

Kovalsky, Michael J

From: Kovalsky, Michael J
Sent: Tuesday, January 04, 2022 12:24 PM
To: Roberto Chavez (rchavez@cityofinglewood.org)
Cc: ljones@cityofinglewood.org; Tracey Duncan; Debbie Crenshaw
Subject: Review of Inglewood PY2020 CAPER
Attachments: HOME repayment procedures.pdf

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Good Afternoon Roberto,

I've reviewed the City's CAPER in IDIS and have the following revisions/feedback below that we will need the City to address. If the City cannot provide a proof of publication showing a 15 day public comment period, we will need to reject the City's CAPER so it can make the revisions below and then do a 15 day public comment period. If the City can provide proof of the comment period, we will still need the revisions made, so I wanted to make sure to get this over to you even though we're still waiting on proof of the comment period. If you have any questions about the revisions below, please let me know. I don't want to include a due date yet as we do not yet know if the CAPER will be rejected, we'll make that determination when the City responds re the comment period.

CR-00

- The attached publication does not show a 15-day public comment period. Requested from City via email on 1/3/22.
- An attachment must be included here that shows a summary of the public comments received from the 15 day period or if no comments received, indicate that no comments were received.

CR-15

- In a narrative box, the City is requested to indicate if any publicly owned land or property within the City was used during PY2020 to address the needs identified in the City's PY2020 action plan.
- The City said "The resources from other federal programs, state programs, and county programs, have been used to leverage CDBG and HOME Program funds." Please provide more specifics i.e. what specific programs/resources were used to leverage CDBG and HOME.
- The amount of HOME program income received during PY2020 should be \$134,820 based on IDIS PR09 report.
- The amount of HOME program income on hand at the end of the reporting period (PY2020) should be \$134,820 per IDIS PR09 report.

CR-20

- The totals for the two tables must match (Number of households to be supported AND Number of households supported through).
- In a narrative box, the City must include summary of the efforts to address "worst case needs", and progress in meeting the needs of persons with disabilities. Worst-case housing needs are defined as low-income renter households who pay more than half of their income for rent, live in seriously substandard housing, which includes homeless people, or have been involuntarily displaced. The needs of persons with disabilities do not include beds in nursing homes or other service-centered facilities.

CR-25

- For each narrative box in this section, the City must include numeric goals and accomplishments for PY2020. Please be sure to address each service identified under each narrative box (outreach, emergency shelter/transitional housing, homeless prevention, transition to permanent housing, etc).

CR-35

- For the lead based paint narrative box, the City only discussed disclosure and certifications, but did not indicate if it undertook any work funded by CDBG or HOME which required the abatement of lead-based paint hazards.
- For the narrative box re analysis of impediments, the City indicates what it will do, but we need to know what was done during PY2020 to overcome the effects of any impediments identified in the City's AFH.

CR-40

- Please indicate in the narrative which HUD funded programs the city monitored during PY2020 using its procedures (should be CDBG, CDBG-CV, and HOME). Also be sure to indicate if the procedures described apply to each program. If different procedures apply to one of them, say CDBG-CV, then also include a description of those procedures in the narrative box.
- In the appropriate narrative box in this section, the City must include the specifics of its 15-day public comment period i.e. dates of the 15 day period and the subsequent public hearing. The information should include how the City made sure the notice the City provided included minorities, non-English speaking persons and persons with disabilities.

CR-45

- IDIS does not clearly ask for this, but we need the City to report on any accomplishments and program income from its Section 108 loan(s) in a narrative box in this section.

CR-50

- In the narrative box re inspections, the City must include:
 - Results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations, including:
 - A list of projects that should have been inspected on-site this program year based upon the schedule in §92.504(d)
 - An indication of which of these were inspected and a summary of issues that were detected during the inspection
 - A description of how it will remedy the situation for those properties that were not inspected
- In the narrative box re affirmative marketing actions, the City indicated that it updates and maintains an affirmative fair housing marketing plan for its HOME funded activities, but it did not provide specific actions or an assessment of those actions for HOME units and programs. This might be something the City looks at during its HOME monitoring.
- In the narrative box re HOME program income, the City's narrative indicated that the City did not receive any HOME program income, however IDIS report PR09 indicates that the City received \$134,820 on 8/3/21 which is during PY2020, this should be corrected.
- When describing other actions taken to foster and maintain affordable housing, the City only described what it will do. We need the City to describe what it did during PY2020 to foster and maintain affordable housing.

Other issues that will be raised in the City's CAPER letter:

1. IDIS Activities 836 and 847: These activities have been open for more than three years since they were initially funded in IDIS. If City completes these soon, let me know and we can exclude them from the CAPER letter.
2. HOME Flagged Activities: 719, 805, 832, 833, 834, 835
 - a. Based on correspondence received so far, the City will have to repay the funds drawn for activities 832 and 805 in the amount of \$32,834. Per 92.502(b), a HOME activity can only be setup in IDIS if: environmental requirements under 24 CFR part 58 for release of funds have been met and the City has committed funds to a specific local project as defined under 92.2. Per 92.2, committing to a specific local project means: project owner have executed a written legally binding agreement under which HOME assistance will be provided to the owner for an identifiable project for which all necessary financing has been secured, a budget and

schedule have been established, and underwriting has been completed and under which construction is scheduled to start within twelve months of the agreement date. It looks like this should have been charged to the City's HOME admin activity, but unfortunately, per IDIS report PR27 the City has already drawn the maximum amount of admin allowed for the associated grant years of the funds drawn. Therefore, the City is requested to repay the funds drawn per the attached repayment instructions and to cancel the activities in IDIS.

- b. For IDIS activities 719, 833, 834, and 835, please provide information requested in 1/3/22 email.

Best Regards,

MICHAEL J. KOVALSKY

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HOME Repayment Procedures

Returning funds to the local program account

Grantees must return funds drawn on any ineligible activity to their local (HOME) program account.

Actions that must be taken in IDIS when funds are returned to the local program account

Upon confirmation that the grantee has reimbursed its local program account, the grantee may receipt the funds in IDIS using the instructions provided below.

- 1) Receipt the funds repaid to the City's local account as 'IU' in IDIS.
- 2) When recording 'IU' receipts, IDIS requires PJ's to enter the activity number and amount repaid for each ineligible activity.
- 3) The City must include a copy of the IU receipt in its project file.
- 4) The City must expend the monies prior to drawing funds from its HOME Treasury account to pay for project related costs.
- 5) Because PI, HP, IU, and PA are all in a PJ's local account, they must be disbursed first - before requesting a drawdown from the PJ's Treasury account. PA funds should only be drawn to replace HOME administration (AD) funds.

The grantee must submit financial documentation to HUD showing that the funds have been deposited into the grantee's local account. In addition, the grantee must submit documentation confirming it carried out the actions above in IDIS. All documentation should also be included in the grantee's local files.