

REPORT TO CITY COUNCIL

DATE: JANUARY 11, 2006

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: CONDUCT A PUBLIC HEARING AND APPROVE RESOLUTION NO. 06-1401, AUTHORIZING THE CITY OF AGOURA HILLS TO PARTICIPATE IN THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR THE THIRTY-SECOND PROGRAM YEAR (2006-2007), AND SELECTING THE PROJECTS THAT ARE TO BE FUNDED

The purpose of this item is for the City Council to conduct a public hearing and to approve the attached Resolution No. 06-1401, authorizing the City's continued participation in the Los Angeles County Community Development Block Grant (CDBG) Program for its thirty-second (32nd) program year (2006-2007), and selecting the projects that are to be funded.

The City of Agoura Hills has participated in the CDBG Program through the Los Angeles County Community Development Commission (CDC) since 1984. Each year, the City Council selects projects to be funded through the CDBG Program. The CDC requires that the selection be conducted under a noticed public hearing.

The CDBG Program is federally funded and is intended to fulfill national objectives to aid persons of low and moderate incomes and to eliminate slum and blight. As such, while participating cities have the flexibility in selecting programs that best suit their needs, these programs must also comply with specific qualification criteria of low-moderate income and slum/blight in order to meet these national objectives.

For the current program year (2005-2006) the City's CDBG allocation is \$105,206, excluding unallocated CDBG funds that were transferred into the Single-Family Housing Rehabilitation Program. Specifically, \$15,780 was allocated to the Senior Citizen Recreation Program, \$8,000 was allocated to program administration, and \$81,426 was allocated to the Single-Family Housing Rehabilitation Program.

HUD's funding for the entire Los Angeles County CDBG Program is expected to decrease during the next program year. Thus, according to the CDC, the City's anticipated CDBG allocation for the upcoming 2006-2007 program year is \$97,616, which represents a \$7,590 or 7.2% decrease from last year's allocation.

The role of the City Council at this time is to select how best to allocate the \$97,616 of CDBG funding available for the 2006-2007 program year. Outlined below are the recommended program selections. These are the same as the current year's programs:

A. SINGLE-FAMILY HOUSING REHABILITATION PROGRAM

In 1998, after completion of a CDBG Needs Assessment Study, the City Council authorized commencement of the CDBG Single-Family Housing Rehabilitation (SFHR) Program to help maintain and improve the housing quality in the City.

The purpose of the SFHR Program is to provide loans of up to \$20,000 and grants of up to \$5,000 to qualified homeowners of low and moderate income to complete home improvements such as remodeling, new roofing, painting, flooring and plumbing. All loans have no interest and all participants may defer payment of the principal until the property is sold, refinanced, or changes title.

The SFHR Program continues to be successful. During this current program year, for example, four projects are under construction and four projects have been approved for the program and are in the Contractor Procurement Phase. Staff would also note that due to its popularity, in 2004 the City Council expanded the Single-Family Housing Rehabilitation Program through use of additional Redevelopment Housing Set Aside Funds.

Approximately 77% of the funds, or \$74,973, could be allocated toward the SFHR Program. This allocation amount would be consistent with the City Council's action in previous years to commit the majority of the CDBG funds to the Housing Rehabilitation Program. The Community Development Commission allows 20 percent of the funds allocated to this program to be used to pay the consultant, MDG Associates, to run the program.

B. SENIOR CITIZEN RECREATION PROGRAM

The City's Senior Citizen Recreation Program is considered a "public service" program that offers recreation classes, wellness programs, social services and special events for seniors at the Agoura Hills Recreation Center. The program has been very successful with over 400 seniors registered in the program annually.

This program is operated on an approximate budget of \$53,500 annually to pay portions of salaries for a Recreation Supervisor, Specialists, and a Clerk Typist. According to HUD rules, a maximum of 15% of CDBG funds may be allocated toward public service programs next year. Therefore, the City could allocate no more than \$14,642 of CDBG funds toward this public service program for this upcoming year. As was done for this current program year and for previous years, the difference of approximately \$38,858 would need to be met by general fund monies.

C. CDBG PROGRAM ADMINISTRATION

The CDC allows cities to use up to 10% of the annual allocation to provide for the administration of current CDBG programs and for the planning of future programs. Although \$9,761 could be allocated, a budget of \$8,000 (or approximately 8% of the CDBG program allocation) will be sufficient to off-set administration costs of the planning, finance, and recreation staff associated with monitoring the above-recommended CDBG programs.

Based on the foregoing analysis, the recommended project selections and allocation amounts for the 2006-2007 program year are shown in Table A below. The project funding ratios are generally the same as for the current program year. Please refer to Table A below for a numeric summary. The City Manager has the authority to modify up to 25% of the project allocation amounts and may also authorize the rollover of unexpended funds remaining at the end of the 2005-2006 program year to the 2006-2007 program year.

TABLE A

<u>PROJECT</u>	<u>ALLOCATION</u>	
Single Family Housing Rehabilitation Program	\$ 74,974	(77%)
Senior Citizen Recreation Program	\$ 14,642	(15%)
<u>CDBG Program Administration</u>	<u>\$ 8,000</u>	<u>(8%)</u>
TOTAL ALLOCATION	\$ 97,616	(100%)

RECOMMENDATION

Staff respectfully recommends that the City Council conduct a public hearing to consider the City's participation in the 32nd year of the CDBG Program, make the selection of CDBG projects and allocation amounts for fiscal year 2006-2007, and adopt a motion to approve the attached Resolution No. 06-1401.

Attachment: Resolution No. 06-1401

RESOLUTION NO. 06-1401

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS
AUTHORIZING PARTICIPATION IN THE LOS ANGELES COUNTY**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM IN THE THIRTY-SECOND PROGRAM YEAR (2006-2007) AND SELECTING THE PROJECTS THAT ARE TO BE FUNDED

WHEREAS, on August 22, 1974, President Nixon signed into law the Housing and Community Development Act (Act) of 1974; and,

WHEREAS, the primary goals of Title I of the Act are the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income; and,

WHEREAS, the City of Agoura Hills has an opportunity to participate in the Urban County Community Development Block Grant Program; and,

WHEREAS, the City has participated in the CDBG program since 1984 and many worthwhile projects have been completed with CDBG funds; and,

WHEREAS, suggestions have been requested from City departments for the utilization of these funds; and,

WHEREAS, the City Council has published information regarding eligible activities under the Act and has conducted a duly noticed public hearing on January 11, 2006 at 7:00 p.m. in the Council Chambers of City Hall, 30001 Ladyface Court, Agoura Hills, California; and,

WHEREAS, both oral and written testimony was presented to the City Council at the public hearing.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Agoura Hills as follows:

Section 1. That the City Council authorizes the City to participate in the Community Development Block Grant Program for the 32nd program year (FY 2006-2007) and selects the following projects and allocation amounts:

<u>PROJECT</u>	<u>ALLOCATION</u>	
Single-Family Housing Rehabilitation Program	\$ 74,974	(77%)
Senior Citizen Recreation Program	\$ 14,642	(15%)
CDBG Program Administration	\$ 8,000	(8%)
TOTAL ALLOCATION	\$ 97,616	(100%)

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Section 2. That the City Council approves the proposed CDBG program budget and instructs staff to submit the CDBG Program Planning Summary for approval to the CDC.

Section 3. That City staff is authorized to adjust the program budget as necessary to take into account the final CDBG allocation from the U.S. Department of Housing and Urban Development (HUD) and any amount remaining unspent at the close of the fiscal year.

Section 4. That the Mayor and/or City Manager are authorized to execute the contractual and related documents to be prepared by the County of Los Angeles that are required for the implementation of programs set forth herein.

PASSED, APPROVED AND ADOPTED this 11th day of January, 2006 by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Denis Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk