



CITY OF BEVERLY HILLS  
**STAFF REPORT**

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

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**INTRODUCTION**

Staff has received a request from Upward Bound, a community based, nondenominational 501©(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 31<sup>st</sup> 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) BH 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 space 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, 501(c)(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 Housing First component and 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 cover 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.

<u>Source</u>	<u>Amount</u>
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**	\$200,00
LA County Supervisor Yaroslavsky & Burke Discretionary Funds*	\$600,00
<b>Total</b>	<b>\$3,350,000</b>

\* 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.

City of Los Angeles Council member Rosendahl introduced a motion in July to consider funding the project. UBH is not requesting capital funding from Culver City but will be seeking operating funds.

### **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 of 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 consider committing 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 / Michelle McGrath

Approved By