



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

**1000 Rochester Hills Dr.  
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**Legislative File No: 2013-0478**

**TO:** Mayor and City Council Members

**FROM:** Debby Hoyle, Financial Analyst / (248) 841-2532

**DATE:** November 22, 2013

**SUBJECT:** Community Development Block Grant (CDBG) Program Year 2014 Application

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**REQUEST:**

That City Council conduct a public hearing and adopt program allocations for the Program Year (PY) 2014 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 2014 funding. The County has provided the City of Rochester Hills with an initial planning allocation of \$138,083 based on PY 2013 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.

The City of Rochester Hills has scheduled a public hearing on December 9, 2013, regarding the PY 2014 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.

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 four projects: Minor Home Repair, Yard Services, Battered and Abused Spouses Services, and Emergency Clothing. Due to a request we have received for Transportation Services, a project we currently do not allocate money to, administration is asking City Council to choose from two different options for the funding allocation.

**Option A:**

\$118,083.00 **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.

**\$138,083.00 Grand Total 2014 CDBG Planning Allocation – Option A**

**Option B:**

\$97,083.00 **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.

\$ 41,000.00 **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 / Transportation Services (732011)** – Purchase a vehicle for a transportation services program.

**\$138,083.00 Grand Total 2014 CDBG Planning Allocation – Option B**

**If City Council should pick Option B they should be aware that the Transportation Service Option would be an item that will need to go through a bidding process and the most qualifying proposer will be selected to provide the Transportation Services.**

**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 July 1 to June 30, which does not correspond with the City’s fiscal year. Budget amendments and/or adjustments will be forthcoming as needed.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Option A: 2014 Budget Amount</b>	<b>Option B: 2014 Budget Amount</b>
General Fund	666 - CDBG	801000 - Professional Services	\$ 10,000	\$31,000
General Fund	666 - CDBG	801592 - Prof. Services – MHR	\$118,083	\$97,083
General Fund	666 - CDBG	807000 - Contractual Services	\$ 10,000	\$10,000
		<b>TOTAL</b>	<b>\$138,083</b>	<b>\$138,083</b>

**RECOMMENDATION:**

That City Council adopt one of the proposed allocations for the four projects of the Community Development Block Grant (CDBG) for the PY 2014-15. City Council authorizes the Mayor to execute the PY 2014 Community Development Block Grant Application and related documents on the City’s behalf.

**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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