

TRANSMITTAL

To:

THE COUNCIL

Date:

JAN 05 2014

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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Council District: Citywide
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December 22, 2014

Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

OFFICE OF THE MAYOR
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CITY OF LOS ANGELES

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF 2015 COMMUNITY SERVICES BLOCK GRANT (CSBG) AWARD AND RELATED ACTIONS

SUMMARY

The Los Angeles Housing and Community Investment Department (HCIDLA) is requesting authority to accept the 2015 Community Services Block Grant (CSBG) funding allocation, which the State currently indicates will be the same as the 2014 allocation of \$6,112,576, and to execute the CSBG Contract and any subsequent amendments with the State of California, Department of Community Services and Development (CSD), for the program year January 1 through December 31, 2015.

The State will issue to the City an advance of \$1,528,144, which represents an amount not to exceed 25 percent of the total estimated allocation, as required by statute. The CSBG award will fund the existing FamilySource Center System, composed of 16 nonprofit agencies operating anti-poverty programs. Related actions requested by the HCIDLA include approval of the allocation of CSBG funding for program delivery and administrative costs to fund HCIDLA staff that support the CSBG program, along with related costs.

The citizen oversight board for the CSBG funds, the Community Action Board (CAB), approved the acceptance of the 2015 CSBG contract on November 20, 2014.

RECOMMENDATIONS

The General Manager of the Los Angeles Housing and Community Investment Department respectfully requests that:

1. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) and forward it to City Council for review and approval immediately thereafter;
2. The City Council, subject to the approval of the Mayor, take the following actions:
 - a. Authorize the General Manager HCIDLA, or designee, to:
 - i. On behalf of the City, accept the 2015 Community Services Block Grant (CSBG) award from the State of California, Department of Community Services and Development (CSD);
 - ii. Execute and return to CSD the signed CSBG contract with required supporting documentation, subject to review by the City Attorney as to form; and
 - iii. Execute any subsequent amendments to the CSBG contract, subject to City Attorney review.
 - b. Approve the use of CSBG funds to operate the FamilySource Center System for the period January 1, 2015 through December 31, 2015 as follows, subject to State appropriations of 2015 CSBG funds:

Program Costs

FamilySource Center System (1/1/2015 – 3/31/2015)	\$1,162,608
FamilySource Center System (4/1/2015 – 12/31/2015)	\$3,601,720

Subtotal \$4,764,328

Administrative Costs

\$1,348,248

Total \$6,112,576

- c. Authorize the Controller to:
 - i. Establish new accounts within the Community Services Block Grant No. 428, and appropriate as follows:

Account	Name	Amount
43L261	FAMILY SOURCE SYSTEM	\$1,162,608
43L262	FAMILY SOURCE SYSTEM	\$3,601,720

- ii. Establish a receivable from CSD in the amount of \$6,112,576 within the CSBG Fund No. 428.
- d. Authorize the General Manager of HCIDLA, or designee, to prepare any Controller’s instructions needed to implement actions approved by the Council and Mayor on matters presented in or deriving from this transmittal, and/or to make necessary technical adjustments, subject to the approval of the City Administrative Officer; and further, request that the Controller implement the instructions.

BACKGROUND

The HCIDLA administers the CSBG grant on behalf of the City. Each year, the US Department of Health and Human Services allocates funding to States, which in turn award CSBG funds to designated Community Action Agencies (CAA), as established under grant requirements. HCIDLA is the designated CAA for the City and administers the CSBG grant on behalf of the City.

The State has notified the City that the 2015 funding is based on the continuing resolution for the first quarter of the federal fiscal year 2015. This amount is equal to the 2014 allocation of \$6,112,576. Of the total \$6,112,576, the State will issue to the City an advance of \$1,528,144 in January, which represents an amount not to exceed 25 percent of the total estimated allocation, as required by statute.

Role of Community Action Board

The Community Action Board (CAB) is a 15-member advisory board made up of representatives of the City's poverty, private and public sectors that are nominated and approved by the City Council and with the Mayor's concurrence. The CAB advises the Mayor and City Council on issues relating to the CSBG, and plays an important role in overseeing HCID programs funded through the CSBG program. The State requires the CAB to review and accept the CSBG contract before it can be fully executed. The CAB approved the acceptance of the 2015 CSBG contract on November 20, 2014.

FUNDING SUMMARY

Service Delivery

The FamilySource Centers (FSC) were selected through a Request for Proposals (RFP) in 2009, and serve as the City's delivery system for anti-poverty initiatives and essential social services. Centers are designed to assist low-income families to become more self-sufficient, by increasing family income, economic resources and youth academic performance. FSCs provide comprehensive services including pre-employment and employment support, parenting classes, financial literacy, adult education, computer literacy, mentoring, youth leadership, college access programs, and other supportive services.

The target population for the FSCs is extremely low- or very low-income city residents, determined by National Poverty Indicators. CSBG provides funding for a network of 16 FSCs, operated by nonprofit service providers. Services are available to all eligible clients, including clients with disabilities. The Centers serve approximately 40,000 people annually.

The HCIDLA uses CSBG, together with CDBG funds, to support the City's Community Action Plan and to deliver programs that include the FamilySource and the Domestic Violence (DV) Systems. Because of changes in funding of the CDBG, release of a new RFP is pending decisions on funding for the 2015-16 CDBG program year.

Administrative Costs

The CSBG regulations limit administrative expenses to 12 percent of the operating funds of the Community Action Plan budget, which is funded not only through CSBG but also through Community Development Block Grant (CDBG) funds during Fiscal Year 2014-15. The limit on administration is not limited to just the CSBG total, but includes the CDBG. With that, HCIDLA plans to budget 9.4 percent of CSBG funding for administrative services, with the remainder going toward program delivery costs.

Budget Line Item	CSBG	Other Funding of Community Action Plan	Total	%
Program Costs				
CSBG funding (FSCs)	\$4,764,328			
CDBG funding (FSCs and Domestic Violence)		8,267,043		
Program Subtotal	\$4,764,328	\$8,267,043	\$13,031,371	90.6%
Administrative Costs				
Direct salary costs	\$916,379			
Fringe benefits	299,372			
Operating expenses	104,289			
Contractual services	6,744			
Related costs (CAP 35)	21,464			
Administrative Subtotal	\$1,348,248		\$1,348,248	9.4%
Total	\$6,112,576	\$8,267,043	\$14,379,619	100.0%

Expenditure Plan

In order to implement the FSC system, service providers are each contracted under an agreement that includes both CDBG and CSBG funding. However, these funding sources adhere to two different program years; the CSBG program year is January 1 – December 31, while the CDBG program year begins on April 1 and ends on March 31 of the following calendar year. The terms of the FSC agreements align with the CDBG program year.

A significant portion of the first quarter CSBG allocation must be set aside to pay for FSC contracts, based on the amount negotiated in the FSC agreements during the relevant CDBG program year. This means that the final quarter of the 2014-15 FSC contracts will be paid for with 40th year CDBG funds and first quarter 2015 CSBG funds.

City Council actions authorized the use of future CSBG funds to support the FSC system. Requests for contract authorities and a funding matrix for the FSC system for April 1, 2015 through March 31, 2016 will be submitted as part of the City's 41st Year (2015-16) Housing and Community Development Action Plan.

FISCAL IMPACT STATEMENT

Actions in this transmittal do not impact the General Fund.

Prepared by:



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Reviewed by:



SERGIO SAMAYOA
Senior Management Analyst I

Reviewed by:



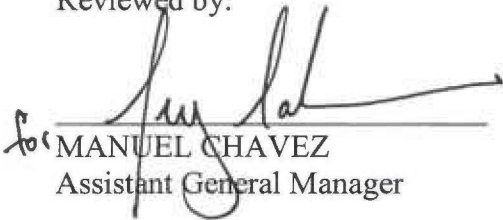
JULIE A. O'LEARY
Planning & Procurement Director

Reviewed by:



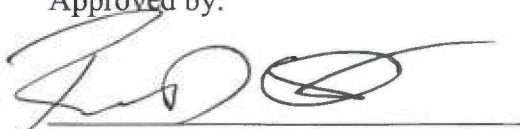
EDWIN C. GIPSON II
Director of Housing

Reviewed by:



MANUEL CHAVEZ
Assistant General Manager

Approved by:



RUSHMORE D. CERVANTES
General Manager

RDC:MC:ECG:JO:SS:BH

Attachments: Agreement with the State of California
CSBG Budget