



## CITY OF COMMERCE AGENDA REPORT

**TO:** HONORABLE CITY COUNCIL

**Item No. \_\_\_\_\_**

**FROM:** CITY MANAGER

**SUBJECT:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING ONE (1) CONTRACT AND RATIFYING ONE (1) EMERGENCY CONTRACT FOR THE HOME PRESERVATION GRANT PROGRAM [PROJECT NO. 601074-18 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM] FOR THE PROPERTIES AT 6010 JILLSON STREET AND 2241 FITZGERALD AVENUE

**MEETING DATE:** June 4, 2019

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### **RECOMMENDATION:**

Approve the Resolution and assign the number next in order.

### **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 Community Development Agency (LACDA) formerly known as the Community Development Commission of Los Angeles County for programs and projects that benefit low to moderate-income persons. With CDBG funds, the City has provided a variety of programs and projects over the years, which includes the Home Preservation Grant Program.

On February 6, 2018, the City Council approved the Fiscal Year 2018/2019 CDBG Program funding budget for the Home Preservation Grant Program in the amount of \$95,000 and on October 16, 2018 approved an increase to the budget in the amount of \$115,641 for a grand total of \$210,641. The purpose of the Home Preservation Grant Program is to assist low-moderate income households throughout the City with the repair and rehabilitation of their single-family owner-occupied home. The grant provides up to \$20,000 to conduct home improvement repairs such as new roofing, exterior paint, window replacement, and to conduct asbestos and/or lead-based paint testing and remediation and/or abatement of these hazardous materials.

The selection for this Program is based on staff's review of the home improvement interest forms maintained on file. The homes that are in greater need of repair and meet the Program's eligibility requirements are the first to receive assistance.

## **ANALYSIS:**

The City's Public Works and Development Services Department's housing consultant staff initiated a new home improvement project located at 6010 Jillson Street. The proposed home improvement project includes, but is not limited to the following items: HUD required items such as new smoke and carbon monoxide detectors and Ground Fault Circuit Interrupters (GFCI), new entry door lockset, wall heater, removal of unpermitted covered patio, roofing, bathroom repairs, and asbestos and lead based paint remediation/abatement. Staff has already expended CDBG funding in the amount of \$798.00 to conduct asbestos and lead based paint testing for this property. Asbestos and lead based paint testing is an eligible CDBG costs, therefore, CDBG funds were used to pay for the required testing.

One additional home improvement project was initiated and warranted emergency assistance to repair/replace the gas lines located at 2241 Fitzgerald Ave. The gas department shut-off service at the property on April 29, 2019 whereby leaving the property owners without service. Consultant staff immediately worked with the owner's daughter to obtain the required information necessary to qualify the project and was able to receive verbal clearance from the LACDA to proceed with the emergency repairs only. The remaining non-emergency improvements will roll-over into the next fiscal year and brought before Council for approval.

The scope of work for each of the two home improvement projects was circulated to qualified contractors satisfying the program requirements and in compliance with the CDBG Program guidelines to advertise for bids. Due to the conditions of the property located at 6010 Jillson Street, the lowest bid for the project exceeded the maximum grant amount of \$20,000.00. Pursuant to the Home Preservation Grant Program Guidelines, staff in coordination with the Public Works and Development Services Director may approve an increase grant amount over \$20,000 on a case by case basis.

The repairs and improvements were prioritized based the health and safety needs of the dwelling. Staff has determined that all of the improvements identified in the scope of work are crucial to the overall rehabilitation of the dwelling. Therefore, staff will prepare and file a written authorization containing the Public Works and Development Services Director's approval regarding the increase in grant amount.

The following low bids were received and are being recommended by staff for Council to approve and ratify:

	<b>CONSTRUCTION BID</b>		
	<b>Company Name</b>	<b>Property Address</b>	<b>Total Bid Amount</b>
1.	Nabb Construction, Inc.	6010 Jillson Street	\$26,620.00
2.	Nabb Construction, Inc.	2241 Fitzgerald Avenue	\$5,000.00
		<b>Total:</b>	<b>\$31,620.00</b>

Staff recommends that separate contracts be approved and ratified for the above-referenced low bidder.

A total of **\$210,641** was allocated for this fiscal year's Home Preservation Grant Program. Staff has already expended a total of **\$1,455** on asbestos and lead based paint testing and will expend an additional \$400 on asbestos and lead based paint clearance testing as well as a total of **\$93,531** on construction costs. If approved, an additional **\$31,620** will be expended on construction costs for the two projects for a grand total of expenditures in the amount of \$127,006.00. The remaining **\$83,635** will be transferred to the City's unallocated funds and may be used for future CDBG funded projects.

#### **FISCAL IMPACT:**

No additional capital costs are expected for these Home Preservation Grant Program projects. These activities can be carried out using the Federal CDBG funds and do not impact the City's General Fund. The funds are available from the following account number:

29-2910-71715.10337 – Home Preservation Program Construction CDBG Fund

#### **RELATIONSHIP TO STRATEGIC GOALS:**

This agenda item relates to the 2012 strategic planning goal: "*Protect and Enhance the Quality of Life in the City of Commerce*," as it addresses an environmental issue of concern important to the community.

#### **ALTERNATIVES:**

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

#### **ATTACHMENTS:**

1. Resolution
2. Housing Preservation Program Agreement
3. Agreement for Rehabilitation

Prepared by: Esther Luis, Program Consultant, MDG Associates, Inc.

Reviewed by: Viviana Esparza, Assistant Planner

Approved by: Maryam Babaki, Director of Public Works & Development Services

Reviewed by: Vilko Domic, Finance Director

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager