



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: Consideration to Adopt A Resolution to Approve Participation in the Los Angeles Urban County Community Development Block Grant Program For Fiscal Years 2027-2029 and Authorize the City Manager or Designee to Execute the Cooperation Agreement with the Los Angeles County Development Authority

MEETING DATE: July 7, 2026

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution No. 26-XX to approve participation in the Los Angeles Urban County Community Development Block Grant ("CDBG") Program for Fiscal Years 2027-2029; and
2. Authorize the City Manager, or designee to execute the Cooperation Agreement with the Los Angeles County Development Authority ("LACDA") contained in Attachment No. 2, subject to any revisions approved by the City Attorney.

EXECUTIVE SUMMARY:

The City of Commerce receives CDBG grant funding annually to fund programs benefiting low- and moderate-income individuals. CDBG funds are administered by the U.S. Department of Housing and Urban Development ("HUD") and distributed by LACDA. To continue receiving funding from the LACDA, all CDBG participating agencies across Los Angeles County must execute resolutions to approve the participation of their respective agencies in the CDBG program for Fiscal Years 2027-2029. Adoption of the Resolution and execution of the Cooperation Agreement will allow the City to continue receiving grant funds annually without interruption.

BACKGROUND:

In early June 2026, the City received a communication from LACDA requesting that the City submit a form indicating whether it chooses to continue participating in the program for Fiscal

Years 2027-2029. Cities electing to continue were required to submit a participation form to the LACDA by June 16, 2026. This action is to formalize the City's participation in the CDBG Program for Fiscal Years 2027-2029.

ANALYSIS:

LACDA is the lead entity for the distribution of the CDBG Program funds and are responsible for administering CDBG funding to over 45 smaller municipalities throughout Los Angeles County. The City of Commerce has been a participating city for over ten years, during which time its CDBG allocation has ranged from \$100,000 to \$150,000 annually.

CDBG funding is required to directly benefit low and moderate-income persons. Up to fifteen percent (15%) of the funds may support community services, and the remaining funds may be used for other eligible activities, including infrastructure improvements, building rehabilitation, and economic development. Currently, the City utilizes the CDBG funding to fund the Home Preservation Grant Program which allows qualifying households to receive up to \$25,000 in grant funding for essential home improvements.

Every three years, LACDA must seek a requalification from HUD to maintain its urban county status to administer the CDBG Program funds for cities with less than 50,000 residents. If approved, the current qualification would be established from July 1, 2027, through June 30, 2030. Once designated, an urban county receives the CDBG funding annually and distributes the funds among the member jurisdictions. Additionally, the urban county must monitor and oversee the implementation of all participating communities' programs, offer technical assistance, and maintain a direct relationship with HUD.

The recommended action to formalize the City's participation in the CDBG Program will secure future funding for Fiscal Years 2027-2029

FISCAL IMPACT:

The annual CDBG allocation is a recurring funding source that enables the City to enhance essential services and implement community improvement projects. For the upcoming 2026-2027 fiscal year, the City's estimated allocation is \$118,928.00. If approved, the proposed resolution and corresponding agreement will allow the City to continue receiving this funding. A continuation of this funding source will ensure a continuation of programs like the Home Preservation Grant Program.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan:

Community Quality of Life

Guiding Principle 4, Support and evaluate community services, programs and events that promote healthy and quality lifestyles for our residents. Enhance public safety and social services through innovative programs that meet the needs of the residential and business communities.

Prepared by: Ashley Sanchez, Program Manager (Avant Garde Inc.)
Recommended by: Jessica Serrano, Director of Community Development
Reviewed by: Alvaro Castellon, Director of Finance
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Resolution No. _____
2. County of Los Angeles Community Development Block Grant Program Home Investment Partnerships Programs Participating City Cooperation Agreement

ATTACHEMENT NO. 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE APPROVING PARTICIPATION IN THE LOS ANGELES URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG") PROGRAM AND AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE THE FISCAL YEARS 2027-2029 PARTICIPATING CITY COOPERATION AGREEMENT WITH THE COUNTY OF LOS ANGELES

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") administers the Community Development Block Grant ("CDBG") Program pursuant to Title I of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the County of Los Angeles, through the Los Angeles County Development Authority (LACDA), administers the CDBG Program on behalf of participating cities and the unincorporated areas of Los Angeles County; and

WHEREAS, HUD requires the County of Los Angeles to periodically qualify as an urban county in order to receive CDBG funding on behalf of participating jurisdictions; and

WHEREAS, participation in the CDBG Program enables the City to remain eligible to receive CDBG funding and technical assistance for eligible community development, housing, public infrastructure, public services, economic development, and neighborhood revitalization activities; and

WHEREAS, the County of Los Angeles has requested that participating cities execute a Cooperation Agreement for the urban county qualification period of Fiscal Years 2027-2029; and

WHEREAS, the City wishes to participate in the CDBG Program, in the County's Consolidated Plan for Fiscal Years 2027-2029, commencing on July 1, 2027 and through June 30, 2030; and

WHEREAS, the City Council finds that participation in the Los Angeles Urban County Program is in the best interests of the City and its residents; and

WHEREAS, the City Council authorizes the execution of a Cooperation Agreement with the County of Los Angeles in order to receive said CDBG funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA DOES RESOLVE, DECLARE AND DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. The City Council adopts and approves its continued participation in the Los Angeles County Urban County CDBG Program for the time period of July 1, 2027 through June 30, 2030.

Section 3. The City Council approves the Cooperation Agreement between the City of Commerce and the County of Los Angeles for participation in the Los Angeles County Urban County CDBG Program.

Section 4. The City Council authorizes the City Manager, or designee, and/or the Mayor to execute the Cooperation Agreement and any amendments, certifications, assurances, or other documents necessary to implement the City's participation in the Los Angeles Urban County Community Development Block Grant Program, subject to any revisions and approval as to form by the City Attorney.

Section 5. The City Manager, or designee, is authorized to undertake such administrative actions as may be necessary to carry out the intent of this Resolution and to comply with applicable federal, state, and County requirements.

Section 6. If any section, subsection, sentence, clause, or phrase of this Resolution is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.

Section 7. The Mayor is authorized to execute this Resolution for and on behalf of the City of Commerce.

Section 8. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 14th day of July 2026.

Kevin Lainez, Mayor

ATTEST:

Pat Jacquez-Nares, Interim City Clerk

**ATTACHMENT NO. 2
COOPERATION AGREEMENT**