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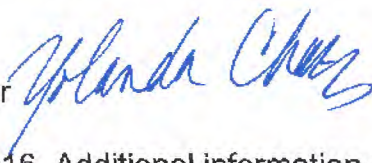
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 14, 2016

CAO File No. 0130-0268-0000
Council File No. 16-0583

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Mayor dated May 17, 2016, Additional information provided through June 8, 2016

Subject: **NOTIFICATION OF APPLICATION SUBMISSION AND SUBSEQUENT AWARD IN AN AMOUNT NOT TO EXCEED \$2,550,000 FOR THE INNOVATION DELIVERY TEAM (i-Team) PROGRAM GRANT FROM THE BLOOMBERG FAMILY FOUNDATION, INC. (BLOOMBERG PHILANTHROPIES) TO SUPPORT INCLUSIVE NEIGHBORHOOD REVITALIZATION**

RECOMMENDATIONS

That the City Council take the following actions:

1. Authorize the Mayor, or designee, to retroactively accept the Innovation Delivery Team (i-Team) Program Grant in an amount not to exceed \$2,550,000 from The Bloomberg Family Foundation, Inc. (Bloomberg Philanthropies) for a three-year performance period effective January 1, 2015 through December 31, 2017;
2. Retroactively approve the designation of the Mayor's Fund for Los Angeles (Mayor's Fund) as the administrative and fiscal agent for the i-Team Program Grant to facilitate receipt and disbursement of grant funds, track and report matching funds, as well as reimburse the City for any grant-related expenditures;
3. Retroactively approve the program grant agreement between the Mayor's Fund and the Mayor's Office of Budget and Innovation (MOBI) to assist the City in the i-Team Program Grant implementation in accordance with the terms and conditions set forth in the grant agreement;
4. Authorize the Mayor, or designee, to accept Bloomberg Philanthropies i-Team Program Grant funds in the amount of \$46,976, passed through the Mayor's Fund, for reimbursement of i-Team Program Grant related expenditures for the period of January 1, 2015 through June 30, 2015;

5. Authorize the Mayor, or designee, to accept Bloomberg Philanthropies i-Team Program Grant funds in the amount of \$814,589, as passed through the Mayor's Fund, for reimbursement of i-Team Program Grant related expenditures for the period July 1, 2015 through June 30, 2016;

6. Authorize the Controller to:

a) Establish a new interest bearing fund entitled the Bloomberg Philanthropies Innovation Delivery Team (i-Team) Program Grant Fund Number XXX/46, recognize a receivable in the amount of \$861,565, receive and expend funds upon presentation and proper demand from the Mayor, and establish appropriation accounts as follows:

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
46M046	Prior Year Expenditures	\$ 46,976
46M146	Mayor	575,967
46M299	Related Costs	238,622
	Total:	<u>\$ 861,565</u>

b) Upon receipt of grant funds, transfer \$46,976 from the Bloomberg Philanthropies i-Team Program Grant Fund XXX/46, Account 46M046 Prior Year Expenditures to reimburse the General Fund for i-Team related expenditures as follows:

<u>Fund/Dept</u>	<u>RSRC</u>	<u>Account Name</u>	<u>Amount</u>
100/46	005168	Reimbursement of Prior Year Salaries	\$32,559
100/46	005331	Reimbursement of Related Costs-Prior Year	14,417
		Total:	<u>\$46,976</u>

c) Upon receipt of grant funds, transfer \$575,967 from the Bloomberg Philanthropies i-Team Program Grant Fund XXX/46, Account 46M146 Mayor to various accounts within Mayor Fund 100/46, as follows: 001010 Salaries General (\$538,893), 002130 Travel (\$7,228), 003040 Contractual Services (\$25,813), and 006010 Office and Administrative (\$4,033);

d) Upon receipt of grant funds, transfer \$238,622 from the Bloomberg Philanthropies i-Team Program Grant Fund XXX/46, Account 46M299 Related Costs to the Mayor Fund 100/46, Revenue Source Code 5346 Related Cost Reimbursement from Grants for reimbursement of current year related costs;

7. Authorize the Mayor, or designee, to prepare Controller instructions for any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.

SUMMARY

The Mayor's Office of Budget and Innovation (MOBI) transmits for Council consideration proposed actions for the retroactive acceptance and implementation of the Innovation Delivery Team (i-Team) Program Grant in the amount of up to \$2,550,000 from The Bloomberg Family Foundation Inc. (Bloomberg Philanthropies). The performance period for the i-Team Program Grant is for a three-year term effective January 1, 2015 through December 31, 2017 and requires a 1:3 cash or in-kind match total of \$850,000 over the lifetime of the grant. Grant funds will be utilized to establish an innovation team that will function as in-house consultants to address the City's most pressing urban priorities through the use of new approaches for effective solutions that improve citizens' lives. This Office, with modifications as needed, is in agreement with the majority of recommended actions requested by the Mayor's GRYD Office. Some of the adjustments made included funding amounts or sources, contracting terms or procurement process details to reflect an updated or current status subsequent to the release of the Mayor's Transmittal.

Background

In October 2014, the MOBI submitted an application for the Bloomberg Philanthropies i-Team Program Grant and subsequently received notification of the \$2,550,000 award in December 2014. Los Angeles was one of 14 international cities selected to participate in the Innovation Teams Program. The purpose of the program is to improve the capacity of cities to develop and implement solutions to their highest priority problems. Grant funds are used to hire and finance an i-Team for a period of three years, acting as in-house consultants to address mayoral priority issues using the Bloomberg Philanthropies' Innovation Delivery methodology. Additionally, i-Teams receive extensive training, technical assistance, practitioner connections and resource tools.

The Los Angeles i-Team (LA i-Team) was initiated in May 2015 and tasked with its first mayoral issue to generate inclusive neighborhood revitalization across the City that incorporates active, shared participation in the City process while minimizing displacement of residents and local businesses. Collaboration and engagement with stakeholders both within the City and across the community were critical factors to investigating the issue, assessing available data to define innovative and sustainable solutions that would drive implementation. The LA i-Team is comprised of six full-time equivalent (FTE) positions, comprised of one director; one deputy director; one data scientist; two project managers and one analyst, to provide ongoing capacity to tackle selected Mayoral priorities, facilitate implementation and deliver project solutions.

Due to the extensive and frequent administrative requirements, including receipt and accounting of the grant funds, disbursements for grant-related activities and tracking the status of the \$850,000 match, the MOBI elected to utilize the Mayor's Fund as the City's fiscal and administrative agent for this grant. The Mayor's Fund will assist MOBI in managing the grant, reimbursing the City for any Bloomberg Philanthropies i-Team grant-related expenditures incurred during the three year performance period. During Program Year One of planning and start-up activities, the City incurred salaries, related costs, travel, contractual services and office and administrative expenditures totaling \$861,565. Now that the Mayor's Fund has assumed fiscal

and administrative responsibilities, reimbursements to the City for Program Years Two and Three should be for salaries and related costs only. Going forward and as part of the reimbursement process, the MOBI will submit annual expenditure reports to the Mayor's Fund and in turn report back to Council on the receipt and allocation of those funds to the City.

The following chart breaks out the actual and projected expenditures by fiscal year. It should be noted that related costs figures may be adjusted as Cost Allocation Plan (CAP) rates change.

Bloomberg Philanthropies Innovation Delivery Team Grant						
	<u>Salaries</u>	<u>Related Costs</u>	<u>Travel</u>	<u>Contractual Services</u>	<u>Office and Admin</u>	<u>Total</u>
FY2015	\$ 32,559	\$ 14,417	\$	\$	\$	\$ 46,976
FY2016	538,893	238,622	7,228	25,813	4,033	814,589
FY2017	589,234	215,483	-	-	-	804,717
FY2018	313,597	114,682	-	-	-	428,279
	<u>\$ 1,474,283</u>	<u>\$ 583,204</u>	<u>\$ 7,228</u>	<u>\$ 25,813</u>	<u>\$ 4,033</u>	<u>\$2,094,561</u>

To date the LA i-Team has raised the first half of the match requirement of \$425,000 by the Program Year One deadline and made considerable progress in meeting the remaining balance of the match (\$425,000). Matching funds can be cash or in-kind (realignment of City resources) that are applied towards the implementation and delivery of projects derived from Mayoral priorities.

Fully staffed by July 2015, the LA i-Team has initiated a significant number of activities and projects utilizing the Bloomberg Philanthropies innovation methodology. Eight projects slated for delivery in 2016 include an online tool and business portal, a legacy business corridor project, a secondary units prototyping project, a rent stabilization awareness campaign, a new resident toolkit for interacting with city government, a special events activation process, the encouragement of youth participation in neighborhood councils and the development of a neighborhood change index tool for measuring the outcomes of Mayoral priorities.

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund. Acceptance of the Bloomberg Philanthropies Innovation Delivery Team (i-Team) Grant in an amount not to exceed \$2,550,000 and approval of grant-related actions will result in the establishment of the LA i-Team to improve the capacity of this City to develop and implement solutions to some of our highest priority problems. The City's Financial Policies require that the City pursue federal, state and private grants but strictly limit financial support of these programs to avoid commitments that continue beyond available funding. Since these costs are fully reimbursable by the grant, there is no net impact to the General Fund. The recommendations in this report comply with City Financial Policies in that the proposed funding is balanced against established revenue approved by Council actions and from Federal, State and private grants. All funding is subject to the availability of grant funds and determinations by Mayor and Council.