



MEMORANDUM

Community Development Department

DATE: March 4, 2021

TO: Human Relations Commission

FROM: Orlando Reyes-Rodas, Senior Planner
Wayne Chen, Assistant Community Development Director
Aarti Shrivastava, Assistant City Manager/
Community Development Director

SUBJECT: Funding Recommendations for Fiscal Year 2021-22 Annual Action Plan

RECOMMENDATION

1. Allocate an estimated \$340,000 total of Community Development Block Grant funds for Fiscal Year 2021-22 and Fiscal Year 2022-23 for public service applicants recommended for funding as shown in Table A below.
2. Related to Recommendation No. 1, if the actual grant amount received from the U.S. Department of Housing and Urban Development for CDBG Federal Program Year 2021 is different from the estimated amount, then the increase or decrease will be proportionally allocated to public service applicants based on their awarded funding levels and up to the amount requested.
3. Allocate an estimated \$171,000 of General Funds (composed of \$163,500 from the City's General Operating Fund and \$7,500 from the City's General Housing Fund) for Fiscal Year 2021-22 for public service applicants recommended for funding as shown in Table B below. Awarded General Fund applicants would be allocated only for Fiscal Year 2021-22 with conditional funding for Fiscal Year 2022-23, subject to satisfactory performance in the first fiscal year and the availability of General Funds for Fiscal Year 2022-23.
4. Related to Recommendation No. 3, if the adopted Fiscal Year 2021-22 City budget includes a General Fund amount different from the estimated \$171,000, then the increase or decrease will be proportionally allocated to public service applicants based on their awarded funding levels and up to the amount requested.

5. Allocate approximately \$3.7 million of available Community Development Block Grant and Home Investment Partnership Program funds for capital projects, including the potential rehabilitation of the Crestview Hotel, a project that would meet various housing needs.

MEETING PROCEDURES

1. Hear staff funding recommendations for Notice of Funding Availability (NOFA) applicants.
2. Hear presentations from NOFA applicants recommended for funding (maximum three minutes per presentation).

PURPOSE

The purpose of this public hearing is for the Human Relations Commission (HRC) to make funding recommendations to the City Council for public service activities as part of the annual NOFA process for Community Development Block Grant (CDBG) and General Funds as well as staff recommendation to directly allocate CDBG and Home Investment Partnership Program (HOME) funds for capital projects. HRC recommendations will be included in the Council report for the April 27, 2021 Council meeting, during which Council will make the final funding decisions as part of the Fiscal Year 2021-22 Annual Action Plan (Plan) process. The Council-approved Plan will then be submitted to the U.S. Department of Housing and Urban Development (HUD) prior to the May 15, 2021 submittal deadline.

BACKGROUND

Each fiscal year, the City, as a Federal “entitlement jurisdiction,” directly receives CDBG and HOME funds from HUD to invest in qualifying public service activities and capital projects in Mountain View. The City holds an annual NOFA process for nonprofit agencies to apply for the funds, and the awarded agencies, activities, and projects are included in the City’s Federal Annual Action Plan as required by HUD and which implements the City’s Federal 2020-25 Consolidated Plan.

For this NOFA cycle, the application period opened on December 22, 2020 and closed on February 5, 2021 at 5:00 p.m. Pacific Standard Time. Interested applicants were required to attend a presubmittal webinar (held on January 11, 2021). All applications were required to be submitted to the City’s CDBG online grants platform by the deadline.

Funding Sources and Amounts

CDBG

For Fiscal Year 2021-22, it is estimated that the City's allocation for CDBG funding is approximately \$500,000. A maximum of 15 percent of the allocation is allowed for public service activities (approximately \$75,000); 20 percent for administration (\$100,000); and the remainder for capital projects (\$325,000).

Additionally, the City received a significant amount of program income (i.e., repayment of CDBG funding made to past capital projects) this fiscal year, which is atypical, along with available carryover funds. Combined with the estimated Fiscal Year 2021-22 CDBG annual allocation, there is approximately \$340,000 for public services and \$2.4 million for capital projects.

HOME

For Fiscal Year 2021-22, it is estimated that the City's allocation for HOME funding is approximately \$200,000. A maximum of 10 percent is allowed for administration (\$20,000) and the remainder for capital projects (\$180,000). HOME funds cannot be used for public service activities.

Like the CDBG program, the City received a large amount of HOME program income this fiscal year, which is atypical. Additionally, there were some unallocated HOME funds from previous years available for programming. As such, when combined with the Fiscal Year 2021-22 HOME allocation, approximately \$1.3 million in HOME funding is available for capital projects.

General Fund

The City supplements CDBG-funded public services with the City's General Funds. It is estimated that \$171,000 will be part of the Fiscal Year 2021-22 budget for public service activities as part of this NOFA process.

Modifications to NOFA Process

For the Fiscal Year 2021-22 NOFA, two modifications were incorporated as compared to prior NOFAs:

- *Two years of CDBG public service funding made available in Year 1 for use over the two-year cycle, instead of year-by-year funding.*

Historically, the City awards agencies for public service activities in two-year cycles. However, the funding itself has been disbursed to awarded agencies one year at a time because the City receives Federal CDBG funds annually, and the City adopts General Funding for public service activities as part of its annual budget process.

As mentioned above, approximately \$340,000 in CDBG funds is estimated to be available for public service activities. This amount is significantly higher than in past years. Given the need in the community for public service activities, staff recommends that the full \$340,000 be made available immediately in Year 1 to the awarded agencies and that they be allowed to flexibly spread the use of the CDBG funds over the two-year cycle. Applicants were required to provide a detailed two-year budget and expenditure plan to demonstrate how the funds would be spread out and used over this period. In other words, CDBG public service funding will be disbursed to awarded applicants in Fiscal Year 2021-22 for use in Fiscal Years 2021-22 and 2022-23.

There is no change to the General Fund public service portion of the NOFA process.

- *Direct allocation of funding for capital projects, instead of incorporating into the NOFA process.*

Historically, the City has included CDBG and HOME funding for capital projects as part of its annual NOFA process. However, for various reasons, it has been difficult to find capital projects to fund. Additionally, HUD provides jurisdictions the flexibility to directly use Federal funds to meet objectives identified in HUD's Consolidated Plan, and the City is working on various affordable housing projects to meet various housing needs to meet the Consolidated Plan priority goal to increase affordable housing, including the potential rehabilitation of the Crestview Hotel, located at 901 East El Camino Real. Finally, staff reached out to various nonprofit developers, and none indicated that they would be applying for capital project funding. As such, this year's NOFA did not include funding for capital projects, and staff recommends that the \$2.4 million in CDBG funds and \$1.3 million

in HOME funds (\$3.7 million total) be used for affordable housing opportunities, such as the Crestview Hotel.

Eligibility Requirements

Below are the eligibility requirements for both CDBG and General Fund public service activities:

1. CDBG

- a. Eligible applicants are limited to 501(c)(3) nonprofit organizations, government agencies and school districts.
- b. Meet one of the following CDBG National Objectives:
 - i. Benefit to low- and moderate-income (LMI) persons;
 - ii. Aid in the prevention or elimination of slums or blight; and
 - iii. Meet an urgent need.
- c. Meet one or more of the six priority goals in the City's 2020-25 Consolidated Plan, as follows:
 - i. Increase Affordable Housing
 - ii. Respond to Homelessness
 - iii. Support Social Services
 - iv. Enhance Physical Infrastructure
 - v. Address and Promote Fair Housing
 - vi. Promote Economic Resiliency

2. General Funds: The following criteria for public service activities funded by the General Fund are in City Council Policy A-8, Service Organization Funding Policy.
 - a. Purpose:
 - i. Educational, cultural, arts, and other programs not eligible for Federal funds.
 - ii. To supplement the Federal funding for public service activities. General Funds that supplement Federal funding shall align with and further goals and strategies in the City's Consolidated Plan and Annual Action Plan.
 - b. Timeline, Application Process, Review and Approval Process for public service activities are the same as those for CDBG funds.

ANALYSIS

Eighteen (18) nonprofit agencies applied to this NOFA requesting funding for 22 public service activities. Most applicants applied for funding for one activity. However, the following organizations applied for more than one activity and sought both CDBG and General Funds, as follows:

- Community Services Agency
 - Homeless Prevention (CDBG)
 - Senior Case Management (CDBG)
 - Senior Nutrition (General Fund)
- The Day Worker Center
 - Education, Skills, and Job Placement (CDBG)
 - Health and Nutrition (General Fund)
- Ravenswood Family Health Network
 - COVID-19 Vaccination (CDBG)
 - Uninsured Health Care (General Fund)

The City received a total request of \$586,927 for CDBG funding, representing 12 public service activities. The City received a total request of \$218,475 for General Funds, representing 10 public service activities. As such, funding requests for both programs were oversubscribed, especially for CDBG funds.

Application Components

The NOFA application consisted of questions within the following six areas below:

1. Further consolidated plan goals
2. Project benefit to low-moderate income and/or target population
3. Program outcomes and monitoring
4. Staff experience, financial oversight, and previous experience
5. Project scope, timeliness, and location
6. Budget justification

It is the responsibility of each applicant to ensure the information provided as part of their application submittal is detailed, clear, and complete. As mentioned, a required presubmittal webinar was held to provide an overview of the NOFA process and application requirements, and staff was available for questions throughout the application period.

Evaluation Framework

Staff reviewed and scored each application based on the responses to the questions, such as demonstrating benefit to the community, the number of low-income Mountain View residents that would be served, and the organizational experience and capacity to successfully deliver the services. Because the NOFA was oversubscribed, it was not possible to fund all of the activities. It is recommended that only the top-ranked applications be funded for all or nearly all of the amount requested instead of proportionately funding all of the applications (including funding the lower-ranked applications).

Funding Recommendations

CDBG Recommendations

Based on the evaluation framework noted above, the following applicants/proposed activities are recommended for CDBG funding as shown in Table A below. A more detailed summary of the applications can be found in Attachment 1.

**Table A: CDBG Funding Recommendations for
Fiscal Years 2021-22 and 2022-23 Public Service Applicants**

Applicants	Proposed Activity	2-Year Total Funding Request	Recommended 2-Year Total
Senior Adults Legal Assistance (SALA)	Legal assistance to elders	\$30,500	\$30,000
Community Services Agency (CSA)	Senior services – Senior case management (SCM) helps prevent the rehospitalization or premature institutionalization of elderly residents	\$49,942	\$48,000
Next Door Solutions to Domestic Violence	Support services for survivors of domestic violence – Advocacy and self-sufficiency program	\$15,000	\$14,000
Vista Center for the Blind and Visually Impaired	Vision loss rehabilitation program – skills necessary to remain safe and independent	\$63,486	\$62,000
Bill Wilson Center	Family advocacy services (FAS) program – a school-based, homeless family and youth prevention and intervention program	\$70,000	\$69,000
Catholic Charities of Santa Clara County	Long-term care ombudsman program – Mission is to seek resolution of problems and advocate for rights of residents of long-term care facilities	\$20,000	\$19,000
Silicon Valley Independent Living Center	Housing programs for persons with disabilities	\$23,828	\$22,000
Community Services Agency (CSA)	Homeless prevention services (HPS) – program and financial assistance to individuals at the brink of homelessness	\$84,700	\$76,000
Total CDBG Funds		\$357,457	\$340,000

As mentioned earlier, the \$340,000 total available for public services is composed, in part, using 15 percent of the estimated Fiscal Year 2021-22 CDBG allocation for public services. If the actual Fiscal Year 2021-22 CDBG allocation is different than the estimated amount, this would change the estimated \$340,000 for public services. If this occurs, then the recommended funding amounts for each of the awarded applicants will be proportionately increased or decreased based on the actual allocation.

All the applications were strong; however, with an oversubscription, the recommendations focused on the highest-ranking applications, and not all applications were, therefore, able to be funded. The following CDBG applications are not recommended for funding:

- Day Worker Center

The Day Worker Center requested funding for two activities. The first proposed activity is for Education, Skills, and Job Placement program and is requesting CDBG funds. The second proposed activity is for the Healthy Meals program and is requesting General Funds.

- The request for CDBG funding for Education, Skills, and Job Placement program is not being recommended for funding. The application for this proposed activity lacked clarity/information regarding the number of intended beneficiaries, organizational capacity, and monitoring for program outcomes and, therefore, did not score as high as the other activities recommended for CDBG funding.
- However, the Healthy Meals Program is recommended for funding from the General Fund (see Table B below).

- Ravenswood Family Health Network

Ravenswood Family Health Network requested funding for two activities. The first proposed activity is for a COVID-19 vaccination program and is requesting CDBG funds. The second proposed activity is to provide primary health care for uninsured Mountain View residents and is requesting General Funds.

- The request for CDBG funding for a COVID-19 vaccination program is not being recommended for funding. The application for this proposed activity lacked clarity/information regarding the number of intended beneficiaries. Additionally, the proposed timing for the activity is for six months, while this CDBG funding is for a two-year program. Ideally, most, if not all, persons will have received vaccinations before the end of the year. Finally, the City is collaborating with the County to ramp up COVID-19 vaccinations to 1,000 per day at the Mountain View Community Center, which may mitigate the need for this proposed activity.

- However, the proposed activity to provide primary health care for uninsured Mountain View residents is recommended for General Funding (see Table B below).
- LifeMoves
- Child Advocates of Silicon Valley

LifeMoves submitted a CDBG funding request to provide case management at the Graduate House for homeless persons. The application was incomplete and did not include a detailed two-year budget and expenditure plan as required. Additionally, the budget information that was provided did not provide a strong rationale for why the amount of funding request was needed.

Child Advocates of Silicon Valley submitted a CDBG funding request to provide an advocacy program for foster youth. The application lacked clarity/information on the number of intended beneficiaries, budget, and expenditure plan as required and, therefore, did not score as high as the other activities recommended for CDBG funding. Therefore, this request is not recommended for CDBG funding.

However, Child Advocates has received CDBG funding in the past for this advocacy program. They have met their stated goals each year, and there is a continued need for this activity in the community. Additionally, the funding amount requested was low, and there was room in the General Funding to accommodate.

General Fund Recommendations

All of the General Fund agencies provide needed and valuable services to extremely low- or very-low-income seniors, disabled persons, youth, and families. Helping public service activities provides a variety of unique services for low-income and at-risk populations and also helps Mountain View support an inclusive community. Without General Fund support, agencies which would not be eligible for CDBG funds would not receive City funding. Table B identifies staff's recommendation for public service activities funded by the General Fund. A more detailed summary of the applications can be found in Attachment 1.

Table B: General Funds for Fiscal Year 2021-22 Public Service Applicants

Applicants	Proposed Activity	1-Year Funding Request	Recommended 1-Year Total
Community Services Agency (CSA)	Senior nutrition program services	\$35,000	\$35,000
The Health Trust	Meals on Wheels	\$30,480	\$30,480
United Way of the Bay Area	211 – Bay Area referral helpline connecting residents to food, shelter, health care, and other vital community services	\$5,000	\$5,000
Parents Helping Parents	Support for families raising children with special needs	\$7,500	\$7,500
Ravenswood Family Health Network	Primary health care for uninsured Mountain View residents	\$25,000	\$25,000
Healthier Kids Foundation	Vision-first screenings	\$12,495	\$12,495
Day Worker Center	Healthy meals program	\$20,000	\$20,000
Community Legal Services in East Palo Alto	Promoting economic advancement – Workers’ rights outreach program	\$20,000	\$20,000
Child Advocates of Silicon Valley (CASA)	Advocacy program for foster youth	\$20,000	\$15,525
Total General Funds		\$175,475	\$171,000

If the actual amount of the adopted Fiscal Year 2021-22 General Fund public service budget allocation is different than the estimated \$171,000 as noted above, the recommended funding amounts for each of the awarded applicants will be proportionately increased or decreased based on the Adopted Budget. Alternatively, if the amount of General Fund is approved for more than \$171,000 as part of the Fiscal Year 2021-22 City budget process, it may be also possible to provide funding to the activities not recommended for funding as noted below.

The following General Fund applications are not recommended for funding:

- Young Women's Christian Association of Silicon Valley (YWCA)

YWCA submitted a General Funding request to provide domestic violence services to Mountain View residents. The application for this proposed activity lacked clarity/information regarding the number of intended beneficiaries, documentation that supported the number of dedicated staff members for the program, and an expenditure plan that aligns with the activity start date. For these reasons it was, therefore, not recommended for General Funding.

- Community School of Music and Arts

Community School of Music and Arts submitted a General Funding request to provide music and arts program for low-income children and families in Mountain View. The application lacked clarity/information on the number of intended beneficiaries, method and tools for tracking progress of the proposed activity, number of dedicated staff members for the program, and a budget and expenditure plan as required and was, therefore, not recommended for General Funding.

NEXT STEPS

City staff will include HRC recommendations in the Council report for the City Council's consideration on April 27, 2021. The City Council will make the final funding decisions on April 27, 2021. The City Council's funding decisions will then be incorporated into the Fiscal Year 2021-22 Annual Action Plan that will be submitted to HUD prior to the May 15, 2021 HUD submittal deadline.

ALTERNATIVES

1. Support staff recommendations.
2. Provide other input for funding recommendations.

PUBLIC NOTICING

Agenda posting, including on the online City calendar. Additionally, on February 19, 2021, a public notice of this HRC public hearing was published in the *Mountain View Voice* and posted on the City's website.

ORR-WC-AS/6/CDD

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Attachment: 1. Table of All Public Service Applicants Requesting Fiscal Years 2021-22 and 2022-23 CDBG and Fiscal Year 2021-22 General Funds