



DATE: April 3, 2018
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: FY 2019 Community Agency Funding Recommendations

RECOMMENDATION

That Council reviews and comments on this report. Attached is a draft funding resolution (Attachment IV) that, once finalized, will be presented to the Council for adoption on April 17, 2018.

SUMMARY

For FY 2019, a total of \$1,465,933 is available for funding. Of this amount, \$877,999 is recommended for community agency funding and \$587,934 is recommended for City-operated and HUD mandated programming. The funding recommendations are summarized below and itemized in Attachment II.

Summary of FY 2019 Recommended Funding (All sources)

	AMOUNT
CDBG – Infrastructure, Jobs & Econ. Dev. grants to community agencies	345,999
General Fund - Social Services grants to community agencies	450,000
General Fund - Arts & Music grants to community agencies	82,000
Total Grants to Community Agencies	877,999
CDBG – City-operated programs and services for Hayward residents	530,934
CDBG – HUD-required fair housing activities	57,000
Total City-Operated Services and HUD-Required Fair Housing	587,934
TOTAL FY 2019 Recommended Funding (All Sources)	<u>\$1,465,933</u>

BACKGROUND

The FY 2019 Community Agency Funding recommendations were developed by the Council-appointed Community Services Commission (CSC), in compliance with the City’s federally-mandated and Council-authorized CDBG Citizen Participation Plan, and in accordance with the

Council-authorized City of Hayward CDBG Compliance Policy Manual.

The Community Services Commission funding recommendations considered the feedback received from Council during the [May 23, 2017 joint work session](#) which provided added guidance during the funding deliberations. The Community Services Commission evaluated FY 2019 applicants for maximum community impact and results-based accountability and took the following items into account during the deliberation process: documented community needs; government grant experience; location of services provided; goals, outputs and outcomes; alignment with Council Strategic Initiatives; coordination of efforts; funding justification; and performance capacity. Applications that addressed the following funding criteria were considered more competitive: supported reduction of homelessness and housing insecurity; aligned with Council Strategic Initiatives; and documented a community need and their ability to meet that need.

The Department of Housing and Urban Development (HUD) monitored the City's CDBG program in 2014 and recommended that City-operated programs be removed from the competitive funding process. HUD considered city-operated programs a more efficient and stable method to ensure continuity of service delivery of the specifically identified objectives. This resulted in the development of a CDBG Compliance Policy Manual to reflect this practice. [Per the City of Hayward CDBG Compliance Policy Manual adopted by Council on October 21, 2014](#), in each CDBG program year, the costs of program administration, HUD-required fair housing activities, and City of Hayward operated CDBG projects are subtracted from the annual entitlement award amount and therefore are not reviewed by the Community Services Commission during their annual community agency application review process.

See Attachment V for additional program overview.

DISCUSSION

For FY 2019, a total of \$1,465,933 is available for funding. Of this amount, \$877,999 is recommended for community agency funding and \$587,934 is recommended for City-operated and HUD mandated programming.

FY 2019 Community Services Commission Community Agency Application Review and Funding Recommendation Process

The City of Hayward makes grant funding available to community agencies through the Community Agency Funding process. Funding for these annual community grants come from the federal CDBG special revenue fund and the City of Hayward's General Fund. The estimated total funding available for FY 2019 is \$877,999.

For FY 2019, the application materials included instructions, project eligibility guidelines, client income limits, and delineation of this year's Council-adopted strategic initiatives. These materials are provided to all interested applicants and interested agencies who submit their complete application via the City's web-based City Data Services system.

The funding application process opened with the publication (in English and Spanish) of a Notice of Funding Availability (NOFA) on September 22, 2017. The announcement was posted at the Hayward Public Library and City Hall, published in the Daily Review, emailed to currently and previously funded agencies and applicants from previous years, as well as other interested parties on the Community Agency mailing list. Several email reminders were also sent in advance of the Mandatory Bidder's Conference, which was held on October 26, 2017.

Thirty-two applications were submitted by the December 8, 2017 deadline, with one applicant withdrawing from the process prior to the applicant interviews. The applications were grouped into three major categories, which included: (1) Infrastructure & Economic Development;(2) Services; and (3) Arts and Music. Below is a brief description of each category.

INFRASTRUCTURE & ECONOMIC DEVELOPMENT CATEGORY: Applications under this category must include projects that advance affordable housing development, housing rehabilitation, nonprofit facility improvements, job creation through economic development, and capacity building. These projects must meet one of three National Objectives: benefit low-moderate income Hayward residents; prevent or eliminate slum/blight; or meet an urgent need (i.e. disaster).

SERVICES CATEGORY: Applicants under this category must provide services that address: homelessness and anti-displacement; legal services; food security; health/mental health services; and youth and family services that benefit low-moderate income Hayward residents.

ARTS & MUSIC CATEGORY. Applicants under this category must provide arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education.

Application Review Committee Structure

The Community Services Commissioners created three Commission subcommittees based on the three applicant categories described above. These CSC subcommittees are referred to as the application review committees (ARCs) and they were tasked with reviewing the applications, interviewing the applicants, and making recommendations for full CSC discussion, prior to forwarding their recommendations to the City Council. This year, the CSC voted to allow the Infrastructure & Economic Development ARC members to also serve on the Arts & Music ARC. Each committee interviewed all applicants assigned to that category.

The "Infrastructure & Economic Development" ARC and the "Arts & Music" ARC were both chaired by Commissioner Lisa Glover-Gardin. Also serving on this ARC were Commissioners Kassouf, Reddy, Zargar and Francisco. The ARC interviewed applicants in these categories on Saturday, January 27, 2018, and presented preliminary recommendations to the Community Services Commission on Wednesday, February 22, 2018. The Commission established its official draft funding recommendations that evening, and a Public Comment period was subsequently opened.

The "Services" ARC was chaired by Commissioner Julie Roche. Also serving on this ARC were Commissioners Guzman, Mehdavi and Sarmiento. The ARC interviewed applicants on Saturday,

February 3, 2018 and presented preliminary funding recommendations to the Community Services Commission on Wednesday, February 22, 2018. After discussion, the Commission established its official draft funding recommendations that evening, and a Public Comment period was subsequently opened.

After the conclusion of the Public Comment periods, the CSC discussed and approved its FY 2019 funding recommendations at its publicly noticed meeting of Wednesday, March 22, 2018. The CSC FY 2019 funding recommendations to Council are summarized in Table 1 and outlined in Attachment II.

Table 1: Summary of Funding Applications by Category and Funding Source

CATEGORY	FUNDING SOURCE	NUMBER OF APPLICANTS	AMOUNT REQUESTED	AMOUNT RECOMMENDED
Arts	General Fund	7	\$ 105,752	\$82,000
Economic	CDBG	3	\$ 229,999	\$224,999
Infrastructure	CDBG	3	\$148,000	\$121,000
Social Services	General Fund	18	\$791,519	\$450,000
Total Funding			\$1,272,270	\$877,999

FY 2019 Applications Not Recommended for Funding

There were two program applicants that were not recommended for funding and they are listed below.

- East Bay Community Recovery Project (EBCRP): Agency requested funds for heating and cooling system replacement at their Hayward service location. Commissioners and staff have concerns regarding the usual life of the building, as well as the scope of the current project. Staff has requested a Capital Improvement Plan in prior grant cycles from EBCRP, but the organization has yet to develop or provide such plan.
- East Bay Agency for Children – HUB Coordination: Agency requested funds for a Services Coordinator position at the Hayward Unified School District HUB. Commissioners felt that the program needed more development, as well as clarification on the role of the Coordinator. A HUB Director is being hired in 2018, and East Bay Agency for Children may want to reapply after the Director is on board.

FY 2019 City of Hayward and HUD-required Fair Housing Monitoring Allocation:

For FY 2019, of the \$1,465,933 available for funding, \$587,934 is recommended for City-operated and HUD mandated programming. [Per the City of Hayward CDBG Compliance Policy Manual adopted by Council on October 21, 2014](#), in each CDBG program year, the costs of program administration, HUD-required fair housing activities, and City of Hayward operated CDBG projects are subtracted from the annual entitlement award amount and therefore are not reviewed by the Community Services Commission during their annual community agency application review process. ECHO Housing operates as the City of Hayward’s mandated Fair Housing Compliance provider and has been recommended for funding in the amount of \$57,000 for the services outlined

further below. Two City-operated programs, the Family Education Program and the Housing Rehabilitation Program, are recommended for a total of \$530,934. All CDBG funding allocations including internal allocations and external grants are subject to final approval at the discretion of Council. An overview of the HUD-mandated fair housing activities and the City of Hayward programs are described below.

Fair Housing Requirement: One of the Department of Housing and Urban Development's guiding principles is its strong commitment to affirmatively further fair housing. Commitment and accountability in fair housing is a requirement for participating in the Community Development Block Grant (CDBG) Program. Eden Council for Hope and Opportunity (ECHO Housing) is a HUD-qualified fair housing agency, and has provided the fair housing component of the City of Hayward CDBG program since 1978, including services related to fair housing investigations, housing counseling, and Landlord/tenant mediation, and provides low income tenants with legal information for education and self-empowerment. ECHO collaborates with Project Sentinel to address tenant/landlord mediation issues related to the City's rental housing ordinance. The recommended FY 2019 allocation remains the same as FY 2018 at \$57,000.

Housing Rehabilitation Program: The Housing Rehabilitation Program, administered by the City of Hayward's Community Services Division, offers loans and grants for home repairs to Hayward homeowners who are senior (62+), certified severely disabled, or HUD qualified low-income. Projects are focused on improving health, safety, and mobility in the home, and are intended to assist low-income residents, particularly seniors, to maintain their housing and/or to continue to live independently. Repairs are restricted to accessibility/ mobility modifications, corrections of code violations, and/or addressing major systems failures in eligible owner-occupied homes. Established in 1977, the program completes approximately 35-40 home rehabilitation and accessibility projects per year. The recommended FY 2019 allocation is \$350,000.

Family Education Program: The Family Education Program, administered and operated by the City of Hayward's Library Department, delivers literacy and academic support services to low-income Hayward families. Established in 2009, the Family Education Program is a unique collaboration between the City of Hayward, Chabot Community College, and Hayward Unified School District. The program delivers after-school academic support to 3,200 Hayward students in grades K-12, as well as English as Second Language (ESL) literacy tutoring services to approximately 150 parents of Hayward students. The recommended FY 2019 allocation is \$180,934.

All funding recommendations and final allocations are subject to final approval and are at the discretion of Council.

FISCAL IMPACT

Funding recommendations for the CDBG program are based on estimated available funds; the federal allocation of available FY 2019 funds is unknown. When the exact amount of available funding has been determined, the Council-approved allocations will be adjusted on a percentage basis to allocate available funds if less than expected are allocated. If the available

funds are more than \$100,000 over the estimates in this report, staff will return to Council for additional guidance regarding allocation of the additional funds.

The City's CDBG Program has a neutral impact on the General Fund, as a portion of CDBG funds (up to 20%) may be used to pay for eligible planning and administration of the program.

STRATEGIC INITIATIVES

The Community Services Commission considered the various goals and objectives outlined in Council's three Strategic Initiatives and considered them during their funding deliberations.

SUSTAINABILITY FEATURES

All infrastructure improvements will include features to maximize energy efficiency, encourage water conservation, and reduce emissions and waste products.

PUBLIC CONTACT

- On **September 22, 2017**, a Notice of Funding Availability was published in English and Spanish in the Daily Review newspaper and on the City's website. The notice was also posted at the Hayward Public Library and City Hall; and the Public Notice was emailed on September 22, 2017 to currently funded agencies, previously funded agencies, applicants from previous years, and all other interested parties on the Community Agency Funding mailing list (several hundred individuals and local agencies) maintained by the Library and Community Services Department. Several broadcast email reminders were also sent in advance of the October mandatory Bidder's Conference.
- On **October 26, 2017**, application materials were published. The materials were accessible on the City Data Services web-based system and downloadable from the City's website. A public Bidder's Conference was conducted to provide information about the application process.
- All funding deliberations took place at properly noticed Community Services Commission meetings that were open to the public. These meetings took place on:
 - February 21, 2018 – Community Services Commission Meeting
 - March 21, 2018 – Community Services Commission Meeting
- From **February 21, 2018 through March 21, 2018**, the Public Comment period for the recommendations in all categories were in effect. During this time, members of the public, including applicants, could submit their comments regarding the funding process or the funding recommendations. Notification of draft recommendations was sent to applicants and interested parties through electronic mail, and posted on the City of Hayward website. During this public comment period, nonprofit provider Centro Legal de la Raza submitted a statement of thanks to the CSC on March 21, 2018. During the February CSC meeting, FESCO Family Shelter expressed concern regarding the reduction in funding to shelter operations.

- On **Friday, March 9, 2018**, a notice was published in the Daily Review newspaper, in both English and Spanish to advise the public that the City Council would conduct a work session on Tuesday, April 17, 2018, regarding FY 2019 funding allocations. A Notification was also sent through electronic mail to all applicants and interested parties, and posted on the City of Hayward website.
- On **Wednesday, March 22, 2018**, the Community Services Commission held a public meeting after which the Commission voted to approve the FY 2019 funding recommendations and present them to the City Council as shown in Attachment II to this report.

Attachment III provides Council with additional information regarding various public outreach and resources via reference links.

NEXT STEPS

After Council deliberation and direction during this work session, Council will convene a public hearing on Tuesday April 17, 2018 to consider the following recommended actions:

- 1) Consider authorization of the FY 2019 CDBG Allocations, which will form the substantive portion of the City's FY 2019 (HUD Program Year 2018) Annual Action Plan; and
- 2) Consider authorization of the Community Services Commission's FY 2019 funding recommendations.

Prepared by: Rachael McNamara, Management Analyst

Recommended by: Dana Bailey, Community Services Manager
Maria A. Hurtado, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager