

TRANSMITTAL

To:

THE COUNCIL

Date:

NOV 25 2015

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



ERIC GARCETTI
Mayor

Ana Guerrero



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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November 24, 2015

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

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR APPROVAL OF 2016 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 2016 Community Services Block Grant (CSBG) award from the California Department of Community Services and Development (CSD), in an initial amount not to exceed \$1,640,694. HCIDLA anticipates that the remainder of the award (\$4,526,698) will be allocated by the second quarter of the federal fiscal year 2016, for a total of award amount of \$6,167,392. Additionally, HCIDLA requests authority to execute the CSBG Contract No. 16F-5022 and subsequent amendments with CSD for the program year (January 1, 2016 through December 31, 2016).

The CSBG award funds the FamilySource Center System, composed of nonprofit agencies operating antipoverty 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.

At its November 17, 2015 meeting, the citizen oversight board for the CSBG funds, the Community Action Board (CAB), approved the acceptance of the 2016 CSBG grant and the execution of the agreement with CSD. The agreement with CSD is due to the state by December 21, 2015.

RECOMMENDATIONS

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

- I. 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;
- II. The City Council, subject to the approval of the Mayor, take the following actions:
 - A. Authorize the General Manager HCIDLA, or designee, to:
 - 1. Accept the 2016 Community Services Block Grant (CSBG) award from the State of California, Department of Community Services and Development (CSD) on behalf of the City;
 - 2. Execute and return to CSD the signed CSBG Contract No. 16F-5022 with the required supporting documentation, subject to review by the City Attorney as to form; and
 - 3. Execute any subsequent amendments to the CSBG Contract No. 16F-5022, subject to City Attorney review.
 - B. Approve the use of CSBG funds to operate the FamilySource Center System for the period January 1, 2016 through December 31, 2016 as follows, subject to State appropriations of 2016 CSBG funds:

Program Costs

FamilySource Center System (1/1/2016 – 3/31/2016)	\$1,201,750
FamilySource Center System (4/1/2016 – 12/31/2016)	\$3,505,250
Subtotal	\$4,707,000

Administrative Costs

	\$1,460,392
Total	\$6,167,392

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

Account	Name	Amount
43M261	FAMILY SOURCE SYSTEM January-March	\$1,201,750
43M262	FAMILY SOURCE SYSTEM April-December	\$3,505,250

- 2. Establish a receivable from CSD in the amount of \$6,167,392 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 it anticipates the 2016 funding to remain consistent with the 2015 CSBG award, \$6,167,392. Of the total \$6,167,392, the State will issue as a first release, the amount available at this time, which is \$1,640,694. The State will send an amendment later to add the remaining \$4,526,698 to the City's contract. Of the \$1.6 million, the State authorizes the City to take a cash advance in January of up to 25 percent of the total estimated allocation, or \$1,541,848, which is 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 HCIDLA 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 2016 CSBG grant and the execution of the agreement with CSD on November 17, 2015.

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 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. HCIDLA uses CSBG, together with Community Development Block Grant (CDBG) funds, to support the City's Community Action Plan and to deliver programs that include the FamilySource and the Domestic Violence Shelter Operations (DVSO) Systems.

HCIDLA released a RFP on July 27, 2015 soliciting proposals from eligible nonprofits interested in serving as a FamilySource Center operator with contracts beginning on April 1, 2016. Final recommendations are pending.

FUNDING SUMMARY

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 with CSBG but also with CDBG and City General Funds. The City’s General Fund contributed \$3,020,000 to the current program year FSC and DVSO contracts. The calculation on the limit to be spent on administration is not measured against just the CSBG total, but also includes leveraged funding as well. At the planned funding level, the budget would be nine 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	Percent of Total
Program Delivery Costs				
CSBG funding (FSCs)	\$4,707,000			
Projected CDBG funding (FSCs and DVSO)		7,451,931		
Projected City General Fund (FSCs and DVSO)		3,020,000		
Program Subtotal	\$4,707,000	\$10,471,931	\$15,178,931	91%
Administrative Costs				
Direct salary costs	\$898,095			
Fringe benefits	341,276			
Operating expenses	114,181			
Contractual services	10,744			
Related costs (CAP 37)	96,096			
Administrative Subtotal	\$1,460,392		\$1,460,400	9%
Total	\$6,167,392	\$10,471,931	\$16,639,323	100%

Expenditure Plan

In order to implement the FSC system, service providers are each contracted under an agreement that includes CSBG, CDBG, and City General Funds. However, these funding sources adhere to different program years; the CSBG program year is January–December, while the CDBG program year is April–March of the following calendar year, and the General Funds are on the City’s fiscal year of July–June. 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 2016-17 FSC contracts will be paid for with program year 42 CDBG funds and first quarter 2017 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, 2016 through March 31, 2017 will be submitted as part of the City's 42st Year (2016-17) Housing and Community Development Action Plan.

FISCAL IMPACT STATEMENT

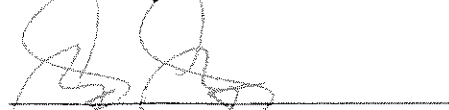
The CSBG contributes to the fringe benefits and related costs for the portion of staff time spent working on the grant.

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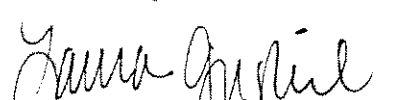
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RDC:LG:ECG:JO:SS:RR

Attachments: CSBG Budget
Agreement with the State of California