



CITY OF COMMERCE AGENDA REPORT

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

FROM: City Manager

SUBJECT: Consideration to adopt A Resolution amending the Fiscal Year 2026-2027 Community Development Block Grant Program to the Commerce Advantage Program

MEETING DATE: July 14, 2026

RECOMMENDATION:

It is recommended that the City Council consider:

1. Conducting a public hearing;
2. Adopting a resolution to:
 - a. Amend the City's Community Development Block Grant ("CDBG") program from the Home Preservation Grant Program to the Commerce Advantage Program;

Reallocate previously approved CDBG funds for the Fiscal Year 2026-2027 totaling \$118,928 from the Home Preservation Grant Program to the Commerce Advantage Program, with \$23,795.60 of these funds designated for program administration;
 - b. Authorize the City Manager or designee to develop and adopt policies and procedures for distributing funds for qualified expenses, eligibility criteria, allowed expenses, and application process, among others;

Authorize the City Manager to make any necessary amendments to an existing on-call agreement with Avant Garde Inc. to increase the budget, scope and term for the implementation and administration of the Commerce Advantage Program; and
 - c. Authorize the City Manager, or designee, to submit all required documentation to the Los Angeles County Development Authority ("LACDA") and the California Department of Housing and Community Development ("HCD").
3. Take any additional related action as deemed necessary.

BACKGROUND:

The City of Commerce is a participating city in the County of Los Angeles Small Cities CDBG Program, which distributes federal CDBG funds administered by LACDA. The City's estimated CDBG allocation for Fiscal Year 2026–2027 is \$118,928.

On behalf of the County of Los Angeles, LACDA applied for the County's allocation of funding and is responsible for administering the CDBG funds for the Los Angeles urban county which is comprised of all unincorporated areas of the County and 46 cities, including the City of Commerce.

On January 13, 2026, the City Council approved a resolution to participate in Fiscal Year 2026 – 2027 program with a funding allocation of \$118,928 and allocated CDBG funds toward a Home Preservation Grant Program.

DISCUSSION:

Staff is proposing an amendment to the City's CDBG Program to reallocate the Fiscal Year 2026–2027 CDBG funding allocation of \$118,928 from the Home Preservation Grant Program and to the Commerce Advantage Program for eligible businesses located within the City of Commerce.

The Commerce Advantage Program is intended to advance economic development efforts and community revitalization by providing financial assistance to eligible businesses to make improvements that enhance building or property appearance, interior improvements, equipment purchases and accessibility upgrades, subject to program guidelines and available funding.

Key program components include:

- **Maximum Grant Award:** Grants of up to \$10,000
- **Number of Grants:** Approximately nine (9) businesses
- **Business Type:** Operate a retail, restaurant or service-related business that is physically located within the City of Commerce.
- **Business Operations:** Have been operating within the City on or before January 1, 2024, remain in operation at the time of application, and intend to continue operating.
- **Occupancy:** Be located in a commercial space that is either owner-occupied or renter-occupied under a valid lease agreement. If the applicant is a renter, written authorization from the property owner is required for all proposed improvements.
- **Max. Number of Employees:** Employ less than twenty (20) full-time equivalent (FTE) employees as of January 1, 2024.

- **Income Eligibility:** Meet the applicable CDBG National Objective, as determined by the City, by qualifying as either a Low- and Moderate-Income Area Benefit (LMA) activity or a Low- and Moderate-Income Job Creation or Retention (LMJ) activity (see Income Limits). For projects qualifying under the LMJ National Objective, applicants must agree to create or retain permanent jobs for low- and moderate-income persons and provide any documentation required by the City to demonstrate compliance with HUD requirements.

Eligible activities include:

1. **Job Creation and Retention:** Activities that create or retain permanent jobs for low- and moderate-income persons in accordance with HUD National Objective requirements.
2. **Interior Building Improvements:** Plumbing improvements, electrical improvements, and kitchen construction and improvements, among others.
3. **Exterior Building Improvements:** New or upgraded wall signs and projecting signs, new or replacement windows/doors, and new awnings or canopies, among others.
4. **Building Modernization and Conversion:** Grease trap installation, utility upgrades, and seismic retrofitting among others.
5. **Accessibility Improvements:** Americans with Disabilities Act (ADA) improvements, including interior and exterior accessibility upgrades necessary to comply with applicable accessibility standards.
6. **Professional Services:** Design and architectural services directly related to eligible improvement projects.

Draft program guidelines, which contain greater detail regarding the proposed Business Assistance Grant Program, are included in Attachment No. 1.

PROGRAM ADMINISTRATION:

City staff requested a proposal from Avant Garde Inc. which currently provides on-call services for program administration for similar programs. Avant Garde Inc. has extensive expertise in program implementation and administration, including:

- Program development and implementation;
- Outreach;
- Application processing and review;

- Grant document preparation;
- Payment coordination; and
- Reporting

Staff recommends Avant Garde Inc. to administer the Commerce Advantage Program since it currently serves the Commerce community with similar services. Avant Garde Inc. proposes a fee of \$23,795.60 for program administration, as indicated in Attachment 2. Cost for these services will be paid from the program administration budget set aside under the CDBG program.

PROGRAM BUDGET:

The following outlines the proposed budget for the Commerce Advantage Program:

Direct Grant Funding	\$95,132.40
Program Administration	\$23,795.60
Total	\$118,928.00

PUBLIC NOTICE REQUIREMENTS:

Public notification and/or hearing requirements were completed in accordance with CDBG program guidelines prior to this public hearing. On June 11, 2026, a notice for this item was published on the City's website and at City facilities. To date, no comments have been received.

FISCAL IMPACT:

The proposed amendment does not change the City's total FY 2026-27 CDBG allocation or increase the overall program budget. Instead, it reallocates existing federal grant funds among eligible CDBG activities to better align funding with current program priorities. No additional appropriation is required, and there is no fiscal impact on the General Fund.

ALTERNATIVES:

1. Approve recommendation
2. Reject recommendation
3. Provide staff with further direction

STRATEGIC PLAN GOAL:

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability,"

Prepared by: Ashley Sanchez, Program Consultant, 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. Draft Commerce Advantage Program Guidelines
2. Resolution
3. Public Notice
4. Avant Garde Inc. Proposal