



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2012-0367

TO: Mayor and City Council Members
FROM: Debby Hoyle, Financial Analyst / (248) 841-2532
DATE: October 10, 2012
SUBJECT: Community Development Block Grant (CDBG) Program Year 2013 Application

REQUEST:

That City Council conduct a public hearing and adopt program allocations for the Program Year (PY) 2013 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 2013 funding. The County has provided the City of Rochester Hills with an initial planning allocation of \$130,953 based on PY 2012 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 is limiting the number of projects that communities can allocate funds for to four (4). The City currently has five projects: Minor Home Repair, Yard Services, Youth Services, Battered and Abused Spouses Services, and Emergency Clothing. Administration is proposing to remove the Youth Services Project from the CDBG program, and instead increase the budget amount the City contributes to each Rochester Area Youth Assistance and Avondale Youth Assistance out of City Council's budget keeping those two groups whole with current funding levels. This will bring us in compliance with the new rules and allow continued funding for the remaining four (4) projects.

The City of Rochester Hills has scheduled a public hearing on October 22, 2012, regarding the PY 2013 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 during the public hearing.

\$110,953.00 **Minor Home Repair (731227)** – Provide accessibility modifications, ordinance compliance, and health and safety related repairs to low-income residents. Funds will allow approximately 40 projects to be completed. Eligible repairs include, but are not limited to, furnace or water heater

replacements, roof repairs, connections to sewer or water systems (cannot fund capital and lateral fees), plumbing, and electrical.

\$ 20,000.00 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 / 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.

\$130,953.00 Grand Total 2013 CDBG Planning Allocation

General Fund Budget Adjustment Recommended:

\$ 3,000.00 Avondale Youth Assistance (AYA) - provides financial assistance to allow approximately 30 qualifying children to attend programs that provide youth enrichment such as tutoring and camps.

\$ 9,000.00 Rochester Area Youth Assistance (RAYA) - provides youth enrichment through a summer camp that serves approximately 80 children.

\$ 12,000.00 Grand Total 2013 General Fund Budget Adjustment

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 for CDBG projects 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	2013 Budget Amount
General Fund	666 - CDBG	801000 - Professional Services	\$ 10,000
General Fund	666 - CDBG	801592 - Prof. Services – MHR	\$110,953
General Fund	666 - CDBG	807000 - Contractual Services	\$ 10,000
		TOTAL	\$130,953

RECOMMENDATION:

That City Council adopts the proposed allocation for the four projects of the Community Development Block Grant (CDBG) for the PY 2013-14.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		