



DATE: February 19, 2020

TO: Community Services Commission

FROM: Community Services Manager

SUBJECT FY 2021 Application Review Committee Preliminary Draft Funding Recommendations

RECOMMENDATION

That the Commission reviews and comments on this report.

SUMMARY

This report provides a brief review of the Application Review Committee (ARC) funding deliberation process, recommendations, and next steps.

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) funds and the General Fund for Infrastructure and Economic Development (CDBG), Public/Social Services (CDBG/General Fund), and Arts and Music (General Fund) program funding through the annual Community Agency Funding process.

The Community Agency Funding process opened with the publication (in English and Spanish) of a Notice of Funding Availability (NOFA) on September 27, 2019. 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 email reminders were also sent in advance of the Mandatory Bidder's Conference held on October 29, 2019.

The CSC reviews all eligible applications and the CSC Chairperson appoints three Application Review Committees (ARC) 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 three funding categories are:

1. Infrastructure and Economic Development: 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).

2. Arts & Music (General Fund): Arts and music programs that benefit Hayward residents, with an emphasis on activities that support youth education.

3. Public/Social Services (CDBG/General Fund): 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.

DISCUSSION

Annually, the City funds approximately \$1.5 Million in social programs that serve the most vulnerable populations within the City through a combination of federally awarded CDBG funds and allocations from the City's General Fund. The City makes this funding available to community agencies through the competitive Community Agency Funding process.

The City received 49 applications for FY 2021 funding by the December 6, 2019 deadline, with 11 new proposed programs. There were no late applications. The majority of applications are reviewed through a competitive process to allocate \$486,950 from the General Fund and approximately \$1,192,144 from the City's estimated CDBG entitlement, after the costs of administration and planning are set aside.¹ Notably, there were significantly more FY 2021 applications for both General Fund and CDBG allocations compared to previous years; however, the estimated available funds are not expected to change from the previous year. The increase in application volume without an increase in funds has resulted in a much more competitive funding allocation process for FY 2021. As with last year's funding process, only two programs will be funded through a non-competitive process in FY 2021.

In total, the Public/Social Services, Arts and Music, and Infrastructure/Economic Development ARCs interviewed applicants who requested the following amounts:

| CATEGORY | FUNDING SOURCE | NUMBER OF APPLICANTS | AMOUNT REQUESTED | AMOUNT AVAILABLE |
|----------------------|----------------|----------------------|------------------|-----------------------|
| Competitive | | | | |
| Arts and Music | General Fund | 8 | \$159,101 | \$82,000 ² |
| Economic Development | CDBG | 4 | \$480,784 | \$955,117 |
| Infrastructure | CDBG | 4 | \$495,000 | |
| Public Services | CDBG | 6 | \$300,551 | \$212,027 |

¹ Staff estimate this allocation based on previous years' entitlement awards. The actual award is expected to be announced by the end of February.

² The Arts and Music ARC also made recommendations for funding if a potential \$15,000 were available.

| | | | | |
|------------------------------------|--------------|-----------|--------------------|------------------------|
| Social Services | General Fund | 25 | \$957,948 | \$354,950 ³ |
| Non-Competitive | | | | |
| Referral Services | General Fund | 1 | \$50,000 | \$50,000 |
| HUD Required Fair Housing Services | CDBG | 1 | \$25,000 | \$25,000 |
| TOTALS | | 49 | \$2,468,384 | \$1,597,094 |

Non-Competitive Applications

Per the City of Hayward Compliance Policy Manual adopted by Council in 2014, in each CDBG program year the cost of administration and HUD-related fair housing activities are subtracted from the annual entitlement award amount. Last year, staff conducted a competitive RFP process for fair housing services and Eden Council for Hope and Opportunity (ECHO) was selected. For FY 2021, \$25,000 from the CDBG Public Services is allocated to ECHO to provide fair housing services to Hayward residents. Additionally, Eden I&R will receive a non-competitive award of \$50,000 to operate the 211 line.

Competitive Applications

After allocating the non-competitive projects, the remaining funds are made available to eligible community partners and social service applicants through the Community Agency Funding process. During this process, agencies are given ten minutes to present their projects to the appropriate ARC, then an additional ten minutes to answer questions from the committee.

Following the interviews, each ARC engaged in extensive deliberation, weighing criteria that included agencies' capacity, leveraging of other funds, history providing quality services, and the community's need for the service. The Arts and Music and Public/Social Services ARCs each engaged in two rounds of recommendations. The first round was based solely on the estimate for funds available. The second round was based on if there were additional funds available. Specifically, the Arts and Music ARC made recommendations for an additional \$15,000. The Public/Social Services ARC made recommendations for an additional \$85,000 for General Fund programs, and recommendations for how to proportionately distribute CDBG funds across applicants if the City of Hayward's entitlement award for CDBG funds is greater than estimated.

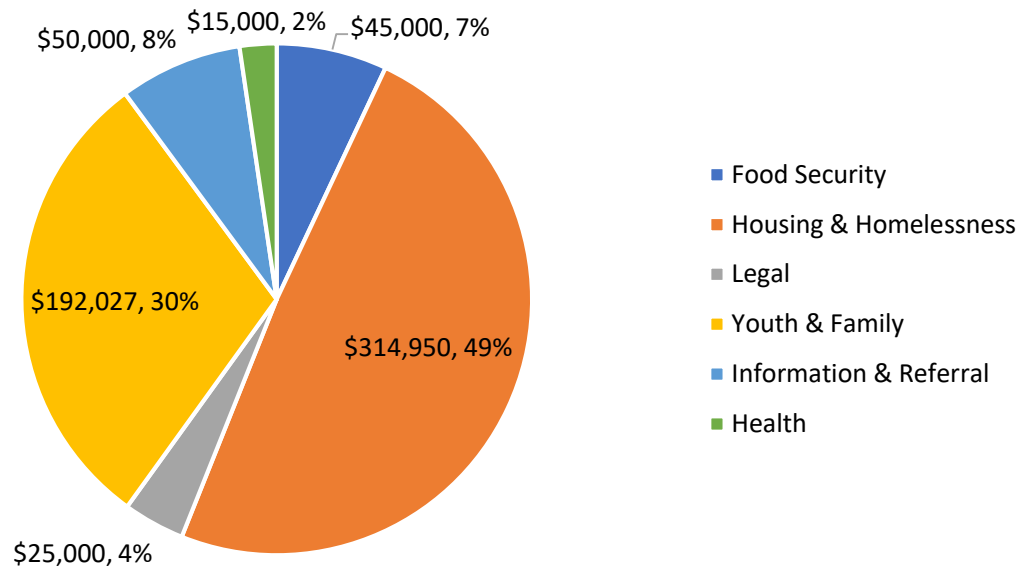
Preliminary Recommendations

Each ARC's deliberations resulted in preliminary recommendations, which will be reviewed during at the February 19, 2020, CSC meeting. The preliminary funding allocation recommendations are included in Attachment II. For Economic Development and Infrastructure, ARC members recommended fully funding all projects the requested amount; however, they voted to have a broader discussion about the management of one agency. For the Arts and Music and Public Services funding categories, the ARCs recommended either fully

³ The Social Services ARC also made recommendations for funding if a potential \$85,000 were available.

or partially funding all agencies. In the Services – General Fund category, the ARC fully or partially recommended funding 18 of the 26 agencies. **Figure 1** below depicts the breakdown of how the Public/Social Services ARC recommended allocating funds by services category. Just under 50% of all Public/Social Services funds were recommended for funding Housing & Homelessness services, while just under one-third were recommended for funding youth and family services.

Figure 1. Breakdown of Recommended Allocations for Services Funding by Category



NEXT STEPS

Funding recommendations for all categories will be finalized and a Preliminary Public Comment period will commence. At the March 18, 2020 CSC meeting, the Public Comment Period will be closed, and the CSC will make their final recommendations to Council for their review in April 2020.

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Recommended by: Monica Davis, Community Services Manager

Approved by:

Jennifer Ott, Deputy City Manager