



DATE: September 21, 2022

TO: Community Services Commission

FROM: Community Services Manager

SUBJECT Community Agency Funding Process Review Update

RECOMMENDATION

That the Commission reviews and provides comments on the informational report about the Community Agency Funding Review process update.

SUMMARY

Annually, the City receives applications from community agencies requesting funding through the competitive Community Agency Funding (CAF) process. The Community Services Commission (CSC) serves as an advisory body to the Hayward City Council and is responsible for reviewing the applications, interviewing applicants, and making recommendations to the Council for how a portion of the City's General Fund and the City's Community Development Block Grant (CDBG) entitlement award should be allocated. As part of the CAF process, the CSC Chair appoints three Application Review Committees (ARCs) to conduct applicant interviews and make preliminary recommendations for full CSC consideration.

Due to the growing gap in funding requested compared to funding available, the CSC has expressed concern about how challenging the process has become to decide which agencies to fund. As a result, the CSC has requested support and direction from Council to clarify Council's funding priorities and to receive feedback on the CAF process. There have been previous CAF review processes both internal to the CSC and with Council. The proposed changes resulting from the most recent review process include recommendations on funding allocations for prioritized funding categories, allocations for new and innovative programs, incorporating Special Event funding as part of the CAF process, and administrative updates to the implementation of certain CAF requirements.

BACKGROUND

Each year, the City receives applications from community agencies requesting funding through the competitive CAF process. The CSC serves as an advisory body to the Council. The CSC makes recommendations to Council regarding the distribution of Infrastructure and Economic Development (CDBG), Public/Social Services (CDBG/General Fund), and Arts and

Music (General Fund) program funding through the annual CAF process. The CSC reviews all eligible applications, and the CSC Chairperson appoints three ARCs by funding category (Infrastructure/Economic Development, Public/Social Services, and Arts and Music) to conduct applicant interviews prior to drafting funding recommendations for Council review and approval.

The amount of funding requested from community agencies through the CAF process has steadily increased with FY 2023 representing the largest disparity between agencies' funding requests and the amount of available funding. The CSC has expressed concern about how challenging the process has become to decide which agencies to fund. As a result, the CSC has requested support and direction from the Council to clarify Council's funding priorities and to receive feedback on the CAF process. On October 26, 2021¹, Council authorized the Mayor to appoint three members of Council to form a sub-group to work with a committee of the Community Services Commission to review and discuss the CAF process.

The joint subcommittee met on three occasions to discuss the CAF process and provide recommendations to the CSC for further consideration. At the June 15, 2022² CSC Meeting, the CSC approved final recommendations for Council consideration. On June 28, 2022³, the Council approved the CSC's recommendations and directed staff to finalize and implement the changes during the summer.

DISCUSSION

The increasing disparity between agencies' funding requests and the amount of available funding coupled with the ongoing impacts of the COVID-19 pandemic has raised the need for further discussions around the CAF process and priorities. Specifically, during the May 2021⁴ and July 2021⁵ CSC meetings, commissioners outlined questions for Council feedback.

At the July 2021 meeting, the CSC appointed five Commissioners to convene a CSC CAF Review Committee to discuss options for potential revisions to the CAF process. Additionally, the CSC has requested support and direction from Council to discuss the questions outlined above, clarify Council's funding priorities, and receive further feedback on the CAF process.

¹ October 26, 2021, Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5192084&GUID=A2A6DA3D-E012-4AA3-BD19-F634B3A66DAD&Options=&Search=>

² June 15, 2022, Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5688449&GUID=E5F91AB9-5ECF-43D1-8440-B128C700F61A&Options=&Search=>

³ June 28, 2022, Staff Report

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5709697&GUID=A6B2DFF3-6937-49D4-8EE0-C7C35628FDEF&Options=&Search=>

⁴ May 19, 2021, Staff Report and Attachments:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=861278&GUID=9EBDE9B2-2B3C-4793-9930-72EDA7F71813&Options=info&Search=>

⁵ July 21, 2021, Staff Report and Attachments:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=5033739&GUID=2D6BF062-974E-4E32-BAC6-0FE7E3AAD1AE&Options=&Search=>

On October 26, 2021, Council authorized the Mayor to appoint three members of Council to form a sub-group to work with a committee of the Community Services Commission to review and discuss the community agency funding process.

The CAF Process Review Joint Subcommittee

The joint subcommittee consisted of three Councilmembers (Councilmember Lamnin, Councilmember Márquez, and Councilmember Salinas) and four Community Services Commissioners (Commissioner Arrizon, Commissioner Bruckner, Commissioner Garg, and Commissioner Moore), with Commissioner Berry as ex officio. The Councilmembers and Commissioners served as representatives of their colleagues for purposes of providing feedback on the Community Agency Funding process. The joint subcommittee convened on three occasions to discuss the current CAF process and the CSC's questions with the purpose of preparing recommendations for the full CSC review and subsequent Council review and approval.

CSC Recommendations for Council Consideration:

At the June 2022 CSC Meeting, the CSC approved final recommendations for Council consideration. On June 28, 2022, Council affirmed the Community Services Commission's Community Agency Funding modification recommendations and directed staff to implement the administrative changes.

A summary of the modifications is provided in the table below.

Recommended Services Funding Caps
• Utilize a cap for Services funding ○ \$100,000 for housing and homelessness, and ○ \$50,000 for other services
Recommended Services Funding Allocation for New and Innovative Programs
• Include a priority for funding 20-30% of applications for new and innovative programs
Recommended Services Funding for Safety Net Programs
• No single agency should receive guaranteed funding • Staff will identify programs that support safety net services during the CAF process
Integration of Special Events into CAF Process, Including Guidelines:
• New Events may receive up to \$10,000 in financial support for one year
• Signature Events, \$5,000 for events that have taken place 1-5 year(s). Upon completion of the 5th consecutive year of an event, the event will then be classified as a Classic Event
• Classic events, (+5 years) up to \$7,500 in grant funds to support growing the event into a larger, regional event
• Money granted to either a new or existing event cannot be more than 20% of the total estimated budget for the event

The CSC recommended Arts and Music Funding Guidelines structured to mirror Council approved special event guidelines as shown above.

Proposed Arts and Music Funding Guidelines:
• New Agencies may receive up to \$30,000 in financial support for one year
• Signature Agencies, up to \$25,000 for programs that have been funded 1-5 year(s). Upon completion of the 5th year of program funding, the agency will then be classified as a Classic Agency
• Classic Agencies, (+5 years) up to \$20,000 in grant funding, not to exceed 60% of the total estimated program budget

Subsequent CSC Subcommittee Discussion:

The CSC subcommittee reconvened on August 4, 2022, to continue discussions around the refinement of the NOFA process, the application, and evaluation process. Staff prepared a scoring rubric (Attachment II) that factors in historic funding weighing criteria and more recently identified priorities such as an increased integration of an equity lens and preference for Hayward based organizations and updated the FY 2023-2024 application (Attachment III). Most of the changes were administrative in nature, and the majority of the questions remained unchanged. Staff consolidated several questions and in response to the subcommittee's request, added a couple of additional clarification questions to address the priorities identified through this process.

Furthermore, in response to a request by the CSC, staff will be utilizing an updated agreement for the CAF grant recipients to include a revised non-discrimination clause, ensuring that grantees of the City's funding and their subcontractors adhere to City policies. Due to the addition of the non-discrimination clause, grantees and subgrantees of the City's funding must comply with non-discrimination requirements or risk breaching their contract and forfeiting their award. Further, during contract monitoring, staff will continue to review compliance with all components of the contract requirements, including review of any programmatic delivery complaints and the processes in which these complaints were remedied. Staff will continue to work with service partners to ensure compliance.

ECONOMIC IMPACT

While there is no economic impact resulting from this item, the forthcoming FY 2023-2024 allocation of funding towards CDBG and the General Fund's Social Services programs have a collective positive economic impact on the community, as they will increase food security; provide vital support services to help individuals and families maintain and obtain housing, such as legal aid, fair housing services, shelter, and home rehabilitation; and infuse capital and provide training for local small business.

FISCAL IMPACT

There is no fiscal impact associated with this report.

STRATEGIC ROADMAP

CAF allocation recommendations have supported several of the City's Strategic Roadmap priority areas, including Preserve, Protect, & Produce Housing; Grow the Economy; and Support Quality of Life.

PUBLIC CONTACT

Members of the public are invited to review the materials presented and recordings of the subcommittee meetings which are available on the [City's website](#). No public comments were made at the CSC meeting of June 15, 2022, or the Council Meeting of June 28, 2022. Interested parties can make public comment at the CSC meeting of September 21, 2022.

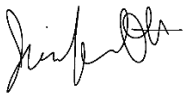
NEXT STEPS

Staff will receive the CSC's comments at the meeting of September 21, 2022, and will implement changes prior to the publishing of the NOFA. Separately, staff will continue to engage Council in identifying alternative sources of permanent funding, including exploration of using Community Foundation funding.

Prepared by: Carol Lee, Management Analyst

Recommended by: Monica Davis, Community Services Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Jennifer Ott', with a stylized flourish at the end.

Jennifer Ott, Assistant City Manager