



RANCHO PALOS VERDES

PUBLIC HEARING

Date: September 7, 2010

Subject: Reallocation of FY10-11 Community Development Block Grant Funding

Subject Property: Citywide



1. **Declare the Hearing Open:** Mayor Wolowicz
2. **Report of Notice Given:** City Clerk Morreale
3. **Staff Report & Recommendation:** Deputy Director of Finance/IT Downs
4. **Public Testimony:**

Appellants: N/A

Applicant: N/A

5. **Council Questions:**
6. **Rebuttal:**
7. **Declare Hearing Closed:** Mayor Wolowicz
8. **Council Deliberation:**
9. **Council Action:**

MEMORANDUM

TO: HONORABLE MAYOR & MEMBERS OF THE CITY COUNCIL
FROM: DENNIS McLEAN, DIRECTOR OF FINANCE & IT 
DATE: SEPTEMBER 7, 2010
SUBJECT: REALLOCATION OF FY10-11 COMMUNITY DEVELOPMENT
BLOCK GRANT FUNDING
REVIEWED: CAROLYN LEHR, CITY MANAGER 

Staff Coordinator: Kathryn Downs, Deputy Director of Finance & Information
Technology

RECOMMENDATION

- 1) Conduct a public hearing to receive citizen input on the proposed reallocation of FY10-11 Community Development Block Grant (CDBG) funding;
- 2) Adopt Resolution No. 2010- , APPROVING THE CANCELLATION OF CDBG FUNDING FOR THE REACH PROGRAM FOR DEVELOPMENTALLY DISABLED PERSONS AND REALLOCATION OF CDBG FUNDS TO THE FY2010-2011 ADA CURB RAMP AND SIDEWALK INSTALLATION PROJECT; and
- 3) Adopt Resolution No. 2010- , AMENDING RESOLUTION 2010-55, THE BUDGET APPROPRIATION FOR FY10-11, TO ADJUST THE BUDGET IN THE CITY'S GENERAL FUND, COMMUNITY DEVELOPMENT BLOCK GRANT FUND AND CAPITAL IMPROVEMENT PROJECTS FUND.

BACKGROUND AND DISCUSSION

Pursuant to federal requirements, this public hearing was noticed in the Palos Verdes Peninsula News on August 5, 2010 and August 26, 2010.

On December 15, 2009, after conducting a noticed public hearing, the City Council approved the 2010-2011 Community Development Block Grant (CDBG) Program, including funding allocations to various City programs. For many years, the City's REACH Recreation program for the developmentally disabled has been partially funded with CDBG. The City also uses its CDBG allocation for the Home Improvement Program and various improvements to City facilities to comply with the Americans with Disabilities Act (ADA).

REALLOCATION OF FY10-11 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING

September 7, 2010

Page 2 of 2

The use of CDBG funding is subject to federal standards. These standards define "program income" to include CDBG revenue, as well participant fees and donations. Furthermore, these standards require that all expenditures funded with "program income" comply with rigorous federal procurement and documentation procedures. Based on City Council direction at the May 22, 2010 Budget Workshop, Staff is proposing an increase of REACH participant fees as part of the Annual Cost-Based Fee Update (also on the September 7, 2010 agenda). Increasing REACH participant fees also increases the amount of REACH expenditures subject to federal procurement procedures. As a result, an inordinate amount of Recreation staff time would be required to document the procurement of REACH supplies. For example, the City would be required to document three bids when purchasing paper plates for \$3.

To avoid this problem, Staff proposes a reallocation of CDBG funding. The City has other General Fund expenditures that could be funded with CDBG, which would require much less staff time to comply with federal procurement procedures. Installation of ADA compliant curb ramps and sidewalk access, normally paid for by the General Fund, could be funded by CDBG instead.

Staff recommends the City Council reallocate \$26,848 of its CDBG award from the REACH program to ADA compliant curb ramps and sidewalk access to relieve staff time for procurement documentation. This reallocation will allow future expansion of REACH fees and donations without triggering the requirement to comply with federal procurement procedures for the purchase of REACH supplies.

FISCAL IMPACT

This reallocation will not affect REACH expenditures. The program will continue to maintain its current level of service.

There is no General Fund impact resulting from this reallocation. The CDBG transfer-in to the General Fund will be reduced, and the General Fund transfer-out to the Capital Improvement Projects fund would be reduced. In other words, the General Fund subsidy for ADA compliant curb ramps and sidewalk access would decrease and the General Fund subsidy to the REACH program would increase.

RESOLUTION NO. 2010-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES APPROVING THE CANCELLATION OF CDBG FUNDING FOR THE REACH PROGRAM FOR DEVELOPMENTALLY DISABLED PERSONS AND REALLOCATION OF CDBG FUNDS TO THE FY 2010-2011 ADA CURB RAMP AND SIDEWALK INSTALLATION PROJECT

WHEREAS, the City Council of the City of Rancho Palos Verdes conducted a public hearing, pursuant to applicable law, on December 15, 2009, to consider the allocation of concerning Community Development Block Grant (CDBG) Funds for the Fiscal Year 2010-2011; and

WHEREAS, the use of CDBG funds is strictly limited by law; and

WHEREAS, the City of Rancho Palos Verdes is a recipient of Community Development Block Grant Funds and desires to cancel CDBG funding and reallocate \$26,847 from the REACH Program for Developmentally Disabled Persons to the Americans with Disabilities Act (ADA) Compliance Curb Ramp Installation and Sidewalk Access Project; and

WHEREAS, the City Council of the City of Rancho Palos Verdes conducted a public hearing, pursuant to applicable law, on September 7, 2010, to consider the reallocation of CDBG funds.

NOW, THEREFORE, BE IT RESOLVED by the City of Rancho Palos Verdes City Council as follows:

Section 1. The CDBG budget allocation in the amount of \$26,847 for the REACH Program shall be cancelled and reallocated to FY 2010-2011 Americans with Disabilities Act (ADA) Compliance Curb Ramp Installation and Sidewalk Access Project.

Section 2. The Director of Public Works is authorized and directed to execute any and all documents necessary to complete the reallocation of CDBG funds from the REACH Program to the ADA Compliance Curb Ramp Installation and Sidewalk Access Project.

Section 3. This resolution shall take effect immediately.

Section 4. The City Clerk shall certify to the adoption of this resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 7th day of September, 2010.

Mayor

ATTEST:

City Clerk

State of California)
County of Los Angeles) ss
City of Rancho Palos Verdes)

I, CARLA MORREALE, City Clerk of the City of Rancho Palos Verdes, hereby certify that the above Resolution No. 2010- was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on September 7, 2010.

City Clerk

RESOLUTION NO. 2010-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES, AMENDING RESOLUTION 2010-55, THE BUDGET APPROPRIATION FOR FY10-11, TO ADJUST THE BUDGET IN THE CITY'S GENERAL FUND, COMMUNITY DEVELOPMENT BLOCK GRANT FUND AND CAPITAL IMPROVEMENT PROJECTS FUND

WHEREAS, on June 15, 2010, the City Council of the City of Rancho Palos Verdes adopted Resolution 2010-55, approving a spending plan and authorizing a budget appropriation for FY10-11: and

WHEREAS, the City Council desires to reallocate Community Development Block Grant (CDBG) funding from the REACH recreation program to the installation of Americans with Disabilities Act compliant curb ramp and sidewalk installation; and

WHEREAS, the City Council desires that the FY10-11 budget be adjusted.

BE IT, THEREFORE, RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO PALOS VERDES:

The following adjustments are made to the FY10-11 budget:

General Fund Adjustments:

REACH	#101-5070-391-10-00	Transfer In from CDBG	\$ (26,848)
General	#101-6000-491-91-00	Transfer to CIP	\$ (26,848)

CDBG Fund Adjustments:

REACH	#310-3094-331-10-00	Federal Grant Income	\$ (26,848)
REACH	#310-3094-491-91-00	Transfer to General Fund	\$ (26,848)
ADA Improvements	#310-3093-331-10-00	Federal Grant Income	\$ 26,848
ADA Improvements	#310-3093-461-73-00	Improvements	\$ 26,848

Capital Improvement Projects (CIP) Fund Adjustments:

Street Improve	#330-3031-391-10-00	Xfer from General Fund	\$ (26,848)
Street Improve	#330-3031-461-73-00	Residential Pavement	\$ (26,848)

PASSED, APPROVED, AND ADOPTED THE 7th DAY OF SEPTEMBER 2010.

MAYOR

ATTEST:

CITY CLERK

State of California)
County of Los Angeles)ss

City of Rancho Palos Verdes)

I, CARLA MORREALE, City Clerk of The City of Rancho Palos Verdes, hereby certify that the above Resolution No. 2010- was duly and regularly passed and adopted by the said City Council at regular meeting thereof held on September 7, 2010.

CITY CLERK
CITY OF RANCHO PALOS VERDES