

ECONOMIC AND COMMUNITY DEVELOPMENT and BUDGET, FINANCE, AND INNOVATION COMMITTEES REPORT relative to authorization to accept the 2023 Community Services Block Grant (CSBG) Award.

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

1. AUTHORIZE the General Manager, Community Investment for Families Department (CIFD), or designee, to:
  - a. Accept the 2023 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.
  - 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 (CAO); and, request the Controller to implement these instructions.
2. APPROVE the use of CSBG funds to operate the FamilySource Center System for the term of January 1, 2023, through December 31, 2023, as follows, subject to State appropriations of 2023 CSBG funds:

Program Cost- FamilySource Center System (January 1, 2023-December 31, 2023)	\$4,686,302
Administrative Costs:	<u>\$1,675,501</u>
Total:	\$6,361,803

3. AUTHORIZE the Controller to:
  - a. Record in the CSBG Trust Fund No. 428/21 a receivable from the CSD in the amount of \$6,361,802.
  - b. Establish a new account, and appropriate funds in the amount of \$4,686,302 in Account No. 21W583, FamilySource Centers, Non-Profit New.
  - c. Adopt Recommendation E of the January 26, 2023 CIFD report, attached to the Council File, authorizing the Controller to decrease appropriations no

longer needed in the accounts listed in the table identified in the CIFD report.

Fiscal Impact Statement: The CAO reports that 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 the March 9, 2023 CAO report, attached to the Council File, comply with the City's Financial Policies in that the proposed eligible grant activities will be fully funded by grant funds.

Community Impact Statement: None submitted.

Summary:

On April 19, 2023, the Economic and Community Development Committee (ECD) Committee considered March 9, 2023 CAO and January 26, 2023 CIFD reports relative to authorization to accept the 2023 CSBG Award. According to the CAO, the CFID is requesting authority for the following actions related to the CSBG award from the 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 is also requesting 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.

The CAO 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. Finally, the CAO noted that it concurs with the CFID'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. After consideration and having provided an opportunity for public comment, the ECD Committee moved to continue the matter. Subsequently, on May 17, 2023, the Committee reconsidered this matter and after having provided another opportunity for public comment, moved to recommend approval of the recommendations contained in the CAO report.

Subsequently, on June 12, 2023, the Budget, Finance, and Innovation Committee also considered this matter and after consideration and having provided an opportunity for public comment, moved to concur with the ECD Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

Budget, Finance, and Innovation Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
BLUMENFIELD:	YES
PRICE:	YES
YAROSLAVSKY:	YES
McOSKER:	YES
RODRIGUEZ:	YES

ARL

6/14/23

COUNCILMEMBER      VOTE

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**