



# City of Culver City

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## Staff Report

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**File #:** 23-160, **Version:** 1

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**CC/HA - CONSENT ITEM:** (1) Ratification of the Submission of a Grant Application in the Amount of \$5 Million Dollars Under the State of California Department of Social Services Guaranteed Income Pilot Program Request for Applications; and (2) Instruction to Staff to Return to the Council for Consideration and Appropriation of the 50% Match Requirement of \$2.5 Million, if the Grant is Awarded to the City.

**Meeting Date:** September 12, 2022

**Contact Person/Dept.:** Tevis Barnes/ CDD-Housing

**Phone Number:** (310) 253-5782

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☐ No ☒

**Attachments:** Yes ☒ No ☐

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (09/07/2022)

**Department Approval:** Sol Blumenfeld, Community Development Director (08/31/2022)

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### **RECOMMENDATION**

Staff recommends the Culver City Council and the Housing Authority (Authority) Board (1) ratify the submission of a grant application in the amount of \$5 million under the State of California Department of Social Services (CDSS) Guaranteed Income (GI) Pilot Program Request for Applications (RFA); and (2) instruct staff to return to the City Council and Authority Board for discussion and appropriation of the required 50% match requirement of \$2.5 million, if the grant is awarded to the City.

### **BACKGROUND**

#### **Ratification by the City Council**

At the August 22, 2022 City Council meeting, there was support to agendize, at the next City Council meeting, a discussion of submitting an application for the State of California Department of Social Services Guaranteed Income Pilot Program (Application). Due to the Application deadline of September 6, 2022, the City Manager administratively approved the submittal of the Application.

Staff recommends the City Council provide direction to either ratify the submittal of the Application, or direct the City Manager to withdraw the Application.

## **Program Purpose**

Welfare and Institutions Code (WIC) sections 18997-18997.2 authorize the CDSS to administer the California GI Pilot Program. The purpose of this program is to provide grants to eligible entities to administer pilot programs and projects that provide a guaranteed income to participants. The GI Pilot Program will provide unconditional, individual, regular cash payments intended to support the basic needs of the recipients. Funding under the GI Pilot Program will be granted to eligible entities to enable or expand pilot programs across the state and to administer and evaluate these pilots to inform future policy decisions. Through this RFA, the CDSS seeks to identify eligible entities to administer the GI Pilot Program.

## **Program Priorities**

The GI Pilot Program's Priority Populations are:

1. California residents who age out of the extended foster care program at or after 21 years of age; and
2. California residents who are in their first or second trimester of pregnancy at the time of program enrollment.

## **Submission Eligibility Requirements**

To be eligible for funding, applicants must:

1. be a public or private nonprofit entity in good standing that is authorized to do business in California, or be a tribal or local government entity, or be a collaboration between such entities; and
2. have secured a 50% funding match for the amount requested from CDSS or the application must contain a detailed plan to secure the match funds within six (6) months of the date of the notification of award.

## **DISCUSSION**

### **Request for Applications**

The CDSS RFA GI Pilot was released on July 25, 2022 with an application deadline of September 6, 2022. The anticipated announcement of funding awards is October 10, 2022.

### **Program Parameters**

**Individuals Served/Priority Population** - The CDSS will give primary consideration to pilots that propose to serve at least 150 individuals, comprised of one or both of the priority populations:

1. Pregnant California Residents

## 2. California resident youth aging out of extended foster care

Other populations can also be served under the GI Pilot Program. Staff recommends the participants in the City's Homekey Project and other very-low and extremely-low income Culver City residents be considered. Staff will consult with Upward Bound House (UBH) to identify and assist pregnant persons to participate in the GI Pilot Program. Staff will also work with Safe Place for Youth (SPY) and West Los Angeles College to identify and assist youth aging out of extended foster care to participate in the GI Pilot Program.

**Minimum GI Payments** - The recommended minimum direct payment is \$600 per month per individual. There is no maximum direct payment amount, but it is recommended that payments not exceed \$16,000 per calendar year or approximately \$1,300 per month. Staff recommends a monthly benefit of \$1,300 per month. This amount is suggested based on the average rental subsidy of the City's Section 8 program which is \$1,296. The additional income support can help address housing insecurity by affording participating households additional income to cover rental payments. This will allow for increased disposable income for other items such as food, education, medical services, and transportation.

**Funding Request** - Applicants may request grants of up to \$5 million in total funding. Staff recommends submission of an application for the maximum grant award of \$5 million. Funding is over a 3-year period.

**Funding Match** - Applicants shall be funded with a match equal to or greater than 50% of the amount of funding to be provided by the CDSS. Staff suggests the City apply for the full funding amount of \$5 million which will require a 50% match of \$2.5 million over a 3-year period. This translates to a total program budget of \$7.50 million or \$2.5 million annually over the 3-year period.

Applicants must demonstrate match funding or plan for raising match funding within six months of award. Applicants must also indicate whether private funds will be included in the recipient GI payments and demonstrates understanding that private funds must be included in the payments in order to secure a CalFresh exemption.

**Funding Period** - Applicants may receive funds for up to a 3-year period for with a 6-month ramp-up period.

## **FISCAL ANALYSIS**

The maximum grant award is \$5 million with a required match of 50% of requested funding or \$2.5 million for a total program budget of \$7.5 million. If grant funds are awarded to the City, staff will return to the City Council and Authority Board to discuss and consider appropriation of the match requirement.

Implementation of the GI Pilot program is extremely labor intensive with the tasks of certifying applicants, issuance of monthly GI payments to participating households and the data collection requirement under the grant. Staff estimates 1.5 FTEs are needed to administer the program effectively and efficiently. This staffing would cost approximately \$150,000 annually for the 3-year period or \$450,000 for the duration of the program.

The 50% match of requirement of \$2.5 million combined with the program administration cost of \$150,000 equates to a \$2.950 million obligation to the City over a 3-year period at \$983,333 per year. The grant's 6-month ramp up period allows the City to identify funding sources and opportunities to support the match obligation.

## **ATTACHMENTS**

1. State of California Department of Social Services Guaranteed Income Pilot Program Request for Applications

## **MOTIONS**

That the City Council and Housing Authority Board:

1. Ratify the submission of a grant application in the amount of \$5 million under the State of California Department of Social Services (CDSS) Guaranteed Income (GI) Pilot Program Request for Applications (RFA); and
2. Instruct staff to return to the Council and Authority for discussion and appropriation of the required 50% match requirement of \$2.5 million, if the grant is awarded to the City; and
3. Authorize the City Attorney to review/approve the necessary documents; and
4. Authorize the City Manager/Executive Director to execute such documents on behalf of the City and Housing Authority; OR
5. Direct the City Manager to withdraw the Application.