



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: City Manager

SUBJECT: Public Hearing – A Resolution of the City Council of the City of Commerce, California, Authorizing the Substantial Amendment to the 46th and 47th Year of Community Development Block Grant (CDBG) Funds for Fiscal Years 2020/2021 and Authorizing the Allocation for the 48th Year of CDBG Funds for Fiscal Year 2022/2023

MEETING DATE: February 8, 2022

RECOMMENDATION:

1. Conduct a public hearing; and
2. Adopt the resolution authorizing the substantial amendment to the 46th and 47th year of Community Development Block Grant (CDBG) funds for Fiscal Years 2020/2021 and 2021/2022; and
3. Adopt the resolution authorizing the allocation for the 48th year of CDBG funds for Fiscal Year 2022/2023; and
4. Authorize the City Manager or designee to prepare, execute, and submit the Planning Summary, Agreements, and all required documents for the 2022/2023 CDBG Program.

BACKGROUND:

The City of Commerce is a participant city in the County of Los Angeles Small Cities Block Grant Program that distributes Federal Community Development Block Grant (CDBG) funds. Each year, the City receives an allocation of funding administered by the Los Angeles County Development Authority (LACDA) for programs and projects that benefit low to moderate-income persons. The allocation for Fiscal Year 2022/2023 is estimated to be \$126,032.00. The allocation amount is derived from a formula based upon poverty and population estimates drawn from census data for each participating jurisdiction to use within their communities to address identified community development needs. The new Fiscal Year 2022/2023 allocation of \$124,034.00 will be utilized to fund the proposed Fiscal Year 2022/2023 CDBG projects. There is an additional \$169,001.89 of unallocated prior year funds that will be reallocated to the Home Preservation Grant Program for Fiscal

Year 2020/2021 projects. Should there be any change to the allocations; adjustments to the budget will be made proportionally and in compliance with regulatory requirements.

In accordance with LACDA’s Citizen Participation Plan for CDBG programs, substantial changes to the One-Year Action Plan such as a cancellation of a project or when a project is changed from one eligible activity to another must be submitted for Public Review for 30 days prior to City Council consideration. The proposed amendment was posted on the City website and City Clerk’s Bulletin Board on January 6, 2022.

The City Council will use a resolution authorizing the substantial amendment and allocation of the CDBG funds to demonstrate City approval and adoption, which will be forwarded to the LACDA.

ANALYSIS:

Fiscal Years 2020/2021 and 2021/2022 Substantial Amendment

The Substantial Amendment includes the cancellation of the City’s 2021/2022 CDBG funded Community Policing Program (D97137-21) and the reallocation of this project’s funding of \$10,000.00 and allocation of \$169,001.89 of unallocated prior year funds, for a total of \$179,001.89, to the City’s 2020/2021 Home Preservation Grant Program (601074-20). The Home Preservation Grant Program’s 2020/2021 funds of \$159,888.00 will be increased by \$179,001.89 bringing the Program’s total funding amount to \$338,889.89 for FY 2020/2021.

The City continues to receive steady interest in the Home Preservation Grant Program and has seen increased interest over the last year due to the impacts of COVID-19. The increased funding is expected to provide much-needed home improvements to additional eligible households and will also provide for the cost of administering the program.

The proposed changes are shown in the following tables:

The 2020/2021 Substantial Amendment is proposed as:

PROGRAM	CDBG BUDGET	AVAILABLE UNALLOCATED	REALLOCATION FROM FY21/22	PROPOSED AMENDED BUDGET
Home Preservation Grant Program	\$ 159,888.00	\$ 169,001.89	\$ 10,000.00	\$ 338,889.89
TOTAL ALLOCATION	\$ 159,888.00	\$ 169,001.89	\$ 10,000.00	\$ 338,889.89

The 2021/2022 Substantial Amendment is proposed as:

PROGRAM	CDBG BUDGET	PROPOSED AMENDED BUDGET
Community Based Policing	\$ 10,000	\$ 0.00
TOTAL ALLOCATION	\$ 10,000	\$ 0.00

FISCAL YEAR 2022/2023 ALLOCATION

The City has provided funding for a variety of programs and projects over the years, including the Home Preservation Grant Program and Code Enforcement Program. The following is a list of continuing programs that the City is recommending for funding in Fiscal Year 2022/2023.

- **Home Preservation Grant Program**
CDBG funds provide grants to income-qualified households throughout the City with up to \$25,000.00 to conduct code compliant home improvement repairs, such as painting, roofing and window replacement.

- **Code Enforcement Program**
The City will use CDBG funds to pay personnel costs, purchase equipment, hardware and software license(s) renewal for Code Enforcement staff to conduct activities, including the collection of housing and other code violation case data located in the northern and southern portion of the City. Specifically, the areas located in low/mod Census Tract 5323.02 (Bristow, Ayers and Bandini), Census Tract 5323.03, Block Group 1 and 3 (Rosini area), and within the southern portion of the low/mod Census Tract 5323.04, Block Group 1 (Veterans Park and Lanto areas). These census tracts are the City’s low/mod residential areas and therefore staff will continue to focus activities in these areas.

The table below shows the allocation of funds for the above-mentioned programs for the proposed Fiscal Year 2022/2023. As shown, the bulk of the new funds are earmarked to be used to improve residences via the Home Preservation Grant Program.

PROGRAMS/PROJECTS	FY 2022/2023 CDBG Budget	CDBG Project Account Nos.
Home Preservation Grant Program; Construction and Direct Program Admin.	\$107,000.00	29-2910-71715-10337
Code Enforcement Program; Personnel Cost, Equipment and Software	\$17,034.00	29-2910-80210.10703
Total CDBG Funding:	\$124,034.00	

FISCAL IMPACT:

CDBG funds are Federal funds allocated to the City through the Los Angeles County Development Authority. They provide an additional source of revenue to fund needed programs and reduce the impact to the General Fund.

RELATIONSHIP TO STRATEGIC GOALS:

The issue before the Council is consistent with the Community Quality of Life Guiding Principle 5 of the City’s Strategic Action Plan: “Foster environmentally conscious initiatives and continue to identify and develop city codes that support a clean, well-maintained, sustainable community”. An Action Item titled “Pursue quality of life initiatives through the

operating budget and CIP plan” was also developed to provide a pathway for the vision of the Guiding Principal to be realized.

ALTERNATIVES:

1. Approve staff's recommendation
2. Provide staff with alternative direction

ATTACHMENTS:

1. Resolution

Respectfully submitted: Edgar P. Cisneros, City Manager

Approved by: Jose Jimenez, Director of Economic Development and Planning

Prepared by: Art Gomez, Program Consultant

Reviewed by: Josh Brooks, Acting Finance Director

Reviewed by: Viviana Esparza, Senior Management Analyst

Approved as to form: Noel Tapia, City Attorney