



## AGENDA REPORT

**Meeting Date:** January 26, 2016

**Item Number:** E-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 BLOCK GRANT OBJECTIVES AND PROJECTED USE OF FUNDS FOR FORTY-SECOND YEAR (2016-2017) 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 2016-2017 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 these funds be allocated to continue supporting the City's 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 programs for funding in the future. The 2016-2017 program year begins July 1, 2016, consistent with the City's fiscal year.

The federal allocations for 2016-2017 are not final, however the City was informed its preliminary CDBG funding estimate is \$162,669. The estimate is \$3,320.00 less than

this current year allocation of \$165,989. Any difference in the final funding figure will be distributed proportionally among the proposed programs. One hundred 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. Staff anticipates a continued increase demand for handyworker services from residents in multi-family units with the advent of the Tenant Landlord Public Forum.

February 17, 2015, Michael Baker International, a leading global provider of engineering and consulting services, enhanced its West Coast operations with the acquisition of Pacific Municipal Consulting (PMC). PMC served as the City's CDBG consultant since 2013. Fortunately, Michael Baker International has completed this acquisition without staff changes or interruption to City's housing rehabilitation services. The total administrative cost for FY 2015-16 CDBG was 9.1%. For FY 2016-17, Michael Baker International proposes a slight increase to 9.2%.

Staff recommends budgeting this year's allocation of \$162,669 to continue the Multi-Family handyworker program of \$10,000 per household 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 2016-2017**

FY 2016-2017 Funds	
Handyworker Services - Multi-Family	\$ 90,959.00
Handyworker Services - Single Family	\$ 71,710.00
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TOTAL	\$ 162,669.00

#### **DISCUSSION**

Below are descriptions of the activities proposed for CDBG funding in 2016-2017 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 \$90,959.00 and the Single-Family Program be funded in the amount of \$71,710.64.

##### 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.

Meeting Date: January 26, 2016

The Single Family budget of \$71,710.00 and this year's continued 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.

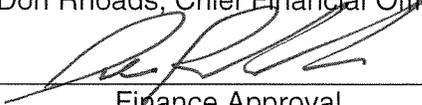
**PUBLIC NOTICE AND COMMENTS**

The CDBG requirements of citizen participation in the application process were met by posting notices on January 12, 2016 (attachment 3).

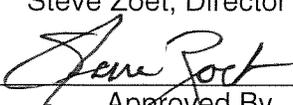
**FISCAL IMPACT**

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

Don Rhoads, Chief Financial Officer

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

Steve Zoet, Director C.S.

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

# **Attachment 1**

RESOLUTION NO. 16-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-SECOND YEAR (2016-2017) 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 2016-2017 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) 2016-2017 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	\$ 71,710.64
Multi-Family Units	<u>\$ 90,959.00</u>
TOTAL	\$ 162,669.64

Should the City's final allocation of funds vary from the figure used in the 2016-2017 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 2016-2017 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 2016-2017 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.

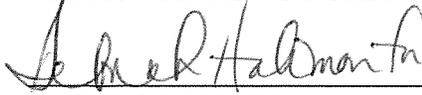
Adopted:

\_\_\_\_\_  
JULIAN A. GOLD, M.D.  
Mayor of the City of Beverly Hills, California

ATTEST:

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

APPROVED AS TO FORM:



DAVID M. SNOW  
Interim 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:	<b>F515-0001</b>	SUBJECT:	<b>REVISED 2015 INCOME GUIDELINES</b>
DATE:	<b>April 2, 2015</b>	EFFECTIVE DATE:	<b>IMMEDIATELY</b>
		PAGE	<b>1 OF 2</b>

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

The 2015 income guidelines (effective March 6, 2015) for use in the Community Development Block Grant (CDBG), First Five LA (F5) Programs, and Homeless and Housing Program Fund (HHPF) 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.

The CDBG Program defines annual income according to the Section 8 Housing Assistance Payments Program, thus we are subject to the definition of "Extremely Low-Income," per the 2014 Consolidated Appropriations Act. Since the 30% Average Median Income (AMI) limits are not the same as the "Extremely Low-Income" limits, the CDBG Program must use the income guidelines, as outlined below.

### INCOME LIMITS

Number of Persons	Extremely Low-Income	Low-Income	Moderate-Income
1	\$17,450	\$29,050	\$46,500
2	\$19,950	\$33,200	\$53,150
3	\$22,450	\$37,350	\$59,800
4	\$24,900	\$41,500	\$66,400
5	\$28,410	\$44,850	\$71,750
6	\$32,570	\$48,150	\$77,050
7	\$36,730	\$51,500	\$82,350
8	\$40,890	\$54,800	\$87,650

Please note that the 2015 median family income for Los Angeles County is \$63,000.

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

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

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

Participating Agencies

April 2, 2015

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 and HHPF Programs).

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:AM:BT:KYH:RG:vu

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## **Attachment 3**



CITY OF BEVERLY HILLS

NOTICE OF PUBLIC HEARING
FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FOR THE
2016-2017 FISCAL YEAR

NOTICE IS HEREBY GIVEN that the City of Beverly Hills City Council shall hold a public hearing on Tuesday, January 26, 2016, 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 2016-2017 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 2016-2017 Fiscal Year allocation is approximately \$162,669. 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 2016-2017 Fiscal Year allocation, or approximately \$24,400.35 can be allocated for public services. It is proposed that the 2016-17 CDBG funding continue to support the City's ongoing Housing Rehabilitation programs. The proposed funding is as follows: Housing Rehabilitation - Single Family Units (\$71,710), and Housing Rehabilitation - Multi-Family Units (\$90,959).

All interested parties are invited to attend the public hearing for the use of the City's CDBG funds during the 2016-2017 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.

Posted: January 12, 2016

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 1-12-16 AT 3:45 pm A.M. / P.M., I PERSONALLY POSTED THIS NOTICE/AGENDA ON THE BULLETIN BOARDS OF THE CITY'S COUNCIL CHAMBERS, CITY LIBRARY AND REXFORD PARKING STRUCTURE.

DATE

SIGNATURE