

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 8, 2014

CAO File No. 0220-00540-1082

Council File No. 14-0280

Council District: Various

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *DH
BW*

Reference: Housing and Community Investment Department transmittal dated February 13, 2014; received by the City Administrative Officer on March 4, 2014

Subject: **REQUEST FOR APPROVAL OF 2014 COMMUNITY SERVICES BLOCK GRANT AWARD AND RELATED ACTIONS**

SUMMARY

The Los Angeles Housing and Community Investment Department (HCID) requests authority to accept \$5,232,992 from the State of California Department of Community Services and Development (CSD) for the 2014 Community Services Block Grant (CSBG) program. The HCID also requests authority to execute CSBG Contract No. 14F-3022 and subsequent amendments with CSD for the period January 1, 2014 through December 31, 2014. Of the \$5,232,992, \$1,864,780 is available for allocation by CSD. The HCID anticipates that the remaining \$3,368,212 will be allocated by the second quarter of the federal fiscal year, 2014. We recommend approval for HCID to accept the 2014 CSBG award and execute the relevant documents with CSD, subject to the approval of the City Attorney as to form and legality.

The 2014 CSBG is pursuant to the City's Community Action Plan for 2014 and 2015 that was approved by Council and Mayor in June, 2013 (C.F. 13-0640). The HCID indicates that the CSBG program is operating under a continuing resolution and CSD anticipates the final grant award will be received in the second quarter of the federal fiscal year. HCID has prepared a one-year budget equal to the City's anticipated 2014 award. The proposed 2014 award is \$802,134 less than the 2013 award of \$6,035,126 representing an approximately 13 percent reduction in funding.

This report includes recommendations for the proposed distribution of CSBG funds across program and administrative costs in support of the City's FamilySource Program (FSP). The Community Action Program is funded by CSBG and other leveraged funding (including anticipated Program Year 40 Community Development Block Grant funds).

The Community Action Board (CAB) approved the acceptance of the 2014 CSBG contract on December 19, 2013. The CAB is a 15-member advisory board comprised of elected community

members and representatives from the public and private sectors nominated by the Council and Mayor. The CAB advises the Council and Mayor on issues related to CSBG and is an important overseer of programs funded by CSBG dollars.

BACKGROUND

Community Services Block Grant Program

The CSD administers the CSBG Program with funding from the U. S. Department of Health and Human services. Funding is awarded on a calendar year basis to states and other jurisdictions based on a formula that is determined in part by poverty levels. States and other jurisdictions award CSBG funds through contracts with Community Action Agencies (CAA), as established under grant requirements. The 2013-14 Adopted Budget transferred the administration of CSBG funds to the HCID effective July 1, 2013 and allows HCID to return to the Council and Mayor for amendments to accommodate future grant awards or related administrative costs (C.F. 13-0600). The HCID is thus the CAA for the City. The HCID utilizes CSBG in conjunction with CDBG funds to support the City's Community Action Program (which includes FSP) to deliver programs to low income City residents that help reduce the effects of poverty throughout the City. The CSBG provides funding for a network of 21 FamilySource Centers (FSC): five of which are operated by the City and 16 are operated by service providers. Funding for the contracts is pursuant to a Request for Proposals issued for the operation of the FSCs in 2009. The services provided by the FSCs include, but are not limited to providing core services with co-located partner agencies such as pre-employment and employment support, parenting classes, financial literacy, adult education, computer literacy, mentoring, youth leadership, college access programs, and supportive services.

Expenditure Plan

The HCID reports that prior Council actions authorized the use of \$1,162,608 of 2014 CSBG funds to support the FamilySource System through March 31, 2014 (C.F. 12-1607). Additional amendments are being prepared to accept further installments of CSBG funding at a later date and to bring the cumulative total of the award to \$5,232,992 for 2014. Additionally, requests for contract authorities and a funding matrix for the FamilySource System for April 1, 2014 through March 31, 2015 will be submitted as part of the 40th Year (2014-15) Housing and Community Development Action Plan.

The HCID proposes to expend \$3,924,744 for program costs for the 16 FSCs and \$1,308,248 for administrative costs to implement the 2014 CSBG program for a total amount of \$5,232,992. Program costs are summarized as follows:

Description	Funding Period	Amount
16 FSC Contracts	January 1 - March 31, 2014	\$1,162,608
16 FSC Contracts and One Evaluator Contract	April 1 - December 31, 2014	2,762,136
Total		\$3,924,744

Administrative Costs

The CSBG regulations limit the administrative expenses to 12 percent of the operating funds of the City's Community Action Program. The HCID's recommendation is to use 92 percent of funding for direct services and program delivery costs. Administrative costs totaling \$1,308,248 includes funding for salaries and wages, operating expenses, travel, and consultant services as follows:

Description	Funding Period	Amount
Direct Salary Costs	January 1 - December 31, 2014	\$878,855
Fringe Benefit	January 1 - December 31, 2014	306,433
Operating Expenses and Travel	January 1 - December 31, 2014	68,454
Related Costs (CAP 33)	January 1- December 31, 2014	54,506
Total		\$1,308,248

The HCID reports that the deadline to execute and return Contract No. 14F-3022 with required supporting documentation was January 6, 2014; however, the date was delayed due to a December release of the City's allocation from the state and the time required for subsequent budget revisions. Therefore, HCID is seeking expedited review and approval of the allocation of CSBG funding for program and administrative costs.

RECOMMENDATIONS

That the Council, subject to the Mayor:

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to:
 - a. Execute and return to the State of California Department of Community Services and Development (CSD) the signed Community Services Block Grant (CSBG) Contract No. 14F-3022 as attached to the HCID's transmittal dated February 13, 2014, in the amount of \$1,864,780 with required supporting documentation, subject to approval by the City Attorney as to form;
 - b. Execute any subsequent amendments to the CSBG contract, subject to the City Attorney approval as to form; and
 - c. Prepare Controller's instructions and make any necessary technical adjustments consistent with the Mayor and Council actions, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions;

2. Approve the use of an anticipated \$5,232,992 in 2014 CSBG funds to fund the FamilySource Center (FSC) System for the period of January 1, 2014 through December 31, 2014 as follows, subject to final federal appropriations of 2014 CSBG funds from the CSD:

Program Expenses	Amount
FamilySource System (1/1/14 – 3/31/14)	\$1,162,608
FamilySource System (4/1/14 – 12/31/14)	2,762,136
Administrative Expenses	1,308,248
Total	\$5,232,992

3. Authorize the Controller, or designee, to:

- a. Establish new accounts within the Community Services Block Grant No. 428 and appropriate as follows:

Account	Name	Amount
43K281	Family Source System	\$1,162,608
43K282	Family Source System	2,762,136
Total		\$3,924,744

- b. Establish a receivable from CSD for the amount of \$5,232,992 within the CSBG Fund No. 428.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report comply with the City's Financial Policies in that they provide for the acceptance of Community Services Block Grant Funds in the amount of \$1,864,780, with an anticipated sum of \$5,232,992, which will fund the expenses incurred by the FamilySource Center Program.

Attachment

MAS:MG:02140081C

**ATTACHMENT
 CSBG CONTRACT BUDGET SUMMARY**

Contractor Name: City of Los Angeles- Housing + Community Investment Department	Contract Number: 14F-3022	Amendment Number:
Prepared By: Jacqueline Rodriguez	Contract Term: 1/1/2014-12/31/2014	
Telephone Number: 213-744-9077	Contract Amount: \$5,232,992	
Date:	E-mail Address: jacqueline.rodriguez@lacity.org	

SECTION 10: ADMINISTRATIVE COSTS

Line Item		CSBG Funds (rounded to the nearest dollar)
1	Salaries and Wages	\$878,855
2	Fringe Benefits	\$306,433
3	Operating Expenses	\$58,055
4	Equipment	
5	Out-of-State Travel	\$3,655
6	Contract/Consultant Services	\$6,744
7	Other Costs	\$54,506
Subtotal Section 10: Administrative Costs (cannot exceed 12% of the total operating budget in Section 80)		\$1,308,248

SECTION 20: PROGRAM COSTS

Line Item		CSBG Funds (rounded to the nearest dollar)
1	Salaries and Wages	
2	Fringe Benefits	
3	Operating Expenses	
4	Equipment	
5	Out-of-State Travel	
6	Subcontractor/Consultant Services	\$3,924,744
7	Other Costs	
Subtotal Section 20: Program Costs		\$3,924,744

SECTION 40: Total CSBG Budget Amount (Sum of Subtotal Sections 10 and 20)	\$5,232,992.00
SECTION 70: Enter Other Agency Operating Funds Used to Support CSBG	\$9,722,803
SECTION 80: Agency Total Operating Budget (Sum of Sections 40 and 70)	\$14,955,795.00
SECTION 90: CSBG Funds Administrative Percent (Section 10 divided by Section 80)	8.75%

State of California
 Department of Community Services and Development
 2014 CSBG Estimated Allocation
 CAAs

County	Agency	Contract Number	2014 ESTIMATED ALLOCATION			Total Advance Available**
			A Total Estimated Allocation (For Budgeting)	B First Release (11/01/13) PCA.40114	C Total 2014 Contract*	
Alameda	Berkeley Community Action Agency	14F-3001	212,357	75,674	75,674	53,089
Alameda	City of Oakland, Department of Human Services	14F-3002	1,077,711	384,043	384,043	269,428
Alpine	Inyo Mono Advocates for Community Action, Inc.	14F-3003	1,041	371	371	260
Amador/Tuolumne	Amador/Tuolumne Community Action Agency	14F-3004	207,918	74,092	74,092	51,980
Butte	Community Action Agency of Butte County, Inc.	14F-3005	287,499	102,450	102,450	71,875
Calaveras/Mariposa	Calaveras-Mariposa Community Action Agency	14F-3006	207,384	73,901	73,901	51,846
Colusa	SEE GLENN					
Contra Costa	Contra Costa Employment & Human Services Dept/CSB	14F-3007	676,851	241,196	241,196	169,213
Del Norte	Del Norte Senior Center	14F-3008	40,724	14,512	14,512	0
El Dorado	El Dorado County Department of Human Services	14F-3009	227,543	81,085	81,085	56,886
Fresno	Fresno County Economic Opportunities Commission	14F-3010	1,475,843	525,918	525,918	368,961
Glenn/Colusa/Trinity	Glenn County Human Resource Agency	14F-3011	208,546	74,316	74,316	52,137
Humboldt	Redwood Community Action Agency	14F-3012	214,207	76,333	76,333	53,552
Imperial	Campesinos Unidos, Inc.	14F-3013	249,349	88,856	88,856	62,337
Inyo/Mono	Inyo Mono Advocates for Community Action, Inc.	14F-3014	205,975	73,399	73,399	51,494
Kern	Community Action Partnership of Kern	14F-3015	1,185,301	422,383	422,383	296,325
Kings	Kings Community Action Organization, Inc.	14F-3016	239,660	85,403	85,403	59,915
Lake/Mendocino	North Coast Opportunities	14F-3017	434,886	154,972	154,972	108,722
Lassen/Plumas/Sierra	Lassen/Plumas/Sierra Community Action Agency	14F-3018	207,118	73,807	73,807	51,780
Los Angeles	Foothill Unity Center	14F-3019	256,489	91,400	91,400	64,122
Los Angeles	Long Beach Community Services Development Corp, Inc.	14F-3020	626,328	223,192	223,192	156,582
Los Angeles	County of Los Angeles Dept. of Public Social Services	14F-3021	4,831,887	1,721,847	1,721,847	1,207,972
Los Angeles	City of Los Angeles, CDD, HS, & NDD	14F-3022	5,232,992	1,864,780	1,864,780	1,308,248
Madera	Community Action Partnership of Madera County, Inc.	14F-3023	222,074	79,136	79,136	55,519
Marin	Community Action Marin	14F-3024	214,611	76,477	76,477	53,653
Mariposa	SEE CALAVERAS					
Mendocino	SEE LAKE					
Merced	Merced County Community Action Agency	14F-3025	397,402	141,615	141,615	99,351
Modoc/Siskiyou	Modoc-Siskiyou Community Action Agency	14F-3026	208,546	74,316	74,316	52,137
Mono	SEE INYO					
Monterey	Monterey County Community Action Partnership	14F-3027	398,183	141,893	141,893	99,546
Napa	Community Action Napa Valley	14F-3028	228,371	81,380	81,380	57,093
Nevada	Nevada County Dept. of Housing & Community Services	14F-3029	215,878	76,928	76,928	53,970
Orange	Community Action Partnership of Orange County	14F-3030	2,175,000	775,063	775,063	543,750

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Placer	Project Go, Inc.	14F-3031	266,043	94,805	94,805	66,511
Plumas	SEE LASSEN					
Riverside	Community Action Partnership of Riverside County	14F-3032	2,069,392	737,429	737,429	517,348
Sacramento	Sacramento Employment and Training Agency	14F-3033	1,406,328	501,146	501,146	351,582
San Benito	San Benito County DCS & WD	14F-3034	213,207	75,976	75,976	53,302
San Bernardino	Community Action Partnership of San Bernardino County	14F-3035	2,142,857	763,609	763,609	535,714
San Diego	County of San Diego, H&HSA, CAP	14F-3036	2,654,256	945,846	945,846	663,564
San Francisco	Economic Opportunity Council of San Francisco	14F-3037	680,480	242,490	242,490	170,120
San Joaquin	San Joaquin County Dept. of Aging & Community Services	14F-3038	775,893	276,490	276,490	193,973
San Luis Obispo	CAP of San Luis Obispo County, Inc.	14F-3039	236,757	84,369	84,369	59,189
San Mateo	San Mateo County Human Services Agency	14F-3040	360,835	128,584	128,584	90,209
Santa Barbara	Community Action Commission of Santa Barbara Co., Inc.	14F-3041	421,704	150,275	150,275	105,426
Santa Clara	Sacred Heart Community Services	14F-3042	1,126,652	401,483	401,483	281,663
Santa Cruz	Community Action Board of Santa Cruz County, Inc.	14F-3043	230,938	82,295	82,295	57,735
Shasta	Shasta County Community Action Agency	14F-3044	238,327	84,928	84,928	59,582
Sierra	SEE LASSEN					
Siskiyou	SEE MODOC					
Solano	Community Action Partnership of Solano County	14F-3045	306,135	109,091	109,091	76,534
Sonoma	Community Action Partnership of Sonoma County	14F-3046	357,048	127,234	127,234	89,262
Stanislaus	Central Valley Opportunity Center, Inc.	14F-3047	609,539	217,210	217,210	152,385
Sutter	Sutter County Community Action Agency	14F-3048	214,184	76,325	76,325	53,546
Tehama	Tehama County Community Action Agency	14F-3049	227,241	80,978	80,978	56,810
Trinity	SEE GLENN					
Tulare	Community Services & Employment Training, Inc.	14F-3050	715,153	254,845	254,845	178,788
Tuolumne	SEE AMADOR					
Ventura	Community Action of Ventura County, Inc.	14F-3051	542,707	193,394	193,394	135,677
Yolo	County of Yolo, Dept. of Employment & Social Services	14F-3052	234,403	83,530	83,530	58,601
Yuba	Yuba County Community Services Commission	14F-3053	216,874	77,283	77,283	54,219
TOTAL, all counties			38,614,627	13,760,353	13,760,353	9,643,483

* Equals contract facesheet (STD 213, Item 3)

** Represents 25% of the Total Estimated Allocation (For Budgeting)