



# Council Agenda Report

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

Prepared by: Renée Neermann, Acting Finance Manager

Reviewed by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: May 6, 2020 Meeting date: May 26, 2020

Subject: Community Development Block Grant Program for July 1, 2021 through June 30, 2024

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**RECOMMENDED ACTION:** Adopt Resolution No. 20-20 approving and authorizing the City Manager to execute the agreement with the Los Angeles County Development Authority (LACDA) which will allow the City to participate in the Community Development Block Grant (CDBG) program from July 1, 2021 through June 30, 2024.

**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 2019-2020. 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, 2021. To continue participation in the LACDA program, the attached agreement and Resolution must be returned to LACDA by May 29, 2020.

ATTACHMENTS:

1. Resolution No. 20-20
2. LACDA Cooperation Agreement

RESOLUTION NO. 20-20

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, 2021.

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, 2021 through June 30, 2024 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 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 26<sup>th</sup> day of May 2020.

\_\_\_\_\_  
KAREN FARRER, Mayor

ATTEST:

\_\_\_\_\_  
HEATHER GLASER, City Clerk  
(seal)

APPROVED AS TO FORM:

\_\_\_\_\_  
CHRISTI HOGIN, City Attorney

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

**PARTICIPATING CITY  
COOPERATION AGREEMENT**

This Agreement is being entered into on this \_\_\_\_ day of \_\_\_\_\_, to be effective on the 1<sup>st</sup> day of July 2021, 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 three-year qualification period through the 30<sup>th</sup> day of June 2024. After this date, this Agreement provides for automatic renewal of participation in successive three-year qualification periods, unless the County, or the City provides written notice it elects not to participate in a new qualification period.

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;" and

WHEREAS, County and City 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;"

WHEREAS, the City desires to participate with the County in said program;

WHEREAS, as the Urban County designee, the County will take responsibility and assume all obligations of an applicant under federal statues, including: the analysis of needs, the setting of objectives, the development 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, by and through its agents and instrumentalities including the Los Angeles County Development Authority, herein referred as "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 Urban County CDBG 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 specified for the City in the County's Consolidated Plan which will be funded from annual CDBG and applicable HOME Programs from Federal annual appropriations and from any program income generated from the expenditure of such funds. County shall have final authority and responsibility for selecting projects and annually filing its Final Housing and Community Development Plan with HUD.

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 Entitlement Program, the HOME Program and the ESG Program.
3. In executing this Agreement, the City understands that it shall not be eligible to apply for grants under the Small Cites or State CDBG Programs for appropriations for fiscal years during the period in which the City is participating in the Urban County CDBG entitlement program; and further, the City shall not be eligible to participate in the HOME and ESG programs except through the Urban County.
4. The City may participate in a HOME Program only through the County. Thus, even if the County does not receive a HOME formula allocation, the City cannot form a HOME consortium with other local governments.
5. The term of this Agreement shall commence on **July 1, 2021**, the beginning date of the first year of the new Urban County Qualification Period, which will end on **June 30, 2024**. After this three (3) year Qualification Period ends, this Agreement will automatically renew for another period of three (3) years, unless the City provides written notice at least 60 days prior to the end of the term that it elects not to participate in a new qualification period. A copy of that notice must be sent to the HUD Field Office. Towards the end of the three-year term, the County will notify the City in writing of its right not to participate in the Urban County for a successive three-year term.

The parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice by HUD, prior to the subsequent three-year extension of the term. Any amendment to this Agreement shall be submitted to

HUD as required by the regulations and any failure to adopt required amendments will void the automatic renewal of the Agreement for the subsequent three-year term.

6. This Agreement shall be effective for the period of time required for the expenditure of all CDBG and/or applicable HOME funds allocated to the City under this Agreement and appropriations from any program income therefrom and for the completion of the funded activities. The County and City agree that they cannot terminate or withdraw from this Agreement while it remains in effect.

The City and the County 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 City and the County in the performance of this Agreement shall take all actions necessary or appropriate to assure compliance with the Urban County's certification under Section 104 (b) of Title I of the Act, as amended, regarding Title VI of the Civil Rights Act of 1964; the Fair Housing Act and affirmatively furthering fair housing as cited in 24 CFR 91.225(a); Section 109 of Title I of the Act, which incorporates Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975, and all other applicable laws and regulations.

Urban County funding is prohibited for activities in, or in support of, any City that does not affirmatively further fair housing within its local jurisdiction or that impedes the County's action to comply with the Fair Housing Certification.

7. The City and County agree that CDBG and HOME funding is prohibited for any activities in or in support of any cooperating City that do not affirmatively further fair housing within its own jurisdiction or that impede the County's action to comply with its fair housing certification.
8. 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.
9. The City shall report to the County of any income generated by the use of CDBG or HOME funds received by the City. Any such program income must be remitted to the County within 30 days of receipt if applicable. Such program income may be used for eligible activities in accordance with all CDBG and HOME requirements as may then apply.
10. 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.
11. The City may not sell, trade or otherwise transfer all or any portion of CDBG funds at another metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG 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 Housing and Community Act of 1974.

12. 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.
13. All program income generated from the disposition or transfer of real property acquired or improved by the City, using CDBG and/or HOME funds or program income, during the term of this Agreement, shall be subject to all the terms and conditions of this Agreement, particularly Sections 6 through 11.
14. 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 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 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.
15. 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 HOME program activities and income.
16. Following the end of the three-year reimbursable contract period and after resolving any financial or programmatic findings, if a City elects to leave the Los Angeles County Grant 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.
17. 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.

18. 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 to be engaged in the performance of the grant be given a copy of the statement required by paragraph "a" of this Section 18.
  - d. Notifying the employee in the statement required by paragraph "a" of this Section 18 that, as a condition of employment funded by the CDBG and/or HOME grant, the employee will:
    - i Abide by the terms of the statement; and
    - ii Notify the City in writing of his or her conviction for 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 18 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 or HOME 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 thirty (30) calendar days of receiving notice under subparagraph d(ii) of this Section 18, 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 implementation of paragraphs a, b, c, d, e, and f, of this Section 18.

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 Los Angeles County Development Authority, 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: \_\_\_\_\_  
Deputy County Counsel

\_\_\_\_\_  
Date

COUNTY OF LOS ANGELES

CITY OF MALIBU

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

By \_\_\_\_\_  
MAYOR OR DESIGNEE

ATTEST:

City Clerk

By \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
City Attorney