



DATE: April 28, 2020

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Hayward Community Relief Fund: Approval of the Hayward Community Relief Fund Distribution Process

RECOMMENDATION

That Council approves the process for distributing funds from the Hayward Community Relief Fund as described in this report.

SUMMARY

The City of Hayward launched the Community Relief Fund on April 2, 2020 in partnership with the East Bay Community Foundation (EBCF) to sustain and protect local residents and businesses during the COVID19 health emergency. The EBCF receives the donations and distributes them to local nonprofits upon direction from the City. As of April 20, donors had contributed or pledged to contribute a total of \$453,500. Staff is recommending distributing an initial \$400,000 as soon as all pledged amounts are received, with a preliminary focus on economically vulnerable residents. The funds will be distributed by EBCF per City direction to local nonprofit partners, who will then distribute the funds as small grants.

BACKGROUND

The City of Hayward launched the Community Relief Fund on April 2, 2020 in partnership with the East Bay Community Foundation. The purpose of the Fund is to receive and direct charitable donations to sustain and protect Hayward residents and businesses during the COVID-19 health emergency.

Donations to the Fund go directly to EBCF and are fully tax deductible. EBCF will then distribute funds to local nonprofit partners based on advisory direction from the City. The nonprofit partners will then subgrant the funds to community members and businesses. Staff has been working on the details of these partnerships and is recommending partnering with La Familia, Hayward Rotary, and the Firefighters Charitable Organization to distribute funds at this time.

DISCUSSION

As of April 20, donors had contributed or pledged to contribute a total of \$453,500 to the Relief Fund. This amount includes \$300,000 from the Stupski Foundation, \$126,500 from East Bay Community Energy, and donations from 127 additional individuals and groups.

The City launched a website with the Relief Fund that allows donors to specify four purposes for their donation. Eighty-two donors specified the following amounts to the following purposes:

- General relief for the highest need areas, which could include the categories below (gives the most flexibility to direct funds to those most in need): \$6,995
- Assistance to vulnerable populations, such as residents without access to sick days or unemployment benefits: \$5,480
- Resources to keep free COVID-19 testing available: \$3,415
- Assistance for Hayward small businesses: \$2,990

Staff is recommending distributing an initial \$400,000 as soon as all pledged amounts are received by EBCF, hopefully within the next three weeks. Staff is recommending the initial focus of the relief funds primarily target Hayward's most economically vulnerable residents, especially those experiencing loss of earnings without paid sick leave or access to unemployment benefits. Staff recommends this focus in the context of existing or potential funding sources for other high need areas like the testing site, small businesses, and social service nonprofits.

Staff is recommending the initial \$400,000 be distributed in the following amounts and purposes.

- **\$350,000** for relief grants to vulnerable populations using the below process and criteria:
 - The relief grants will provide \$500 to Hayward residents who have lost their jobs or had their hours cut as a result of the Coronavirus and are ineligible for unemployment insurance and federal relief programs. The grants will be provided as checks or prepaid cards for those who do not have access to checking accounts.
 - Staff reached out to three nonprofits that have experience working with economically vulnerable populations in Hayward and have the financial infrastructure to oversee this type of program. Of the three, La Familia is the only organization that currently has capacity to run this program. Staff is working with La Familia to draft an MOU. In order to recoup their expenses for

vetting potential recipients and distributing checks/pre-paid cards, La Familia is requesting an administrative fee of 7%, which is reasonable and in line with administrative overhead charges assessed for similar program administrations.

- As the administrator, La Familia will accept and screen applications. The application will include confidential questions to assess the need for legal services related to employment. The application and all information therein will be kept strictly confidential.
- Staff anticipates that there will not be enough funding for all applicants. The first round of applications will be accepted through a cutoff date or at 1,200 applications, whichever comes first. Grants will be awarded through a lottery. Qualifying applicants who do not receive grants through the lottery will be added to a waitlist for future rounds of funding.
- **\$40,000** to support Hayward small businesses, in partnership with Hayward Rotary. These funds will be distributed using the same criteria as the City's existing Small Business Resiliency Grants. There will be no administrative fees for this amount.
- **\$10,000** for supplies for the testing center, in partnership with the Firefighters Charitable Organization. There will be no administrative fees for this amount.

Moving forward, staff recommends distributing money after every \$100,000 is collected, in amounts based on the highest need areas at that time. Staff will return to Council for approval on the consent calendar before each distribution.

FISCAL AND ECONOMIC IMPACT

This action does not have a fiscal impact to the City's finances. Donations go directly to the East Bay Community Foundation and are released by the Foundation to nonprofits per the City's direction. Staff time on this effort is being absorbed within the City Manager's existing operating budget.

This action will initiate small grants to Hayward's most vulnerable community members, which will have a positive impact on sustaining Hayward's economy.

Prepared by: Mary Thomas, Management Analyst

Approved by:



Kelly McAdoo, City Manager