



**DATE:** April 17, 2018  
**TO:** Mayor and City Council  
**FROM:** Assistant City Manager  
**SUBJECT:** Approval of FY 2019 Community Agency Funding Recommendations

**RECOMMENDATION**

That Council:

1. Accepts the Community Services Commission’s FY 2019 community agency funding recommendations as outlined in Attachment II;
2. Adopts a resolution (Attachment III) authorizing the City Manager to submit an application for the Community Development Block Grant (CDBG) Program for HUD Program Year 2018, including the City of Hayward Fiscal Year 2019 CDBG Annual Action Plan with the FY 2019 CDBG funding allocations; and
3. Reviews and confirms Council’s recommended changes to the FY 2020 annual community agency funding process.

**SUMMARY**

The total funding availability for FY 2019 is estimated at \$1,465,933. Listed below is a summary of the funding recommendations.

<b><u>CATEGORY</u></b>	<b><u>AMOUNT</u></b>
Jobs, Economic Development, Infrastructure Category	\$345,999
Services Category	450,000
Arts & Music Category	82,000
<b>Total Grants to Community Agencies</b>	<b>\$877,999</b>

City of Hayward-operated programs	\$530,934
HUD- Required fair housing activities	\$ 57,000
<b>Total City-Operated Services and HUD-Required Fair Housing</b>	<b>\$587,394</b>
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<b>TOTAL FY 2019 RECOMMENDED FUNDING</b>	<b>\$1,465,933</b>

Attachment II provides a more detailed summary of the Community Services Commission recommendations by category, community agency/program, and funding amounts. The funding recommendations in this report include Council’s feedback from the April 3, 2018 Council work session.

Considerations for FY 2020 Funding Process:

Based on the April 3, 2018 Council work session discussion, six areas for consideration were identified by Council for the FY 2020 funding process:

1. Complete an RFP process for the Fair Housing services requirement;
2. Consider removing the Eden I&R 2-1-1 Program from the competitive process;
3. Ensure the City of Hayward operated programs are included in the competitive process;
4. Ensure Council reviews any surplus funds in the Infrastructure category, regardless of amounts and prior to re-allocation of those funds;
5. Review Selection Criteria to ensure funding recommendations are congruent with Council goals, particularly relative to affordable housing; and
6. Ensure proactive outreach measures are taken relative to increase potential applications for non-service categorical funding, particularly those that advance affordable housing.

**BACKGROUND**

The information in the Background and Discussion sections of this report were presented to Council at the April 3, 2018 Council meeting. The [Full text of April 3, 2018 staff report and supporting documents](#) can be accessed by clicking the preceding hyperlink. The [Video of April 3, 2018 proceedings](#) is also available by clicking the preceding hyperlink, both of which can also be accessed via the City’s April 4, 2018 Council meeting web page.

**DISCUSSION**

The City of Hayward is designated as a HUD CDBG Entitlement Jurisdiction, therefore, on an annual basis, administers CDBG funds received from the U.S. Department of Housing and Urban Development (HUD). CDBG Entitlement funding is a formula determined by Congressional budget appropriation to HUD, and is calculated according to each Entitlement jurisdiction’s population size and poverty level which are derived from the most recent Census data. Formula funding is provided annually upon HUD’s approval of

Council's CDBG allocations, which form the substantive portion of the [City's Annual Action Plan](#).

Council recommended that the layout of the Community Services Commission FY 2019 Community Agency Funding Recommendations Chart (Attachment II) be modified to include three prior years of funding and other formatting changes, which have been incorporated. Council discussed both City-operated and agency programs, had several questions for staff and Commission regarding rationale for funding amount recommendations, and although individual Council members expressed a desire to modify or examine recommended amounts in specific program areas, staff did not make modifications to the Community Services Commission FY 2019 funding recommendations due to no apparent Council consensus on funding changes to this year's funding cycle.

On a related note, Council requested that staff conduct Exit Interviews when Commissioners submit resignations to evaluate the reasons for turnover rates, as this data may assist in identifying any barriers associated with retention of Commissioners. The City Clerk's office will report to Council prior to the July annual Commissioner Application Interview process.

#### CONSIDERATIONS FOR FY 2020 FUNDING PROCESS:

However, based on the April 3, 2018 Council work session discussion, six areas for consideration were identified by Council for the FY 2020 funding process. Staff request Council confirmation of these areas captured below.

CONSIDERATION #1:            *Complete an RFP process for the Fair Housing services requirement (RFP)*

The City of Hayward uses a portion of its CDBG entitlement grant to comply with HUD mandated Affirmatively Fair Housing activities. At Council's recommendation, staff will develop an RFP for fair housing services in FY 2020.

CONSIDERATION #2:            *Remove Eden I & R 2-1-1 Program from the competitive process and Award Annually*

At Council's recommendation, the Eden I & R 2-1-1 Program will be removed from the FY 2020 competitive process and will be awarded annually. Eden I&R is the sole provider of 2-1-1 in Alameda County and the agency has contractually provided the service for 41 years. Funds are provided through a consortium of 14 cities and several County agencies and departments. Skilled information and referral specialists provide critical connections between individuals in need and various human services agencies. Eden I&R was recently awarded the contract to serve as the county-wide call center for Alameda County's Coordinated Entry System, the entry point by which homeless individuals and families are assessed and prioritized to housing.

CONSIDERATION #3:        *Ensure the City of Hayward operated programs are included in the competitive process*

Rather than determining the funding allocation for City-operated programs prior to the Community Services Commission's review of the various community submitted applications, there was Council consensus that, beginning in FY 2020, the City-operated programs be included in the competitive application process.

CONSIDERATION #4:        *Ensure Council reviews any surplus funds in the Infrastructure category*

In the event organizations do not expend annual allocated amounts towards Infrastructure projects and there are surplus funds at the end of the funding cycle year, staff will ensure Council review of surplus funds to determine re-allocation priorities.

CONSIDERATION #5:        *Review Selection Criteria*

Council recommended that staff review the funding selection criteria utilized by the Community Services Commission to ensure funding recommendations are congruent with Council goals, particularly relative to affordable housing.

CONSIDERATION #6:        *Ensure proactive outreach measures are taken to increase potential applications for non-service categorical funding*

Council recommended that staff take proactive outreach measures to increase potential applications for non-service categorical funding, particularly those that advance affordable housing during next fiscal year's funding cycle.

Staff would like to receive final direction from the Council on whether and how to pursue these considerations as part of the FY 2020 funding process.

## **FISCAL IMPACT**

The total funding availability for FY 2019 is estimated at \$1,465,933, of which \$536,308 is a General Fund appropriation request currently included in the FY 2019 proposed operating budget. The remaining \$929,625 is the estimated amount to be received from the CDBG Grant.

## **STRATEGIC INITIATIVES**

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goals:

- Goal 1: Improve the quality of life for residents, business owners, and community members in all Hayward neighborhoods.
- Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.

## **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, posted at the Hayward Public Library and City Hall, and emailed to a number of agencies (*currently funded agencies, previously funded agencies, applications from previous years, and all other interested parties on the Community Agency Funding mailing list*).

On **October 26, 2017**, application materials were published and readily accessible by logging onto the City Data Services web-based system, or downloadable from the City's website and a public Bidder's Conference was held to provide information about the application process.

The Community Services Commission reviewed applications and interviewed applicants at open meetings held on February 21, 2018 and March 21, 2018.

From **February 21, 2018 through March 21, 2018**, the Public Comment period for the recommendations in all categories were in effect. During this public comment period, nonprofit provider Centro Legal de la Raza submitted a statement of thanks to the CSC. A representative from the Family Violence Law Center commented regarding reduction in funding at the March 21, 2018 CSC Meeting.

On **Friday, March 9, 2018**, a notice was published in the Daily Review newspaper, in both English and Spanish to advise the public of the April 17, 2018 City Council meeting on this item. 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.

On **Tuesday, April 3, 2018**, the Council held a work session to discuss the preliminary FY 2019 funding recommendations set forth by the Community Services Commission.

## **NEXT STEPS**

If Council approves the Community Services Commission's FY 2019 funding recommendations, the City Manager will: (1) submit the Community Development Block

Grant (CDBG) grant application; (2) agency notification and contracts will be completed; and (3) staff will begin implementation of the considerations for the FY 2020 annual community agency funding process based upon Council confirmation at this meeting and bring back any necessary Council actions necessary to implement those changes.

*Prepared by:* Rachael McNamara, Management Analyst

*Recommended by:* Dana Bailey, Community Services Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager