and file draft substantial amendment.
- b) Set a public hearing to consider public input on the proposed amendment.
- c) Conduct the public hearing to receive input on the proposed amendment.
- d) Approve the amendment to the FY 2007-2010 Consolidate Plan and the FY 2009-2010 Annual Action Plan and adopt a resolution amending the FY 2009-2010 budget.
- e) Provide 30 days for public review and comment on approved amendment.
- f) Submit approved amendment to HUD.
- g) Implement project/program activities in accordance with amended action plan.

- h) Report performance to HUD during Consolidated Annual Performance Evaluation Review process.

4. Previous Legislative Action:

- July 10, 2007 - The Mayor and Council Members adopted Resolution 07-85, approving the Three Year, FY 2007-2010 Consolidated Plan.
- July 14, 2009 – The Mayor and Council Members approved the FY 2009-2010 Consolidated Annual Action Plan.
- The Mayor and Council Members and the Redevelopment Agency Members considered funding strategies for the Senior Center and Residential Complex project on April 18, 2006, June 27, 2006, August 8, 2006, September 12, 2006, September 26, 2006, August 14, 2007, and in January 2009. HOME Funds in the amount of \$5.7 million were previously allocated on July 11, 2006 for the Senior Center and Residential Facility project. On August 14, 2007, the Mayor and Council Members and the Redevelopment Agency Members approved a budget for the Locust Street Senior Center Project, and on April 28, 2009 the Mayor/Chairman and Council/Agency Members approved an amended budget for the Senior Center Complex.
- On June 30, 2009, the Mayor and Council Members conducted a public hearing and approved increasing the HOME funding for the residential portion of the project by \$1.1 million, from the original \$5.7 million allocation to a total of \$6.8 million in HOME funds. In response to public input during the public hearing calling for the installation of artificial turf at the two sports complex fields in Edward Vincent Park, the Mayor and Council Members approved a FY 2008-2009 Annual Action Plan amendment to provide \$342,650 in previously unallocated CDBG program income for this purpose.

5. Substantiation of Recommendations:

In accordance with HUD regulations at 24 CFR 91.505 (a) (2) – Amendments to the Consolidated Plan: “The jurisdiction shall amend its approved plan whenever it makes ... the following decision...: “To carry out an activity, using funds from any program covered by the consolidated plan (including program income), not previously described in the action plan....”

6. Description of any Attachments:

Attachment 1: Draft amendment to the Three-Year FY 2007-2010 Consolidated Plan

Attachment 2: Draft amendment to the FY 2009-2010 Annual Action Plan

7. **Legal Review Verification:**

This report, in its entirety, has been submitted to, reviewed, and approved by the Office of the City Attorney.

8. **Finance Review Verification:**

This report, in its entirety, has been submitted to, reviewed, and approved by the Finance Department.

PREPARED BY:

Pamela T. Thigpen, Grants Manager

COUNCIL PRESENTER:

Pamela R. Thigpen, Grants Manager

PROOFREAD FOR ACCURACY:

PAMELA THIGPEN

CITY ADMINISTRATOR APPROVAL:



**City of Inglewood
FY 2007-2010 Consolidated Plan
Amendment**

Goal One: Promoting Decent and Affordable Housing

Page 57 - Added HOME funds to the Affordable Housing Program Activity funding.

Goal Two: Providing a Suitable Living Environment

Page 58 - Under Public works/Infrastructure Projects, added #2 – Edward Vincent Park (Census Tract 6009.12)

City of Inglewood
Consolidated Plan 2007-2010

Goal One: Promoting Decent and Affordable Housing									
Program/ Activity	Description	Priority Need Level	Objective	Proposed Goals/Accomplishments*				Geographic Distribution	Funding Source
				Year 1	Year 2	Year 3	TOTAL		
Affordable Housing Development	24 Single Family Units and 58 Senior Units	High	Objective #2: To increase the supply of affordable housing in the City through new construction, first time homebuyer assistance, and rental assistance.	0	0	82	82 units	Beach, Crenshaw, Yukon and 118 th , Locust and Queen Projects	Redevelopment Agency and HOME Funds*
First-time Homebuyer Program	Down payment assistance for first time home buyers	High	Objective #2: To increase the supply of affordable housing in the City through new construction, first time homebuyer assistance, and rental assistance.	10 house holds	10 house holds	10	30 house holds	Citywide	Redevelopment Agency/ Section 8
Saint Margaret's Center	Tenant Based Rental Assistance	High	Objective #2: To increase the supply of affordable housing in the City through new construction, first time homebuyer assistance, and rental assistance.	18 house holds	18 house holds	18	54 house holds	Citywide	HOME
Saint Margaret's Center	Emergency Shelter Vouchers	High	Objective #3: To provide emergency housing assistance for homeless individuals and families through a shelter voucher program, case management, employment services, and transitional housing leading to permanent housing.	750 people	750 people	750	2,250 people	Citywide	ESG
People Assisting the Homeless (PATH)	Shelter Services	High	Objective #3: To provide emergency housing assistance for homeless individuals and families through shelter assistance and other services.	24 people	24 people	24	72 people	Citywide	ESG

*Amended March 2, 2010

City of Inglewood
Consolidated Plan 2007-2010

Goal Two: Providing a Suitable Living Environment									
Program/ Activity	Description	Priority Need Level	Objective	Proposed Goals/Accomplishments*			Geographic Distribution	Funding Source	
				Year 1	Year 2	Year 3	TOTAL		
Public Works/ Infrastructure Projects	Resurfacing of streets, sidewalk replacement and library façade improvements in CDBG-eligible areas	High	Objective #1- Revitalize residential neighborhoods and their supporting commercial nodes through such means as infrastructure improvements and public facility improvements. Objective #2 – Create recreational facilities for the community.*	5,887 people	5,887 people	5,887 people	17,661 people	CDBG Areas	CDBG
Code Enforcement	To provide code enforcement services in CDBG-eligible areas	High	Objective #2- Eliminate substandard housing, remove blighted conditions, promote property maintenance, and ensure conformance with City zoning and building ordinances through code enforcement.	8,000 sites	8,000 sites	8,000 sites	24,000 sites	CDBG Areas	CDBG
Graffiti Abatement	Removal of graffiti in CDBG eligible areas	High	Objective #3- Remove graffiti from public and private properties in CDBG-eligible neighborhoods.	43,000 sites	43,000 sites	43,000 sites	129,000 sites	CDBG Areas	CDBG
Public Services	Dental services, after school recreational & educational programs	High	Objective #4- Support public social services (health, medical and transportation), and after school educational and recreational programs.	100 people	100 people	100 people	300 people	CDBG Areas	CDBG
Fair Housing Services	Fair housing counseling/ services	High	Objective #5- Activities to overcome existing barriers to housing, including discrimination.	1,018 people	1,018 people	1,018 people	3,054 people	Citywide	CDBG

* Amended March 2, 2010

City of Inglewood
FY 2009-2010 Annual Action Plan
Amendment

Specific Housing Objectives:

Page 47 A and B – Added the Senior Center Residential Complex project activity and budget outlining the funding sources and uses.

Page 51 A and B – Added amended community development public facilities description.

HOUSING

Substantial Amendment

Specific Housing Objectives (continued)

- Providing 58 units of senior housing that includes 39 one bedroom and 19 two bedroom units to extremely low-, very low-, and low-income senior citizens. Each unit is expected to range from 700 to 1,000 square feet; come equipped with built-in appliances (gas range, dishwasher and refrigerator), and have central air and heating. This project will be located at the previous senior center site (111 North Locust Street; Inglewood, CA 90301) but will include the housing component on top of the rebuilt senior center.¹

In addition to providing housing, the senior center and housing complex is anticipated to offer amenities such as a billiard room, computer room, TV room, activity room, game room, care room, and management facility. Originally, \$5.7 million was allocated to the senior resident housing project during the 2004-2007 Consolidated Plan Years and on May 12, 2009, during the 2007-2010 Consolidated Plan Years, another \$1.1 million was allocated to the project. The March 2, 2010 substantial amendment allocates additional funding in the amount of \$3 million in CDBG/Section 108 carryover program income funding to the project. Total HUD funding for this project will include \$6.8 million from HOME Investment Partnership Act Program and \$3 million from Section 108 proceeds and interest (CDBG Program Income).

The overall project cost is estimated to be \$47 million and will be funded mostly by the City of Inglewood Redevelopment Agency. The following page shows an itemized chart listing each activity and its anticipated cost.

Amended March 2, 2010

¹ **Source:**
Locust Street Senior Center and Senior Residences Project;
<http://www.cityofinglewood.org/pdfs/admin/seniorcenterpresentation1109.pdf>
November 2009
Online PowerPoint

Summary of Need	Senior Center	Housing	Total
Construction Costs:	\$12,425,000	\$23,075,000	\$35,500,000
Identified & Potential Funding:			
EDI Grant Funds	\$3,661,075	\$-	\$3,661,075
20% Set-Aside	\$-	\$4,200,000	\$4,200,000
Tax Increment (80% Monies)	\$-	\$6,400,000	\$6,400,000
Redevelopment Bonds 2003	\$5,763,925	\$3,436,075	\$9,200,000
Redevelopment Bonds 2007	\$-	\$2,238,925	\$2,238,925
HOME Funds	\$-	\$6,800,000	\$6,800,000
Section 108 Loans	\$3,000,000	\$-	\$3,000,000
Subtotal:	\$12,425,000	\$23,075,000	\$35,500,000
*Contingency 5.5% (2007 Bond Proceeds)	\$350,000	\$650,000	\$1,000,000
TOTAL Construction Costs:	\$12,775,000	\$23,725,000	\$36,500,000
Additional Costs: (2007 Bond Proceeds)			
Professional Services	\$1,620,617	\$3,009,717	\$4,630,334
Direct Owner's Costs	\$1,382,065	\$2,566,692	\$3,948,756
Furniture, Fixture, Equipment	\$420,000	\$780,000	\$1,200,000
Soft Costs Contingency	\$165,518	\$307,391	\$472,909
Total Additional Costs	\$3,588,200	\$6,663,800	\$10,252,000
TOTAL Project Costs	\$16,363,200	\$30,388,800	\$46,752,000

Amended March 2, 2010

COMMUNITY DEVELOPMENT

Substantial AmendmentCommunity Development

Community development needs for the City of Inglewood are addressed through a coordinated citywide effort to provide for community beautification and economic development. Recommended programs and activities include upgrading public infrastructure, continuing a program of code enforcement to eliminate health and safety hazards, supporting public social services, economic development and affirmatively furthering fair housing.

Public Facilities and Improvements – City general funds, California State and Los Angeles County Bond Acts funds for parks, and State and Federal highway/transportation funds will be utilized to address public facilities needs. ***In addition, HUD CDBG funds will be utilized to address the objective of availability/accessibility to public recreational facilities. The chart below lists the projects that the CDBG Section 108 carryover program income will fund.***

<i>CDBG/Section 108 Carryover Program Income Fund Usage</i>	
<i>Senior Center</i>	<i>\$3,000,000</i>
<i>Edward Vincent Park Multi-Purpose Field Improvement</i>	<i>\$ 854,098</i>
<i>TOTAL</i>	<i>\$3,854,098</i>

Public Services – The majority of funds for public services are available through private and non-profit resources rather than federal resources. Most organizations have fund raising events and/or request minimal fees, accept donations, etc. Many organizations rely on volunteer assistance to leverage program resources. The City of Inglewood's Department of Recreation and Community Services also provide numerous social services programs, many targeted specifically for youth and senior citizens. The Department uses a minimum of 750 volunteers during any given 12-month period to provide free or inexpensive community services or programs.

Economic Development – Economic development is funded through the Inglewood Redevelopment Agency, the Employment Development Department, South Bay Private Industry Council, the Main Street Inglewood program, Inglewood Partners for Progress, and local lending institutions.

Anti-Poverty Strategy

The City's anti-poverty strategy includes providing affordable housing opportunities while concurrently offering technical, financial and supportive services to businesses, as well as support for case management services for homeless and unemployed persons.

The provision of any one component alone is not sufficient for breaking the cycle of poverty, therefore, the City Housing Authority assists low-income single parents achieve independence through its self-sufficiency program funded by HUD.

This program provides assistance with housing, transportation, childcare, education, and employment training until an individual has attained the necessary skills and stabilized income to leave public assistance dependency. The program is actively aided by the South Bay Private Industry Council, the One-Stop Job Center located in Inglewood, El Camino College, Southwest College, and various non-profit agencies throughout the City.