



# COVID-19 Federal Grant Funds and Substantial Action Plan Amendments for Emergency Rental Assistance Program

**City Council June 9, 2020**

# Federal CARES Act

On March 27, 2020, the Federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed to respond to the Coronavirus pandemic (COVID-19).

- A total of \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV) funds will eventually be available through HUD.
- \$2 billion in CDGB-CV funds and \$1 billion in ESG-CV funds are immediately available to jurisdictions based on the FY 2020 CDBG and FY 2020 ESG formulas.
- The City of Long Beach will receive an allocation of \$3,618,830 in CDBG-CV funds and \$1,846,866 in ESG-CV funds from the initial \$3 billion disbursement.

# Federal CARES Act

On April 6, 2020, HUD published a high-level list of CDGB-eligible activities to support COVID-19 response. Activities Include:

- Building and Public Facilities Improvements.
- Business and Economic Development Assistance.
- Increased Public Services including emergency rental assistance and meal delivery programs.
- Programs do not have to be in CDBG-eligible areas, but they must serve income-qualified households impacted by COVID-19.

# Background

On April 21, 2020, the City Council asked the City Manager to report back on:

- How Long Beach households will be able to utilize the L.A. County Countywide Emergency Rental Assistance Program when it is implemented, and;
- The feasibility of utilizing additional federal, state, and private funding sources to assist Long Beach families with emergency rental assistance during the COVID-19 crisis.

# HUD Required Amendments

To enable the City to receive and administer the CARES Act CDBG/ESG-CV allocations, and reprogram a portion of current HOME funding for COVID-19 purposes, the City is required to amend the following:

1. Citizen Participation Plan
2. 2018-2022 Five-Year Consolidated Plan
3. FY 17-18 and FY 19-20 Action Plans

# HUD Regulatory Waivers

HUD has issued several regulatory waivers to allow jurisdictions to make these changes and administer funds efficiently. Waivers are granted for:

- 30-day public comment period
- In-person public hearings
- 15 percent spending cap on public services
- Reimbursements for COVID-19 activities that occurred prior to the award of funds
- Statutory regulations on prior year allocations
- HOME program-specific requirements

# Proposed Substantial Amendments

The proposed amendments are as follows:

1. Programming \$3,686,848 in CDBG-CV Funds made available by the CARES Act
2. Programming \$1,846,148 in ESG-CV funds made available by the CARES Act
3. Reallocation of \$2,000,000 of FY 2017 and 2018 HOME funds for COVID-19 response (rental assistance only)

# Recommendation

## Use of CDBG-CV and HOME Funds

### Long Beach CARES Emergency Rental Assistance Program

- Provides rental assistance of up to \$1,000 per month for three months
- Households earning 80 percent or less of the Area Median Income (AMI) prior to COVID-19 who have experienced loss of income due to COVID-19
- Payments made directly to property owner/landlord
- \$5 million in funding available (\$3 million CDBG-CV / \$2 million HOME)
- Estimated 1,666 households assisted (\$3,000 per household)

## Use of ESG-CV Funds

- Emergency shelter development and operation
- Homeless prevention
- Funding: \$1,846,866 (ESG-CV)



# Long Beach CARES Income Limits

Number of Persons	Extremely Low-Income	Low-Income	Moderate-Income
1	\$23,700	\$39,450	\$63,100
2	\$27,050	\$45,050	\$72,100
3	\$30,450	\$50,700	\$81,100
4	\$33,800	\$56,300	\$90,100
5	\$36,550	\$60,850	\$97,350
6	\$39,250	\$65,350	\$104,550
7	\$41,950	\$69,850	\$111,750
8	\$44,650	\$74,350	\$118,950

# Long Beach CARES Emergency Rental Assistance Program

- Provides a significant marketing/noticing component.
- Provides applicants a two-week period between the Notice and the date application materials will be accepted to provide time for households to assemble application materials.
- Application materials available on City/DS website and can be mailed to applicants with no internet access (bridge digital divide).
- Telephone hotline for assistance.
- Applications submitted via mail.
- Applications selected through a lottery process to ensure equity.
- Application materials available in multiple language (Language Access).

- The Office of Los Angeles County Supervisor Janice Hahn has contributed an additional \$300,000 to support Long Beach residents.
- This contribution is intended to help support an additional 100 families at \$1,000 per month for three months in coordination with the Long Beach CARES Emergency Rental Assistance Program.

# Next Steps

<b>June 9, 2020</b>	<b>City Council Approval of Con. Plan/Action Plan Amendment and LB Cares Rental Assistance Program</b>
<b>June 10, 2020</b>	Submit Plan Amendments to HUD for approval
<b>June 26, 2020</b>	HUD approval of Plan Amendments
<b>June 29, 2020</b>	Press Release/Notice to Stakeholders
<b>June 29, 2020</b>	Application materials available on DS website
<b>July 13, 2020</b>	Applications Accepted (day 1)
<b>July 27, 2020</b>	Application Period Closes
<b>August 24, 2020</b>	Initial payments issued



**Thank you**

**Linda F. Tatum, FAICP**  
**Director of Development Services**