



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 20, 2015

**TO:** Mayor and Councilmembers

**FROM:** Administration, Housing and Human Services, Community Development Department

**SUBJECT:** Review Of Fiscal Year 2017 Human Services And Community Development Block Grant Funding Priorities, Application Release, And Funding Process

**RECOMMENDATION:** That Council:

- A. Review and provide input and direction to the Community Development and Human Services Committee (CDHSC) on proposed funding priorities for the Fiscal Year 2017 Human Services and Community Development Block Grant allocation process;
- B. Authorize staff to release the Fiscal Year 2017 funding application along with the committee application review process, criteria, and schedule; and
- C. Establish a funding commitment for Fiscal Year 2017 from the General Fund in the amount of \$726,150 (3% increase over Fiscal Year 2016) for the Human Services Program.

### **EXECUTIVE SUMMARY:**

Council, on an annual basis, reviews funding priorities, approves the application criteria and schedule, and determines funding availability, before making available the applications for the Community Development Block Grant (CDBG) and Human Services funds. Pending Council approval, applications for Fiscal Year 2017 grants are scheduled to be released on November 12, 2015. Funding recommendations will be presented to Council by the Community Development Human Services Committee (CDHSC) in late March 2016.

Based on the successful implementation of the grant process over the past years, it is important that distinct, established application criteria and funding priorities be available for use by applicants, staff, and the CDHSC. Council now has the option to provide direction to the CDHSC and/or to change the priorities for the upcoming grant year.

## **DISCUSSION:**

### **Background**

Each year since 1974, the City of Santa Barbara has received Community Development Block Grant (CDBG) funds for activities that meet one of three statutory objectives: 1) primarily benefit low and moderate-income persons, 2) eliminate/prevent slums or blight, or 3) meet other urgent local community development needs.

The U.S. Department of Housing and Urban Development (HUD), which administers the CDBG program, also requires that CDBG-funded activities provide low and moderate-income persons with: 1) decent housing, 2) a suitable living environment, or 3) expanded economic opportunities. Council sub-awards CDBG funds annually to non-profit organizations and City Departments to undertake activities that meet these objectives.

CDBG is primarily a bricks and mortar program and the largest portion of the funds must be used for "Capital" projects; however, a small portion of CDBG funds (no more than 15% of annual allocation) may be expended on "Public Service" activities.

In addition to CDBG, Council grants City Human Services funds to local agencies that provide essential social services to City of Santa Barbara residents. The City Human Services fund is allocated by Council annually and is augmented with CDBG "Public Service" funds. Both CDBG and Human Service funds are awarded concurrently using a single application.

For Fiscal Year 2016, \$825,506 Human/Public Services funds were awarded to 45 programs, consisting of \$705,000 from City's Human Services funds and \$120,506 from CDBG Public Service funds. Capital funding in the amount of \$541,530 was awarded to three construction/rehabilitation projects and one economic development program.

### **Community Development Human Services Committee (CDHSC)**

The CDHSC, a Council-appointed committee, evaluates proposals, interviews applicants, and makes funding recommendations to Council, which then makes the final decisions on funding.

Throughout the year, the CDHSC also monitors grantees' performance, conducts site visits of grantees' funded programs, reviews mandatory HUD reports, holds public hearings, discusses issues, and provides input on community development and human services needs throughout our community.

The thirteen-member CDHSC includes representatives from the following groups:

- Youth-Oriented Services
- Business Community/Economic Development
- Human Services Organization
- Latino Community
- African-American Community

- Senior Community
- Housing Interests
- Four (4) Low-Income Neighborhoods:  
Eastside, Westside, Downtown, Lower Westside
- Disabled Community
- Housing Authority

### **Funding Priorities**

At the required public hearing on Housing and Community Development Needs held September 22, 2015, the CDHSC reviewed Council's priorities and the federally mandated Consolidated Annual Performance and Evaluation Report (CAPER), which details the City's use of CDBG funds during Fiscal Year 2015.

Council previously adopted the following Public/Human Services priorities:

**1<sup>st</sup> Priority**—Programs that help meet basic human needs **and/or** reduce the community impact of homelessness **and/or** reduce the community impact of gang violence via a formal collaboration with the South Coast Task Force on Youth Gangs; and

**2<sup>nd</sup> Priority**—Proposals that are preventative in nature **and/or** promote the highest degree of functioning the individual is capable of achieving.

During the September 22, 2015 meeting, the Committee voted to revise the 1<sup>st</sup> Priority and directed staff to develop proposed language to present to Council. The proposed new 1<sup>st</sup> Priority is:

**1<sup>st</sup> Priority**—Programs that help meet basic human needs **and/or** reduce the community impact of homelessness **and/or** *reduce the community impact of gang violence by providing services directly to gang-involved youth.*

The Committee believes that the proposed change more effectively prioritizes programs that work to prevent gang violence by directly targeting gang-involved youth. The rationale for this recommended change reflects the fact that while many organizations offer programs for young people whose lives may be touched by youth gangs, these organizations may not have formally collaborated with the South Coast Task Force on Youth Gangs.

On May 5, 2015, Council adopted the 2015-2019 Consolidated Plan and 2015-16 Annual Action Plan, which was submitted to the Department of Housing and Urban Development on May 15, 2015. Five priority areas were identified for the City's use of CDBG and HOME funds. The three CDBG-specific priorities will be used for the Fiscal Year 2017 application process and are as follows:

- Homeless Assistance—Programs that provide services to homeless individuals and families, and victims of domestic violence;
- Public Facilities and Infrastructure—Capital projects that improve facilities of organizations that serve low and moderate-income residents, and public infrastructure and parks improvements in low and moderate-income neighborhoods; and
- Economic Development—Support of programs that provide self-employment training and small business loans.

The CDHSC also recommends adding a question on the application asking applicants providing services to people experiencing homelessness to demonstrate how their program aligns with the Objectives and Strategies of the Central Coast Collaborative on Homelessness (C3H).

### **Application Submittal Process and Review**

The application criteria previously adopted by Council can be found in Attachment 1 of this report. Staff recommends these remain unchanged for Fiscal Year 2017.

Upon Council's authorization, funding applications will be available online on November 12, 2015 and will be due on December 17, 2015. Applicants will have over a month to prepare and submit their applications.

A mandatory application orientation/technical assistance workshop will be held November 11, 2015. At the workshop, staff will review the application submittal process and discuss Measurable Outcomes in depth. Staff will also be available to all applicants during City business hours to provide further guidance and answer questions via e-mail, in person, or by telephone during the application submittal period. In addition, staff will post detailed "FAQ" information on the City website.

To encourage maximum participation in the application process and attendance at the orientation/workshop, an announcement will be mailed and e-mailed to all agencies that have expressed an interest in applying or have applied for funding in the past two years. In addition, an advertisement of the funding availability will appear in the *Santa Barbara News Press*, a press release will be issued, and an announcement will be posted on the City's website and the City "News In Brief" newsletter.

The applications will be completed and submitted online using the web-based grant management program ZoomGrants. With this program, City staff will have immediate online access to applications submitted before the deadline in order to review them and provide feedback. This gives early applicants the opportunity to correct any errors prior to the due date.

The CDHSC will have online access to the applications to review and analyze each proposal for three weeks prior to the applicant interviews, which will commence on January 28, 2016. In past years, a few applicants have missed their scheduled interviews. As a result, the Committee voted this year to make the interviews mandatory, citing the importance of information obtained during the process. Any applicants who fail to appear before the Committee will not be allowed to reschedule and will be automatically disqualified for funding. This new requirement has been incorporated into the Application Review and Interview Process (Attachment 1) for Council approval.

Recommendations are tentatively scheduled to be presented before Council on March 22, 2016. The full application schedule is included in Attachment 2.

#### **BUDGET/FINANCIAL INFORMATION:**

##### **Fiscal Year 2017 CDBG Funding**

After recent years of significant cuts to CDBG funds, the City's CDBG allocation increased 2% last year to the amount of \$803,372.

Given the continued adversarial political climate in Washington, staff cannot at this time estimate the amount of new entitlement funds the City will be awarded for Fiscal Year 2017. However, the CDHSC makes contingency plans to its recommendations to Council that account for increases or decreases in CDGB funds.

##### **Fiscal Year 2017 Human Services Funding and Allocation (General Fund)**

In the years prior to the Recession, Council expressed a desire to increase Human Services funding allocations by 3% each year to account for inflation. Due to the return of normal growth in General Fund revenues, in FY 2015 Council allocated \$705,000 (a 12.21% increase) for Human Services funding, which was approximately equal to the amount allocated in FY 2013 when \$75,000 was moved out of the fund to support the Central Coast Collaborative on Homelessness. Staff is recommending a funding commitment for Fiscal Year 2017 from the General Fund in the amount of \$726,150 for the Human Services Program. This amount represents a 3% (\$21,150) increase.

- ATTACHMENT(S):**
1. HS/CDBG FY 2016-17 Funding Criteria, Application Review and Interview Process
  2. Proposed Fiscal Year 2017 Application Schedule

**PREPARED BY:** Liz Stotts, Community Development Programs Specialist/DR/SG

**SUBMITTED BY:** George Buell, Community Development Director

**APPROVED BY:** City Administrator's Office

**HUMAN SERVICES & COMMUNITY DEVELOPMENT BLOCK GRANT  
FY 2016-17 FUNDING CRITERIA**

- Proposed programs/projects must primarily benefit low and moderate-income residents.
- Applicants must be tax-exempt 501(c)(3) organizations or local units of government whose proposals directly benefit low- and moderate-income City of Santa Barbara residents.
- Proposals must address specific social or physical needs and conditions of the people they propose to serve. Documentation could include social indicators, demographic data, surveys, community plans and need as perceived by potential consumers.
- Proposals must present a marketing strategy, which includes specific efforts to reach ethnic communities.
- Proposals must demonstrate support from the people for which the program is proposed.
- Applicants must clearly identify all funding sources and justify their proposal if services are available through another source.
- Applicants shall seek funding, or demonstrate funding support from other public/private sources. The City shall not be committed to total support of a program, nor shall the City be committed to continue funding in the case where other support is withdrawn.
- City CDBG/HS funds shall support only those services that directly benefit residents of the City of Santa Barbara. Programs operated on a countywide or regional basis must show documentation that: (a) services benefit City residents, and (b) sufficient funds are available to support non-city residents.
- Administrative costs shall be held to a minimum and will be scrutinized during the application-review process.
- Proposals shall identify geographical areas where they propose to provide services.
- Proposals that pay the local minimum wage (as described in Chapter 9.128 of the City of Santa Barbara Municipal Code) to all staff for which CDBG/HS funds are requested shall receive an extra point in the rating process.

## **HUMAN SERVICES & COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION REVIEW AND INTERVIEW PROCESS**

A thirteen-member committee appointed by the City Council will review submitted proposals, interview applicants and make funding recommendations to the City Council. The City Council makes final decisions on funding. The Community Development and Human Services Committee (CDHSC) includes representatives of the following groups:

- Youth-Oriented Services
- Business/Economic Development Community
- Human Services
- Latino/Hispanic Community
- African American Community
- Senior Citizens
- Housing Interests
- Four (4) Low Income Neighborhoods: Eastside, Westside, Downtown, and Lower Westside
- Disabled Community
- Housing Authority Representative

At the scheduled interview, applicants will be allowed a 4-minute presentation, with 10 minutes for questions from the Committee, and a one minute applicant response/final statement. Applicants must have a member of the Board of Directors and appropriate staff present at the interview. Interviews will be scheduled after the application is submitted. **Applicants that fail to appear for their scheduled interview will not be allowed to reschedule and will automatically be disqualified for funding.**

To ensure that verbal presentations made by applicants are accurate and reasonable, applicants are advised that information provided to the Committee during the interview is a vital factor in formulation of specific funding recommendations; furthermore, statements made by an applicant upon which the Committee relies in making a funding recommendation shall become binding and included as part of any contract which may be executed. Applicants should come prepared to justify their proposal within the priorities outlined previously.

Applicants are further advised that the Committee may request additional information on any part of the proposal after the scheduled interview. Applicants will be required to respond in writing within 2 days of such request.

In reviewing applications, the following evaluation criteria are used by the CDHSC:

- **Agency:** Track record/past performance, salaries too high or too low, large wage disparity between management staff and program staff;
- **Board:** Composition, role, diversity, and level of involvement;

- **Program:** Bi-cultural/bi-lingual staff, quality of service, staff capacity (training/experience), program corresponds with the agency's mission, level of program monitoring;
- **Measurable Outcomes:** Programs must identify realistic, measurable results or changes that a client will experience from receiving the service;
- **Need:** Duplication of service, collaboration with other agencies, composition/diversity of clients, target population, funding request corresponds to the number of clients served; and
- **Finances:** Agency revenue/expenses, percentage of funding sources secured, diversity of funding sources, overreliance on City funds, high amount of year-end excess or deficit funds, significant increase or decrease in request from prior year, assets and financial stability of the organization.

For Capital proposals, these additional categories are evaluated:

- **Project Need:** Whom will benefit from the project; clear identification of need; will project satisfy demonstrated need, does the project align with the mission.
- **Project Cost:** Itemized cost estimate from a contractor; reasonableness; can project be completed without full City funding; leveraging of other funding.

**City of Santa Barbara**  
**CDBG/HS Funding Schedule FY 2016-2017**

Month	Event	Date
SEPTEMBER	Public Hearing on Community Needs	Tues., Sept. 22, 2015
OCTOBER	Council Action on Application	Tues., Oct. 20, 2015
NOVEMBER	<b>Mandatory</b> - Application Orientation and Technical Assistance Workshop David Gebhard Meeting Room - 630 Garden Street	Wed., Nov. 11, 2015 2 p.m. – 4 p.m.
	Application Available On-line	Thurs., Nov. 12, 2015
DECEMBER	<b>Applications Due</b> Late applications cannot be submitted or accepted – website locked at 4:30 p.m.	Thurs., Dec. 17, 2015 4:30 p.m.
JANUARY – FEBRUARY	Applications available to CDHSC	Wed., Jan. 6, 2016
	Applicant Interviews - evenings	Jan. 28; Feb. 2; 4; 9, 11* , 2016
FEBRUARY	CDHSC Meeting to Deliberate on Applications	Feb 11* or 16*, 2016 6 p.m.
	CDHSC Subcommittee Formulates Recommendations	Fri., Feb. 19, 2016
	CDHSC Meeting to Vote on Recommendations	Tues., Feb. 23, 2016
MARCH	Funding Recommendations Available to Public	Tues., March 1, 2016
	City Council Public Hearing on Committee Recommendations and Possible Council Action 6 p.m. Council Chambers – 735 Anacapa St.	Tues., March 22* or 29*, 2016
	CDBG Action Plan Public Review Period	March 23 - May 6, 2016
APRIL	CDBG Environmental Reviews Start	Ongoing April 2016
MAY	CDBG Action Plan Due	Fri., May 13, 2016
JUNE	Execution of Contracts	Ongoing June 2016
JULY	Contract Period	July 1, 2016 – June 30, 2017

Dates marked with an asterisk \* are tentative and may be adjusted based on the number of applications submitted and Council's meeting availability.