



# Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Rob Houston, Interim Deputy City Manager

Reviewed by: Joseph D. Toney, Assistant City Manager

Approved by: Steve McClary, City Manager

Date prepared: May 24, 2023 Meeting date: June 12, 2023

Subject: Community Development Block Grant Program for July 1, 2024 through June 30, 2027

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**RECOMMENDED ACTION:** Adopt Resolution No. 23-29 approving participation in the Los Angeles Urban County Community Development Block Grant (CDBG) Program by authorizing the mayor, or his/her designee, to sign a cooperation agreement with the Los Angeles County Development Authority (LACDA) from July 1, 2024, through June 30, 2027.

**FISCAL IMPACT:** The City receives an annual CDBG funding allocation of approximately \$65,000.

**WORK PLAN:** This item was not included in the Adopted Work Plan for Fiscal Year 2022-2023. This project is part of normal staff operations.

**DISCUSSION:** Every three years, the U.S. Department of Housing and Urban Development (HUD) requires the County of Los Angeles to re-qualify for entitlement status as an Urban County so that they can participate in the CDBG program. Due to the rebranding of their organization, the County is now known as the Los Angeles County Development Authority (LACDA). In alignment with the Urban County Qualification requirements and in order for the City to continue receiving CDBG funding via the Los Angeles Urban County CDBG program through the new qualification period, the City must renew its cooperation agreement with LACDA and submit a Resolution approving participation in the program. The City's current three-year cooperation agreement with LACDA will expire on June 30, 2024. To continue participation in the LACDA program, the attached agreement and Resolution must be returned to LACDA by

June 30, 2023.

ATTACHMENTS:

1. Resolution No. 23-29
2. LACDA Cooperation Agreement

RESOLUTION NO. 23-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU APPROVING PARTICIPATION IN THE LOS ANGELES URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BY AUTHORIZING THE MAYOR, OR HIS/HER DESIGNEE, TO SIGN A COOPERATION AGREEMENT WITH THE COUNTY OF LOS ANGELES

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. The City of Malibu desires to participate in the Los Angeles Urban County Community Development Block Grant (CDBG) Program for the qualification period beginning July 1, 2024.

B. The City authorizes the execution of a cooperation agreement with the County of Los Angeles in order to receive said CDBG funds.

SECTION 2. The City Council hereby adopts and approves the County of Los Angeles Participating City Cooperation Agreement between the City of Malibu and the County of Los Angeles for the time period of July 1, 2024 through June 30, 2027 and self-renewing thereafter.

SECTION 3. The City Council authorizes the Mayor, or his/her designee, to execute any and all documents necessary for participation in the Los Angeles Urban County CDBG Program on behalf of the City of Malibu.

SECTION 4. The City Council hereby finds that approval of participation in the Los Angeles urban County Community Development Block Grant Program is exempt from the requirements of the California Environmental Quality Act (“CEQA”), pursuant to State CEQA Guidelines Section 15378. Participation is a government funding mechanism, and does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 12<sup>th</sup> day of June 2023.

\_\_\_\_\_  
BRUCE SILVERSTEIN, Mayor

ATTEST:

\_\_\_\_\_  
KELSEY PETTIJOHN, City Clerk  
(seal)

ATTACHMENT 1

APPROVED AS TO FORM:  
THIS DOCUMENT HAS BEEN REVIEWED  
BY THE CITY ATTORNEY'S OFFICE  

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TREVOR RUSIN, City Attorney

**COUNTY OF LOS ANGELES  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
EMERGENCY SOLUTIONS GRANT PROGRAM**

**PARTICIPATING CITY  
COOPERATION AGREEMENT**

This **COOPERATION AGREEMENT** (“Agreement”) is being entered into on this **12th** day of **June, 2023**, to be effective on the 1<sup>st</sup> day of July 2024, by and between the **CITY OF Malibu** hereinafter referred to as “City,” and the County of Los Angeles, by and through the Executive Director of the Los Angeles County Development Authority, hereinafter referred to as “County,” and shall remain in effect for the County's Consolidated Plan for Fiscal Years 2024-2026. The County and the City are collectively referred to as the “Parties” or individually “Party.”

**WITNESSETH THAT:**

**WHEREAS**, in 1974, the U.S. Congress enacted and the President signed a law entitled, the Housing and Community Development Act of 1974, as amended, herein called the “Act”;

**WHEREAS**, the Parties desire to cooperate to undertake, or assist in undertaking, community development, community renewal of lower-income housing assistance activities, specifically urban renewal and publicly assisted housing, including, but not limited to, the improvement or development of housing for persons of low- to moderate-incomes, and other community or urban renewal activities authorized by the Act, the Cranston-Gonzalez National Affordable Housing Act (“NAHA”), and the U.S. Housing Act of 1937, as amended;

**WHEREAS**, the Community Development Block Grant (“CDBG”) Program, the HOME Investment Partnerships (“HOME”) Program, and the Emergency Solutions Grant (“ESG”) Program are required to have an approved comprehensive housing strategy as authorized under NAHA;

**WHEREAS**, the County has requested of the U.S. Department of Housing and Urban Development, hereinafter referred to as “HUD”, that the County be designated as an urban county, hereinafter referred as to the “Los Angeles Urban County”;

**WHEREAS**, the City has participated with the County in the Los Angeles Urban County Program and desires to renew its participation with the County in said Los Angeles Urban County Program for the County's Consolidated Plan for Fiscal Years 2024-2026;

**WHEREAS**, as the Los Angeles Urban County designee, the County will take responsibility and assume all obligations of an applicant under federal statutes, including: the analysis of needs, the setting of objectives, the preparation of community development and housing assistance plans, the consolidated plan, and the assurances of certifications;

**WHEREAS**, the terms and provisions of this Agreement are fully authorized under state and local law, and this Agreement provides full legal authority for the County to undertake, or assist in undertaking, essential community development and housing assistance activities, specifically urban renewal and publicly assisted housing; and

**WHEREAS**, by executing this Agreement, the Parties hereby give notice of the intention to participate in the Los Angeles Urban County Program.

**NOW, THEREFORE**, the Parties agree as follows:

1. The City hereby authorizes the County to perform, or cause to be performed, those acts necessary or appropriate to implement the community development and housing assistance activities. Specifically urban renewal and publicly assisted housing, including, but not limited to, improvement or development of housing for persons of low- to moderate-income, and other community or urban renewal activities authorized under the Act for the City in the County's Consolidated Plan for Fiscal Years 2024-2026, which will be funded from the CDBG Program, and, where applicable HOME and ESG Programs, from federal annual appropriations and from any program income generated from the expenditure of such funds.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of the then-current fiscal year. The County will endeavor to notify the City in writing within ten (10) days of receipt of non-appropriation notice.

2. This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: The CDBG Program, the HOME Program, and the ESG Program.
3. In executing this Agreement, the City understands the following:
  - a. The County has the final responsibility for selecting CDBG, and, where applicable, HOME and ESG, activities and submitting the Consolidated Plan to HUD.
  - b. The City is not eligible to apply for grants under the State CDBG (“Small Cities CDBG”) Program for appropriations for the County's Consolidated Plan for Fiscal Years 2024-2026.
  - c. The City may participate in the HOME Program only through the Los Angeles Urban County Program. Thus, even if the County does not receive a HOME formula allocation, the City cannot form a HOME consortium with other local governments.
  - d. The City may participate in the ESG Program only through the Los Angeles

Urban County Program.

4. The term of this Agreement shall be for the County's Consolidated Plan for Fiscal Years 2024-2026 and commence on **July 1, 2024** through **June 30, 2027** ("Urban County Term"). The Parties agree that they cannot terminate or withdraw from this Agreement while it remains in effect. The City provides written notice at least 60 days prior to June 30, 2026 that it elects not to participate in the next urban county qualification period. Towards the end of the second year of the Urban County Term, the County will notify the City in writing of its right not to participate in the County's successive Consolidated Plan for the next three-year period.

The Parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in HUD's *Urban County Qualification for Participation Notice*, prior to the subsequent three-year extension of the term.

5. This Agreement shall be effective for the Urban County Term and for such period of time for the expenditure of all CDBG funds, or where applicable, HOME and ESG funds, allocated to the City under this Agreement and appropriations from any program income therefrom and for the completion of the funded activities. The Parties agree that they cannot terminate or withdraw from this Agreement while it remains in effect.
6. The Parties agree to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities, specifically urban renewal and publicly assisted housing, including, but not limited to, the improvement or development of housing for persons of low- to moderate-incomes, and other community or urban renewal activities authorized by the Act.

The Parties in the performance of this Agreement shall take all actions necessary or appropriate to assure compliance with the Los Angeles Urban County Program's certification under Section 104(b) of Title I of the Act, as amended, that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964; and the implementing regulations at 24 CFR Part 1, and the Fair Housing Act, and the implementing regulations at 24 CFR Part 100, and will affirmatively further fair housing. See 24 CFR § 91.225(a) and Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021), to be codified at 24 CFR 5.151 and 5.152, available at <https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications>.

Furthermore, the Parties in the performance of this Agreement shall take all actions necessary or appropriate to assure compliance with Section 109 of Title I of the Act, and the implementing regulations at 24 CFR Part 6, which incorporates Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR Part 8, Title II of the Americans with Disabilities Act, and the implementing

regulations at 28 CFR Part 35, the Age Discrimination Act of 1975, and the implementing regulation at 24 CFR Part 146, and Section 3 of the Housing and Urban Development Act of 1968, and all other applicable laws and regulations.

The Parties agree that CDBG and, where applicable, HOME and ESG funding is prohibited for any activities in, or in support of, any cooperating City that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's action to comply with its fair housing certification. The City acknowledges and agrees to HUD's 424-B Form, *Assurances and Certifications*.

7. Pursuant to 24 CFR § 570.501(b), the City is subject to all requirements applicable to subrecipients, including the requirement of a written agreement as set forth in 24 CFR § 570.503.
8. The City shall report to the County of any income generated by the use of CDBG and, where applicable, HOME and ESG funds received by the City. Any such program income, if applicable, must be remitted to the County within 30 days of receipt. Such program income may be used for eligible activities in accordance with all CDBG and, where applicable, HOME and ESG, requirements as may then apply.
9. The County shall be responsible for monitoring and reporting to HUD on the use of any program income; therefore, the City shall be required to maintain appropriate record keeping and reporting for this purpose.
10. The City may not sell, trade or otherwise transfer all or any portion of CDBG, and, where applicable, HOME and ESG funds to another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG, and, where applicable, HOME and ESG funds in exchange for any other funds, credits or non-federal consideration, but must use such funds for activities eligible under Title I of the Act.
11. In the event of grant close-out or termination of this Agreement, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to the County within 60 days after grant closeout or termination of this Agreement.
12. All program income generated from the disposition or transfer of real property acquired or improved by the City using CDBG and, where applicable, HOME and ESG, funds or program income, during the Urban County Term, shall be subject to all the terms and conditions of this Agreement.
13. Any real property which is acquired or improved by the City during the term of this Agreement, in whole or in part, using CDBG and/or HOME and ESG funds or program income in excess of \$25,000, shall be subject to the following standards:

- a. The County shall be notified by the City in writing of any modification or change in the use or disposition of such real property from that planned at the time of the acquisition or improvement. Such notification shall be made prior to the modification, change in use or disposition.
  - b. If such real property is sold within five (5) years or transferred for a use which does not qualify as an eligible activity under CDBG and/or HOME and ESG regulations, the City shall reimburse to the County an amount equal to the pro-rata share of the current fair market value of the property or proceeds from the sales. The pro-rata share shall be calculated by multiplying the current market value by the percentage of the purchase price paid with CDBG funds or program income.
14. The City shall make available for inspection and audit to County's and HUD's representatives, upon request, at any time during the duration of this Agreement and for a period of five (5) years thereafter, all of its books and records relating to CDBG and, where applicable, HOME and ESG, program activities and income.
15. Following the end of the three-year reimbursable contract period and after resolving any financial or programmatic findings, if the City elects to leave the Los Angeles Urban County Program and is not eligible to become an entitlement city, the City will be unable to request that its allocation or any remaining balance be transferred to the City. Any remaining balance will be transferred to the funding pool of the Supervisorial District in which the City is located.
16. The City has adopted and is enforcing:
  - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  - b. A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
17. The City shall provide a drug-free workplace by:
  - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the City's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
  - b. Establishing an ongoing drug-free awareness program to inform employees about:
    - i. The dangers of drug abuse in the workplace;

- ii. The City’s policy of maintaining a drug-free workplace;
  - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
  - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- c. Making it a requirement that each employee who will be engaged in the performance of the grant be given a copy of the statement required by paragraph “a” of this Section 17.
- d. Notifying the employee in the statement required by paragraph “a” of this Section 17 that, as a condition of employment funded by the CDBG, and where applicable, HOME and ESG grant, the employee will:
  - i. Abide by the terms of the statement; and
  - ii. Notify the City in writing of his or her conviction of a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- e. Notifying the County in writing, within ten (10) calendar days after receiving notice under subparagraph d(ii) of this Section 17 from an employee or otherwise receiving actual notice of any such conviction; and the City must provide written notice, including position or title, of any City employees convicted of any criminal drug statute to every County officer or other designee who processed a CDBG, HOME, or ESG grant which funded any activity on which the convicted employee was working, unless HUD has designated an identification number(s) of each affected grant.
- f. Taking one (1) of the following actions, within 30 calendar days of receiving notice under subparagraph d(ii) of this Section 17, with respect to any employee who is so convicted:
  - i. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purpose by a federal, state, local health, law enforcement, or other appropriate agency.
- g. Making a good faith effort to continue to maintain a drug-free workplace through the implementation of paragraphs a, b, c, d, e, and f, of this Section 17.

18. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery, and therefore shall be deemed an original, and all of which shall constitute one and the same document, for the same effect as if all parties hereto had signed the same signature page.

The facsimile, email, or other electronically delivered signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

**IN WITNESS WHEREOF**, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the Executive Director of the LACDA, and the City has subscribed the same through its duly authorized officers, on the day, month, and year first above written.

**County Counsel Certification**

The office of the County Counsel hereby certifies that the terms and provisions of this Agreement are fully authorized under state and local laws, and that the Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and public assisted housing.

By: \_\_\_\_\_ Date \_\_\_\_\_  
Principal Deputy County Counsel

COUNTY OF LOS ANGELES

CITY OF MALIBU

By: \_\_\_\_\_  
EMILIO SALAS, Executive Director  
Los Angeles County Development Authority

By: \_\_\_\_\_  
BRUCE SILVERSTEIN, Mayor

ATTEST:  
City Clerk

By: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By: \_\_\_\_\_  
BEHNAZ TASHAKORIAN  
Principal Deputy County Counsel

THIS DOCUMENT HAS BEEN REVIEWED  
BY THE CITY ATTORNEY'S OFFICE  
By: \_\_\_\_\_  
TREVOR RUSIN, Interim City  
Attorney