



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Wilson and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development
Donald Boudreau, Assistant Planner

DATE: February 15, 2005

SUBJECT: Consideration of Proposed Exchange of Community Development Block Grant (CDBG) Funds Received by the City of Manhattan Beach to the City of West Hollywood and the allocation of funds for the 2005-2006 Fiscal Year.

RECOMMENDATION:

Staff recommends that the City Council: **CONDUCT** the Public Hearing; **ADOPT** the attached Resolution (Exhibit A); **AUTHORIZE** the City Manager to execute the Agreement (Exhibit B) with the City of West Hollywood; and, **APPROVE** an allocation of general funds received to the identified public service agencies (Exhibit C).

FISCAL IMPLICATION:

The City will receive approximately \$126,453 in General Funds in exchange for \$168,605 in CDBG funds to allocate to existing public service agencies to continue their programs that benefit low and moderate income residents of Manhattan Beach.

BACKGROUND:

The City receives CDBG funding as a participating City through the Los Angeles County Community Development Commission (CDC). The City's estimated CDBG allocation for FY 2005-2006 is \$168,605 (the proposed allocation for the upcoming fiscal year is an estimate only).

Federal (HUD) regulations currently allow only 15% of CDBG funds to be allocated to public service agencies. Historically the City has chosen to use its CDBG allocations to fund local public service agencies which meet the spirit of CDBG guidelines. In the past, the Community Development Commission used to grant the City of Manhattan Beach a waiver from the 15% cap, however beginning with the 1997-1998 program year the County notified all participating cities that no waivers would be granted. Therefore in order to maximize the amount of funds available to public service agencies the City has historically sold its allocation.

Projects funded through the CDBG program must meet certain mandated objectives, such as: (1) activities benefiting low and moderate income persons; (2) activities which aid in the prevention or elimination of blight; (3) activities that meet urgent community development needs; and (4)

additional criteria as outlined in the Federal Register. Given the City's demographics it has been extremely difficult to develop non-public service projects which satisfy the program objectives. Consequently over the last seven program years the City has exchanged CDBG funds with another participating City.

DISCUSSION:

On January 20, 2004 the City Council approved Resolution No. 5880, authorizing the exchange of the City's entire CDBG allocation with the City of West Hollywood for the current 2004-2005 fiscal year. In order to continue maximizing the amount of CDBG monies available to the City's local public service agencies, Staff is proposing to exchange the City's CDBG allocation with the City of West Hollywood for the upcoming 2005-2006 fiscal year at a proposed exchange rate of 75% (See West Hollywood Correspondence Exhibit F). This process involves the sale of the City's entire CDBG allocation (\$168,605) to the City of West Hollywood in exchange for \$126,453 in general funds. Since the payment received is general fund money, and not subject to CDBG guidelines, the City may allocate these funds as directed by the City Council.

Consistent with Council direction from previous years, Staff has required each agency to complete a questionnaire regarding the services each agency provides. A summary of the questionnaire submitted by each of current participating public service agencies has been attached as Exhibit E. Funds for some agencies are used for a particular program within an agency, and some funds are part of the overall budget for others. This is reflected in the first two columns of the table. Number of Manhattan Beach residents served is also reflected in the table, both current and projected for this fiscal year, and projected for next fiscal year. Lastly the table includes the average number of hours spent on each client, and the costs per hour. It should be noted that cost per hour can vary greatly. For example, the low cost shown for The South Bay Adult Care Center is because that particular program is largely administered by a staff of volunteers, while the high cost per hour indicated for The South Bay Family Health Care Center is because it is a Dental Care program administered by professionals (See Exhibit D, Public Agencies Descriptions).

OTHER POTENTIAL PROJECTS:

Due to the relatively limited amount of funding the City receives, Capital Improvement Projects (CIP), Low Income, and other types of qualifying CDBG projects can be very difficult to program. The cost of actual construction, in addition to administrative costs associated with complying with the County's monitoring requirements, can deplete the benefits to this approach. This is the primary reason that cities such as West Hollywood, find it necessary to compound their CDBG allocation by purchasing the allocation of other participating communities. Due to the complexity of setting up such programs coupled with the higher costs, and that other sources of funding for the current public service agencies would need to be explored, staff is recommending against this approach at this time.

Council has determined in the past that using the limited amount of CDBG funds for these types of projects was not cost effective, and would take valuable money away from the City's local public service agencies.

It should be noted that in July of 2001 the City entered into a five year agreement with Beach Cities Health District to pay a portion of the costs associated with "Senior Care Services" administered by Jan Buike (see Exhibit G, Beach Cities Agreement). The Senior Care Program provides care management assistance to help facilitate the acquisition of services to seniors in the City of Manhattan Beach which help to promote and maintain their optimum level of functioning. The

program utilizes a full-time specialized resource person to coordinate necessary living assistance for the City's senior population, rather than have these services spread across several different organizations. It was determined at the time the contract was approved that the exclusive and immediate availability of the care manager position has proven to be a tremendous asset for not only those in need of immediate assistance, but also to the City's employees, who often are called upon to respond to these situations.

The CDBG program has historically funded a majority of the costs associated with this service, even before the City entered into an agreement with Beach Cities Health District. Due to the unpredictable fluctuations in the City's CDBG allocation the Council has determined during the last two funding cycles that CDBG funds should be prioritized to cover the City's entire obligation as outlined in the agreement. Staff is recommending that the Council continue to fund the City's entire share each year as outlined in the agreement regardless of funding fluctuations (other agencies are allocated funds based on their historical percentages). Should the Council allocate CDBG funds in another manner, funding for this service would have to come from another source (\$33,763).

CONCLUSION:

Given the continuing County policy with regards to limited public service funding, the exchange of funds has allowed the City to maximize the amount of money available to its local public service agencies. As has been done in the past, Staff recommends that the City Council authorize the allocation of this general fund money to the agencies historically funded by the City. The proposed allocations are distributed in a manner that covers the costs of the Beach Cities Health District contract, and distributes the remaining funds to the other agencies based on the same percentages Council has deemed appropriate in the past. The proposed allocations are identified in Exhibit C.

Pursuant to the attached Exhibits, Staff is recommending that the Council authorize the City Manager to enter into an Agreement with the City of West Hollywood implementing the proposed exchange of funds. Exhibit A is a Resolution of the Council approving the proposed agreement, and authorizing the City Manager to execute this agreement (Exhibit B).

- Attachments:
- Exhibit A - Resolution No. 5963
 - Exhibit B - Proposed Agreement with West Hollywood (not available electronically)
 - Exhibit C - Proposed Allocations
 - Exhibit D - Public Service Agencies Descriptions
 - Exhibit E - Summary of Questionnaire
 - Exhibit F - Correspondence from West Hollywood (not available electronically)
 - Exhibit G- Beach Cities Health District Agreement (not available electronically)

- c: Ray White, LA County Community Development Commission
- Roderick Burnley, City of West Hollywood
- Public Service Agencies (9)

RESOLUTION NO. 5963

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, APPROVING AN ASSIGNMENT AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND THE CITY OF WEST HOLLYWOOD REGARDING THE EXCHANGE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE FISCAL YEAR 2005-2006

The City Council of the City of Manhattan Beach conducted a public hearing, pursuant to applicable law, on February 15, 2005 to consider the allocation of CDBG funds for Fiscal Year 2005-2006; and

The City has historically (prior to 1997-1998 fiscal year) allocated 100% of its CDBG funds to regional public service agencies pursuant to a public service waiver from the Los Angeles County Community Development Commission (CDC); and

On May 21st, 2002 the City of Manhattan Beach executed a three-year Cooperation Agreement with the County of Los Angeles concerning CDBG funds for Fiscal Years 2003-2004, 2004-2005, 2005-2006; and

The use of CDBG funds is strictly limited by law; and

The City Council on February 15, 2005 authorized the City Manager to sell the City's entire CDBG allocation; and

The City Manager is authorized to amend the attached agreement as necessary to adjust the amount of funds to be exchanged with the City of West Hollywood based on the final allocation from the CDC; and

The City of West Hollywood has indicated an interest in purchasing the City's entire CDBG allocation of approximately \$168,605; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, FIND, DETERMINE AND ORDER AS FOLLOWS.

SECTION 1. The attached Agreement between the City of Manhattan Beach and the City of West Hollywood and the findings stated therein, is hereby approved, and the City Manager is authorized and directed to execute said Agreement on behalf of the City of Manhattan Beach.

SECTION 2. Pursuant to Government Code Section 65907 and Code of Civil Procedure Section 1094.6, any action or proceeding to attack, review, set aside, void or annul this decision, or concerning any of the proceedings, acts, or determinations taken, done or made prior to such decision or to determine the reasonableness, legality or validity of any condition attached to this decision shall not be maintained by any person unless the action or proceeding is commenced within 90 days of the date of this resolution and the City Council is served within 120 days of the date of this resolution. The City Clerk shall send a certified copy of this resolution to the applicant, and if any, the appellant at the address of said person set forth in the record of the proceedings and such mailing shall constitute the notice required by Code of Civil Procedure Section 1094.6.

SECTION 3. This resolution shall take effect immediately. The City Clerk shall make this resolution readily available for public inspection within thirty (30) days of the date this resolution is adopted.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED and ADOPTED this 15th day of February, 2005.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

Public Service Agency	Allocation Fiscal Year 2004-2005		Proposed Allocation 2005-2006	Requested Funding
Wellness Community	1,634.62	2%	1,822.57	2,500.00
South Bay Adult Care Center	1,634.62	2%	1,822.57	4,000.00
Project Touch	2,918.96	4%	3,254.59	3,662.00
South Bay Youth Project	6,188.20	7%	6,899.73	9,310.00
South Bay Family Healthcare Center	21,133.28	25%	23,563.24	30,000.00
1736 Family Crisis Center	28,022.02	34%	31,244.07	53,000.00
South Bay Center for Counseling	17,513.76	21%	19,527.55	20,810.00
Care Management for Manhattan Beach Seniors (Service provided by Jan Buike)	32,575.00	NA	33,763.00	33,763.00
The Salvation Army-Senior Meals	4,086.54	5%	4,556.43	5,000.00
Totals	115,707.00	100%	126,453.75	

PROJECT DESCRIPTIONS

THE WELLNESS COMMUNITY SOUTH BAY CITIES

The Wellness Community South Bay Cities provides free psychological, emotional and social support for cancer patients and their loved ones. The core of the program consists of 15 ongoing weekly support groups and specialized monthly networking groups for specific types of cancer offered in a homelike setting, 6 days a week with all groups led by professionally licensed psychotherapists. This program provides an alternative to these types of services provided in the marketplace, which are expensive, a great benefit to those already dealing with the costs of cancer treatment.

SOUTH BAY ADULT CARE CENTER INC.

The South Bay Adult Care Center currently operates an Adult Day Care Center in Redondo Beach. The purpose of the center is to enrich the lives of adults suffering from Alzheimer's, Parkinson's, stroke, frailty, loneliness, etc. The center is designed to maintain psychological functioning levels as much as possible, as well as provide respite to family members. The center currently functions with limited hours and wishes to expand these hours as much as possible.

PROJECT TOUCH

Project Touch provides tutoring, counseling, social, and therapeutic services to at-risk youth in the South Bay. The goal of Project Touch is to provide a supportive environment in which teens and pre-teens can strengthen their self-understanding, build self esteem, and develop positive attitudes and lifestyles before behavior becomes a problem. Project Touch also provides counseling, social, and therapeutic services at Mira Costa High School for “at risk” youths who are making the transition to a regular school environment. This part of the program provides once-weekly Alternative Classroom Education (A.C.E.) groups for 9th and 10th grade students, and individual counseling as needed.

SOUTH BAY YOUTH PROJECT

The South Bay Youth Project identifies and provides counseling to “at risk” youths who are from low and moderate income households and who are residents of Manhattan Beach. Through its In Class Students Assistance Program, this project targets local high school youths who encounter problems associated with parental neglect, truancy, substance abuse, or involvement with criminal activity.

SOUTH BAY FAMILY HEALTHCARE CENTER

The South Bay Free Clinic provides preventive and emergency dental care to low and moderate residents of Manhattan Beach. Specific services include cleanings, X-rays, fluoride treatments, full examinations, fillings, extractions, limited orthodontics and periodontal services, as well as referrals in cases where the needs of the patient are beyond the scope of the clinic.

1736 FAMILY CRISIS CENTER

The 1736 Family Crisis Center is a non-profit agency providing residents of Manhattan Beach with a variety of counseling services and shelter services to resolve problems associated with child abuse, spousal abuse, and homelessness. Specifically, the Center offers five shelters for battered women and their children; one 24-hour Emergency Adolescent Shelter; 24-hour hotline services; walk-in services; out-patient services; support group counseling and intervention for families and individuals; crisis referral and advocacy; the Mentor Program; assertiveness training; and, community outreach services.

SOUTH BAY CENTER FOR COUNSELING

South Bay Center for Counseling provides mental health care for low and moderate income household residents of Manhattan Beach through three counseling programs. The Parents and Children Together Program nurtures children traumatized by abuse, loss, neglect, or behavioral/emotional difficulties. The Counseling Services program provides low cost therapy to families, groups, and individuals. The Beach Cities Health District's Children's Program provides comprehensive screening and referrals to pregnant women and families with hospitalized children.

CARE MANAGEMENT FOR MANHATTAN BEACH SENIORS

The Care Management for Manhattan Beach Seniors Program provides care management assistance in obtaining services to seniors of the City of Manhattan Beach which help to promote and maintain their optimum level of functioning. The goal of this program is to keep seniors in the least restrictive environment possible, so as to reduce inappropriate institutionalization. The target age group for this program is those persons 85 years plus, who are at the most risks for physical, mental and/ or functional impairment.

THE SALVATION ARMY-SENIOR MEALS

The Salvation Army Senior Meals project provides groceries on a bimonthly basis to senior citizen residents of Manhattan Beach. The groceries are provided in order to nutritionally enhance and supplement their diets and are distributed through the Salvation Army's "Operation Sunshine" brown bag program.

Agency	Total Budget 2005-2006	Budget of Particular Program if Different from Total Budget	Number of MB Residents 2004-2005 Year to Date (Projected)	Number of MB Residents Projected 2005- 2006	Average Number of Hours Spent per MB Client	Cost Per Hour MB Clients
The Wellness Community South Bay Cities	\$636,100	202,000	56(70)	70	24	\$62.50
South Bay Adult Care Center Inc.	\$115,000	NA	12(13)	15	260	\$8.00
Project Touch	\$145,200	\$8,199	16(140)	140	30.3	\$152.08
South Bay Youth Project	\$800,000	\$9,310	30(30)	30	15	\$15.00
South Bay Family Healthcare Center	\$4,400,000	\$68,181	100(190)	200	2.25	\$75.00
1736 Family Crisis Center	\$6,386,995	NA	500	500	*	*
South Bay Center For Counseling	\$3,900,000	NA	5(35)	40	18	\$28.90
Care Management For Manhattan Beach Seniors (Sevices Provided By Jan Buike)	\$61,387	NA	194(210)	210	2 to 40	\$29.51
Salvation Army (Meals On Wheels)	\$1,000,000	21,446	19(19)	19	8	\$5.85
* Costs can vary considerably due to the multitude of programs provided.						

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