

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: January 30, 2015

CAO File No. 0220-00540-1118

Council File No. 15-0009

Council District: Citywide

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer *MSA*

Reference: Housing and Community Investment Department transmittal dated December 22, 2014; Received by the City Administrative Officer on January 13, 2015

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REQUEST FOR APPROVAL OF THE 2015 COMMUNITY SERVICES BLOCK GRANT (CSBG) AWARD AND RELATED ACTIONS**

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### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to accept the 2015 Community Services Block Grant (CSBG) award from the California Department of Community Services and Development (CSD), in an initial amount not to exceed \$1,651,294. The HCID anticipates that the remainder of the award (\$4,461,282) will be allocated by the second quarter of Federal Fiscal Year (FFY) 2015, for a total award amount of \$6,112,576. Additionally, HCID requests authority to execute the CSBG Contract No. 15F-2022 and subsequent amendments with CSD for the program year (January 1, 2015 through December 31, 2015). This Office concurs with HCID's recommendations.

The 2015 CSBG award is compliant with the City's Community Action Plan for 2014 and 2015, approved by the Mayor and Council in June 2013 (C.F. 13-0640). The proposed 2015 award is \$879,584 more than the 2014 award of \$5,232,992 representing an approximately 17 percent increase in funding. The Community Action Board (CAB) approved the acceptance of the 2015 CSBG contract on November 20, 2014. The CAB is a 15-member advisory board comprised of elected community members and representatives from the public and private sectors nominated by the Mayor and Council. The CAB advises the Mayor and Council on issues related to CSBG and oversees programs funded by CSBG.

This report includes recommendations for the proposed distribution of CSBG funds across program and administrative costs in support of the City's FamilySource Center System (FSCS). The Community Action Plan is funded by CSBG and other leveraged funding, including anticipated Program Year 41 Community Development Block Grant (CDBG) funds.

## BACKGROUND

### Community Services Block Grant Program

On an annual basis, the U.S. Department of Health and Human Services allocates funding to states and other jurisdictions based on a formula that is determined in part by poverty levels. The CSD administers the CSBG Program for the State of California and awards CSBG funds through contracts with Community Action Agencies (CAA) pursuant to the grant requirements. The HCID is the designated CAA for the City and administers the CSBG grant on behalf of the City.

The HCID utilizes funds from both CSBG and CDBG to support the City's Community Action Program (including FSCS) to deliver programs to low income City residents that help reduce the effects of poverty throughout the City. The CSBG will fund a network of 16 FamilySource Centers (FSC) operated through contracts with non-profit Community Based Development Organizations (CBDOs). The contractors were selected through a Request for Proposals (RFP) issued for the operation of the FSCs. The HCID anticipates that a new RFP for the FSC contractors will be released in the summer of 2015. The services provided by the FSCs include, but are not limited to: pre-employment and employment support, parenting classes, financial literacy, adult education, computer literacy, mentoring, youth leadership, and college access programs.

### Expenditure Plan

The HCID states that prior Council actions authorized the use of \$1,528,144 of 2015 CSBG funds to support the FSCS through March 31, 2015 (C.F. 13-1395). Additionally, HCID states that contract authorities and a funding matrix for the FSCS for April 1, 2015 through March 31, 2016 will be submitted as part of the City's 41<sup>st</sup> Year (2015-16) Housing and Community Development Action Plan.

The HCID proposed to expend \$4,764,328 for program costs for the 16 FSCs and \$1,348,248 for HCID administrative costs to implement the 2014 CSBG program for a total amount of \$6,112,576. Program costs are summarized below:

Summary of Proposed 2015 CSBG Program Costs

Description	Funding Period	Amount
FamilySource Center System	1/1/2015 - 3/31/2015	\$ 1,162,608
FamilySource Center System	4/1/2015 - 12/31/2015	3,601,720
<b>TOTAL</b>		<b>\$ 4,764,328</b>

### 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 91.6 percent of funding for direct services and program delivery costs. Administrative costs will account for the remaining 9.4 percent and includes funding for salaries and wages, operating expenses, and consultant services as follows:

Summary of Proposed 2015 CSBG Administrative Costs

Description	Funding Period	Amount
Direct Salary Costs	1/1/2015 - 12/31/2015	\$ 918,643
Fringe Benefits	1/1/2015 - 12/31/2015	299,372
Operating Expenses	1/1/2015 - 12/31/2015	102,025
Contractual Services	1/1/2015 - 12/31/2015	6,744
Related Costs (CAP 35)	1/1/2015 - 12/31/2015	21,464
<b>TOTAL</b>		<b>\$ 1,348,248</b>

**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, 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. 15F-2022 attached to the HCID transmittal dated December 22, 2014, in an amount not to exceed \$1,651,294 with supporting documentation, subject to the approval of the City Attorney as to form and legality;
  - b. Execute any subsequent amendments to the CSBG contract, subject to the approval of the City Attorney as to form and legality;
  - c. Prepare Controller's instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions;
2. Approve the use of an anticipated \$6,112,576 in 2015 CSBG funds to operate the FamilySource Center System for the period January 1, 2015 through December 31, 2015 as follows, subject to final federal appropriations of 2015 CSBG funds from CSD:

<b>Program Costs</b>	
FamilySource Center System (1/1/2015 - 3/31/2015)	\$ 1,162,608
FamilySource Center System 4/1/2015 - 12/31/2015	\$ 3,601,720
<b>Subtotal</b>	
<b>Administrative Costs</b>	\$ 1,348,248
<b>TOTAL</b>	<b>\$ 6,112,576</b>

3. Authorize the Controller to:

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

<b>Account</b>	<b>Name</b>	<b>Amount</b>
43L261	Family Source System	\$ 1,162,608
43L262	Family Source System	\$ 3,601,720

- b. Establish a receivable from CSD for the amount of \$6,112,576 within the Community Services Block Grant Fund No. 428.

**FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The recommendations of this report comply with the City's Financial Policies in that they provide for the acceptance of the 2015 Community Services Block Grant, which will fund the expenses incurred by the FamilySource Center System.