



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

**1000 Rochester Hills Dr.
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Legislative File No: 2009-0497

TO: Mayor and City Council Members
FROM: David Levett, Financial Analyst / (248) 841-2532
DATE: October 27, 2009
SUBJECT: Community Development Block Grant (CDBG) Program Year 2010 Application

REQUEST:

That City Council conduct a public hearing and adopt program allocations for the Program Year (PY) 2010 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 2010 funding. The County has provided the City of Rochester Hills with a planning allocation of \$151,479 based on PY 2009 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 County limits the amount that communities can allocate to public service activities. The PY 2010 public service cap is a maximum of 30% of CDBG funds, which is \$45,443 for Rochester Hills. The public service cap was lowered, this program year, from 45% (in PY 2009) to the PY 2010 30%. This change will mean a greater allocation to the Minor Home Repair program. The minimum amount that can be allocated to an account 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. Therefore, an increase in funding for any public service activity would require a corresponding decrease to another public service activity. The remaining 55% or \$106,036 is proposed for the City's Minor Home Repair program, which is experiencing unprecedented demand from residents.

The City of Rochester Hills will hold a public hearing on November 9, 2009 regarding the PY 2010 CDBG application and proposed funding allocations. The County has advised us that any City Council member who serves on a board of an organization receiving funds should excuse themselves from voting on the resolution. The County also recommends that organizations requesting funding and wishing to address City Council, should address Council before or after the public hearing.

Details regarding the proposed projects and funding allocations is provided on the following page. The proposed allocations do not include any changes from the current year's distribution.

- \$106,036.00 **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.
- \$23,925.00 **Public Services / Yard Services (732170)** – Provide lawn mowing, snow removal, and spring and fall cleanups for approximately 70 low-income senior or disabled adult households.
- \$11,939.00 **Public Services / Youth Services (732185)** – Youth Services are provided by Avondale Youth Assistance (AYA), which will receive \$2,500 and Rochester Area Youth Assistance (RAYA) which will receive \$9,439. AYA provides financial assistance to allow approximately 30 qualifying children to attend programs that provide youth enrichment such as tutoring and camps. RAYA provides youth enrichment through a summer camp that serves approximately 80 children.
- \$7,079.00 **Public Services / Battered & Abused Spouses (730137)** – Provide programs such as emergency shelter, legal, and counseling services for approximately 100 domestic violence victims or families.
- \$2,500.00 **Public Services / Emergency Services (730571)** – Provides emergency clothing services to approximately 200 low-income residents.

\$151,479.00 Grand Total 2010 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 anticipated to be reimbursed through CDBG revenue. The Program Year runs from May 1 to April 30, which does not correspond with the City's fiscal year. Budget amendments and adjustments will be forthcoming as needed.

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost | Remaining Budget |
|------------------|------------------------------|--------------------------------|----------------------|------------------|-------------------------|
| General Fund | 666 - CDBG | 801000 - Professional Services | \$30,210 | \$21,518 | (\$8,692) |
| General Fund | 666 - CDBG | 801592 - Prof. Services – MHR | \$78,490 | \$106,036 | \$27,546 |
| General Fund | 666 - CDBG | 807000 - Contractual Services | \$34,030 | \$23,925 | (\$10,105) |
| | | TOTAL | \$142,730 | \$151,479 | \$8,749 |

RECOMMENDATION:

That City Council adopt the proposed Community Development Block Grant (CDBG) program allocation amounts for Program Year 2010.

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