



Legislation Details (With Text)

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On agenda: 1/3/2018 **Final action:**

Title: Discussion of Prior Policy Redirecting CDBG Grant Funding to Non-Profit Community Based Organizations (Acting Finance Director Charelian).
DISCUSS AND PROVIDE DIRECTION

Sponsors:

Indexes:

Code sections:

Attachments: 1. Historical Service Agency Contributions

Date	Ver.	Action By	Action	Result
1/3/2018	1	City Council Regular Meeting	accept	Pass

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, Acting City Manager

FROM:
Steve Charelian, Acting Finance Director
Libby Bretthauer, Financial Analyst

SUBJECT:
Discussion of Prior Policy Redirecting CDBG Grant Funding to Non-Profit Community Based Organizations (Acting Finance Director Charelian).
DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:
City staff recommends the City Council discuss and provide direction on non-profit grant funding.

FISCAL IMPLICATIONS:
There is currently no funding source for a grant program. If the City Council wishes to establish such a program, funds will need to be identified and balanced with other demands on the General Fund.

BACKGROUND:
The City once funded various community-based non-profit service organizations (see list on Attachment #1) by exchanging restricted Community Development Block Grant (CDBG) funds for unrestricted General Funds, which were then allocated to the service organizations. However, CDBG rules changed, precluding such exchanges. Without the CDBG exchange funding source in place, the allocations were discontinued after FY 2012-2013.

One exception was made for the Beach Cities Health District contract for older adult care management (annual cost of \$37,315). The Beach Cities Health District Care Management program pays for Older Adult Care services. The Senior Care Manager (employed by BCHD) provides care management services for approximately 100 eligible residents of the City per year. These services include needs assessment, resource identification, individualized action plans, advocacy and follow-up services, referral services, and outreach presentations to the Older Adults community.

On September 19, 2017, the City Council re-authorized the use of CDBG funds for the construction of American with Disabilities Act (ADA) compliant curb ramps throughout the City. This use of funds is appropriate under current CDBG program requirements.

DISCUSSION:

Non-profit assistance grants can serve various purposes and support organizations providing services not offered by the City or other local government agencies. Examples include programs for underserved populations; health, safety and environmental programs; and crises intervention and service centers.

In recent years, a local service organization has requested the City once again make funding available to area non-profit organizations. City Council directed staff to clarify past and current funding options, which the Finance Subcommittee reviewed on September 28, 2017.

After consideration, the Finance Subcommittee recommended no changes to current practices, particularly since CDBG funds, which are now being used as intended on improvement projects, may no longer be exchanged for General Funds.

If a Non-Profit Assistance Grant program is established, a funding source and staff resources would need to be dedicated to manage the program.

POLICY ALTERNATIVES:

ALTERNATIVE #1:

Do not approve funding Non-Profit Assistance Grants program.

PROS:

General Fund moneys would remain available for other City uses.

CONS:

Local non-profit agencies may not have sufficient resources to serve the Manhattan Beach community.

ALTERNATIVE #2:

Establish a Non-Profit Assistance Grant program and dedicate General Fund moneys as a funding source.

PROS:

Available services through non-profit organizations would be more secure for the Manhattan Beach community.

CONS:

Reduces amount of General Fund moneys available for other purposes. Staff resources would also need to be re-prioritized to accommodate management of the program.

PUBLIC OUTREACH/INTEREST:

Not applicable.

ENVIRONMENTAL REVIEW

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachment:

1. Historical Service Agency Contributions