



## AGENDA REPORT

**Meeting Date:** February 7, 2012  
**Item Number:** D-3  
**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 OBJECTIVES AND PROJECTED USE OF FUNDS FOR THIRTY-EIGHTH YEAR (2012-2013) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED

**Attachments:** 1. Resolution

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### **RECOMMENDATION**

Staff recommends the City Council adopt the attached Resolution approving the City's annual application to the Los Angeles County Community Development Commission (LACDC) for the 2012-2013 Program year funds under the federal Community Development Block Grant (CDBG) program. Staff also recommends that these funds be allocated to continue to support the City's current programs benefiting low to moderate-income residents. Finally, staff recommends City Council approve the selling of unspent CDBG funds to be in compliance with the Los Angeles County Community Development Commission (LACDC) drawdown requirement for FY 2011-2012.

### **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 specific programs for funding in the future. The 2012-2013 program year begins July 1, 2012, consistent with the City's fiscal year.

The federal allocations for 2012-2013 have not yet been finalized. However the City has been informed that it's preliminary CDBG funding estimate is \$180,307. The estimate is

approximately \$50,946 less than our current year allocation of \$231,253, reflecting significant cuts in CDBG funding. Any difference in the final funding figure would be distributed proportionally among the proposed programs. To offset the decrease in the FY 2012-13 allocation, staff recommends using approximately \$73,209 of unallocated funds remaining from prior years.

Administrative Authority costs are no longer provided through the LACDC allocation. Instead, these fees will be charged as a direct project cost when eligible. Up to fifteen percent (15%) of the FY 2012-2013 allocation may be used for public service programs such as the Services for Seniors program. The remaining balance of CDBG funds is to be used to administer the programs and fund the City's Handyworker Program.

#### PROPOSED CDBG BUDGET FOR 2012-2013

Services for Seniors	\$ 27,046.00
Handyworker Services- Multi-Family	\$ 88,988.00
Handyworker Services- Single Family	\$ 137,482.00
<b>TOTAL</b>	<b>\$ 253,516.00</b>

The City receives an annual allocation of federal Community Development Block Grant (CDBG) funds through the Los Angeles Community Development Commission (LACDC). 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 in a particular year 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.

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. In fact, the LACDC just sent a *First Notice of Intent to Recapture Excess CDBG Funds*, since according to their records, the City as of January 19, 2012 is currently exceeding its drawdown requirement by more than \$100,000.00.

#### **DISCUSSION**

Below are descriptions of the activities proposed for CDBG funding in 2012-2013 and an explanation of how the City can meet the CDBG drawdown requirement.

##### **Services For Seniors Program**

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. It is recommended that the 15% public service allocation of \$27,046 continue to support the JFS Senior Case Management program.

##### **Handyworker Programs**

The City historically has funded both Multi-Family and Single-Family Handyworker Programs. 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 \$88,988, and the Single-Family Program be funded in the amount of \$137,482.00

**CDBG Drawdown Requirement**

The CDBG regulations are stringent and it can be difficult to identify projects eligible for CDBG funding. Often, the City does not expend all of its CDBG funds so unallocated funds have accumulated. Staff has been researching promising projects but none are ready to fund. 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.

The City is proud of its record in spending its CDBG funds on eligible projects since 1974. The City has previously accumulated CDBG funds and has contributed the funds to construction projects such as the Beverly Hills Senior Housing building on Crescent, as well as the Upward Bound House Project in Culver City. It is noted that all CDBG-funded projects must be located within the City's jurisdiction except for projects serving the homeless which may be located anywhere in the County where they will still benefit homeless persons from the city providing the CDBG funds

An alternative is for a city to exchange CDBG funds with another city for unrestricted general funds. In the past the City of Beverly Hills received an exchange rate of \$.55 per CDBG dollar (e.g., March 2007, City of San Fernando and February 2009, City of Hawaiian Gardens). Presently, the City can obtain \$.70 per CDBG dollar from the City of Hawaiian Gardens. Staff is proposing a one-time exchange of \$90,000 in CDBG funds with the City of Hawaiian Gardens in return for \$63,000 in unrestricted general funds.

**PUBLIC NOTICE AND COMMENTS**

The CDBG requirements of citizen participation in the application process were met by posting notices on January 24, 2012.

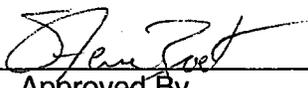
**FISCAL IMPACT**

Costs associated with these programs will be reimbursed to the City at the end of the fiscal year using CDBG funds. The sale of unexpended CDBG funds could add \$63,000 to the General Fund, although staff plans to propose the use of these funds for the purchase of a dedicated permanent supportive housing unit outside the city to benefit Beverly Hills' homeless community.

Scott Miller, Chief Financial Officer

  
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Finance Approval

Steve Zoet, Director C.S.

  
\_\_\_\_\_  
Approved By

**ATTACHMENT I**

**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-EIGHTH YEAR (2012-2013) FUNDING  
UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS  
AMENDED**

RESOLUTION NO. 12-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-EIGHTH YEAR (2012-2013) 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 2012-2013 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) 2012-2013 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	\$ 27,046
Handyworker Services	
Single Family Units	\$ 137,482
Multi-Family Units	<u>\$ 88,988</u>
TOTAL	\$ 253,516

Should the City's final allocation of funds vary from the figure used in the 2012-2013 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 2012-2013 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 2012-2013 CDBG Program and Budget and a copy of this resolution to: Community Development Block Grant Division, Community Development Commission, County of Los Angeles, 2 Coral Circle, Monterey Park, California 91755.

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:

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BARRY BRUCKER  
Mayor of the City of Beverly Hills, California

ATTEST:

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BYRON POPE  
City Clerk

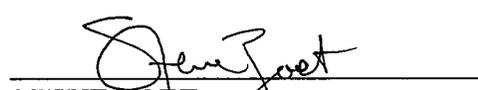
(SEAL)

APPROVED AS TO FORM:



LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:



STEVE ZOET  
Assistant Director of Community Services



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