

CORRECTED REPORT

HOUSING COMMITTEE REPORT relative to funding and 16 proposed contracts for the operation of Family Source Centers (FSC).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the Housing and Community Investment Department's (HCID) list of 16 recommended contractors selected through the FSC Operator Request for Proposals (RFP) process as detailed in the February 26, 2016 HCID report, attached to the Council file:

<u>Contractor</u>	<u>Service Area</u>	<u>Council District</u>
Central City Neighborhood Partners	Westlake/Pico Union	1
Watts Labor Community Action Committee	Southeast/Watts	8,9,15
El Nido Family Centers	Southwest	8,9
All Peoples Community Center	Southeast	9
Barrio Action and Family Center	El Sereno/Lincoln Heights	1,14
El Centro de Ayuda	Boyle Heights	14
The Children's Collective	Southwest/Florence	8
New Economics for Women	Van Nuys	2,6
1736 Family Crisis Center	West Adams	10
Youth Policy Institute	Hollywood	13
Bresee Foundation	Wilshire	10, 13
El Nido Family Centers	Pacoima	7
Toberman Neighborhood Center	Wilmington/San Pedro	15
El Centro de Pueblo	Echo Park/Cypress Park	1, 13
Latino Resource Organization, Inc.	Westside	11
New Economics for Women	Canoga Park	12, 13

2. AUTHORIZE the General Manager, HCID, or designee, to negotiate and execute new contracts with the 11 recommended contractors to operate the FSCs for the period of April 1, 2016 through March 31, 2017, including an option to renew the contract for four additional one-year periods, not to exceed a total of five years, subject to the approval of the City Attorney as to form, for the following service areas as detailed in the February 26, 2016 HCID report, attached to the Council file:

Service Areas

1. Westlake/Pico Union
2. South East/Watts
3. South West
4. South East
5. El Sereno/Lincoln Heights

6. Boyle Heights
7. South West/Florence
8. Van Nuys
9. West Adams
10. Hollywood
11. Wilshire

3. AUTHORIZE the General Manager HCID, or designee, to establish a FSC Operator Replacement list to be in effect for five years commencing July 1, 2016, to include any FSC proposer receiving a score of 70 points or greater, including non-funded proposers, as a result of the 2016 FSC RFP as detailed in Attachment C of the February 26, 2016 HCID report, attached to the Council file.
4. INSTRUCT the HCID to report back to City Council before the implementation of any portion of said list as detailed above in Recommendation No. 1.
5. AUTHORIZE the General Manager, HCID, or designee to prepare Controller instructions and any necessary technical adjustments consistent with the Mayor and City Council action, subject to approval of the CAO; and AUTHORIZE the Controller to implement the instructions.
6. UTILIZE \$1 million in funding from LAUSD to fund the five FSCs recommended for a General Fund allocation from April 1, 2016 through June 30, 2016 in the following service areas as follows:

Service Areas

12. Pacoima
 13. Wilmington/San Pedro
 14. Echo Park/Cypress Park
 15. Westside
 16. Canoga Park
7. NOTE and FILE the March 18, 2016 City Administrative Officer (CAO) report relative to funding and 16 proposed contracts for the operation of FSCs.
 8. REFER to the Budget and Finance Committee the following recommendations:
 - a. Authorize the General Manager, HCID, or designee, to negotiate and execute a new one year contract, with four one-year options to renew, with the Los Angeles Unified School District (LAUSD) for an annual cost not to exceed \$1.0 million, on a sole source basis, with a dollar for dollar salary match provided by the LAUSD, for continued services including co-location of Pupil Services and Attendance Counselors at the FSCs, subject to the approval of the City Attorney as to form (Recommendation D in the February 20, 2016 HCIDLA report, attached to the

Council file).

- b. Instruct the CAO to include in the 2016-17 budget, \$3,785,000 in General Funds for five FSC Operators that will not have CDBG or CSBG funding, and to allocate such amount to Fund No. 100/43, Contractual Services Account 003040 on July 1, 2016, for the period of July 1, 2016 - June 30, 2017 (Recommendation E in the February 20, 2016 HCIDLA report, attached to the Council file).
- c. Authorize the Controller to transfer \$946,000 from the Reserve Fund to the Unappropriated Balance and appropriate a like amount therefrom to HCID Fund No. 100/43, Contractual Services Account 003040 for five FSC Program Operators that will not have CDBG or CSBG funding, for services from April 1, 2016 through June 30, 2016 (Recommendation F in the February 20, 2016 HCIDLA report, attached to the Council file).

Fiscal Impact Statement: The HCID reports that the FamilySource Center System is funded with a combination of Community Development Block Grant (CDBG), Community Services Block Grant (CSBG) and, beginning in Fiscal year (FY) 2014-15, General Funds. The total annual operating cost for the 16 non-profit run centers totals \$13,860,000, of which CDBG will fund approximately \$5.0 million, CSBG will fund approximately \$5.1 million and \$3,785,000 is requested from the General Fund for FY 2016-17. In addition, the FSCs will require \$946,000 in General Fund support in the current fiscal year to fund the five centers that will not have CDBG or CSBG funding for the period of April 1, 2016 through June 30, 2016.

Community Impact Statement: None submitted.

Summary:

On March 21, 2016, your Committee considered a February 26, 2016 HCIDLA and March 18, 2016 CAO reports relative to funding and 16 proposed contracts for the operation of FSCs. According to the HCID, the FamilySource System (FSS) is a place-based model with FSCs strategically located within highly impoverished areas of the City. The FSS is the City's mechanism for the delivery of antipoverty services and initiatives. Established in 2009, the FSS is comprised of 19 FSCs, three managed directly by the City and 16 managed by nonprofit, community-based organizations. FSCs are comprised of a lead agency/operator with funded and non-funded partners.

All FSCs provide a common menu of social services with a target population of low and moderate income parents and guardians with children up to the age of 18. Since its inception, the FSS has functioned as a performance-driven, outcome-oriented system with two primary measures of success: increased family income and increased academic achievement. The HCIDLA plans to continue with a place-based model but refine it to better respond to the evolving needs of City residents. The FSS model will have a refined focus on the "financial empowerment" of adult customers and "educational attainment" for adults and youth. The two primary outcomes are:

- a. Improve the financial capability of low-income residents
- b. Increase the education attainment of youth and adults.

The HCIDLA solicited proposals from qualified community-based and non-profit organizations to provide all of the core services identified below either directly, via referral or through funded and/or unfunded partner organizations.

After an extensive Request for Proposals (RFP) process, 16 contractors were selected and these are detailed above in Recommendation No. 1. Additionally, the HCIDLA addressed recommended funding, stating that they are recommending that successful proposers be funded at \$800,000 each with the number of FSCs to be based on the service needs of the proposed, poverty concentration, and fund availability. The proposed funding level of \$800,000 is the minimum amount that will allow for services to be subcontracted out by the FSC operators to providers of immigration and other services that are included in the FSS menu of services. The \$800,000 will also allow for appropriate case management staffing and matching funds for Individual Development Accounts. The latter will assist participants in saving for educational purposes, the establishment of a business, purchase of a home or other asset building efforts.

The HCIDLA also recommends continued funding of \$1,000,000 annually for the LAUSD, on a sole source basis, with a dollar for dollar salary match provided by the LAUSD, for continued services including co-location of Pupil Services and Attendance Counselors at the non-profit managed FSCs. This funding covers 50 percent of the direct salaries for 16 counselors and two supervisors. The LAUSD would match the remaining 50 percent of direct salaries plus 100 percent of any benefits and overhead costs.

Finally, the HCIDLA utilizes the services of The University Corporation of California State University Northridge (CSUN) to evaluate the program and quantify the economic impact of services provided on families and their surrounding communities. The HCIDLA recommends continued funding of \$60,000 per year for these evaluation services.

In total, the annual cost for operating the proposed 16 sites of the FamilySource System is \$13,860,000, excluding administrative oversight costs. This cost is comprised of the following:

- a. \$12.8 million for 16 contracts with FSCs (\$800,000 each)
- b. \$1.0 million for the LAUSD
- c. \$60,000 for evaluation services

Funding identified for this program for Program Year 42, April 1, 2016 through March 31, 2017, is \$10,075,868. However, the difference between the annual funding needed and the available grant funds is \$3,785,000 thus the HCID is requesting that the shortfall be funded from the General Fund to be used to support five FSC operators who serve the areas with the lowest percentage of families in poverty.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the February 26, 2016 HCID report as amended and detailed in the above recommendations. This matter is submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
FUENTES:	YES
HUIZAR:	ABSENT
PRICE:	ABSENT
HARRIS-DAWSON:	YES

ARL
3/21/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-