



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2011-0454

TO: Mayor and City Council Members
FROM: Debby Hoyle, Financial Analyst / (248) 841-2532
DATE: October 3, 2011
SUBJECT: Community Development Block Grant (CDBG) Program Year 2012 Application

REQUEST:

That City Council conduct a public hearing and adopt program allocations for the Program Year (PY) 2012 Community Development Block Grant (CDBG) application.

REASON FOR PURCHASE:

As part of the application process for CDBG funds, communities must hold a public hearing and the governing body must pass a resolution approving the planned use of funds. Oakland County's Community & Home Improvement Division does not yet have information on the exact amount of PY 2012 funding. The County has provided the City of Rochester Hills with an initial planning allocation of \$129,441 based on PY 2011 funding to complete the CDBG application. The City must allocate funds to eligible programs and projects in accordance with federal and county rules and regulations. The national objectives of the CDBG program are to assist low- and moderate-income persons, to prevent or eliminate slums and blight, and to meet an urgent community need where no other funding is available.

In order to comply with federal regulations, the Community & Home Improvement Division limits the amount that communities can allocate to public service activities. The PY 2012 public service cap is set at a maximum of 15% of a CDBG annual program or \$19,416 for Rochester Hills, this represents half of the 30% that was allocated in PY 2011. In addition, the minimum amount that can be allocated to a Public Service group is \$2,500. Public service activities include yard services, youth services, battered & abused spouses services, and emergency clothing services. The proposed application allocates the maximum allowable amount to public service activities. This year, with the major decrease in Public Service dollars, we are proposing four different options for City Council to consider in allocating its Public Service funds. The remaining 85% or \$110,025 is proposed to support the City's Minor Home Repair program, which is experiencing unprecedented demand from residents for the third year in a row.

The City of Rochester Hills has scheduled a public hearing on October 17, 2011, regarding the PY 2012 CDBG application and proposed funding allocations. The Community & Home Improvement Division has advised Administration that any City Council member who serves on a board of an organization receiving funds should excuse themselves from voting on the resolution. The Community & Home Improvement Division also recommends that organizations requesting funding and wishing to address City Council, should address Council before or after the public hearing (not during).

\$110,025.00 **Minor Home Repair (731227)** – Provide accessibility modifications, ordinance compliance, and health and safety related repairs to low-income residents. Funds will allow approximately 60 projects to be completed. Eligible repairs include, but are not limited to, furnace or water heater replacements, roof repairs, hazardous tree removals, connections to sewer or water systems (cannot fund capital and lateral fees), plumbing, and electrical.

\$ 19.416.00 **Public Services:**

Public Services / Yard Services (732170) – Provide lawn mowing, snow removal, and spring and fall cleanups for approximately 75 low-income senior or disabled adult households.

Public Services / Youth Services (732185) –Avondale Youth Assistance (AYA) which provides financial assistance to allow approximately 30 qualifying children to attend programs that provide youth enrichment such as tutoring and camps. Rochester Area Youth Assistance (RAYA) which provides youth enrichment through a summer camp that serves approximately 80 children.

Public Services / Battered & Abused Spouses (730137) – Provide programs such as emergency shelter, legal, and counseling services for approximately 100 domestic violence victims or families.

Public Services / Emergency Services (730571) – Provides emergency clothing services to approximately 500 low-income residents.

\$129,441.00 Grand Total 2012 CDBG Planning Allocation

PROCESS:

Vendor Name and Address:

Each vendor will be procured according to City of Rochester Hills and Oakland County Community and Home Improvement Division procedures.

Reason for Selection:

Best value to the benefiting clients

Method of Purchase:

Request for Proposal (RFP)
Federal Small Purchase Procedures

BUDGET:

All expenditures are to be entirely reimbursed through CDBG revenue. The annual program year runs from May 1 to April 30, which does not correspond with the City's fiscal year. Budget amendments and/or adjustments will be forthcoming as needed.

Fund Name	Department Account No	Account No. Description	2012 Budget Amount
General Fund	666 - CDBG	801000 - Professional Services	\$23,550
General Fund	666 - CDBG	801592 - Prof. Services - MHR	\$92,300
General Fund	666 - CDBG	807000 - Contractual Services	\$16,000
		TOTAL	\$156,920

RECOMMENDATION:

That City Council adopt the proposed allocation for the Minor Home Repair Program of the Community Development Block Grant (CDBG) and choose and adopt one of the four allocation options for the Public Services Program of CDBG for Program year 2012.
