



AGENDA REPORT

- Meeting Date:** January 29, 2008
- Item Number:** F-4A & F-4B
- To:** Honorable Mayor & City Council
- From:** Vincent P. Bertoni, AICP, Director of Community Development
Michele McGrath, Senior Planner
- Subject:**
- A) RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING A FINAL STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES AND PROJECTED USE OF FUNDS FOR THIRTY-FOURTH YEAR (2008-2009) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED

 - B) RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE FINAL STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES AND PROJECTED USE OF FUNDS FOR THIRTY-THIRD YEAR (2007-2008) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED
- Attachments:**
- 1. Resolution Approving CDBG Objectives for 2008-2009
 - 2. Resolution Amending CDBG Objectives for 2007-2008
 - 3. August 21, 2007 City Council Staff Report
 - 4. Exhibit: Status of CDBG Funding Allocations (2002/03-2008/09)

RECOMMENDATION

Staff respectfully recommends the City Council adopt the Resolution approving the City's annual application to the Los Angeles County Community Development Commission

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(LACDC) for 2008-2009 Program Year funds under the federal Community Development Block Grant (CDBG) program and that the funds continue to support the City's current programs benefiting low to moderate-income residents.

Staff also recommends the City Council adopt the Resolution amending the City's Community Development Objectives for its current 2007-2008 CDBG program to include an Emergency Family Shelter Project funded with \$200,000 in unallocated CDBG funds the City has available from previous years.

The purpose of the application/Community Development Objectives is to identify for the LACDC the general categories of eligible activities the City expects to fund with CDBG dollars. Staff will be returning to the City Council at a later date with contracts for specific service providers for the 2008-2009 projects and with a contract for the Emergency Family Shelter Project. Adoption of the resolutions approving the application/Community Development Objectives does not preclude the City Council from making changes when it considers specific programs or agencies for funding in the future.

INTRODUCTION

2008-2009 Application/Community Development Objectives

The preliminary Fiscal Year 2008-2009 Allocation for Beverly Hills is \$260,046 and any difference in the final funding figure from the County would be distributed proportionally among the proposed programs. It is proposed that the 2008-2009 CDBG funding continue to support the City's ongoing projects. Ten percent (10%) of the annual allocation may be used for Program Management and Planning activities which will be \$26,004 in 2008-2009. Staff will recommend that a majority of that ten percent fund the cost of a consultant to assist in administration of the program. Fifteen percent (15%) or \$39,006 of the annual allocation may be used for public service programs such as the Services for Seniors program. This is a reduction from the twenty-five percent (25%) for public services that was allowed until the 2004-05 program year (see discussion under "Project Descriptions" below). The balance of CDBG funds (75%) is required to be used primarily for eligible construction activities such as the City's Handyworker Program.

PROPOSED CDBG APPLICATION FOR 2008-2009

Program Management	\$ 26,004	(10%)
Handyworker Services	\$ 190,000	(71%)
Services for Seniors	\$ 39,006	(15%)
Contingency	\$ 5,036	(4%)
TOTAL	\$ 260,046	(100%)

The following table shows maximum income levels for households to be eligible for CDBG-funded services.

Eligible Low-Mod Income Households 2007 (80% of Los Angeles County Median Income)

Persons in Household	1	2	3	4
Annual Income	\$41,450	\$47,350	\$53,300	\$59,200

The CDBG funding application is summarized in the attached resolution. The application will be available at the meeting and is on file in the City Clerk's Office and in the Community Development Department. An exhibit summarizing expenditure of Beverly Hills' past CDBG funding is also attached.

Amendment to 2007-2008 Application/Community Development Objectives

At the City Council's August 21, 2007 Study Session, staff introduced a request from Upward Bound, a community-based non-profit, to assist in funding a regional Emergency Family Shelter in nearby Culver City (see attached memorandum). The project qualifies for the City's accumulated CDBG construction project funds benefiting low and moderate income individuals. The City Council expressed support at the August 2007 meeting for spending CDBG funds on the project. The City must expend accumulated CDBG funds on eligible projects or the funds may be recaptured by the County and the City is at this critical point. In the past, the City has used its accumulated CDBG funds for the New Directions Regional Opportunity Center at the West Los Angeles Veterans Administration site and for the PATH (People Assisting the Homeless) Regional Homeless Center in Central Los Angeles. Both programs have proved highly successful and, as a result, Beverly Hills has been able to refer dozens of people to these facilities.

The Upward Bound Emergency Family Shelter project is detailed in the attached memorandum. Staff is proposing to amend the 2007-2008 CDBG program at this time to include the project because the Culver City Council, at its meeting on January 14, 2008, upheld a decision by the Culver City Planning Commission to approve a Conditional Use Permit allowing the shelter in an existing motel in Culver City. As a result, the project may move forward and Upward Bound is in the process of completing purchase of the property. The 2007-2008 CDBG Program is proposed to be amended to show a proposed contribution by Beverly Hills of \$200,000 in CDBG funds toward the \$3,000,000.00 purchase price of the motel, along with the contributions of many other local governments and organizations as listed in the attached memorandum.

The proposed amendment to the City's 2007-2008 CDBG program will not become effective until the County approves it and the City enters into a contract with Upward Bound. Such a contract is proposed to be brought forward to the City Council in February at which point staff would provide a detailed presentation of the project along with Upward Bound staff.

DISCUSSION

Below are descriptions of the activities proposed for CDBG funding in 2008-2009.

Services For Seniors Program

Beverly Hills has identified a high level of need for public service programs for seniors and, in the past, has used the federally allowed maximum amount of CDBG funds for such programs. The City's Services for Seniors Program consists of the Senior Case Management program provided by the non-profit Jewish Family Service (JFS). Senior Case Management is a program of careful monitoring and ongoing support for older adults who need assistance from a social worker, coordination of in-home care services, and counseling to continue living independently. In 2006-2007, the program provided full case management services to approximately 35 clients.

As a result of previous federal cuts, the City was forced to reduce CDBG funding of the Senior Case Management Program from \$80,643 in 2003-2004 to \$48,386 in 2004-2005 and then \$40,167 in 2005-2006 to the present. As a consequence, the program's caseload was cut in half from approximately 60 clients in 2003-2004 to 30 clients in 2004-2005, with

the remaining eligible seniors on a waiting list. In 2005-2006, The City Council approved City Community Assistance funds in the amount of \$45,000 to offset the loss of federal funding so this successful program could be funded close to previous levels, thereby serving the City's eligible seniors and eliminating the need for a waiting list. The program continues to be supplemented through the City of Beverly Hills's Community Assistance funds. When staff returns to the City Council with recommendations for CDBG program service providers in 2007-2008, it will recommend the 15% public service allocation (\$40,167) continue to support the JFS Senior Case Management program.

Handyworker Program

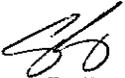
The majority of the annual CDBG grant (75%) must be used for construction activities benefiting low-income persons, or groups presumed to be low-income such as seniors or homeless persons. The City currently funds a Handyworker Program, provided by the non-profit Veterans In Community Service (VICS), that provides minor home repairs, mobility, and security improvements to low and moderate income Beverly Hills residents. In 2006-2007, 41 households received services. It is proposed to fund this program in 2007-2008 in the same amount as the current year, \$190,000, and staff will recommend that the funds continue to support the program as provided by VICS.

PUBLIC NOTICE AND COMMENTS

The CDBG requirements for citizen participation in the application process were met by publishing an announcement in the *Beverly Hills Courier* on January 25, 2008 and posting a notice in public buildings on January 18, 2007 for the January 29, 2008 City Council meeting.

FISCAL IMPACT

Programs proposed to be funded with the Federal Community Development Block Grant (CDBG) will not impact the City's General Fund except to the extent that the 10% (\$26,004) proposed to fund a consultant to administer the program will not be available for other uses such as staff salaries.

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Vincent P. Bertoni, AICP
Approved By

Attachment 1

Resolution Approving CDBG Objectives for 2008-2009

RESOLUTION NO. 08-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING A FINAL STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES AND PROJECTED USE OF FUNDS FOR THIRTY-FOURTH YEAR (2008-2009) 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 Final Statement of Community Development Objectives and Projected Use of Funds for Thirty-Fourth Year (2008-2009) Funding under the Housing and Community Development Act of 1974, as amended, 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) 2008-2009 Planning Summary, is hereby approved, subject to the right of the City to amend the Community Development Activity Program.

Application Planning Summary

Services for Seniors	\$ 39,006
Handyworker Services	\$190,000
Management	\$ 26,004
Contingency	<u>\$ 5,036</u>
TOTAL	\$260,046

Should the City's final allocation of funds vary from the figure used in the 2008-2009 Planning Summary, the Director of Community Development is authorized to distribute the final allocation proportionally among the approved projects.

Section 2. The Mayor is authorized and directed to approve the Final Statement on behalf of the City and the City Clerk is directed to attest thereto.

Section 3. The City Clerk shall furnish a copy of the approved Final Statement and a copy of this resolution to: Josie Sifuentes, Program Manager, Community Development Block

Grant Division, Community Development Commission, County of Los Angeles, 2 Coral Circle,
Monterey Park, California 91755.

Section 4. 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.

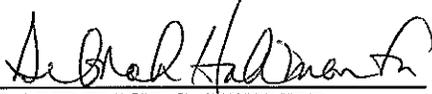
Adopted:

JIMMY DELSHAD
Mayor of the City of Beverly Hills, California

ATTEST:

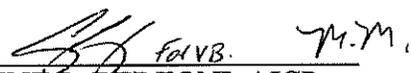
(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:

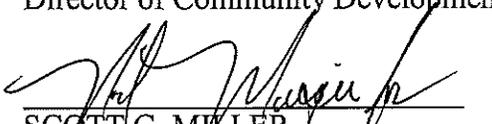


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



VINCENT P. BERTONI, AICP
Director of Community Development



SCOTT G. MILLER
Director of Administrative Services/
Chief Financial Officer

Attachment 2

Resolution Approving CDBG Objectives for 2007-2008

RESOLUTION NO. 08-R-

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS
AMENDING A FINAL STATEMENT OF COMMUNITY
DEVELOPMENT OBJECTIVES AND PROJECTED USE OF FUNDS FOR
THIRTY-THIRD YEAR (2007-2008) 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 Final Statement of Community Development Objectives and Projected Use of Funds for Thirty-Second Year (2007-2008) Funding under the Housing and Community Development Act of 1974, as amended, 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) 2007-2008 Planning Summary, is hereby amended to include a new project using the City's unallocated CDBG funds from pervious years.

Previously Approved Application Planning Summary

Services for Seniors	\$ 40,167
Handyworker Services	\$190,000
Management	\$ 26,780
Contingency	<u>\$ 10,857</u>
TOTAL	\$267,804

Amended Planning Summary

Services for Seniors	\$ 40,167
Handyworker Services	\$190,000
Management	\$ 26,780
Contingency	\$ 10,857
Emergency Family Shelter Project	<u>\$200,000</u>
TOTAL	\$467,804

Section 2. The Mayor is authorized and directed to approve the Amended Final Statement on behalf of the City and the City Clerk is directed to attest thereto.

Section 3. The City Clerk shall furnish a copy of the approved Amended Final Statement and a copy of this resolution to: Josie Sifuentes, Program Manager, Community

Development Block Grant Division, Community Development Commission, County of Los Angeles,
2 Coral Circle, Monterey Park, California 91755.

Section 4. 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:

JIMMY DELSHAD
Mayor of the City of Beverly Hills, California

ATTEST:

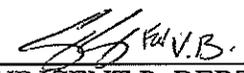
(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:

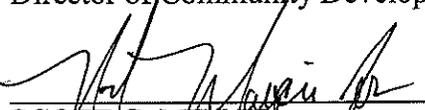


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

 *for V.B.* *77.571*

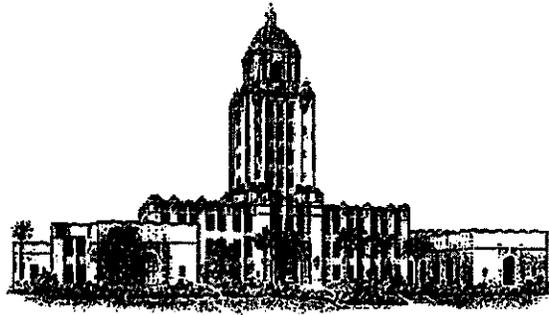
VINCENT P. BERTONI, AICP
Director of Community Development



SCOTT G. MILLER
Director of Administrative Services/
Chief Financial Officer

Attachment 3

**August 21, 2007 City Council
Staff Report**



CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: August 21, 2007
To: Honorable Mayor & City Council
From: Maria Rychlicki, Human Services Director
Michele McGrath, Senior Planner
Subject: Community Development Block Grant Funds: Proposed to Assist
in Funding Regional Upward Bound Emergency Family Shelter

INTRODUCTION

Staff has received a request from Upward Bound, a community based, nondenominational 501C(3) nonprofit social service agency founded to address unmet housing and social service needs of homeless and very low income elderly in the region, to assist in funding a regional Emergency Family Shelter in nearby Culver City. The project qualifies for the City's accumulated CDBG construction project funds benefiting low and moderate income individuals. These funds must be spent down in the near future or risk recapture by Los Angeles County.

DISCUSSION

The City receives an annual allocation of federal Community Development Block Grant (CDBG) funds through the Los Angeles Community Development Commission. These funds must be used to assist low to moderate income persons and households in the City. CDBG funds that the City does not expend within a year are banked at the County to fund CDBG-eligible activities in future years. However, as of March 31st of each year, the City may not retain more than 150 percent of its current year's unexpended allocation. This is known as the "drawdown requirement." It can be particularly difficult for cities such as Beverly Hills, without qualified low-income areas, to find CDBG-eligible projects. Currently the City has approximately \$300,000 of CDBG funds available for eligible construction projects.

Generally, CDBG-funded projects must be located within the City's jurisdiction except for projects serving the homeless. Such projects may be located anywhere in the County as they will still benefit homeless persons from the city providing the CDBG funds. Since the City has been unable to build a large enough CDBG construction fund for an eligible development within the City limits and unused funds must be returned to the Federal government within a specified time period, it makes sense to continue to apply the funding in support of a regional construction project that may be used by the City's homeless.

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The City has been proud of its record in spending its CDBG funds in support of eligible projects since 1974. The City has previously accumulated CDBG funds that have contributed toward the construction projects such as the senior center at Roxbury Park, the Beverly Hills Senior housing building, as well as new regional homeless access centers developed by New Directions at the West Los Angeles Veterans Administration facility and by PATH (People Assisting the Homeless) in the East Hollywood/Korea town area.

In the absence of an approved project, earlier this year the City Council approved selling \$75,000 of the City's CDBG dollars to the City of San Fernando to meet the drawdown requirement and in return received \$41,250 in unrestricted general funds from the City of San Fernando.

Staff has been researching promising projects and the Upward Bound project is the only known project that complies with CDBG requirements with respect to the City's unexpended funds. Culver City Vice Mayor Carol Gross has expressed support of the project at Westside Council of Governments (COG) Homeless Committee meetings.

Following is information about the project and the sponsoring organization:

About the Project: Upward Bound House (UBH) plans to purchase the existing Sun Bay Motel, located at 12841 W. Washington Boulevard in Culver City, and change the use from a motel to an Emergency Family Shelter for minor children and their families.

UBH is seeking a Conditional Use Permit (CUP) from Culver City to change the use. The Planning Commission will conduct a public hearing in October. Culver City planning staff advises that UBH has been working closely with the community and to date there has been support by neighbors.

Residents of the new facility will be families in crisis. Each family will have its own secure place where the children will be safe while the parents work daily with case managers to identify permanent housing solutions.

About the Organization: UBH is a community-based, non-denominational, 501C(3) nonprofit social service agency founded to address the unmet housing and social service needs of homeless families and very low-income elderly. It was founded in 1990.

Project Highlights:

- 18 units for children and their families, plus two units for on-site staff.
- The emergency family shelter will serve approximately 210 children and their parents each year, becoming a significant resource in the region's effort to place vulnerable children in safe, dignified housing.
- Intensive case management will focus on getting families moved into the regional continuum of care and placed in more suitable housing within 90 days.
- UBH staff will live at the facility and be on site 24/7
- Before being selected to participate in UBH's emergency family shelter, all applicants will undergo a thorough screening process at another location. No intake of families will be done on-site.

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- The program will have a limited budget for housing assistance.
- All residents will sign a code of conduct and adhere to a 9 p.m. curfew as a condition of living at the site.
- The property will be brought into compliance with the Americans with Disabilities Act (ADA) for handicapped accessibility.
- The emergency family shelter will include a sophisticated digital security system that will allow 24/7 visual monitoring of the facility's common spaces.
- No cooking will be allowed in the units. Each unit will have a mini fridge and microwaves, but all other cooking appliances will be strictly forbidden.

Capital Funding: The purchase price of the Sun Bay Motel is \$3,000,000. Total anticipated costs to convert the motel to an emergency family shelter are \$350,000. These costs include both hard construction costs and soft development costs. Total capital needs: \$3,350,000. Renovation costs are significantly lower than new construction costs.

Below is a summary of the committed and anticipated sources of capital funding.

Source	Amount
State BHAP Loan*	\$1,000,000
Ralph M. Parsons Foundation*	\$250,000
The Annenberg Foundation*	\$250,000
The Ahmanson Foundation*	\$250,000
City of Santa Monica**	\$400,000
City of Los Angeles**	\$400,000
City of Beverly Hills**	\$200,000
LA County Supervisor Yaroslavsky & Burke Discretionary Funds*	\$600,000
City of Culver City	***
Total	\$3,350,000

* Funds have been committed.

** UBH is in the process of applying for funding from local cities for Community Development Block Grant funding. These funds will complete their capital needs to purchase and convert the motel into an emergency family shelter.

*** UBH is not requesting capital funding from Culver City. UBH will be seeking operating funds, in an amount as yet undetermined.

City of Los Angeles Council member Rosendahl introduced a motion in July to consider funding the project.

FISCAL IMPACT

The project qualifies for the City's accumulated CDBG construction project funds benefiting low and moderate income individuals. These funds must be spent down in the near future or risk recapture by Los Angeles County. The City has approximately \$300,000 of funding in this category.

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RECOMMENDATION

It is recommended that the City Council commit up to \$200,000 of CDBG construction funds to the Upward Bound Emergency Family Shelter project. Should the City Council consider funding the project, staff will request a formal request for funding from Upward Bound House.

Maria Rychlicki / Michele McGrath

Approved By

Attachment 4

Exhibit: Status of CDBG Funding Allocations (2002/03 – 2008/09)

STATUS OF CDBG FUNDING ALLOCATIONS (2002/03 - 2008/09)

<u>Year</u>	<u>Annual Allocation of CDBG Funds</u>		<u>Project Title</u>	<u>Project Status</u>
	<u>(Total)</u>	<u>(By Project)*</u>		
2002-2003	287,666	\$20,000 \$8,767 \$180,000 \$71,917 \$6,982	Planning Management Handyworker Services Services For Seniors Contingency	Completed Completed Completed Completed Requires Contract
2003-2004	322,575	\$28,000 \$4,257 \$190,000 \$80,643 \$19,675	Planning Management Handyworker Services Services For Seniors Contingency	Under Contract Under Contract Under Contract Under Contract Requires Contract
2004-2005	314,393	\$28,000 \$3,439 \$190,000 \$47,158 \$45,796	Planning Management Handyworker Services Services For Seniors Contingency	Under Contract Under Contract Under Contract Under Contract Requires Contract
2005-2006	297,782	\$28,000 \$1,778 \$190,000 \$44,667 \$33,337	Planning Management Handyworker Services Services For Seniors Contingency	Under Contract Under Contract Under Contract Under Contract Requires Contract
2006-2007	267,804	\$26,780 \$190,000 \$40,167 \$10,857	Management Handyworker Services Services For Seniors Contingency	Under Contract Under Contract Under Contract Requires Contract
2007-2008	267,804	\$26,780 \$190,000 \$40,167 \$10,857	Management Handyworker Services Services For Seniors Contingency	Under Contract Under Contract Under Contract Requires Contract
2008-2009	260,046	\$26,004 \$190,000 \$39,006 \$5,036	Management Handyworker Services Services For Seniors Contingency	Requires Contract Requires Contract Requires Contract Requires Contract
Total unexpended Funds from previous years – approximately \$300,000.00 (contingency plus unexpended funds)				

* This column represents a breakdown of the CDBG annual allocation, but does not necessarily represent final contract figures. For some projects, the annual allocation is supplemented with unexpended funds from previous years' allocations of funds ("Contingency") and sometimes new projects are added mid-year if funds are available. The City Council approves all contracts with service providers and this typically occurs in June.