



# Council Agenda Report

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

Prepared by: Elizabeth Shavelson, Assistant to the City Manager

Reviewed by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: February 3, 2021 Meeting date: February 22, 2021

Subject: Approval of Use of Community Development Block Grant funds for Fiscal Year 2021-2022

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**RECOMMENDED ACTION:** 1) Conduct the public hearing; and 2) Adopt Resolution No. 21-07 authorizing and approving the Fiscal Year 2021-2022 use of \$20,000 in Community Development Block Grant (CDBG) funds for the Malibu Community Labor Exchange (MCLE) and the transfer of \$48,000 in CDBG funds to the CDBG Revolving Grant Fund.

**FISCAL IMPACT:** The City expects to receive a total allocation of CDBG funding in Fiscal Year 2020-2021 in the amount of \$68,619. This allocation amount is an estimate provided by Los Angeles County Development Authority (CDA) and may fluctuate by +/- 2%. If this item is approved by Council, \$20,000 of the City's allocation amount will be reflected in the City's CDBG revenue and will be included in the City's budget for the MCLE (215-7070-7800).

Since the City does not have any eligible CDBG capital projects that are ready to move forward at this time, it is recommended that the \$48,000 be made available for the CDBG Revolving Grant Fund so that other municipalities can utilize the funds in the near-term and the City can stay in compliance with CDBG program guidelines that determine the City's maximum allowable fund balance. The \$48,000 will be available to the City for later use on CDBG eligible projects.

**WORK PLAN:** This item was not included in the Adopted Work Plan for Fiscal Year 2020-2021. This item is part of normal City operations.

DISCUSSION: The City receives an allocation of federal CDBG funds every year. The funds are administered by the Los Angeles County Development Authority (CDA). The City is projected to receive \$68,619 in Fiscal Year 2020-2021. The CDA guidelines stipulate that only 15 percent of the annual CDBG allocation can be allocated to public service programs and the remaining funds must be spent on eligible capital projects. In recent years, CDA has allowed some cities to request to exceed this percentage threshold to some degree as long as the overall percentage threshold is maintained County-wide.

Historically, the City has awarded the maximum public service program funds to the MCLE to operate a day labor program to assist homeless and low-income individuals and has had difficulty identifying CDBG eligible capital projects. Staff continues to work with CDA to develop potential CDBG eligible capital projects and continues to have difficulty identifying suitable projects to meet the City's annual drawdown requirements. At this time, the only eligible capital project the City has identified is the purchase and installation of a permanent office trailer and associated site improvements for the Malibu Community Labor Exchange (MCLE).

The Council had previously directed CDBG capital funds to be used to purchase and install a permanent officer trailer for MCLE on the County property in the City's civic center area because MCLE's existing trailer was determined to be dilapidated and unable to be relocated as needed to accommodate the construction of the Santa Monica College Malibu Satellite Campus Project at this location. Due to the construction schedule and footprint of the Malibu Satellite Campus Project, the City's Permanent Trailer Project was put on hold. Council subsequently directed that CDBG funds be allocated to cover the costs to rent a temporary office trailer for MCLE. According to a recent update from Santa Monica College representatives, the Malibu Satellite Campus Project is estimated to be substantially complete in fall 2022. Given this timeline, staff recommends that \$20,000 in CDBG funds be allocated in Fiscal Year 2021-2022 to fund both MCLE operations and trailer rental.

Given the City's difficulty identifying eligible capital projects, staff recommends transferring the remainder of the City's annual allocation to the CDBG Revolving Grant Fund. The CDBG Revolving Grant Fund provides funding to local municipalities for CDBG eligible projects that have an identified funding shortfall. Municipalities are required to pay back the revolving grant with their annual CDBG funding allocations. Cities that transfer funds to the Revolving Grant Fund are repaid in full and can request repayment one year after the funds are initially transferred. The City has previously transferred approximately \$80,000 to the CDBG Revolving Grant Fund, which remains available to the City upon request for CDBG eligible projects.

Transferring funds to the CDBG Revolving Grant Fund will enable the City to meet the CDA drawdown requirements in the near-term while ensuring that the City will have

sufficient funds in the future to complete the MCLE trailer project and/or other CDBG eligible capital projects once the project timing and logistics are confirmed.

ATTACHMENTS:

1. Resolution No. 21-07
2. Notice of Public Hearing
3. Notice of Public Hearing

RESOLUTION NO. 21-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU  
AUTHORIZING AND APPROVING THE FISCAL YEAR 2021-2022  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS  
FOR THE CITY OF MALIBU

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

SECTION 1. Recitals.

- A. The City of Malibu is a participating agency under the County of Los Angeles Community Development Block Grant (CDBG) Program.
- B. The Los Angeles County Community Development Block Grant (CDBG) Program has allocated \$68,619 to the City of Malibu for Fiscal Year 2021-2022.
- C. The City has considered and evaluated CDBG eligible projects and community needs.
- D. The Community Development Authority offers participating agencies the opportunity to transfer designated funding to a revolving grant fund which will be returned to the City to be used at a future time for a CDBG eligible project.

SECTION 2. After conducting a public hearing, the City Council hereby authorizes the expenditure of \$20,000 in public service grant funds to the Malibu Community Day Labor Exchange for Fiscal Year 2021-2022 and the transfer of \$48,000 in CDBG funds to the CDBG Revolving Grant Fund. The City Council authorizes adjustments to the programmed amounts as needed and available, as well as in the event that the City receives a different total funding amount. The City Manager or her/his designee is also authorized to make changes to the project as needed and approve all necessary contracts and agreements needed to transfer funds to the CDBG Revolving Grant Fund.

SECTION 3. 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 22<sup>nd</sup> day of February 2021.

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MIKKE PIERSON, Mayor

ATTEST:

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HEATHER GLASER, City Clerk  
(seal)

**APPROVED AS TO FORM:**

THIS DOCUMENT HAS BEEN REVIEWED  
BY THE CITY ATTORNEY'S OFFICE  
JOHN COTTI, Interim City Attorney

**NOTICE OF PUBLIC HEARING  
CITY OF MALIBU  
CITY COUNCIL**

The Malibu City Council will hold a public hearing on **Monday, February 22, 2021, at 6:30 p.m. in the City Council Chambers at Malibu City Hall**, located at 23825 Stuart Ranch Road, Malibu, CA, for:

**Approval of City of Malibu's proposed allocation of Fiscal Year 2021-22 Community Development Block Grants (CDBG) funds.**

**The Council will consider the following proposed allocations:**

**The use of \$20,000 in CDBG funds for Public Services under the Day Labor Exchange Program.**

**The use of \$48,000 in CDBG funds for the CDBG Revolving Fund Grant Fund.**

The estimated FY2020-21 CDBG annual allocation for the City of Malibu is \$68,619 and may fluctuate by +/- 2%.

If there are any questions regarding this notice, please contact Lisa Soghor, Assistant City Manager at (310) 456-2489, ext. 224. Copies of all related documents can be reviewed by any interested person at City Hall during normal business hours, Monday through Friday. Oral and written comments may be presented to the City Council on, or before, the date of the meeting.

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LISA SOGHOR, ASSISTANT CITY MANAGER

Publish Date: Thursday, January 21, 2020

**NOTICE OF PUBLIC HEARING  
CITY OF MALIBU  
CITY COUNCIL**

The Malibu City Council will hold a public hearing on **MONDAY, February 22, 2021, at 6:30 p.m. on the item identified below via teleconference only in order to reduce the risk of spreading COVID-19, pursuant to the Governor's Executive Orders N-25-20 and N-29-20 and the County of Los Angeles Public Health Officer's order.**

Public comment can be submitted ahead of the public hearing to [citycouncil@malibucity.org](mailto:citycouncil@malibucity.org) for inclusion in the public record. To participate during the public hearing, please visit <https://malibucity.org/VirtualMeeting> and follow the directions for signing up to speak and downloading the Zoom application.

**Approval of City of Malibu's proposed allocation of Fiscal Year 2021-22 Community Development Block Grants (CDBG) funds.**

**The Council will consider the following proposed allocations:**

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IF YOU CHALLENGE THE CITY COUNCIL'S ACTION IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR OTHERWISE HELD BY THE CITY, OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE CITY, EITHER AT OR PRIOR TO THE PUBLIC HEARING.

If there are any questions regarding this notice, please contact Assistant City Manager, Lisa Soghor, at (310) 456-2489, ext. 224. Copies of all related documents can be reviewed by any interested person at City Hall during regular business hours. Oral and written comments may be presented to the City Council on, or before, the date of the meeting.

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LISA SOGHOR, ASSISTANT CITY MANAGER

Publish Date: February 4, 2021