



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

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

---

**Legislative File No: 2010-0429**

**TO:** Mayor and City Council Members

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

**DATE:** October 5, 2010

**SUBJECT:** Community Development Block Grant (CDBG) Program Year 2011 Application

---

**REQUEST:**

That City Council conduct a public hearing and adopt program allocations for the Program Year (PY) 2011 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 2011 funding. The County has provided the City of Rochester Hills with an initial planning allocation of \$156,896 based on PY 2010 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 2011 public service cap is set at maximum of 30% of a CDBG annual program (which is \$47,069 for Rochester Hills). 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, any increase in funding for one public service activity would require a corresponding decrease to another public service activity. The remaining 70% (or \$109,827) is proposed to support 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 October 18, 2010, regarding the PY 2011 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.

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

- \$109,827.00 **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.
- \$23,534.00 **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.
- \$12,552.00 **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. AYA is proposed to receive \$2,636. Rochester Area Youth Assistance (RAYA) which provides youth enrichment through a summer camp that serves approximately 80 children. RAYA is proposed to receive \$9,916.
- \$ 7,845.00 **Public Services / Battered & Abused Spouses (730137)** – Provide programs such as emergency shelter, legal, and counseling services for approximately 100 domestic violence victims or families.
- \$ 3,138.00 **Public Services / Emergency Services (730571)** – Provides emergency clothing services to approximately 200 low-income residents.
- \$156,896.00 Grand Total 2011 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.

| <b>Fund Name</b> | <b>Department Account No</b> | <b>Account No. Description</b> | <b>2011 Budget Amount</b> | <b>Cost</b>      | <b>Remaining Budget</b> |
|------------------|------------------------------|--------------------------------|---------------------------|------------------|-------------------------|
| General Fund     | 666 - CDBG                   | 801000 - Professional Services | \$23,550                  | \$23,535         | \$15                    |
| General Fund     | 666 - CDBG                   | 801592 - Prof. Services – MHR  | \$109,830                 | \$109,827        | \$3                     |
| General Fund     | 666 - CDBG                   | 807000 - Contractual Services  | \$23,540                  | \$23,534         | \$6                     |
|                  |                              | <b>TOTAL</b>                   | <b>\$156,920</b>          | <b>\$156,896</b> | <b>\$24</b>             |

**RECOMMENDATION:**

That City Council adopt the proposed Community Development Block Grant (CDBG) program allocation amounts for Program Year 2011.