

REPORT TO CITY COUNCIL

DATE: JANUARY 12, 2005

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: APPROVE RESOLUTION NO. 05-1352 AUTHORIZING THE CITY OF AGOURA HILLS TO PARTICIPATE IN THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR THE THIRTY-FIRST PROGRAM YEAR (2005-2006), AND SELECTING 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. 05-1352, authorizing the City's continued participation in the Los Angeles County Community Development Block Grant (CDBG) Program for its thirty-first (31st) program year (2005-2006), and selecting 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 (2004-2005) the City's CDBG allocation is \$111,075. Specifically, \$16,661 was allocated to the senior citizen recreation program, \$8,000 was allocated to program administration, and \$86,414 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 2005-2006 program year is \$105,166, which represents a \$5,909 decrease from last year's allocation.

City Council Staff Report

The role of the City Council at this time is to select how best to allocate the \$105,166 of CDBG funding available for the 2005-2006 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 last year the City Council expanded the Single-Family Housing Rehabilitation Program through use of additional Redevelopment Housing Set-aside Funds.

Approximately 78% of the funds, or \$81,392, 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 a budget of \$51,000 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 \$15,774 of CDBG funds toward this public service program for this upcoming year. As was done for this current program year, the difference of approximately \$35,226 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 \$10,511 could be allocated, a budget of \$8,000 (or approximately 7% 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 2005-2006 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 2004-2005 program year to the 2005-2006 program year.

TABLE A

<u>PROJECT</u>	<u>ALLOCATION</u>	
Single Family Housing Rehabilitation Program	\$ 81,392	(78%)
Senior Citizen Recreation Program	\$ 15,774	(15%)
<u>CDBG Program Administration</u>	<u>\$ 8,000</u>	<u>(7%)</u>
TOTAL ALLOCATION	\$105,166	(100%)

RECOMMENDATION

Staff respectfully recommends that the City Council conduct a public hearing to consider the City's participation in the 31st year of the CDBG Program, make the selection of CDBG projects and allocation amounts for fiscal year 2005-2006, and adopt a motion to approve the attached Resolution No. 05-1352.

Attachments: Resolution No. 05-1352