

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 9, 2016

CAO File No. 0220-00540-1213

Council File No. 16-1298

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer 

Reference: Housing and Community Investment Department transmittal dated October 21, 2016; Received by the City Administrative Officer on November 2, 2016

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REQUEST FOR APPROVAL OF THE 2017 COMMUNITY SERVICES BLOCK GRANT (CSBG) AWARD AND RELATED ACTIONS**

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. Accept the 2017 Community Services Block Grant (CSBG) award from the State of California State of California Department of Community Services and Development (CSD) on behalf of the City;
 - b. Execute and return to the CSD the signed CSBG Contract No. 17F-2022 substantially similar to the draft attached to this report, in an amount not to exceed \$6,544,449 or the maximum amount of the final 2017 CSBG appropriation, with supporting documentation, subject to the approval of the City Attorney as to form and legality;
 - c. Execute any subsequent amendments to the CSBG Contract No 17F-2022, subject to the approval of the City Attorney as to form and legality;
 - d. 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 \$6,544,449 in 2017 CSBG funds to operate the FamilySource Center System for the period January 1, 2017 through December 31, 2017 as follows, subject to the final appropriations of 2017 CSBG funds from CSD:

Program Costs

FamilySource Center System (1/1/2017 – 3/31/2017)	\$	1,201,750
FamilySource Center System (4/1/2017 – 12/31/2017)		<u>3,505,250</u>
Subtotal	\$	4,707,000

Administrative Costs

		<u>1,837,449</u>
TOTAL	\$	6,544,449

3. Authorize the Controller to:

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

Account	Name	Amount
43N261	Family Source System January-March	\$ 1,201,750
43N262	Family Source System April-December	<u>3,505,250</u>
TOTAL	\$	4,707,000

- b. Establish a receivable from CSD in the amount of \$6,544,449 within Community Services Block Grant Fund No. 428.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to accept the 2017 Community Services Block Grant (CSBG) award from the California Department of Community Services and Development (CSD), in an initial amount not to exceed \$1,837,449. The HCID anticipates that the remainder of the award (\$4,707,000) will be allocated by the second quarter of Federal Fiscal Year (FFY) 2017, for a total award amount of \$6,544,449. Additionally, HCID requests authority to execute a CSBG Contract No. 17F-2022 and subsequent amendments with CSD for the CSBG Program Year (January 1, 2017 through December 31, 2017). This report includes recommendations for the proposed distribution of CSBG funds across program and administrative costs that support the City's FamilySource Center System (FSCS). This Office concurs with HCID's recommendations.

The CSD anticipates that the 2017 CSBG award will be a similar amount to the 2016 award. The Community Action Board (CAB) approved the acceptance of the 2017 CSBG contract on October 4, 2016. The CAB is a 15-member advisory board composed of elected community members and representatives appointed by the Mayor and Council. The CAB advises the Mayor and Council on issues related to CSBG and oversees programs funded by CSBG. The executed agreement with CSD is due to the State in mid-December 2016.

BACKGROUND

The U.S. Department of Health and Human Services allocates funding on an annual basis to states and other jurisdictions based on a formula 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 uses 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 reduce the effects of poverty throughout the City. The CSBG grant funds a network FamilySource Centers (FSC) operated through contracts with non-profit Community Based Development Organizations (CBDOs). The current FSC contractors were selected through a Request for Proposals (RFP) issued in 2016. The services provided by the FSCs include pre-employment and employment support, parenting classes, financial literacy, adult education, computer literacy, mentoring, youth leadership, and college access programs. HCID will use \$1,201,750 in 2016 CSBG funds to support existing contractors operating the FSCS through March 31, 2017, while contract authorities and a funding matrix representing the FSCS for April 1, 2017 through March 31, 2018 will be submitted as part of the City's 43rd Year (2017-18) Housing and Community Development Action Plan. The HCID proposes to expend \$4,707,000 in CSBG funds for program costs for the FSCS and \$1,837,449 for HCID administrative costs to implement the 2017 CSBG program for a total amount of \$6,544,449. HCID will prepare a Contract Budget Summary with more detail regarding expenditures prior to execution of the contract with CPD.

CSBG regulations limit administrative expenses to 12 percent of the City's Community Action Program operating funds. HCID's recommendation is to use approximately 90 percent of funding for direct services and program delivery costs. Administrative costs will represent approximately 10 percent of the grant and include funding for salaries and wages, operating expenses, and consultant services.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations of this report comply with the City's Financial Policies because they facilitate the acceptance of the 2017 Community Services Block Grant that will fund expenses incurred by the FamilySource Center System.

MAS:KDU:02170085c

Attachment (State of California Standard Agreement)

ATTACHMENT

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD. 213 (Rev. 6/03)

AGREEMENT NUMBER 17F-2022	AMENDMENT NUMBER 0
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and the Contractor named below

STATE AGENCY'S NAME

Department of Community Services and Development

CONTRACTOR'S NAME

City of Los Angeles Housing+Community Investment Department (HCIDLA)

2. The term of this Agreement is: **January 1, 2017 through December 31, 2017**

3. The maximum amount of this Agreement is: **Total \$1,736,848.00**

4. The parties agree to comply with the terms and conditions of the following exhibits that are by this reference made a part of the Agreement:

Part I

Preamble

Article 1 - Scope of Work

Article 2 - Contract Construction, Administration, Procedure

Part II*

Subpart A - Administrative Requirements*

Subpart B - Financial Requirements*

Subpart C - Programmatic Requirements*

Subpart D - Compliance Requirements*

Subpart E - Certifications and Assurances*


Subpart F - State Contracting Requirements*

Subpart G - Definitions*

Subpart H - Table of Forms and Attachments*

Items shown with an Asterisk (*) are hereby incorporated by reference and made a part of this agreement as if attached hereto. These documents can be accessed at <https://providers.csd.ca.gov/>.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only	
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i> City of Los Angeles Housing+Community Investment Department (HCIDLA)		<p align="center">"I hereby certify that all conditions for exemption have been complied with, and this document is exempt from the Department of General Services approval."</p> <p align="center"><input type="checkbox"/> Exempt per _____</p>	
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>		
PRINTED NAME AND TITLE OF PERSON SIGNING			
ADDRESS 1200 W. 7th Street, 9th Floor, Los Angeles, CA 90017			
STATE OF CALIFORNIA			
AGENCY NAME Department of Community Services and Development			
BY <i>(Authorized Signature)</i> 	DATE SIGNED <i>(Do not type)</i>		
PRINTED NAME AND TITLE OF PERSON SIGNING Cindy Halverstadt, Deputy Director, Administrative Services			
ADDRESS 2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833			

**STANDARD AGREEMENT
PARTS I & II – ENTIRE CONTRACT**

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**STANDARD AGREEMENT
PARTS I & II – ENTIRE CONTRACT**

PART I

PREAMBLE

This subvention agreement, for the funding of Community Service Block Grant (CSBG) programs in 2017 (“Agreement”), is entered into between the Department of Community Services and Development (“CSD”) and the contractor named on Form STD 213, the face sheet of this document (“Contractor”), and shall be enforceable on the date last signed.

NOW THEREFORE, in consideration of the promises and of the mutual agreements and covenants hereinafter set forth, the CSD and Contractor hereby agree as follows:

ARTICLE 1 – SCOPE OF WORK

1.1 General

- A. Contractor shall administer and/or operate community-based programs designed to reduce poverty, revitalize low-income communities, and empower low-income families and individuals within Contractor’s service area (described in Section 1.3) to achieve greater self-sufficiency, pursuant to Title 42 of the United States Code (USC) Section 9901 et seq. (the Community Services Block Grant Act, as amended) and Government Code Section 12085 et seq., as amended. Unless otherwise specified in the Contractor’s Community Action Plan or elsewhere in this Agreement, Contractor shall make its services and activities available to the low-income community within its service area throughout the entire term of this Agreement. Contractor shall ensure that all services funded in whole or in part through this Agreement will support state and federal policies and goals of the CSBG Act as set forth in the above-referenced statutes.
- B. The CSBG Catalog of Federal Domestic Assistance number is 93.569. The award is made available through the United States Department of Health and Human Services.

1.2 Term and Amount of Agreement

- A. The term of this Agreement shall be as specified on the face sheet (STD. 213).
- B. The Maximum Amount of this Agreement shall be as specified on the face sheet and is subject to adjustment(s), in accordance with the following terms:
 - 1. The initial amount shall be based on a partial allocation of the federal Community Services Block Grant for federal fiscal year (FFY) 2017, awarded to the State pursuant to one or more continuing resolutions passed by the Congress prior to the execution of this Agreement.

ARTICLE 1 – SCOPE OF WORK

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2. Upon the issuance of each subsequent federal allocation, including the full annual allocation to the State for FFY 2017, CSD shall issue an amendment to this Agreement to increase the Maximum Amount by the amount to be distributed to Contractor as calculated pursuant to CA Government Code §§ 12750 – 776 and applicable CSBG State Plan provisions.

1.3 Service Area

The services shall be performed in the following service area:

See Part II, Subpart H. The 2017 CSBG Numbers, Contractors, and Service Territories listing may be accessed at <http://providers.csd.ca.gov>.

1.4 Legal Authorities – Program Requirements, Standards and Guidance

- A. All services and activities are to be provided in accordance with all applicable federal, state, and local laws and regulations, and as those laws and regulations may be amended from time to time, including but not limited to, the following:
 1. The Community Services Block Grant Act, as amended, 42 U.S.C. §9901 et seq., and 45 Code of Federal Regulations (CFR) Part 96;
 2. The California Community Services Block Grant Program, Government Code §12085 et seq., as amended, and Title 22, California Code of Regulations (CCR) §§100601-100795;
 3. The Single Audit Act, 31 U.S.C. §7301 et seq., and Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, 45 CFR Part 75.
- B. *Conflict of laws.* Contractor shall comply with all of the requirements, standards, and guidelines contained in the authorities listed below, as they may be amended from time to time, with respect to procurement requirements, administrative expenses, and other costs claimed under this Agreement, including those costs incurred pursuant to subcontracts executed by Contractor, notwithstanding any language contained in the following authorities that might otherwise exempt Contractor from their applicability. To the extent that the requirements, standards, or guidelines directly conflict with any State law or regulation at Government Code §12085 et seq. or 22 CCR §100601 et seq., or any provision of this Agreement, then that law or regulation or provision shall apply, unless, under specified circumstances, a provision of federal law applicable to block grants, such as 45 CFR 96.30, allows for the application of state law.
 1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards (45 CFR 75);

ARTICLE 1 – SCOPE OF WORK

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2. Contractor further agrees to abide by all requirements in California Contractor Certification Clauses 307 (CC-307);
- C. CSD shall provide Contractor with specific program guidance which shall be binding on the Contractor as a condition of the Contractor's eligibility to receive CSBG funds, PROVIDED:
1. That such guidance shall be issued by CSD in writing in the form of "CSD Program Notice (CPN) No. XX-XX" or "CSD Program Advisory (CPA) No. XX-XX" posted at <https://providers.csd.ca.gov>.
 2. That such guidance shall be issued by CSD in the most timely and expeditious manner practicable;
 3. That such guidance shall be reasonably necessary to realize the intent and purposes of the CSBG Act;
 4. That major and material changes in program requirements which substantially affect the Contractor's and/or CSD's ability to fulfill contractual obligations, or which otherwise create a substantial hardship on either the Contractor or CSD, shall be subject to an amendment to this Agreement;
 5. That the parties' failure or inability to execute a mutually acceptable amendment, under circumstances described in the preceding subparagraph 1.4 C. 4, within a period of time allowing the parties to reasonably comply with any major change(s) in CSBG requirements, shall result in this Agreement being without force and effect, subject only to such provisions contained herein as are intended to survive the Agreement in accordance with the express and implied provisions of applicable federal and state law;
 6. That Contractor is duly informed of the risk of de-designation as an eligible entity, based on CSD's obligation to avoid/minimize interruption of CSBG-funded services in any part of the state, in the event that this Agreement terminates due to failure to agree to any necessary amendment; and,
 7. That upon CSD's or Contractor's good faith determination, delivered to the other party by written notice, that agreement to any necessary amendment as contemplated in subparagraph 1.4 C. 4. above cannot be achieved, then this contract shall be terminated, and any issues of eligible entity status addressed, in accordance with requirements of federal and state law and established CSD policy and procedure.

ARTICLE 1 – SCOPE OF WORK

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- D. The federal and state laws, regulations and other authorities referenced in the present paragraph 1.4 are hereby incorporated by reference into this Agreement. Copies may be accessed for reference at www.csd.ca.gov.

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ARTICLE 2 – CONTRACT CONSTRUCTION, ADMINISTRATION, PROCEDURE

2.1 Base Contract and Whole Agreement

A. This Agreement consists of two parts, which together constitute the whole agreement between CSD and Contractor.

B. Part I is the “Base Contract” which consists of the following:

1. The face sheet (Form STD 213) which specifies:
 - a. the parties to the Agreement;
 - b. the term of the Agreement;
 - c. the maximum dollar amount of the Agreement; and
 - d. the authorized signatures and dates of execution.

2. The Preamble, Article 1 and Article 2

C. Part II consists of the “Administrative and Programmatic Provisions” which are comprised of Subparts A through H, including specified requirements, obligations, provisions, procedures, guidance, forms and technical materials necessary for program implementation.

D. *Contract Elements Integral to Agreement and Enforceability Conditions*

1. Contractor shall provide the following documents, satisfactory to CSD in form and substance, together with a signed copy of this Agreement before CSD executes and returns the Agreement to Contractor for implementation:

- a. Federal Funding Accountability and Transparency Act Report (CSD 279)
- b. Certification Regarding Lobbying/Disclosure of Lobbying Activities
- c. Contractor Certification Clause (CCC-307)
- d. Current Insurance or Self-Insurance Authority Certification
- e. Board Resolution authorizing execution of this Agreement

2. In addition to the documentation requirements set forth in subparagraph 1, CSD’s obligations under this Agreement are expressly contingent upon Contractor providing the supplemental documentation set forth below, and available on the

ARTICLE 2 – CONTRACT CONSTRUCTION, ADMINISTRATION, PROCEDURE

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Providers' Website at <https://providers.csd.ca.gov>. The documentation shall be subject to CSD's approval, in form and substance.

- a. 425 Budget Series Forms
 - i. CSD 425.S CSBG Contract Budget Summary
 - ii. CSD 425.1.1 CSBG Budget Support Personnel Cost
 - iii. CSD 425.1.2 CSBG Budget Support Non Personnel Cost
 - iv. CSD 425.1.3 CSBG Budget Support Other Agency Operating Funds
 - v. CSD 425.1.4 CSBG Contract Budget Narrative
 - b. CSBG/NPI Workplan CSD 801 W (Form)
 - c. Agency Staff and Board Roster CSD 188 (Form)
 - d. Updated organizational bylaws (if applicable)
3. *Board Resolution.* Contractor must also submit a governing board resolution with an original signature of the board's authorized representative, identifying the individual(s) authorized to execute the 2017 CSBG Agreement and any amendments.
4. Part II, Administrative and Programmatic Provisions (and Table of Forms and Attachments) is hereby incorporated by reference into this Agreement, is an essential part of the whole Agreement, and is fully binding on the parties.
5. CSD shall maintain a certified date-stamped hardcopy of Part II for inspection by Contractor during normal business hours, as well as a date-stamped, PDF version of Part II on CSD's "Providers' Website," which may be accessed by Contractor, downloaded and printed at Contractor's option.
6. Neither Part I nor Part II of this Agreement may be changed or altered by any party, except by a formal written, fully executed amendment, or as provided in Article 1.4 C with respect to program guidance, or as provided in Part II, Subpart A, Article 3 – Agreement Changes. Upon such amendment of any provision of Part II, the amended PDF version shall be date-stamped and posted to the Providers' Website until such time as a subsequent Agreement or amendment is executed by the parties.
7. Contractors that are public or governmental entities with local provisions requiring receipt of a hardcopy of all parts of this Agreement as a prerequisite to execution, as well as other contractors that make special arrangements with CSD, may receive hardcopies of Parts I and II for execution and retention.

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2.2 State Contracting Requirements – “General Terms and Conditions, GTC 610”

In accordance with State contracting requirements, specified contracting terms and conditions are made a part of this agreement. The provisions in their entirety, previously located in Exhibit C of the CSBG contract, are now found in Part II, Subpart F of this Agreement and are fully binding on the parties in accordance with state law.

2.3 Contractor’s Option of Termination

A. Contractor may, at Contractor’s sole option, elect to terminate this contract in lieu of adherence to the procedures set out in subparagraph 1.4 C, should Contractor determine that any subsequent program guidance or proposed amendment to the contract is unjustifiably onerous or otherwise adverse to Contractor’s legitimate business interests and ability to implement the contract in an effective and reasonable manner, PROVIDED:

1. Such notice of termination is in writing and will be effective upon receipt by CSD, delivered by U.S. Certified Mail, Return Receipt Requested.
2. Notice contains a statement of the reasons for termination with reference to the specific provision(s) in the program guidance or proposed amendment in question.

B. Contractor shall be entitled to reimbursement for all allowable costs incurred prior to termination of the contract. Such reimbursement shall be in accordance with the program guidance and contract provisions in effect at the time the cost was incurred.

C. Contractor shall, within 60 days of termination, closeout the contract in accordance with contractual closeout procedures.

D. By executing this Agreement, Contractor acknowledges and understands that voluntary termination prior to the end of the Agreement term may result in Contractor’s permanent or temporary de-designation as an eligible entity, due to CSD’s obligation to seek replacement CSBG provider(s) in accordance with state and federal CSBG requirements.

2.4 Budget Contingencies

A. State Budget Contingency

1. It is mutually agreed that if funds are not appropriated for implementation of CSBG programs through the state budget process or otherwise, whether in the current year and/or any subsequent year covered by this Agreement, this Agreement shall be of no further force and effect. Upon written notice to

ARTICLE 2 – CONTRACT CONSTRUCTION, ADMINISTRATION, PROCEDURE

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Contractor by CSD that no funds are available for contract implementation, the Agreement shall be terminated and the State shall have no obligation to pay Contractor or to furnish other consideration under this Agreement and Contractor shall not be obligated for performance.

2. If CSBG funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.

B. Federal Budget Contingency

1. The parties agree that because of uncertainty in the federal budget process, this Agreement may be executed before the availability and amounts of federal funding can be ascertained, in order to minimize delays in the provision of services and the distribution of funds. The parties further agree that the obligations of the parties under this Agreement are expressly contingent on adequate funding being made available to the state by the United States Government.
2. If federal funding for any fiscal year is reduced to such degree that CSD reasonably determines that the program cannot be implemented effectively, the State shall at its sole discretion have the option either to terminate this Agreement upon written notice to Contractor or, in the alternative, to offer and negotiate an amendment addressing the reduced funding. If the parties fail to reach agreement on such amendment, CSD may at its option give written notice of termination without further obligation by either party except for contract closeout obligations and final settlement.
3. If federal funding authorities condition funding on any obligations, restrictions, limitations, or conditions not existent when this Agreement was executed, this Agreement shall be amended by mutual agreement for compliance with such obligations, restrictions, limitations or conditions. Failure of the parties to reach agreement on such amendment shall render this Agreement without force and effect.
4. Subject to the provisions of 2.4 B. 2., CSD shall authorize expenditures of funds under this Agreement based on any Continuing Resolution appropriations. CSD shall notify the Contractor in writing of authorized interval funding levels.

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2.5 Miscellaneous Provisions

- A. Assignment. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be assigned by any party without the prior written consent of the other parties, except in the case where responsibility for program implementation and oversight may be transferred by the State to another State agency. In the event of such transfer, this Agreement is binding on the agency to which the program is assigned.
- B. Merger/Entire Agreement. This Agreement (including the attachments, documents and instruments referred to in this Agreement) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- C. Severability. If any provision of this Agreement be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement will not be in any way impaired and shall remain in full force and effect.
- D. Notices. Unless otherwise provided herein, notice given by the parties shall be in writing, delivered personally, by United States mail, or by overnight delivery service (with confirmation). Certain reporting and other communications may be delivered electronically as specified by CSD or as is customary between the parties. Notice shall be delivered as follows:
 - 1. To Contractor's address of record; and
 - 2. To CSD at:

Department of Community Services and Development
Field Operations Services
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833