



City of South San Francisco

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Staff Report

File #: 22-707
Version:

Agenda Date: 08/17/22
Item #: 1

TITLE

Report regarding adoption of a resolution authorizing the City Manager or his designee to pursue the California Department of Social Services (CDSS) Guaranteed Income Pilot grant program and to allocate \$1,500,000 in American Rescue Plan Act (ARPA) funds as required matching funds.
(Christina Fernandez, Assistant to the City Manager and Karen Chang, Director of Finance)

RECOMMENDATION

It is recommended that the City Council authorize the City Manager or his designee to pursue the California Department of Social Services (CDSS) Guaranteed Income Pilot grant program and to allocate \$1,500,000 in American Rescue Plan Act (ARPA) funds as required matching funds.

BACKGROUND/DISCUSSION

In July 2021, City Council approved the South San Francisco Guaranteed Income Pilot Program, serving 166 households and providing them each with \$500 per month for 12 months. The YMCA is the program administrator and were responsible for marketing the program, receiving and reviewing applications, holding any necessary lotteries to select the 166 participants, and surveying participants throughout the first year of the program and over the course of 18 months following program completion. The YMCA administers the monthly payments through their financial partner, Community Financial Resources (CFR) and CFR's partner bank, Self-Help Federal Credit Union (SHFCU).

Six-month survey results are evidence of the South San Francisco Guaranteed Income pilot program's success. As indicated in *Figure 1*, the majority of participants spent their basic income payments on Rent, Food, and Utilities.

1. Rent (87.33%)
2. Food (82%)
3. Utilities (57.33%)

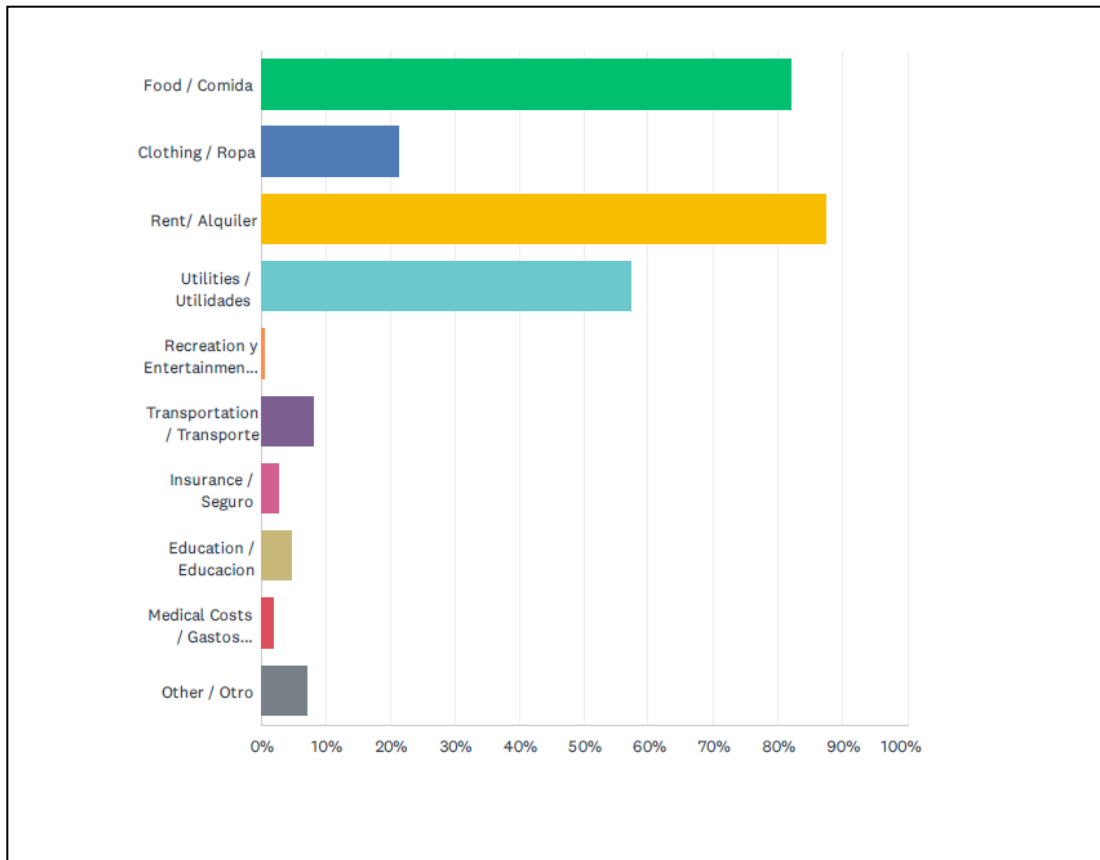


Figure 1: Top 3 Areas of Spending

When asked “*Which of these activities has this program helped you do?*” Respondents indicated that this program allowed them to:

1. Buy essentials for their households (81.33%)
2. Spend more time with their families (52.67%)
3. Helped loved ones financially (5.33%)

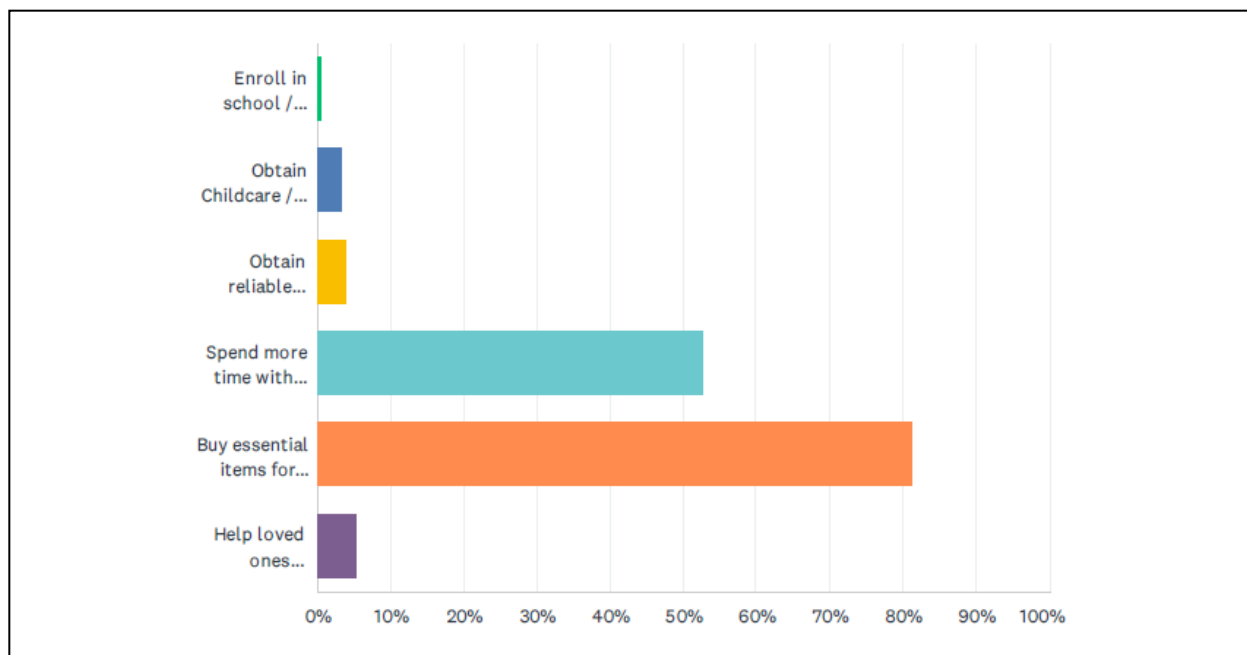


Figure 2: Which of these activities has this program helped you do?

Some respondents provided specifics about this program including: “this program allowed them to go to the eye doctor and get new glasses”, “has taken away stress”, “pay back bills”, and helped a respondent “find employment”.

When asked, “*What are you hoping the continued financial assistance will empower you to do by the end of the program?*”

Individual respondents provided written responses to this question. Some of those responses are listed below.

- “I learned to budget and save”
- “It has helped me move on with my life and live”
- “I hope to be financially stable by the end of the program”
- “It has helped me with my groceries”
- “Good, this is the first time I have received something like this and I have learned a lot about how to use a debit card or bank account”
- “I am saving a little and learning to pay on time my things”
- “It has helped me stay afloat and keep up with all of my bills”
- “I hope to finish my GED and keep paying for the necessary things for my children”
- “It has helped me put together my rent and has helped me enjoy more time with my family without being stressed”

When asked, “*Which of the following local programs are you interested in receiving more information of (you may choose more than one)?*”

Most respondents were interested in receiving more information about:

1. Food Programs (60.67%)

2. SSF Library Programs (40.67%)
3. Employment Assistance (37.3%)
4. Financial Assistance (28%)
5. Financial Empowerment (21.33%) and Adult Education (21.33%) (Tied)

Additionally, some respondents specifically requested additional information regarding after school programs, sports programs for kids, and special education for children.

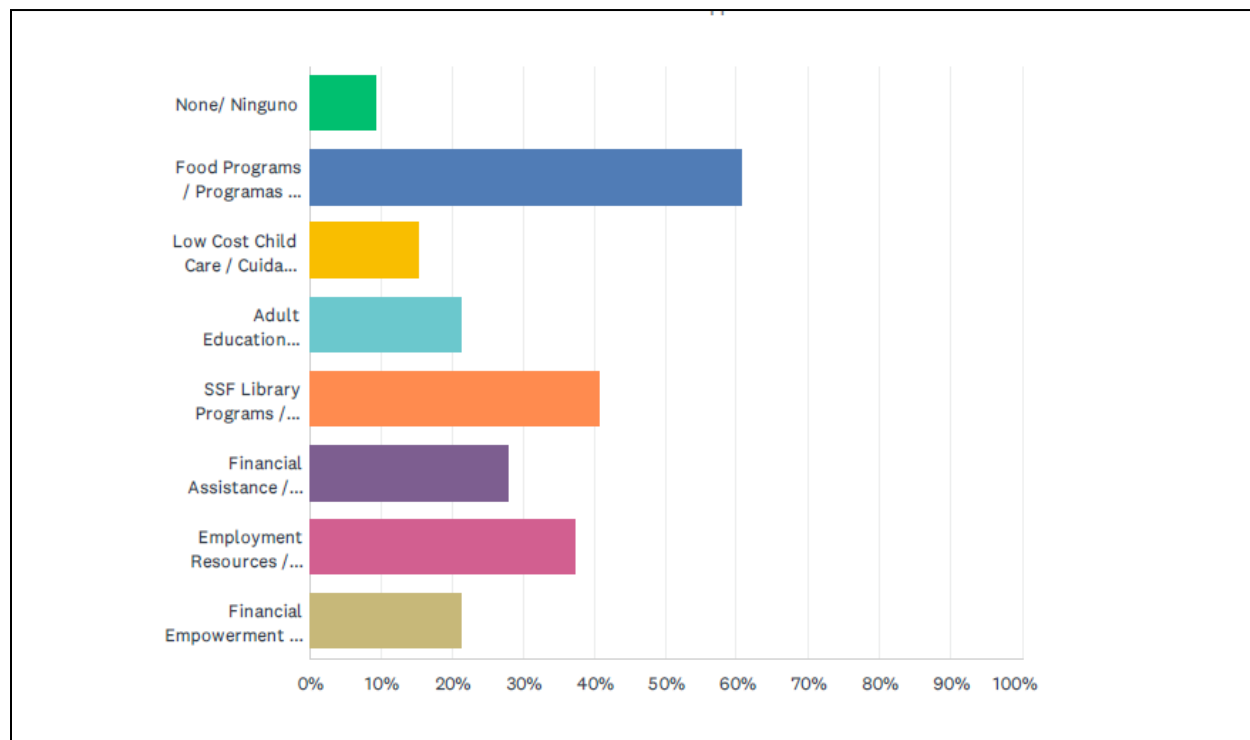


Figure 3: Which of the following local programs are you interested in receiving more information of (you may choose more than one)

When asked, “Once the program is over, do you have a plan to replace the \$500?” A sample of participant responses are listed below:

- “I hope to get more hours at work”
- “With my new job, I am hoping this won’t impact me so much”
- “I have saved enough to hopefully I won’t feel the impact”
- “Not yet, looking to change jobs. I would like to get an education”
- “As of right now I do not, but I think I might start a business in selling food”
- “I hope to have my GED by the time the program ends to find a job to keep taking care of the things I need”

The primary goals of the South San Francisco Guaranteed Income Pilot Program were to provide immediate financial assistance in response to COVID-19, and to provide the financial stability necessary for our most vulnerable residents to pursue opportunities like furthering education, a new

job, working one job rather than two, and being able to spend more time with their children. According to survey results, this program is meeting those objectives.

The GBI pilot program is scheduled to conclude in the fall of 2022 with a final report detailing the program's findings reported to Council in January 2023. However, the California Department of Social Services (CDSS) recently announced a Request for Applications, providing new and existing guaranteed income pilot programs the opportunity to apply for state funding. Fifty percent in matching funds are required. If Council authorizes staff to pursue these state funds, staff recommends exploring a second round of the Guaranteed Income program that incorporates the state's priority populations, specifically pregnant women and foster youth.

California Department of Social Services (CDSS) Guaranteed Income Pilot Program

The California Department of Social Services (CDSS) announced the Request for Application (RFA) for the Guaranteed Income Pilot (GI Pilot) program that will be deployed throughout the state. The GI Pilot will provide unconditional, individual, regular cash payments intended to support the basic needs of the recipients. The CDSS is accepting proposals to grant funds to selected eligible entities for the purpose of administering GI Pilot programs and projects that provide GI to participants. Applications are due on September 6, 2022.

The CDSS will select entities that demonstrate the ability to administer a GI Pilot program based on the selection criteria. The 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.

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.

Awards may be used to expand existing pilot programs in accordance with the CDSS' priorities and requirements as stated within this RFA, or for the design and implementation of new GI programs in the state. The CDSS will consider the overall sufficiency and credibility of the information the applicants provide and will evaluate each proposal for the following: (1) representation of awards across urban and rural areas; (2) ability to maximize reach of the statewide pilot program; and 3) program design that aligns with the CDSS' requirements and meets the goals for this pilot program.

Grant recipients will be funded with a match equal to or greater than 50 percent of the amount of funding to be provided by the State. The match may consist of or include a grant received from another source and may come from multiple sources. CDSS may conditionally approve funding contingent upon a secured match. If a match is not identified at the time of application, applicants must share their plan for securing a match. Applicants that receive conditional approval will have up to six (6) months from notification of award to secure match funding and cannot receive funds from the CDSS until the match is secured.

Funding

The City of South San Francisco was allocated a total of \$12.28 million in American Rescue Plan Act (ARPA) funding, provided in two tranches of \$6.14 million each. The first tranche of \$6.14 million was paid to the City on June 7, 2021. The second tranche of \$6.14 million was paid to the City on June 21, 2022. To date, City Council has voted to appropriate the following amounts of received ARPA funds for the noted purposes, per Table 1:

Table 1

| Funding Areas | FY2021-22 Appropriations | FY2022-23 Appropriations | Total Appropriations |
|---|-------------------------------------|-------------------------------------|---------------------------------|
| 1 General Government Services | 2,560,000 | 1,970,000 | 4,530,000 |
| 2 Guaranteed Income Program | 1,000,000 | | 1,000,000 |
| 3 Broadband Expansion - Westborough Neighborhood (CIP) | 1,000,000 | | 1,000,000 |
| 4 Public Wifi Expansion (CIP) | | 300,000 | 300,000 |
| 5 The Spit/Oyster Point Sea Level Rise Protection (CIP) | 1,000,000 | | 1,000,000 |
| 6 Francisco Terrace Flood Protection (CIP) | 120,000 | | 120,000 |
| 7 SAMCEDA Restaurant Grants | 260,000 | | 260,000 |
| 8 Jobs for Youth Program | 100,000 | | 100,000 |
| 9 Shop Local Gift Cards | 100,000 | | 100,000 |
| 10 Other (unappropriated) | | | - |
| TOTAL | 6,140,000 | 2,270,000 | 8,410,000 |

For ARPA reporting purpose, the following programs are grouped under General Government Services:

- Creation of the Economic Advancement Center
- Continuation of the Youth Summer Internship Program (YSIP) in 2022 and 2023
- Funding towards the Public Wifi Expansion CIP project
- Funding of the Community Promotores program
- Reimbursement of the General Fund for Covid-related expenses during the height of the pandemic.

The City currently has \$3.87 million in ARPA funding which has not been appropriated.

As shown in the table 1, the first tranche of ARPA funds made possible the allocation of \$1 million towards the City's existing Guaranteed Basic Income program. This was appropriated at the July 14, 2021 City Council meeting. It was proposed at the March 30, 2021, City Council study session that another \$1 million in ARPA funding go towards a second year of a Guaranteed Basic Income program; however, this funding has not been appropriated.

The \$1.5 million local match funding for the State Guaranteed Basic Income grant is proposed to come from the unallocated portion of the City's ARPA funding. If approved, this leaves a balance of \$2.37 million in unappropriated ARPA funding available to the City (see Table 2). Should the City not be selected for the State grant, this local match would be available for other purposes as directed by City Council.

Table 2

| Funding Areas | Total Appropriations | New requests | Unappropriated Funds | TOTAL |
|---|-----------------------------|---------------------|-----------------------------|-------------------|
| 1 General Government Services | 4,530,000 | | | 4,530,000 |
| 2 Guaranteed Income Program | 1,000,000 | 1,500,000 | | 2,500,000 |
| 3 Broadband Expansion - Westborough Neighborhood (CIP) | 1,000,000 | | | 1,000,000 |
| 4 Public Wifi Expansion (CIP) | 300,000 | | | 300,000 |
| 5 The Spit/Oyster Point Sea Level Rise Protection (CIP) | 1,000,000 | | | 1,000,000 |
| 6 Francisco Terrace Flood Protection (CIP) | 120,000 | | | 120,000 |
| 7 SAMCEDA Restaurant Grants | 260,000 | | | 260,000 |
| 8 Jobs for Youth Program | 100,000 | | | 100,000 |
| 9 Shop Local Gift Cards | 100,000 | | | 100,000 |
| 10 Other (unappropriated) | - | | 2,370,000 | 2,370,000 |
| TOTAL | 8,410,000 | 1,500,000 | 2,370,000 | 12,280,000 |

FISCAL IMPACT

The \$1,500,000 in ARPA funds will be used to provide direct benefits as a part of the Guaranteed Income Program. The remaining fifty percent of the funds will be provided by the CDSS, if the grant is awarded.

RELATIONSHIP TO STRATEGIC PLAN

Pursuit of funding for the Guaranteed Income Program meets the strategic goals of providing a high quality of life for all residents and fiscal stability of the City.

CONCLUSION

It is recommended that the City Council authorize the City Manager or his designee to pursue the California Department of Social Services (CDSS) Guaranteed Income Pilot grant program and to allocate \$1,500,000 in American Rescue Plan Act (ARPA) funds as required matching funds.