

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: March 9, 2023

CAO File No. 0220-00540-1645

Council File No. 23-0203

Council District: Citywide

To: The Mayor
The Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Community Investment for Families transmittal dated January 26, 2023; Received by the City Administrative Officer on January 27, 2023; Additional information received through March 9, 2023

Subject: **REQUEST FOR AUTHORITY TO APPROVE THE COMMUNITY SERVICES
BLOCK GRANT AWARD AND RELATED ACTIONS**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager of the Community Investment for Families Department (CIFD), or designee, to:
 - a. Accept the 2023 Community Services Block Grant (CSBG) award in the amount of \$6,361,802 from the State of California, Department of Community Services and Development (CSD) on behalf of the City;
 - b. Execute and return to CSD the signed Contract No. 23F-4022, with the required supporting documentation, subject to review by the City Attorney as to form and legality;
 - c. Execute any subsequent amendments to the CSBG Contract No. 23F-4022, subject to review by the City Attorney as to form and legality; and,
 - d. Prepare Controller instructions or technical corrections as necessary to the transactions included in this report to implement Mayor and Council intentions, subject to approval of the City Administrative Officer, and request the Controller to implement these instructions.
2. Approve the use of CSBG funds to operate the FamilySource System for the term of January 1, 2023 through December 31, 2023, as follows, subject to State appropriations of 2023 CSBG funds:

FamilySource System Program Costs	\$4,686,302
Administrative Costs	\$1,675,500
Total	\$6,361,802

3. Authorize the City Controller to record in the CSBG Trust Fund No. 428/21 a receivable from the CSD in the amount of \$6,361,802, establish a new account, and appropriate funds in the amount of \$4,686,302 in Account No. 21W583, FamilySource Centers, Non-Profit New; and,
4. Adopt Recommendation E of the CIFD transmittal dated January 26, 2023, authorizing the Controller to decrease appropriations no longer needed in the accounts listed in the table identified in the CIFD report.

SUMMARY

The Community Investment for Families Department (CIFD) requests authority for the following actions related to the Community Service Block Grant (CSBG) award from the California Department of Community Services and Development (CSD): 1) accept the 2023 CSBG award in the amount of \$6,361,802 to partially fund the FamilySource System (FSS); 2) execute CSBG Contract No. 23F-4022 and any subsequent amendments with CSD for the program year January 1, 2023 through December 31, 2023; and 3) reduce \$1.6 million CSBG appropriations for previous years' grant awards that have been closed.

The CIFD also requests approval of the proposed distribution of the 2023 CSBG funds across program delivery and administrative costs. The proposed funding breakdown is as follows:

Budget Line Item	Amount
<i>Program Delivery Costs</i>	
FamilySource Centers	\$4,686,302
<i>Administrative Costs</i>	
Direct Salaries	\$933,234
Fringe Benefits	\$411,090
Operating Expenses	\$97,000
Contractual Services	\$18,600
Other Costs	\$215,576
TOTAL	\$6,361,802

The CSBG grant provides partial funding for the City's FSS, a network of 16 FamilySource Centers (FSC) that are managed by non-profit organizations. The FSCs provide comprehensive services, such as academic and financial empowerment services, which focus on increasing family income and academic achievement. The FSCs will be further supported by the General Fund allocation in the 2022-23 Budget and the Community Development Trust Fund allocation included in the 48th Program Year Consolidated Plan.

The Community Action Board (CAB), a citizen oversight board that advises the Mayor and Council

on issues related to CSBG and oversees CIFD programs funded by CSBG, approved the acceptance of the 2023 CSBG award, the planned use of funds, and the execution of the agreement on December 15, 2022. The CIFD reports that acceptance of the grant will allow for the continuation of services provided by the FSCs from January 1, 2023 to December 31, 2023.

The CIFD also requests authorization of a Reserve Fund Loan of up to \$1 million as needed from July 1, 2023 through June 30, 2024 for CSBG cash flow purposes for the FSS. The FSCs submit invoices to the CIFD by the 20th each month for expenditures from the previous month, and the CIFD has five days to submit a claim to the CSD for grant reimbursement by the 25th of each month. It takes about six weeks for the check from CSD to arrive causing payments to the FSCs to be delayed. The CIFD indicated that invoices vary according to FSC staffing levels and services provided but average a total of \$1.1 million each month for all 16 FSCs. The impact per FSC is approximately \$70,000 each month. This Office recommends that the CIFD use existing resources to address cash flow needs. The FSS is funded by multiple funding sources, which include the General Fund and the Community Development Trust Fund. The requested Reserve Fund Loan is not recommended because of the availability of cash through the CIFD's General Fund appropriation, which provides supplemental funding for the FSS. This Office also recommends that the CIFD adjust the 2023-24 expenditure program to allot a larger amount of budgeted funds in the Contractual Services Account at the beginning of the fiscal year to ensure that cash is available for FSC payments.

This Office concurs with the Department's recommendations as amended to reflect the correct 2023 CSBG grant award of \$6,361,802 and the use of funds in the amount of \$1,675,000 for administrative costs.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The proposed grant activities will be fully funded by the 2023 Community Services Block Grant award, which will partially fund expenses incurred for the FamilySource System.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies in that the proposed eligible grant activities will be fully funded by grant funds.