



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: JANUARY 18, 2022

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: JOHN BINGHAM, ADMINISTRATIVE SERVICES MANAGER
MICHEAL NEAL, CDBG CONSULTANT**

**SUBJECT: REVIEW AND APPROVAL OF PROJECTS FOR THE 48TH PROGRAM
YEAR (2022-2023) - COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) FUNDING; AND ADOPTION OF RESOLUTION NO. 2022-1771,
APPROVING THE CDBG 48TH PROGRAM YEAR (2022-2023)**

MEETING DATE: JANUARY 26, 2022

SUMMARY RECOMMENDATION:

Conduct a public hearing on the proposed projects and budget for the 2022-2023 Community Development Block Grant (CDBG) Program Year. Upon consideration of the public testimony and discussion of relevant issues, adopt Resolution No. 2022-1771 (Attachment A) approving the allocation of 2022-2023 CDBG funds, and the proposed projects for implementation during the CDBG 2022-2023 Program Year.

BACKGROUND:

Each year, CDBG funds are allocated to cities by the Federal Housing and Urban Development Department (HUD), and administered through the Los Angeles County Development Authority (LACDA). Participating cities, whose total population is less than 50,000, participate in the Los Angeles Urban County CDBG Program, and receive funding based upon the total number of cities participating in the County's program. It is also based on a city's need to provide housing, economic and social services; and community development opportunities that principally benefit persons of low- and

moderate-income levels, aid in the prevention of neighborhood deterioration, and meet other urgent community development needs due to natural disasters or other emergencies. To be eligible for the CDBG program, a household of two persons cannot exceed the annual moderate-income limit of \$75,700, per HUD Income Guidelines. A household of four persons cannot exceed the annual moderate-income limit of \$94,600.

This is the 48th year the City of Calabasas (or, prior to 1991, unincorporated Calabasas) has participated in the Los Angeles Urban County's CDBG Program. In order to continue its participation in the upcoming 2022-2023 program year, which begins on July 1, 2022 and ends on June 30, 2023, the City of Calabasas must prepare and submit its proposed CDBG project descriptions to LACDA no later than February 13, 2022, for review and approval.

Pursuant to Federal requirements, notice of this public hearing was properly published and posted in public buildings within the City. Federal requirements also mandate that as part of the hearing, the Council and public be informed of the range of eligible housing and community development activities that may be funded under the CDBG program. Interested persons may obtain a copy of the Federal eligibility guidelines, available at the City of Calabasas Administrative Services Department, during regular business hours.

DISCUSSION/ANALYSIS:

The City of Calabasas estimated CDBG allocation for Program Year 2022-2023 is approximately \$98,481. This is a **planning estimate only**; the LACDA will not release final appropriations from HUD until Spring 2022. The City's final CDBG allocation may be **more** or **less** than the planning estimate. Generally, the final allocation is within 10% of the estimate provided. In FY 2021-2022, Calabasas' CDBG allocation was \$98,481.

For consideration, the following project is proposed for the 2022-2023 CDBG Program Year:

Residential Rehabilitation - \$98,481

This project offers grants and loans to owner-occupied residential property owners (including mobile homes) for emergency repairs, improvements to substandard properties, corrections to code violations, seismic retrofits, and lead-based paint and asbestos hazard evaluations and remediation. A wide range of exterior and interior repairs are eligible for funding including plumbing, electrical, roofing, heating,

ventilation, air conditioning upgrades, handicap accessibility ramps, and energy efficiency upgrades such as water heaters and windows. To be eligible, owners must qualify as low or moderate income under HUD guidelines. Grants up to a maximum of \$15,000 will be available to eligible homeowners. It is anticipated that approximately eight grants will be completed under this program.

There continues to be high demand for the Residential Rehabilitation Program and approximately 25 prospective applicants are on the program waiting list. During FY 2020-2021, no household projects were completed due to the COVID-19 Pandemic. For FY 2022-2023, some households may be served if allowed LACDA's and the City's COVID-19 protocols.

Another issue related to the delay in completion of Residential Rehabilitation projects is that recently the city solicited proposals for CDBG consulting services and only one firm responded with a bid. That bid was from an inexperienced and unqualified bidder. LACDA requires a minimum of three bids. A lack of Consultant firm places the Residential Rehabilitation program in serious jeopardy as the city lacks the staff or expertise required to complete these complex and time-consuming projects. City Staff is looking for alternatives to keep this popular and needed program going. Staff will be working with the LACDA on solutions to this vexing issue. The City may consider a different project for the upcoming year such as ADA upgrades to Parks or Public Works projects.

FISCAL IMPACT/SOURCE OF FUNDING:

For planning purposes, the City's CDBG estimated annual allocation for the upcoming 2022-2023 Program Year will be approximately \$99,481.

REQUESTED ACTION:

Conduct a public hearing on the proposed projects and budget for the 2022-2023 Community Development Block Grant (CDBG) Program Year. Upon consideration of the public testimony and discussion of relevant issues, adopt Resolution No. 2022-1771 approving the allocation of 2022-2023 CDBG funds.

ATTACHMENT:

Resolution Number 2022-1771