

**City of Culver City, California
Agenda Item Report**

Meeting Date: 1/23/12		Item Number: PH-2	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING – (1) Consideration of the Community Development Block Grant Fund Allocation for Fiscal Year 2012/2013; (2) Adoption of a Resolution Authorizing the Filing of the Application for Funding; and (3) Approval of a Reimbursable Contract with the County of Los Angeles Concerning Culver City's Allocation.			
Contact Person/Dept.: Kriss Casanova/CDD Todd Tipton / CDD		Phone Number: (310) 253-5769 (310) 253-5783	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☒ No ☐		Date: 12/14/2011 CDBG Advisory Committee	
Public Notification: Published in the Culver City News (12/22/11 and 1/12/12). E-Mail Meetings and Agendas – City Council (01/19/12).			
Department Approval: Sol Blumenfeld (01/18/12)		City Attorney Approval: Carol Schwab (by H. Baker) (01/18/12)	
Chief Financial Officer Approval: Jeff Muir (01/19/12)		City Manager Approval: John Nachbar (01/19/12)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council (1) allocate Community Development Block Grant (CDBG) funds for Fiscal Year (FY) 2012/2013 pursuant to the CDBG Advisory Committee's recommendations; (2) adopt a resolution authorizing the filing of the FY 2012/2013 application for funding from the CDBG program; and (3) approve a CDBG Reimbursable Contract with the County of Los Angeles concerning Culver City's FY 2012/2013 CDBG Allocation. <u>PROCEDURE:</u> 1. Mayor seeks motion from the City Council to receive and file the affidavits of publication and posting of notices and correspondence received in response to the public hearing notices; 2. Mayor calls for a staff report and the City Council Members may pose questions to staff as desired; 3. Mayor seeks a motion to open the public hearing; 4. Mayor seeks motion to close the public hearing after all public testimony has been presented; and 5. The City Council discusses the item and arrives at its decision.			

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BACKGROUND:

The 1974 Housing Act authorized the allocation of block grants to eligible applicant municipalities nationwide to be used in certain broad categories of activities in the areas of housing and community development. Culver City has participated in the CDBG program as a member of the Los Angeles Urban County Entitlement and to date has completed thirty-seven (37) application cycles. During that time, the City has received an aggregate allocation in excess of \$11 million. These funds have been used to construct the Senior Center, improve the City's streetscape and infrastructure, and modify City facilities to comply with the mandates of the Americans with Disabilities Act (ADA). CDBG funds have also been applied to the administration of the CDBG program and to positions providing programs and services for people with disabilities and the elderly. The program is administered by the Los Angeles County Community Development Commission (LACDC).

The City Council formed the Community Development Block Grant Advisory Committee (CDBGAC) in 1988, which meets annually to evaluate the projects and activities proposed to be funded, hear public comment, and then prioritize and make a recommendation to the City Council as to which projects and activities to fund. The CDBGAC held a community meeting on December 14, 2011, during which the CDBGAC received no public comment before issuing their project priority and funding recommendations for FY 2012/2013.

DISCUSSION:

The anticipated funding is approximately \$212,838 for FY 2012/2013, a substantial decrease from last year's allocation of \$272,073. This decrease is consistent with the on-going trend of funding reductions to the CDBG program. The actual allocation will be finalized by the County in late March, after the submission of the City's CDBG application. Of the total allocation for FY 2012/2013, \$156,104 are obligated for the repayment of a Section 108 Loan which was used to partially fund construction of the City's Senior Center. Approximately \$56,734 remains available to fund other CDBG projects.

Attached is information that describes program regulations and eligibility criteria, as well as proposed project descriptions for FY 2012/2013 submitted by various City departments to the CDBGAC. Per CDBG regulations, funding for public service projects is capped at 15% of the City's FY 2012/2013 total allocation. As in prior years, proposed CDBG projects must have a minimum budget of \$10,000 to be considered. If the total funding amount is less than the anticipated level, adjustments will be made accordingly to public service and capital project allocations.

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The CDBGAC made the following recommendations for the allocation of FY 2012/2013 CDBG funding:

On-Going Public Service Projects:

- Priority 1: Senior Center Section 108 Loan Repayment (\$156,104): A Section 108 loan in the amount of \$2,020,000 was used to partially fund construction of the City's Senior Center. The amount allotted for repayment of the loan in FY 2012-13 is \$156,104. The payment is taken directly from the City's CDBG funding allocation. The obligation to repay this loan will conclude with a final payment being made in August 2014.
- Priority 2: Disability Services Specialist (\$31,926): The funding for this project is a priority of the Parks, Recreation and Community Services Department and the Disability Advisory Committee. This position has been funded in part with CDBG funds for the past 27 years. The Disability Services Specialist assists in the identification of available community services, and implements, conducts and facilitates services and programs for City residents with disabilities. CDBGAC recommends allocating \$31,925.70 (the full amount allowable under CDBG regulations).

Due to funding cuts, the LACDC has reluctantly determined that it can no longer continue to allocate CDBG administrative authority to participating cities in urbanized areas of Los Angeles County. As a result, funding is no longer available to the City for staff time for general administration as had typically been applied in past years (approximately \$30,000 towards the CDBG Administrator's salary). Instead, a small portion of the capital project allocation may be utilized for certain eligible administrative expenses (estimated at \$5,000). Accordingly, the General Administration project recommendation by the CDBG Advisory Committee has been removed from the list.

Proposed Capital Project:

- Priority 3: Sidewalk Repairs (\$24,808): This project will replace uplifted sidewalks and drive approaches in CDBG eligible areas. The funding amount for the sidewalk repair project, currently anticipated at \$24,808, will be dependent upon the final amount of funding received.

FISCAL ANALYSIS:

The position of Disability Services Specialist can only be funded through CDBG at a maximum of \$31,925.70, leaving the remaining salary amount to be funded from Prop C Local Return Funds. Funding would be proposed to be appropriated through the upcoming FY 2012/2013 budget process.

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Summary of CDBGAC funding recommendations for FY 2012/2013:

<u>Priority</u>	<u>Project</u>	<u>Recommended Funding</u>
Priority 1	Senior Center 108 Loan Repayment	\$156,104.00
Priority 2	Disability Services Specialist	\$ 31,925.70
Priority 3	Sidewalk Repairs	\$ 24,808.30
TOTAL CDBGAC RECOMMENDATIONS:		\$212,838.00
ESTIMATED AVAILABLE FUNDING:		\$212,838.00

Due to a reduction in salary reimbursements by the LACDC, the General Fund will need to absorb an additional \$15,000 for general administration of the CDBG program.

ATTACHMENTS:

1. Proposed Resolution authorizing the filing of the City's FY 2012/2013 CDBG application;
2. DRAFT Minutes of the CDBG Advisory Committee Public Hearing conducted on December 14, 2011; and
3. CDBG PowerPoint Presentation.

MOTIONS:

That the City Council:

1. Allocate funding for the proposed FY 2012/2013 CDBG projects;
2. Adopt a resolution authorizing the filing of the FY 2012/2013 application for funding from the CDBG Program, including all certifications;
3. Designate the City Manager as the authorized City official to execute and file all documents pertaining to the CDBG program, including making minor adjustments to project funding to address the actual FY 2012/2013 CDBG Allocation;
4. Approve the CDBG Reimbursable Contract with the County of Los Angeles concerning Culver City's FY 2012/2013 CDBG Allocation;
5. Authorize the City Attorney to review/prepare the necessary documents; and
6. Authorize the City Manager to execute such documents on behalf of the City.