



**DATE:** March 20, 2019

**TO:** Community Services Commission

**FROM:** Community Services Manager

**SUBJECT** FY 2020 Community Services Commission Final Recommendations for Funding

## RECOMMENDATION

That the Commission:

1. Reviews and comments on this report; and
2. Accept the Application Review Committees' funding recommendations and advance the FY 2020 Community Agency Funding Recommendations to Council.

## SUMMARY

This report provides a brief review of the FY 2020 Community Agency Funding process, presents the Application Review Committees' proposed draft funding recommendations for Community Services Commission consideration and outlines next steps. The draft recommendations are summarized below and itemized in Attachment II.

| <b>Table 1: Summary of FY 2020 Recommended Funding (All Sources)</b> |                                       |                       |                    |
|----------------------------------------------------------------------|---------------------------------------|-----------------------|--------------------|
| <b>Funding Source</b>                                                | <b>Category</b>                       | <b>Funding For</b>    | <b>Amount</b>      |
| General Fund                                                         | Arts/Music                            | Community Agencies    | \$86,000           |
| General Fund                                                         | Social Services                       | Community Agencies    | \$399,137          |
| CDBG                                                                 | Econ Dev, Infrastructure, Public Serv | Community Agencies    | \$434,999          |
| CDBG                                                                 | Infrastructure                        | City Operated Program | \$300,000          |
| CDBG                                                                 | Public Serv                           | City Operated Program | \$69,500           |
| <b>Total ARC Recommended Grants</b>                                  |                                       |                       | <b>\$1,289,636</b> |
| General Fund                                                         | Referral Services                     | Eden I&R              | \$51,813           |
| CDBG                                                                 | HUD Required Fair Housing Services    | Community Agency      | \$25,000           |
| <b>Total Referral Services &amp; HUD Required Fair Housing</b>       |                                       |                       | <b>\$76,813</b>    |
| <b>GRAND TOTAL FY 2020 RECOMMENDED FUNDING (ALL SOURCES)</b>         |                                       |                       | <b>\$1,366,449</b> |

All amounts above are preliminary and subject to change. Final award amounts will be authorized by Hayward City Council in April 2019. CDBG awards are dependent upon FY 2020 Federal funding allocations.

## **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 Social Services program funding through the annual Community Agency Funding process.

Per the [CDBG Compliance Policy Manual](#)<sup>1</sup>, which was adopted by Council on October 21, 2017, the costs of program administration, HUD required fair housing activities, and City of Hayward operated CDBG projects were historically reserved from the annual entitlement award amount and therefore, were not reviewed by the CSC during the annual community agency application review process.

At the April 17, 2018 City Council Meeting, Council provided feedback that they wished to see City operated programs returned to the competitive funding process and reviewed by the CSC for FY 2020. As a result, City operated programs, including the Library's Family Education Program and the Housing Rehabilitation Program, applied for and went through the competitive funding process for FY 2020.

Additionally, based on guidance from Council at the April 17, 2018 meeting, funding for Eden I&R's 2-1-1 Services will be awarded outside of the competitive Community Agency Funding process. Cities across Alameda County recently committed to supporting the safety network that Eden I&R undertakes by funding their work directly and outside of competitive grant application pools. The City will contract with Eden I&R in FY 2020 to provide these critical referral services to the Hayward community.

Furthermore, there was a consensus from Council at the April 17, 2018 meeting that an Request for Proposal (RFP) process should be completed for the fair housing services requirement for the FY 2020 funding cycle. Based on this feedback, funding will be made available from the administrative category of the City's CDBG entitlement award for HUD required fair housing services and a separate RFP will be issued to solicit competitive bids for fair housing service providers per City policies and procedures.

## **FY 2020 CSC Community Agency Application Review Process**

The Community Services Commission recognizes the importance and value of the three Strategic Initiatives identified by Council and used them to guide and focus the application

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<sup>1</sup> Community Services Link: [https://www.hayward-ca.gov/sites/default/files/FINAL%20CDBG%20Compliance%20Policy%20Manual%20%2B%20Appendix%20A\\_1.pdf](https://www.hayward-ca.gov/sites/default/files/FINAL%20CDBG%20Compliance%20Policy%20Manual%20%2B%20Appendix%20A_1.pdf)

review process. Agencies 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.

As part of the Community Agency Funding process, the CSC Chairperson appointed three subcommittees called Application Review Committees (ARCs) to conduct applicant interviews and make preliminary funding recommendations for full CSC deliberation.

The three ARCs were split into the following categories: 1) Public Services, Economic Development & Infrastructure, 2) Arts & Music, and 3) Social Services. Each ARC reviewed applications, interviewed applicants, and developed preliminary recommendations for the Commission's consideration.

### **Announcement of Funding Availability**

The Community Agency Funding process opened with the publication (in both English and Spanish) of a Notice of Funding Availability (NOFA) on September 28, 2018. The announcement was also posted at City Hall, published in the Daily Review, emailed to currently funded agencies, previously funded agencies, applicants from previous years and all other interested parties on the Community Agency Funding mailing list. Several broadcast e-mail reminders were also sent in advance of the mandatory Bidder's Conference held on October 30, 2018.

Applications were grouped into three major categories and evaluated by the three ARC cohorts as follows:

### **Community Agency Funding Categories**

- **Public Services, Infrastructure, & 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).
- **Social Services: 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: Funding Source – General Fund**  
Description: Arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education.

## **DISCUSSION**

The Community Agency Funding process is a competitive process and each year the City receives applications from agencies requesting funding for their programs. The CSC is responsible for reviewing applications. As part of the Community Agency Funding process, the CSC Chairperson appoints three ARCs to conduct applicant interviews and make preliminary funding recommendations for full CSC deliberation.

The three ARCs were split into the following categories: 1) Public Services, Economic Development & Infrastructure, 2) Arts & Music, and 3) Social Services. Each ARC reviewed applications, interviewed applicants, and developed preliminary recommendations for the CSC's consideration.

The City recently completed a Community Needs Assessment to evaluate high priority needs within the Hayward community. While the intent of the Community Needs Assessment is to inform future funding recommendations for FY 2021 and onwards, the findings were also in alignment with FY 2020 ARC funding allocation recommendations.

After the CSC makes final funding recommendations, City staff presents the final funding recommendations to the City Council.

### **FY 2020 HUD Required Fair Housing Monitoring Allocation**

Per the CDBG City of Hayward Compliance Policy Manual adopted by Council in 2017, the costs of program administration and HUD required fair housing activities are reserved from the annual entitlement award amount. For FY 2020, \$25,000 will be made available from the administrative category of the City's CDBG entitlement award for HUD required fair housing services. A separate RFP will be issued to solicit competitive bids for fair housing service providers per City policies and procedures.

### **FY 2020 Eden I&R Allocation for Referral Services**

Eden I&R is a non-profit whose mission is "linking people and resources". They collaborate with hundreds of community-based organizations to provide a centralized resource for health, housing, and human services information to at risk individuals and vulnerable populations within communities in Alameda County. Pursuant to guidance from Council at the April 17, 2018 meeting, funding for Eden I&R's 2-1-1 Services will be awarded outside of the competitive Community Agency Funding process. Cities across Alameda County recently committed to supporting the safety net work that Eden I&R undertakes by funding their work directly and outside of competitive grant application pools. The City will contract with Eden I&R in FY 2020 to provide these critical referral services to the Hayward community.

### **Community Services Commission Review of Community Agency Applications**

Thirty-five (35) applications totaling \$1,799,981 in requests were received by the December 13, 2018 deadline. There were no late applications. Of the \$1,549,137 total available funding,

\$1,289,636 is recommended for Community Agency Funding under the five categories listed in Table 2 below.

| <b>Table 2: Summary of Community Agency Applications and Funding by Category</b> |                       |                          |                         |                         |                           |
|----------------------------------------------------------------------------------|-----------------------|--------------------------|-------------------------|-------------------------|---------------------------|
| <b>CATEGORY</b>                                                                  | <b>FUNDING SOURCE</b> | <b>NO. OF APPLICANTS</b> | <b>AMOUNT REQUESTED</b> | <b>AMOUNT AVAILABLE</b> | <b>AMOUNT RECOMMENDED</b> |
| Arts and Music                                                                   | General Fund          | 7                        | \$106,251               | \$86,000                | \$86,000                  |
| Social Services                                                                  | General Fund          | 17                       | \$582,038               | \$399,137               | \$399,137                 |
| Economic Development                                                             | CDBG                  | 2                        | \$264,999               | \$264,999               | \$264,999                 |
| Infrastructure                                                                   | CDBG                  | 2                        | \$340,000               | \$599,501               | \$340,000                 |
| Public Services                                                                  | CDBG                  | 7                        | \$506,693               | \$199,500               | \$199,500                 |
| <b>Totals</b>                                                                    |                       | <b>35</b>                | <b>\$1,799,981</b>      | <b>\$1,549,137</b>      | <b>\$1,289,636</b>        |

The three ARCs reviewed applications, interviewed applicants, and developed preliminary recommendations for the CSC's consideration. The preliminary draft recommendations for the Infrastructure, Economic Development, Public Services, and Arts and Music ARCs were developed on January 26, 2019 and the Social Services ARC on February 2, 2019. Table 3 below is a summary of applicants that applied during the FY 2020 funding process and funding was awarded by types of service provided by the agencies.

| <b>Table 3: Summary of Community Agency Applications and Funding by Type of Service</b> |                          |                         |                           |
|-----------------------------------------------------------------------------------------|--------------------------|-------------------------|---------------------------|
| <b>TYPE OF SERVICE</b>                                                                  | <b>NO. OF APPLICANTS</b> | <b>AMOUNT REQUESTED</b> | <b>AMOUNT RECOMMENDED</b> |
| Arts and Music                                                                          | 7                        | \$106,251               | \$86,000                  |
| Food Security                                                                           | 2                        | 60,250                  | 50,000                    |
| Health                                                                                  | 2                        | 43,880                  | 27,137                    |
| Housing & Homelessness                                                                  | 12                       | 830,225                 | 494,999                   |
| Infrastructure                                                                          | 2                        | 340,000                 | 340,000                   |
| Job Creation                                                                            | 1                        | 30,000                  | 30,000                    |
| Legal                                                                                   | 3                        | 100,000                 | 77,000                    |
| Youth and Family                                                                        | 6                        | 289,375                 | 184,500                   |
| <b>Totals</b>                                                                           | <b>35</b>                | <b>\$1,799,981</b>      | <b>\$1,289,636</b>        |

The recommendations developed by each individual ARC were received by the CSC at the February 20, 2019 CSC meeting. A preliminary public comment period for the preliminary funding recommendations commenced at the February 20, 2019 meeting and will close on March 20, 2019.

## **Prioritization of Additional Funds**

For FY 2020, an additional \$100,000 of funding is under consideration to fund the City's Social Services programs. If made available, the CSC has provided its recommendation for how this funding should be used as detailed in Attachment II. Should the full amount of additional funding not be made available, staff will apply the CSC's recommendation for additional funding on a percentage basis.

The Public Services, Economic Development, and Infrastructure ARC identified three non-profit agencies that they wished to prioritize additional CDBG Public Services funding to if it became available. These three agencies in priority order were the Family Education Program (FEP), Abode Services, and Centro Legal de la Raza. The recommendations for additional funding prioritization for General Fund Social Services programs are more extensive and detailed in Attachment II.

## **February 20, 2019 Community Services Commission Meeting Discussion**

At the February 20, 2019 CSC meeting, the draft ARC recommendations were presented to the full CSC for deliberation which included recommendations for funding prioritization should additional funds become available for CDBG Public Services and General Fund Social Services programs. The recommendations regarding prioritization of potential, additional funding was discussed by the CSC at the meeting and a desire was expressed that the CSC would continue this conversation further at the March 20, 2019 meeting.

During the February 20, 2019 CSC meeting, a suggestion was made to reduce the current recommended ARC level funding for the FEP. The FEP provides essential tutoring and literacy services to students and adults in Hayward through their Homework Support Centers. FEP directly supports Council's Complete Communities and Tennyson Corridor Strategic Initiatives by providing high-quality educational resources to at-risk families. If the FEP did not receive the Public Services allocation at the ARC's recommended level, four HUSD school sites would not be able to offer the program. Therefore, staff recommends keeping FY 2020 funding for the FEP at the current ARC recommended funding level.

## **PUBLIC CONTACT**

From February 20, 2019 through March 20, 2019, the Public Comment period for the recommendations in all categories were in effect.

During this public comment period, public comments were submitted to the CSC and/or City staff via e-mail, phone, or at the February 20, 2019 CSC meeting.

The following non-profit providers submitted a statement of thanks:

- Ms. Julie West, East Bay Agency for Children (EBAC)
- Ms. Katy Brady, Legal Assistance for Seniors
- Ms. Erin Scott, Family Violence Law Center

- Ms. Patricia Bidar, Tiburcio Vasquez Health Center
- Ms. Becky Bruno, Spectrum Community Services
- Mr. Blair Barnett, Eden Area Village

A representative of A-1 Housing had follow-up questions regarding non-funding of A-1 Housing during the funding process.

A representative of the Eden Youth and Family Center had follow-up questions regarding the funding process.

Subsequent to the February 20, 2019 meeting, Commissioner Lawrence provided feedback that she would like the CSC to consider prioritizing the funding request for Centro Legal de la Raza by allocating the potential \$100,000 additional funding from the General Fund and any potential additionally available CDBG entitlement

## **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 in 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.

For FY 2020, an additional \$100,000 of funding is under consideration to fund the City's Social Services programs. If made available, the CSC has provided its recommendation for how this funding should be used as detailed in Attachment II. Should only a fraction of additional funding be made available, staff will apply the CSC's recommendation for additional funding on a percentage basis.

## **STRATEGIC PRIORITIES**

This item supports the Complete Communities and Tennyson Corridor Strategic Initiatives.

Complete Communities Strategic Initiative:

Goal 1: Improve the quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Tennyson Corridor Strategic Initiative:

Goal 5: Increase Community Resiliency

## **RECOMMENDATIONS**

The Community Agency Funding is a competitive process and each ARC devotes hours to reviewing applications, hearing presentations from community agencies, and deliberating over how limited grant funding will be allocated to those community agencies each year. Staff recommends that the full CSC adopt the individual ARC recommendations for FY 2020.

## **NEXT STEPS**

The next steps include the following:

- On Wednesday, March 20, 2019, the CSC will review and make funding recommendations that will be presented to Council at the April 2, 2019 Work Session.
- On Tuesday, April 2, 2019, a City Council Work Session will be held to present the FY 2020 funding recommendations in the CDBG, Social Services, and Arts & Music categories.
- On Tuesday, April 30, 2019, a Public Hearing will be held regarding the FY 2020 funding recommendations at the City Council meeting.

Recommendations for all categories will be finalized and a preliminary, public comment period will commence. At the March 20, 2019 CSC meeting, the Public Comment Period will be closed and the CSC will make their final recommendations to Council for their review in April 2019.

*Prepared by:* Doris Tang, Management Analyst  
Monica Davis, Community Services Manager

*Recommended by:* Monica Davis, Community Services Manager

*Approved by:*

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Jennifer Ott, Deputy City Manager