



## AGENDA REPORT

**Meeting Date:** January 24, 2013  
**Item Number:** D-1  
**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-NINTH YEAR (2013-2014) FUNDING UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED

**Attachments:**

1. Resolution
2. Community Development Block Grant Income Limits
3. April 2012 Press Release
4. Discontinuation of CDBG Exchange of Funds Policy

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### **RECOMMENDATION**

Staff recommends the City Council adopt the attached Resolution (attachment 1) approving the City's annual application to the Los Angeles County Community Development Commission (LACDC) for the 2013-2014 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 (attachment 2).

### **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 2013-2014 program year begins July 1, 2013, consistent with the City's fiscal year.

The federal allocations for 2013-2014 have not yet been finalized. However the City has been informed that it's preliminary CDBG funding estimate is \$168,062. The estimate is

approximately \$12,245 less than this current year allocation of \$180,307. Any difference in the final funding figure would be distributed proportionally among the proposed programs.

Up to fifteen percent (15%) of the FY 2013-2014 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 and fund the City's Multi-Family and Single Family Handyworker programs.

As a result of the 2012-13 CDBG budget cuts, Jewish Family Services closed their Handyworker Services program. Jewish Family Services will continue to provide the Services For Seniors Program. A Request For Proposal (RFP) was sent out to nine qualified organizations for bid. The following three organizations responded: Mexican American Opportunity Foundation (MAOF), SJC3 Consulting and Willdan Engineering Inc. An evaluation panel comprised of Human Services, Code Enforcement and Library Services scored each of the submissions and determined Willdan Engineering Inc. to be the most qualified provider. Willdan Engineering has extensive experience providing community development services and has administered the CDBG program for the City for the past five years.

To offset the cumulative decrease of nearly 30% in the FY 2012-2013 and FY 2013-14 allocations, staff recommends budgeting this year's allocation of \$168,062 and all unallocated funds of \$135,446 for a total of \$303,508 to maintain the Services For Seniors program, continue the Multi-Family handyworker program at the same level as last fiscal year and expand the Single Family handyworker program from a maximum \$5,000 grant per household to a maximum \$15,000 grant. Actual needs and approved projects may fall well below the maximum allocation.

The increased grant is being recommended to assist qualified low to moderate-income residents in meeting the July 1, 2013 requirement that all roofs in Beverly Hills meet Class A fire retardant standards (attachment 3). The Los Angeles County Community Development Commission approved the use of CDBG funds for minor roof repair and fire mitigation without a significant increase in program restrictions. The Single Family handyworker services now have the flexibility to provide minor roof repair and application of fire retardant to extend the life of wood roofs.

#### **PROPOSED CDBG BUDGET FOR 2013-2014**

Services For Seniors	\$ 25,209.00
Handyworker Services- Multi-Family	\$ 88,988.00
Handyworker Services- Single Family and Roof Repair (Housing Rehabilitation)	\$ 189,311.00

<b>TOTAL</b>	<b>\$ 303,508.00</b>
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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 (\$270,460). 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.

On November 1, 2012 the U.S. Department of Housing and Urban Development (HUD) discontinued the Exchange of Funds policy (attachment 4). The City of Beverly Hills can no longer exchange funds to help meet the drawdown requirement. Increasing the Single Family budget provides the flexibility to utilize funds for more extensive repairs and allow the City to meet the drawdown requirement on a regular basis.

## **DISCUSSION**

Below are descriptions of the activities proposed for CDBG funding in 2013-2014 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 \$25,209 continue to support the JFS Senior Case Management program.

### **Handyworker Programs/Housing Rehabilitation**

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 \$189,311.

### **CDBG Drawdown Requirement**

The CDBG regulations are stringent which make it difficult to identify projects eligible for CDBG funding. Often, the City does not expend all of its CDBG funds so unallocated funds have accumulated. 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. This year the Wood Roof Replacement Ordinance offers an opportunity to assist eligible residents with more than just minor home repairs.

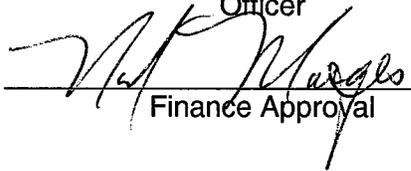
## **PUBLIC NOTICE AND COMMENTS**

The CDBG requirements of citizen participation in the application process were met by posting notices on January 10, 2013.

**FISCAL IMPACT**

Costs associated with these programs will be reimbursed to the City at the end of the fiscal year using CDBG funds.

Noel Marquis, Acting Chief Financial  
Officer

  
\_\_\_\_\_  
Finance Approval

Steve Zoet, Director C.S.

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

# Attachment 1

Resolution

RESOLUTION NO. 13-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-NINTH YEAR (2013-2014) 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 2013-2014 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) 2013-2014 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	\$ 25,209
Housing Rehabilitation Handyworker Services	
Single Family Units	\$ 189,311
Multi-Family Units	<u>\$ 88,988</u>
TOTAL	\$ 303,508

Should the City's final allocation of funds vary from the figure used in the 2013-2014 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 2013-2014 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 2013-2014 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:

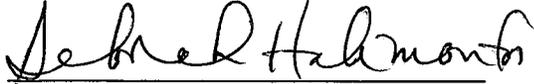
\_\_\_\_\_  
WILLIAM W. BRIEN, M.D.  
Mayor of the City of Beverly Hills, California

ATTEST:

\_\_\_\_\_  
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



NOEL MARQUIS  
Acting Director of Administrative Services/Chief  
Financial Officer

# Attachment 2

Community Block Grant Income Limits



LOS ANGELES COUNTY

# CDBG BULLETIN



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

NUMBER: 12-0034

SUBJECT: 2013 INCOME GUIDELINES

DATE: December 27, 2012

EFFECTIVE DATE: IMMEDIATELY

PAGE 1 OF 2

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

The 2013 income guidelines (effective December 11, 2012) for use in the Community Development Block Grant (CDBG) Program are listed below. These guidelines should be used to determine compliance with the national objective of providing benefit to low- and moderate-income 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.

### INCOME LIMITS

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Moderate-Income	\$46,400	\$53,000	\$59,650	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450
Low-Income	\$29,000	\$33,150	\$37,300	\$41,400	\$44,750	\$48,050	\$51,350	\$54,650
Extremely Low-Income	\$17,400	\$19,900	\$22,400	\$24,850	\$26,850	\$28,850	\$30,850	\$32,850

Please note that the 2013 median family income for Los Angeles County is \$61,900.

These guidelines refer to low-income and extremely low-income. In order to clarify any misunderstanding resulting from the differences in terms between the Public Housing/Section 8 Programs and the CDBG Program, the following is provided for your information:

<b>COMPARISON OF TERMS IN DETERMINING INCOME LEVELS</b>		
<b>CDBG</b>	<b>SECTION 8</b>	<b>PERCENT OF MEDIAN</b>
Extremely Low-Income	Extremely Low-Income	Equal to or less than 30%
Low-Income	Very Low-Income	31% to 50%
Moderate-Income	Low-Income	51% to 80%

For all agencies utilizing CDBG-approved *Public Self-Certification Forms*, please be sure to incorporate these revised income guidelines into your forms immediately.

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

Sincerely,

  
TERRY GONZALEZ, Director  
Community Development Block Grant Division

# Attachment 3

April 2012 Press Release



For Immediate Release  
April 4, 2012  
Contact: Therese Kosterman  
(310) 285-2456

**Deadline Approaches for Replacing Wood Roofs**  
*Residents Warned Against Roofing Companies That Claim City Endorsement*

Beverly Hills, CA – On July 1, 2013, just 15-months from now, all roof coverings in Beverly Hills must meet Class A fire retardant standards. Owners of homes and buildings covered with wood roofs are urged to begin the process of replacing their roofs in order to meet the deadline.

Contrary to information that some residents and businesses have received, the City has NOT certified or approved any roofing companies to replace these roofs. Home and business owners should carefully select a qualified roofing contractor to perform this work.

Two decades ago, the City of Beverly Hills enacted an ordinance requiring all new roofs to be fire-retardant or to have Class A roof assemblies. A dry climate, seasonal winds and topography make the City vulnerable to devastating brush fires, and the ordinance was designed to protect the lives and property of Beverly Hills residents.

In 2007, a brush fire ripped through Franklin Canyon and sent flying embers to nest in the wood rooftops of three Beverly Hills homes, which suffered significant damage. Following the fire the City added specific requirements prohibiting any wood roof coverings in the city.

For more information about the roofing ordinance, go to the City's website, [www.beverlyhills.org/woodroof](http://www.beverlyhills.org/woodroof) or call the Division of Building and Safety Department at (310) 285-1141 or the Fire Department at (310) 281-2700.

###

# Attachment 4

Discontinuation of CDBG Exchange of Funds Policy



**COMMUNITY DEVELOPMENT COMMISSION**  
**of the County of Los Angeles**

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323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina  
Mark Ridley-Thomas  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich  
Commissioners

**Sean Rogan**  
Executive Director

November 1, 2012

Jeff Kolin, City Manager  
City of Beverly Hills  
455 North Rexford Drive  
Beverly Hills, CA 90210-4857

Dear Mr. Kolin:

**DISCONTINUING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
EXCHANGE OF FUNDS POLICY**

For more than 25 years, the Los Angeles Urban County Program has allowed Participating Cities with unused Community Development Block Grant (CDBG) funds to exchange with other participating cities for general tax revenues. This policy is **not** prohibited by CDBG regulations, and the U.S. Department of Housing and Urban Development (HUD) has been aware and has consistently approved of this practice.

However, due to recent criticism of this practice by a member of Congress, HUD has issued a directive to us to discontinue allowing the exchange or transfer of CDBG funds between our participating cities. Therefore, effective immediately, no further exchanges or transfers will be approved, including any that are in process. CDBG Bulletin No. 12-0016, *Revising Policies on Exchanges of CDBG Funds*, is hereby revoked.

This reversal of our long-standing policy is unfortunate. We will, however, work with you to assist in determining which projects will best meet the needs of your individual communities.

In conclusion, we value the partnership we have with you and know that together we make the Los Angeles Urban County CDBG Program one of the best in the nation. If you have any questions regarding this change, please contact Terry Gonzalez, CDBG Director, at (323) 890-7150.

Sincerely,

SEAN ROGAN  
Executive Director

TG:LJ:HR:RDW:rb  
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