

Agenda Report

TO: City Council

DATE: June 7, 1999

FROM: City Manager

SUBJECT: RECOMMENDATION TO THE STATE DEPT. OF COMMUNITY SERVICES AND DEVELOPMENT OF COMMUNITY HOUSING SERVICES, INC. (CHS) FOR DESIGNATION AS THE NEW COMMUNITY ACTION AGENCY FOR THE FOOTHILL AREA

RECOMMENDATION:

It is recommended that City Council:

- (a) adopt the recommendation from the Public Hearing Panel per the Hearing of April 28, 1999 and continued on May 11, 1999, that Community Housing Services, Inc. (CHS) be designated the new Community Action Agency for the Foothill area (Pasadena, Altadena, Sierra Madre, South Pasadena, Arcadia, Monrovia and Duarte); and,
- (b) authorize staff to submit this recommendation to the State Dept. of Community Services and Development, for State review and approval.

EXECUTIVE SUMMARY:

On April 12, 1999, City Council approved a public hearing process to secure a recommendation for submission to the State for designation of a new Community Action Agency (CAA) for the Foothill area (which includes Pasadena, Altadena, Sierra Madre, South Pasadena, Arcadia, Monrovia and Duarte). Consistent with that approved process, a "Notice of Intent to Designate a Community Action Agency" was widely distributed and posted at public buildings (libraries, community centers, recreation centers, city halls, etc.) throughout the seven Foothill communities, mailed to some 150 human service organizations throughout the region, and published in the local newspaper. Each of the Foothill cities was invited to have a representative on the Public Hearing Panel, along with three representatives of the Pasadena Human Services Commission. The Public Hearing was held on April 28, 1999, with a seven-member panel including representatives of L.A. County, Monrovia, Pasadena, Sierra Madre and South Pasadena. Oral and written public testimony was received at the Public Hearing of April 28, 1999, at which time the Hearing Panel focused on two applicants for consideration: Community Housing Services and the City of Pasadena. The Panel requested additional information from these two applicants, and continued the Public Hearing to May 11, 1999. At the continued Hearing on May 11, 1999, the Panel reviewed additional testimony, conducted deliberations, and recommended (on a 5 - 2 vote) Community Housing Services, Inc. for designation as the Community Action Agency for the Foothill area.

BACKGROUND

The federal Community Services Block Grant (CSBG) Program targets the reduction of poverty. The CSBG Program allocates formula grants through the states to local community action agencies (CAA's) for the purpose of assessing unmet needs, developing a plan to address those needs, and then creating, coordinating and delivering services that reduce poverty. In California, the State agency that works with the CAA's and CSBG funds is the State Department of Community Services and Development. A brief summary of the role of the CAA, the purpose of CSBG funds, and the Community Action Plan is included as Attachment A to this report.

Pasadena is part of the Foothill CSBG region (along with Altadena, Sierra Madre, South Pasadena, Arcadia, Monrovia and Duarte). The former State-approved CAA for this region was Foothill Area Community Services (FACS), a non-profit organization that was dissolved in early 1998. Since that dissolution, the State has contracted with the Los Angeles County Department of Community and Senior Services to serve as "interim administrator" of the Foothill area Community Services Block Grant (CSBG) funds, which currently total approximately \$291,000 per year. The State Department of Community Services and Development contacted the City of Pasadena to develop and implement a local process to recommend a new Community Action Agency for the Foothill area. The City agreed to conduct such a process, consistent with federal and State regulations and in cooperation with the L.A. County Department of Community and Senior Services. At their meeting of April 12, 1999, Pasadena City Council approved a process to seek public input, identify qualified applicant agencies (public and private non-profits), and recommend a new agency for CAA designation serving the Foothill area.

Following the process approved by City Council on April 12, 1999, the following summarizes key actions and the outcome on this matter.

- The "Notice of Intent to Designate a New Community Action Agency for the Foothill Area" (see copy, Attachment B) was:
 - posted at public sites throughout the Foothill cities (city halls, libraries, community and recreation centers, senior centers, etc.), from April 13 through April 28, 1999
 - mailed to approximately 150 human services agencies and organizations throughout the Foothill region, from April 13 -16, 1999
 - published in the *Pasadena Star News* on April 21 and 26, 1999

This "Notice" provided information on the Public Hearing purpose, date, time, and location, and encouraged public input and testimony (both oral and written) on the matter.

- Letters were sent by the City Manager to each of the six Foothill cities on April 13, 1999, inviting each to designate a representative to participate on the Public Hearing Panel, to join the three representatives of the Pasadena Human Services Commission and the L.A. County representative.

- The Public Hearing was conducted at 7 pm on April 28, 1999, at the PCC Community Education Center, and continued to 7pm on May 11, 1999, at the same location. A seven-member Panel conducted the Hearing, including three representatives of the Pasadena Human Services Commission (Julie Fox Blackshaw, Hearing Chair; Stella Robles Murga; Leonora Barron), and representatives appointed by L.A. County (Earl Raines), Monrovia (Mimi Mency), South Pasadena (Bill Kelly), and Sierra Madre (Bruce Inman).

The Panel requested additional information from two applicants (Community Housing Services and the City of Pasadena) for consideration. The Hearing was continued to May 11, 1999, at which time the Panel would review the additional information requested of the two applicants and ask any follow-up questions, hear public comment on the two applicants, conclude deliberations and make a recommendation.

- On April 29, 1999, a memorandum outlining the information requested of the two applicant agencies by the Public Hearing Panel was sent by fax and mail to both applicant agencies and copied to the seven Panel members, with a due date for submission of written responses by 5 pm on May 5, 1999.
- On April 29, 1999, a Notice of Continued Hearing was posted at the required public locations, including at the PCC Community Education Center.
- On April 30, 1999, a letter dated April 26, 1999 was received by the City, addressed to the Chair of the Public Hearing Panel, from Carolyn H. Carlburg, Executive Director of Community Housing Services, Inc. This letter outlined objections by CHS "to the hearing process for the selection of the new Community Action Agency designation for the Pasadena-Foothill area". In summary, the objections alleged that the City of Pasadena:
 - was "in a conflict of interest with respect to its status as an applicant for designation as the new Community Action Agency"
 - had devised an administrative process that "violated fundamental principals of due process"; and,
 - the "actions of the panel were deferential and partial to the City of Pasadena".

The letter concluded that based on these reasons " . . . CHS requests that the Hearing Panel deem the City of Pasadena's application as nonresponsive, and that it deem CHS the only qualified applicant for designation as the Community Action Agency for the Pasadena-Foothill Area." As requested by the Chair of the Public Hearing Panel, this letter was copied to the seven Panel members, and forwarded to the City Attorney for review.

- By the deadline of 5 pm on May 5, 1999, the City Clerk had received the written responses to the Panel questions from both applicant agencies. On May 6, 1999, this material was delivered to the Public Hearing Panel members for their review and consideration (with the exception of Ms. Barron, who received the material on May 10, 1999).

- In a memo to the Hearing Panel Chair dated May 10, 1999, Assistant City Attorney Carolyn Y. Williams provided her findings from a review of the applicable regulations and statutes for the CAA designation process and the allegations raised by Ms. Carlburg in her letter of April 26, 1999. Ms. Williams' memo summarizes her opinion, based on the information provided, that:
 - City staff was proceeding in accordance with relevant regulations and in response to a request from the State to conduct such a process
 - the City of Pasadena met the criteria as an "eligible entity" to seek CAA designation
 - the City had not denied CHS due process
 - there did not appear to be any potential conflict of interest in Pasadena Human Services Commission members serving as panelists nor in City staff providing procedural assistance to the Public Hearing Panel.

- The continued Hearing was conducted at the PCC Community Education Center at 7 pm on May 11, 1999. At that time the Panel Chair distributed copies of the memo from the Assistant City Attorney outlining her findings with regarding to the objections raised by Ms. Carlburg. The Panel heard public testimony from two persons in favor of CHS (Ms. Carlburg and Dr. Richard Cohen), and a three-member team in favor of the City of Pasadena (Lisa Jeffery, Philip Dunn and Horace Wormely). The Hearing Panel asked questions of the two applicants regarding qualifications, experience, costs, and related matters to serving as the CAA for the Foothill area.

Following deliberations, the Panel voted 5 - 2 in favor of Community Housing Services, Inc. as the organization to recommend to the Pasadena City Council for designation as the Community Action Agency for the Foothill area. While the Panel members indicated they found merit in both applications and found both qualified to serve as Foothill CAA, the Panel majority favored the concept of a private, non-profit organization vs. a public agency serving as the Community Action Agency. Further, the representatives of South Pasadena, Sierra Madre, Monrovia and L.A. County expressed concerns that if the City of Pasadena were the Foothill area CAA, the six other Foothill communities may be less likely to receive CSBG funding and poverty reduction services because Pasadena may feel greater pressure from Pasadena constituents.


Accordingly, it is recommended by the Public Hearing Panel that the City Council submit to the State Department of Community Services and Development the recommendation of Community Housing Services, Inc. for designation as the new Community Action Agency for the Foothill area.

FISCAL IMPACT: None.

Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager

Prepared and Approved By:


PATRICIA A. LANE, Director
Human Services, Recreation and Neighborhoods Department