



## AGENDA REPORT

**Meeting Date:** February 3, 2015

**Item Number:** E-2

**To:** Honorable Mayor & City Council

**From:** James R. Latta, Human Services Administrator

**Subject:** RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING A FINAL STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT OBJECTIVES AND PROJECTED USE OF FUNDS FOR FORTY-FIRST YEAR (2015-2016) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED

**Attachments:**

1. Resolution
2. Community Development Block Grant Income Limits
3. Notice of Public Hearing for the CDBG Program for the 2015-2016 Fiscal Year

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### **RECOMMENDATION**

Staff recommends City Council adopt the attached Resolution (attachment 1) approving the City's annual application for funds from the Los Angeles County Community Development Commission (LACDC) under the federal Community Development Block Grant (CDBG) program. Staff recommends: (1) these funds be allocated to continue supporting the City's programs benefiting low to moderate-income residents (attachment 2); (2) the Public Service Authority balance which has funded the Services for Seniors Program be re-allocated to the Multi-Family Unit budget in anticipation of an increased demand for resources from the Tenant Landlord Public Forum facilitated by the Human Relations Commission; (3) supplement the reduction in Services for Seniors program funding through the FY 15/16 Community Assistance Grant Fund (CAFG); (4) consideration of zero interest loans to Multi-family landlords as an alternative to grants.

### **INTRODUCTION**

The purpose of the LACDC application is to identify the general categories of eligible activities the grant is to fund and the proposed service providers. Adoption of the resolution approving the application does not preclude the City Council from making

changes if it considers alternate programs for funding in the future. The 2015-2016 program year begins July 1, 2015, consistent with the City's fiscal year.

The federal allocations for 2015-2016 are not final, however the City was informed its preliminary CDBG funding estimate is \$165,208. The estimate is \$3,771.00 less than this current year allocation of \$168,979. Any difference in the final funding figure will be distributed proportionally among the proposed programs.

Eighty-five percent of CDBG budget is used to administer and fund the City's Multi-Family and Single Family Handyworker programs. Up to fifteen percent (15%) of the CDBG allocation may be used for public service programs. Historically, Beverly Hills has allocated the entire 15% to Jewish Family Services (JFS) to supplement the Services for Seniors program which is predominantly funded by the Community Assistance Grant Fund (CAGF) program.

Staff anticipates an increase demand for handyworker services from residents in multi-family units with the advent of the Tenant Landlord Public Forum. This increase in demand could be met by redirecting the 15% of the budget traditionally used for the Services for Seniors program to the Multi-Family handyworker program. The reduction in funding for the Services for Seniors program (delivered through Jewish Family Service) could be supplemented through the Community Assistance Grant Fund allocation. Another factor contributing to this recommendation has been the increased administrative resources needed to address CDBG fiscal audits for such a small amount of funds.

Pacific Municipal Consulting was selected to administer the grant through a competitive Request for Proposal process in 2013 and will continue in this role during FY 15-16. Pacific Municipal Consulting is a private California corporation that provides planning, environmental, and other municipal services to public agencies across California since 1995.

Staff recommends budgeting this year's allocation of \$165,208.00 and all unallocated funds of \$53,151.00 for a total of \$218,359.00 to expand the Multi-Family handyworker program from a maximum of \$5,000 per household to a maximum of \$10,000 and continue the Single Family Housing Rehabilitation program grant per household at a maximum \$15,000. Actual needs and approved projects may fall well below the maximum allocation.

#### **PROPOSED CDBG BUDGET FOR 2015-2016**

FY 2015-2016 Funds	
Handyworker Services - Multi-Family	\$ 113,359.00
Handyworker Services - Single Family	\$ 105,000.00
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TOTAL	\$ 218,359.00

#### **DISCUSSION**

Below are descriptions of the activities proposed for CDBG funding in 2015-2016 and an explanation of how the City can meet the CDBG drawdown requirement.

Handyworker Program/Housing Rehabilitation

The handyworker programs provide minor home repairs, mobility, and security improvements to low and moderate income Beverly Hills residents. It is recommended that the Multi-Family program be funded in the amount of \$113,359 and the Single-Family Program be funded in the amount of \$105,000.

Unallocated Funds Explanation: Unspent CDBG funds may be returned to the City in the form of unallocated funds. These funds are termed unallocated because they have not been programmed for specific projects. Staff expects the City to meet the drawdown requirement deadline of March 31, 2015 without difficulty.

CDBG Drawdown Requirement

The CDBG regulations are stringent making it challenging to identify projects eligible for CDBG funding. It can be particularly difficult for cities such as Beverly Hills, which does not have any qualified low-income areas, to find CDBG-eligible projects. Unspent funds become unallocated funds and are rolled over to the next year. The City may use unallocated funds to fund CDBG-eligible activities in future years; however, as of March 31<sup>st</sup> of each year, the City may have no more than 150 percent of its current year's allocation unexpended. This is known as the "drawdown requirement." If a City does not meet the drawdown requirement, the County may opt to recapture some of the City's CDBG funds.

The Single Family budget of \$105,000 and this year's increase in the Multi-Family grant maximum from \$5,000 to \$10,000 provides the flexibility to utilize funds for more extensive repairs and allows the City to meet the drawdown requirement on a regular basis.

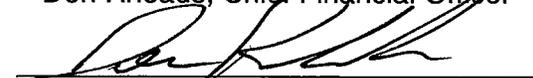
**PUBLIC NOTICE AND COMMENTS**

The CDBG requirements of citizen participation in the application process were met by posting notices on January 20, 2015 (attachment 3).

**FISCAL IMPACT**

Costs associated with these programs will be reimbursed to the City at the end of the fiscal year using CDBG funds. The option of using zero percent (0%) loans up to \$10,000 may be used for cases in which \$5,000 is not sufficient to correct Building Code, ADA, and other health and safety concerns. The development of a revolving loan program would help stabilize CDBG program funding if budgets continue to decrease.

Don Rhoads, Chief Financial Officer



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Finance Approval

Steve Zoet, Director C.S.



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Approved By

# **Attachment 1**

RESOLUTION NO. 15-R-\_\_\_\_\_

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING A FINAL STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT OBJECTIVES AND PROJECTED USE OF FUNDS FOR FORTY-FIRST YEAR (2015-2016) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED

The City Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. That certain Fiscal Year 2015-2016 Community Development Block Grant (CDBG) Program and Budget, a copy of which is on file in the Office of the City Clerk and which consists of the following Community Development Block Grant (CDBG) 2015-2016 Planning Summary, is hereby approved, subject to the right of the City to amend the Community Development Activity Program.

**Application Planning Summary**

Housing Rehabilitation Services

Single Family Units	\$ 105,000
Multi-Family Units	<u>\$ 113,359</u>
TOTAL	\$ 218,359

Should the City's final allocation of funds vary from the figure used in the 2015-2016 Planning Summary, the Human Services Administrator is authorized to distribute the final allocation proportionally among the approved projects.

Section 2. The Mayor and/or City Manager are authorized to execute the agreements necessary to implement the Community Development Block Grant Projects outlined herein.

Section 3. The City Manager is authorized to direct staff to submit the City's final application package for Fiscal Year 2015-2016 to the County of Los Angeles reflecting the funding allocations set forth herein. Should the City's allocation vary by 25% from the figures contained herein, the City Manager has discretion to authorize the allocation of such additional funding to any eligible activities.

Section 4. The City Clerk shall furnish a copy of the approved Fiscal Year 2015-2016 CDBG Program and Budget and a copy of this resolution to: Community Development Block Grant Division, Community Development Commission, County of Los Angeles, 700 Main Street, Alhambra, California 91801.

Section 5. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his certification to be entered in the Book of Resolutions of the Council of this City.

Adopted:

\_\_\_\_\_  
LILI BOSSE  
Mayor of the City of Beverly Hills, California

ATTEST:

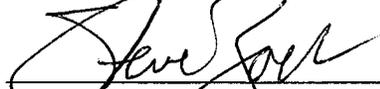
\_\_\_\_\_  
BYRON POPE (SEAL)  
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:



STEVE ZOET  
Director of Community Services



DON RHOADS  
Director of Administrative Services/Chief Financial  
Officer

## **Attachment 2**



LOS ANGELES COUNTY



# GMU BULLETIN

COMMUNITY DEVELOPMENT COMMISSION • 700 W. Main Street • Alhambra • California 91801

NUMBER:	14-0018	SUBJECT:	REVISED 2014 INCOME GUIDELINES
DATE:	August 20, 2014	EFFECTIVE DATE:	IMMEDIATELY
		PAGE	1 OF 2

**TO: CDC DIVISIONS  
 COMMUNITY-BASED ORGANIZATIONS  
 PARTICIPATING CITIES  
 COUNTY DEPARTMENTS  
 OTHER PUBLIC AGENCIES**

The 2014 income guidelines for use in the Community Development Block Grant (CDBG) and First Five LA (F5) Programs have been revised, and are listed below. These guidelines should be used to determine compliance with each program's objective of providing benefit to eligible persons. They are also used in determining eligibility for the Public Housing and Section 8 Programs, and are effective until a new schedule is issued.

Number of Persons	Extremely Low-Income	Low-Income	Moderate-Income
1	\$17,150	\$28,550	\$46,650
2	\$19,600	\$32,600	\$52,200
3	\$22,050	\$36,700	\$58,700
4	\$24,450	\$40,750	\$65,200
5	\$27,910	\$44,050	\$70,450
6	\$31,970	\$47,300	\$75,650
7	\$36,030	\$50,550	\$80,850
8	\$40,090	\$53,800	\$86,100

Please note that the 2014 median family income for Los Angeles County is \$60,600.

These guidelines refer to the terms in determining income levels for the above-mentioned programs. In order to clarify any misunderstanding resulting from the differences in terms between the Public Housing, Section 8, CDBG, and F5 Programs, the following is provided for your information:

COMPARISON OF TERMS IN DETERMINING INCOME LEVELS			
F5	CDBG	SECTION 8	% OF MEDIAN
Extremely Low-Income	Extremely Low-Income	Extremely Low-Income	Equal to or less than 30%
Not Eligible	Low-Income	Very Low-Income	31% to 50%
Not Eligible	Moderate-Income	Low-Income	51% to 80%

**Community Development Division—Grants Management Unit (CDD-GMU)**  
*Putting Dollars Into Action*

Participating Agencies  
August 20, 2014  
Page Two

For all agencies utilizing CDBG-approved *Public Service Self-Certification Forms*, please be sure to incorporate these revised income guidelines into your forms immediately (*the Public Service Self-Certification Form does not apply to the F5 Program*).

Should you have any questions, please contact your Program Manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Stevenson", with a long horizontal flourish extending to the right.

SCOTT STEVENSON, Director  
Community Development Division

SS:LJ:HR:RDW:rb  
K:\GMU COMMON\GPPA\GPA\PAT Bulletins\Income Guidelines Revised.docx

## **Attachment 3**



AFFIDAVIT OF POSTING

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS  
CITY OF BEVERLY HILLS )

I, LINDA KYRIAZI, EMPLOYEE OF THE CITY OF BEVERLY HILLS HUMAN SERVICES DEPARTMENT, STATE UNDER PENALTY OF PERJURY, THAT ON 01-20-15 AT 1:10 A.M. (P.M.) PERSONALLY POSTED THIS NOTICE/AGENDA ON THE BULLETIN BOARDS OF THE CITY'S COUNCIL CHAMBERS, CITY LIBRARY AND REXFORD PARKING STRUCTURE.

01-20-15  
DATE

[Signature]  
SIGNATURE

CITY OF BEVERLY HILLS

**NOTICE OF PUBLIC HEARING  
FOR THE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
FOR THE  
2015-2016 FISCAL YEAR**

NOTICE IS HEREBY GIVEN that the City of Beverly Hills City Council shall hold a public hearing on Tuesday, February 3, 2015, at 7:00 p.m. in the City Council Chambers, 455 North Rexford Drive, Beverly Hills, CA 90210. The purpose of the hearing is to consider the City's Fiscal Year 2015-2016 Community Development Block Grant Program (CDBG) budget and to reallocate unexpended funding as required.

The City has been informed that its preliminary CDBG funding estimate for the 2015-2016 Fiscal Year allocation is approximately \$165,208. The City also has \$53,151 in unallocated CDBG funds currently available. These funds can be used for a variety of purposes, including property acquisition, public services, and housing rehabilitation. However, in order to use CDBG funds for any of these eligible activities, it must be shown that the activity will: 1) directly benefit low and/or moderate income persons; 2) help to eliminate slum and blight conditions; or 3) address an urgent need.

Not more than 15 percent of the 2015-2016 Fiscal Year allocation, or approximately \$24,781.20, can be allocated for public services. It is proposed that the 2015-16 CDBG funding continue to support the City's ongoing Housing Rehabilitation programs. The proposed funding is as follows: Housing Rehabilitation – Single Family Units (\$105,000), and Housing Rehabilitation – Multi-Family Units (\$113,359).

All interested parties are invited to attend the public hearing for the use of the City's CDBG funds during the 2015-2016 fiscal year. Further information on the CDBG program may be obtained or viewed in the City of Beverly Hills Community Services Department, Human Services Division, 455 North Rexford Drive, Beverly Hills, California, 90210, or by contacting James R. Latta at (310) 285-2535, or [Jlatta@beverlyhills.org](mailto:Jlatta@beverlyhills.org).

Posted: January 20, 2015