

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 10/10/05		Item Number: <u>A-10</u>	
AGENDA ITEM: Allocate and Appropriate Unallocated CDBG Funds, totaling \$26,105.78, to Extend the Washington Streetlight Improvement Project west from Redwood to Glencoe Avenue for Program Year 2005/2006.			
Contact Person/Dept.: Akil Manley/Admin.		Phone Number: 310-253-6015	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: 2005/2006 CDBG Advisory Committee; Master Notification List 10/5/05			
Department Approval: Jerry Fulwood 10/3/05		CAO Approval: Scott Bixby for Jerry Fulwood 10/4/05	
City Controller Approval: Mary Noller for Marlee Chang 10/4/05			

RECOMMENDATION:

Staff recommends that the City Council (the "Council") direct staff to allocate and appropriate unallocated Community Development Block Grant (CDBG) funds, totaling \$26,105.78, to extend the Washington Streetlight Improvement Project west from Redwood to Glencoe Avenue (two additional street blocks) for CDBG program year 2005/2006.

This is a budget amendment item that requires a 4/5ths vote for approval.

BACKGROUND:

CDBG funds available for City projects for program year 2005/2006 totaled \$370,805. Of the total available funds, \$18,858 was carried over from program year 2003/2004. On January 28, 2005, the City submitted five (5) City Council approved CDBG projects to Los Angeles Community Development Commission (LACDC) for its consideration for 2005-2006 CDBG funding, as described in Attachment 1.

On August 22, 2005, the City received official notification from LACDC that the Fire Department's "Medical Supply Trailer / Supplies and Thermal Imager" project was ineligible for funding. LACDC determined the project service area, Fire District No. 1 and District No. 2, did not qualify under Housing and Urban Development's (HUD) National Objective of Low/Moderate Income Area Benefit (LMA). To qualify under the LMA guideline, fifty-one percent (51%) of the residents served by the project must meet the minimum of low/moderate incomes of the HUD median income for Culver City's Metropolitan Statistical Area (MSA).

In submitting the "Medical Supply Trailer / Supplies and Thermal Imager" project

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proposal, the City received indication from LACDC that the project would qualify under the LMA guideline. From late July 2005, City staff worked with LACDC to explore alternatives to qualify the project, but none were available. Because of the project's ineligibility, funds were not allocated, leaving the City with an unallocated CDBG balance of \$20,703.

On September 29, 2005, the City received notification from LACDC that an additional \$5,402.78 have been carried over from program year 2004/2005, increasing the City's unallocated balance of \$26,105.78.

DISCUSSION:

Below are options the City can employ to allocate the remaining CDBG balance for program year 2005/2006.

Option 1. Carry Over the Remaining Balance to CDBG Program Year 06/07

With this option, like previous years, unallocated funds will be added to the City's next year funding allocation, increasing the total available for CDBG projects by \$26,105.78. The 2006/2007 Community Development Block Grant Advisory Committee (CDBGAC) would take into account the additional money into consideration for planning.

Option 2. Request New Projects for the Current CDBG Program Year

This option would require reconvening the CDBGAC, public hearing process, Council approval, and incurring additional costs, such as staff time. After Council approval, the newly proposed project would be submitted to LACDC for consideration and allocation of the funds, this entire process could range from 2 to 3 months to complete. In considering this option, it is important to note that any new CDBG project approved would have to be completed by June 2006.

Option 3. Request an Amendment to the Contract to Allocate the Unallocated Fund Balance to Expand the Washington Streetlight Improvement Project for Current Program Year

The Washington Streetlight Improvement Project is the only 2005/2006 CDBG approved project that would qualify under this option. To move forward with this option, staff would have to file a request with LACDC to amend the current contract to extend the project's performance goals.

Due to the loss of CDBG funds over the past five years, it is important for the City to reflect a need for federal entitlement funds. With 2006/2007 CDBG program cuts expected to be up to eight percent (8%), it is important for the City to expend CDBG funds within the current program year. Of the three options, staff recommends Council to direct staff to request an amendment to the contract to allocate the unallocated balance to the Washington Streetlight Improvement Project for program year 2005/2006.

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Washington Streetlight Improvement Project

The current Washington Streetlight project consists of upgrading the luminaries of the streetlights and associated circuitry on the northside of the street from Lyceum Avenue to Redwood Avenue. The existing streetlights are on a series, high voltage circuitry, and will be replaced with a new parallel, low voltage circuitry, which makes the streetlights more reliable and efficient than the old lights.

With the allocation of the remaining balance, the project limits would be extended west from Redwood to Glencoe Avenue (two additional street blocks west) to eliminate the gap of high voltage system.

The 2005/2006 CDBG Advisory Committee members have been notified of the unallocated funds and of the staff report's recommendation.

FISCAL ANALYSIS:

The unallocated CDBG funds, totaling \$26,105.78, would be allocated to cover the additional \$18,260 needed to complete the proposed project, and approximately \$7,845.78 of the remaining fund balance will be used to replace Gas Tax Funds, which will be saved and reallocated to other CIP projects. With this option, the City meets the goal of using the most restricted funds for eligible projects before using other funding.

ATTACHMENTS:

1. Memo from Akil Manley, Management Analyst / CDBG Administrator, Regarding 2005-2006 CDBG Allocation.
2. LACDC's Letter, Regarding the Ineligibility of Fire Rescue Equipment Project for Program Year 2005-2006.
3. LACDC's CDBG Bulletin 05-0039, Regarding Current Participating Cities Unallocated Balances following Fiscal Year (FY) 2004-2005.

MOTION:

That the City Council:

1. Approve a budget amendment to transfer grant revenue in the amount of \$26,105.78 and approve the recommendation to appropriate the grant funds of \$26,105.78 in Fiscal Year 2005/2006 to the Washington Streetlight Improvement Project - CIP Project No. 00856.