



DATE: March 21, 2018
TO: Community Services Commission
FROM: Dana Bailey, Community Services Manager
SUBJECT: FY 2019 Community Services Commission Final Recommendations for Funding

RECOMMENDATION

That the Commission:

1. Review and comment on this report; and
2. Accept the ARC's funding recommendations and advance the FY 2019 Community Agency Funding Recommendations to Council.

SUMMARY

This report provides a brief review of the FY 2019 Community Agency Funding process, presents the Community Services Commission's proposed Draft Funding Recommendations for Council consideration and outlines next steps. The draft recommendations are summarized below and itemized in Attachment II:

Summary of FY 2019 Recommended Funding (All sources)

CATEGORY	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	530,934
CDBG – HUD-mandated fair housing activities	57,000
Total City-Operated Services and HUD-Required Fair Housing	587,934
TOTAL FY 2019 Recommended Funding (All Sources)	\$ 1,465,933

BACKGROUND

The Community Services Commission (CSC) serves as an advisory body to the Hayward City Council. The CSC makes recommendations to Council regarding the distribution of Community Development Block Grant (CDBG) and General Fund (Social Services program) allocations through the annual Community Agency Funding process.

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

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.

FY 2019 Community Services Commission Community Agency Application Review Process:

The CSC funding recommendations are guided in part by feedback received during the [May 23, 2017 joint work session with Council](#). Through this lens, the Community Services Commission evaluated FY 2019 applicants for maximum community impact, results-based accountability. Applicants were considered competitive if they met the following funding criteria: supported reduction of homelessness and increased housing opportunities; aligned with Council Strategic Initiatives; documented community need and agency capacity to meet the need; demonstrated previous government grants experience; secured agreements with collaborative partners; and articulated sustainability and succession plans.

Announcement of Funding Availability:

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.

Applications were grouped into three major categories and evaluated in three Application Review Committee (ARC) cohorts as follows:

Community Agency Funding Categories and Sub-Categories

- *Infrastructure, Jobs & Economic Development: Funding Source - CDBG.*
Description: Affordable housing; housing rehabilitation; nonprofit facility improvements; job creation; and capacity building. Funds 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: Funding source -General Fund.*
Description: Benefit low – moderate income Hayward residents through programs to provide food security; health services, homelessness and anti-displacement services; legal services, youth and family services.
- *Arts & Music category: Funding Source - General Fund.*
Description: Arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education.

DISCUSSION

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

For FY 2019, a total of \$1,465,933 is available for funding. Of this amount total, \$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 Housing Rehabilitation Program, are recommended for a total of \$530,934. The following are HUD mandated or City-administered projects:

- *ECHO Housing – HUD mandated Fair Housing Compliance -* *\$57,000*
 - a) Fair housing investigations;
 - b) Housing counseling;
 - c) Landlord/tenant mediation
- *City of Hayward Housing Rehabilitation Program -* *\$350,000*
 - a) City-managed rehabilitation activities;
 - b) Habitat for Humanity mobile-home rehabilitation;
 - c) Rebuilding Together accessibility and minor repairs;
 - d) Seismic Brace and Bolt program

- *Family Education Program (FEP) – literacy and academic support in collaboration with Chabot College and Hayward Unified School District -* **\$180,934**
 - a) Academic support services in grades K-12;
 - b) English as a Second Language (ESL) literacy tutoring

Total **\$587,934**

The remaining \$877,999 of the \$1,465,933 total available funding, is awarded to community agencies via the application process led by the Community Services Commission. All CDBG funding allocations including internal allocations and external grants are subject to final approval at the discretion of Council.

Community Services Commission Review of Community Agency Applications:

Thirty-two applications totaling \$1,272,270 in requests were received by the December 8, 2017 deadline with one organization withdrawing their application and no late applications. Of the \$1,465,933 total available funding, \$877,999 is recommended for community agency funding under the four categories listed in Table 1 below.

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	\$82,0000
Economic	CDBG	3	\$ 229,999	\$224,999
Infrastructure	CDBG	3	\$148,000	\$121,000
Social Services	General Fund	18	<u>\$791,519</u>	<u>\$450,000</u>
		Total Funding	<u>\$1,272,270</u>	<u>\$877,999</u>

As in previous years, the CSC Chairperson appointed three ARC's to conduct applicant interviews and make preliminary funding recommendations for full Commission deliberation.

The three ARC's reviewed applications, interviewed applicants and developed preliminary recommendations for the Commission's consideration. The preliminary draft recommendations of the Infrastructure/Economic Development and Arts & Music ARC were developed on January 27, 2018 and the Social Services ARC on February 3, 2018. These recommendations were reviewed by the CSC at the February 21, 2018 CSC meeting. Following deliberation, preliminary funding recommendations for all categories were finalized which commenced a Preliminary Public Comment period to end on March 21, 2018.

ECONOMIC IMPACT

Nonprofit providers of services are experiencing both dramatic increases in client demand related to the ongoing housing crisis and volatility in public and private funding. Any proposed reduction in available federal or local funds would have a detrimental impact to the provision of services to low-income residents of Hayward.

FISCAL IMPACT

The CDBG Program has a neutral impact on the City's General Fund, as a portion of CDBG funds (up to 20%) may be used to pay for eligible Planning and Administration of the Program. Historic reductions to the City's CDBG grant size and diminishing program income have resulted in equivalent reductions to available funds and to the administrative cap. The CDBG program remains an administratively complex undertaking requiring enhanced dedication of resources from recipients and subrecipients to meet federal reporting standards.

Social Services and Arts & Music funds are General Fund based and subject to Council discretion. If other General Fund obligations require reductions to Social Services or Arts & Music funding, individual grants would be adjusted on a percentage basis accordingly. Historically Council has acknowledged Social Services grants support "safety net" services (i.e., food, housing, support services for low-income people, and information and referral) and has refrained from reducing or eliminating funding based on fiscal impact.

PUBLIC CONTACT

Staff will ensure compliance with public noticing requirements, if any, pending the recommendation of Council.

NEXT STEPS

With the Community Services Commission recommendations to Council, the next steps include the following:

- On Wednesday, March 21, 2018, the Community Services will review the ARC's funding recommendations that will be presented to Council at the April 3, 2018 Work Session.
- On Tuesday, April 3, 2018, a City Council Work Session will be held to present the FY 2019 funding recommendations in the CDBG, Social Services and Arts & Music categories.
- On Tuesday, April 17, 2018 a Public hearing will be held regarding the FY 2019 funding recommendations at the City Council meeting.

Prepared by: Rachael McNamara, Management Analyst

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

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written over a horizontal line.

Kelly McAdoo, City Manager