City Council Meeting
07-13-26
Item 5.B.

Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Tatiana Holden, Assistant Public Works Director/City Engineer

Reviewed by: Christopher Smith, Assistant City Manager

Approved by: Joseph D. Irvin, City Manager

Date prepared: June 15, 2026 Meeting date: July 13, 2026

Subject: Approval of Use and Reallocation of Community Development Block Grant (CDBG) Funds for Fiscal Year 2026-2027

RECOMMENDED ACTION: 1) Conduct a public hearing; and 2) Adopt Resolution No. 26-51 authorizing and approving the use of $7,824 in Community Development Block Grant (CDBG) funds for Public Services, canceling CDBG funding of $275,752 for the Malibu Community Labor Exchange (MCLE) Center Project No. 602478-22 to transfer the funding to the Malibu Bluffs Park Snack Shack, approving the use of an additional $19,248 in unallocated funding for the Malibu Bluffs Park Snack Shack for a total of $295,000 for the project, and 3) Adopt Resolution No. 26-52 approving participation in the Los Angeles Urban County Community Block Grant Program by authorizing the Mayor, or his/her designee, to sign a cooperative agreement with the County of Los Angeles for Fiscal Years 2027-2029.

FISCAL IMPACT: The City anticipates receiving a total allocation of CDBG funding for FY 2026-27 of $52,163. This allocation amount is an estimate provided by Los Angeles County Development Authority (CDA) and may fluctuate by +/- 2%. Of that amount, $7,824 or 15% is available for public service programs within the community. The remaining $44,339 is available for other CDBG projects. In addition, the City has previously committed funding of $275,752 and has unallocated CDBG Fund balance from prior fiscal years in the amount of $19,248.

STRATEGIC PLAN IMPLEMENTATION: This item supports the City's 2025-2028 Strategic Plan: Goal 7: Explore New Opportunities for Educational, Cultural, and Recreational Establishment.

DISCUSSION: Following Council's direction to defund the permanent trailer for the Malibu Community Labor Exchange (MCLE), staff engaged with staff at the Los Angeles Urban County Community Development Block Grant (CDBG) Program on opportunities to reprogram those dollars before they expire. Through that dialog, staff identified that CDBG funds would be eligible to support Americans with Disabilities Act (ADA) elements of the Bluffs Park and Snack Shack project. Staff now come before Council to officially cancel the planned funding for the MCLE trailer project and reallocate it for the Bluffs Park Snack Shack project. This would further relieve the General Fund of $295,000 of project costs.

The City has long participated in the LA County CDBG program and historically has the City has awarded the maximum public services funds to the Malibu Community Labor Exchange (MCLE) to operate a day labor program assisting low-to-moderate income individuals with workforce placement. In January of 2014, the Council adopted Resolution No. 14-70 authorizing CDBG capital funds to be used to purchase and install a permanent office trailer for MCLE on the County property in the City's Civic Center. A total of $275,752 CDBG funds had been committed to the project.

Following a public bid which returned higher than anticipated project costs, Council directed staff to reject all bids in January 2026. Council subsequently directed staff to defund the capital project as part of the FY 2026-27 budget process. Existing CDBG capital funds previously allocated to the project will expire on June 30, 2026, unless staff identified another eligible Capital Improvement Project (CIP) for the reallocated funds.

In February 2026, Council approved the preliminary design for the Malibu Bluffs Park Snack Shack and Park Enhancement Project. During project development, staff and the Parks and Recreation Commission identified significant ADA accessibility improvements necessary to provide accessible routes, ramps, sidewalks, parking access, and connections to public facilities within the park. These improvements are eligible uses of CDBG funding as public facility improvements towards Americans with Disabilities Act (ADA) compliance.

Staff recommend reallocating the $275,752 of CDBG funds currently committed for the MCLE Permanent Trailer Project (CDBG Project No. 602478-22) to the Malibu Bluffs Park Snack Shack and Storage Enhancement Project. Staff also recommend allocating $19,248 in previously unallocated CDBG funds to the project.

In addition to the reallocated funds, the City is projected to receive $52,163 in FY 2026-27. CDA guidelines stipulate that only 15% ($7,824) of the annual CDBG allocation can be allocated to public services programs and the remaining funds must be spent on eligible capital projects.

In summary, the proposed CDBG funding use for FY 2026-2027 is summarized as follows:

- Public Services: $7,824
- Malibu Bluffs Park Snack Shack and Park Enhancement Project: $295,000
    - Transfer from MCLE project: $275,752
    - Unallocated CDBG funds: $19,248

The proposed allocations comply with CDA CDBG requirements and allow the City to utilize available grant funding on an eligible capital improvement project for ADA compliance that is expected to proceed within the applicable expenditure period.

In addition to the reallocation of CDBG funds, participating jurisdictions are required to renew their participation every three years. Staff recommends that the City participate in the upcoming three-year qualification period for Fiscal Years 2027-2029 (July 1, 2027 through June 30, 2030) to maintain eligibility for annual CDBG funding allocations administered by the Los Angeles CDA.

ATTACHMENTS:

1. Resolution No. 26-51
2. Resolution No. 26-52
2. Notice of Public Hearing

RESOLUTION NO. 26-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU AUTHORIZING AND APPROVING THE FISCAL YEAR 2026-2027 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDS FOR THE CITY OF MALIBU

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. The City of Malibu is a participating agency under the Los Angeles Urban County Community Development Block Grant (CDBG) Program.

B. The Los Angeles County Community Development Block Grant (CDBG) Program has allocated $52,163 to the City of Malibu for Fiscal Year 2026-27.

C. The City has an unallocated balance from prior fiscal years of at least $19,248.

D. The City desires to transfer $275,752 in previously allocated funding from the Malibu Community Labor Exchange (MCLE) Center Project (CDBG Project No. 602478-22) to the Malibu Bluffs Park Snack Shack and Enhancement Project.

E. The City has considered and evaluated CDBG eligible projects and community needs.

F. The Community Development Authority offers participating agencies the opportunity to transfer designated funding to a revolving grant fund which will be returned to the City to be used at a future time for a CDBG eligible project.

SECTION 2. After conducting a public hearing, the City Council hereby authorizes the expenditure of $7,824 for Public Services for Fiscal Year 2026-27 and expenditure of $295,000 in CDBG funds for the Malibu Bluffs Park Snack Shack and Enhancement Project. The City Council authorizes adjustments to the programed amounts as needed and available, as well as in the event that the City receives a different total funding amount. The City Manager or his/her/their designee is also authorized to make changes to the project as needed and approve all necessary contracts and agreements needed to transfer to the CDBG Revolving Grant Fund.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

SECTION 4. This Resolution shall become effective immediately upon its passage and adoption.

PASSED, APPROVED AND ADOPTED this 13th day of July 2026.

_____

BRUCE SILVERSTEIN, Mayor

ATTEST:

_____
KELSEY PETTIJOHN, City Clerk
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

_____
TREVOR RUSIN, Interim City Attorney

RESOLUTION NO. 26-52

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU APPROVING PARTICIPATION IN THE LOS ANGELES URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BY AUTHORIZING THE MAYOR, OR HIS/HER DESIGNEE, TO SIGN A COOPERATION AGREEMENT WITH THE COUNTY OF LOS ANGELES

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. The City of Malibu desires to participate in the Los Angeles Urban County Community Development Block Grant (CDBG) Program for the qualification period beginning July 1, 2027.

B. The City authorizes the execution of a cooperation agreement with the County of Los Angeles in order to receive said CDBG funds.

SECTION 2. The City Council hereby adopts and approves the County of Los Angeles Participating City Cooperation Agreement between the City of Malibu and the County of Los Angeles for the time period of July 1, 2027 through June 30, 2029 and self-renewing thereafter.

SECTION 3. The City Council authorizes the Mayor, or his/her designee, to execute any and all documents necessary for participation in the Los Angeles Urban County CDBG Program on behalf of the City of Malibu.

SECTION 4. The City Council hereby finds that approval of participation in the Los Angeles urban County Community Development Block Grant Program is exempt from the requirements of the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines Section 15378. Participation is a government funding mechanism, and does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 13th day of July 2026.

_____
BRUCE SILVERSTEIN, Mayor

ATTEST:

_____
KELSEY PETTIJOHN, City Clerk
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

TREVOR RUSIN, Interim City Attorney

NOTICE OF PUBLIC HEARING
CITY OF MALIBU
CITY COUNCIL

The Malibu City Council will hold a public hearing on **MONDAY, July 13, 2026, at 5:30 p.m. on the item listed below in the Council Chambers at Malibu City Hall, located at 23825 Stuart Ranch Road, Malibu, CA.**

Public comment can be submitted ahead of the public hearing to citycouncil@malibucity.org for inclusion in the public record. To participate during the public hearing, please review the meeting agenda posted at MalibuCity.org/AgendaCenter and follow the directions for public participation.

Approve the use of $7,824 of Community Development Block Grant (CDBG) funds for Public Services which will not exceed 15% of the annual allocation for Fiscal Year 2026-27.

Cancel the current Community Development Block (CDBG) funded project no. 602478-22 MCLE Permanent Officer Trailer Project in the amount of $275,752 and use the funding for the Malibu Bluffs Park Snack Shack and Storage Building CIP to be used toward Americans with Disabilities Act (ADA) compliance.

Approve the use of $19,248 in unallocated funding for the Malibu Bluffs Park Snack Shack and Storage Building CIP to be used toward ADA compliance.

IF YOU CHALLENGE THE CITY COUNCIL'S ACTION IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR OTHERWISE HELD BY THE CITY, OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE CITY, EITHER AT OR PRIOR TO THE PUBLIC HEARING.

If there are any questions regarding this notice, please contact Renee Neermann, Financial Controller, at (310) 456-2489, ext. 222. Copies of all related documents can be reviewed by any interested person at City Hall during regular business hours. Oral and written comments may be presented to the City Council on, or before, the date of the meeting.



RENEE NEERMANN, Financial Controller

Publish Date: June 25, 2026

ATTACHMENT 3