

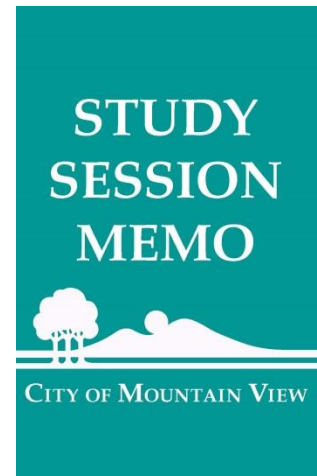
DATE: April 3, 2018

TO: Honorable Mayor and City Council

FROM: Patty J. Kong, Finance and Administrative
Services Director
Wayne Chen, Assistant Community
Development Director

VIA: Daniel H. Rich, City Manager

TITLE: **Nonprofit Funding and Process**



PURPOSE

To provide direction to staff with regard to the funding and process for nonprofit agencies.

BACKGROUND

During the budget process for Fiscal Year 2017-18, the Council inquired as to how nonprofit agency funding is approved and requested a Study Session to better understand it.

A schedule of Funding of Nonprofit Agencies is included in the Fiscal Year 2017-18 Adopted Budget on Pages 7-4 and 7-5 (see Attachment 1). The funding on the schedule is separated into two major categories: requested through the CDBG process and others. The agencies funded through the CDBG public hearing process are further separated by General Fund and CDBG-supported. The funds are awarded through a competitive application cycle and a Notice of Funding Availability (NOFA) is sent out to public service agencies and interested parties prior to the opening of the application period. Applications are evaluated based on several assessment factors, to include the need for the program or service, the number of Mountain View clients served, and the number of low-income clients served, as well as consistency with the City's Consolidated Plan. Staff and the Human Relations Commission review applications and make recommendations to the City Council. The City Council makes final decisions on which public service agencies to fund and how much to award to each agency.

The other nonprofit funding has generally occurred over time through a specific request by the agency or Councilmember. The request is reviewed by the Council through the budget hearing process.

DISCUSSION

CDBG and General Fund Reviewed through the CDBG Public Hearing

Annually, the City receives CDBG and HOME funding from the U.S. Department of Housing and Urban Development (HUD) that is allocated to public service programs and capital projects benefiting lower-income households. HUD regulations allow jurisdictions to use 20 percent of the CDBG allocation and program income for administration and up to 15 percent for public service programs. Public services are services or programs that seek to improve the well-being of individuals, families, and communities. Examples of public services include job training, health care, education, legal assistance, and programs that assist the homeless or promote fair housing. Over the last five years, the average CDBG Funding for public services was approximately \$94,000. Remaining funds are available for capital projects. While capital project applications are considered for funding every year, public service applications are accepted biennially. Fiscal Year 2017-19 is the current two-year cycle for public service programs.

The City also uses General Funds to support some agencies that are not eligible for CDBG funding. The amount of General Fund support depends on the amount requested by public service agencies and the City Council's consideration of the requests. For Fiscal Year 2015-17, the Council approved a total budget of \$192,224, and \$220,724 for Fiscal Year 2017-19 for the General Fund. The Council could decide to maintain or increase the General Fund amount as part of the budget process.

Other Nonprofit Agencies – (Outside of the CDBG Public Hearing Process)

2-1-1 United Way of Silicon Valley: \$2,500

The City of Mountain View has provided funding to United Way of Silicon Valley (UWSV) for 2-1-1 services since Fiscal Year 2006-07. 2-1-1 is a three-digit phone number designated by the Federal Communications Commission (FCC) to be exclusively used for providing information and referral for health and human services. UWSV is the lead agency for 2-1-1 services for Santa Clara County. UWSV raises funds and manages vendor contracts to provide both 24/7 call center services and a website connecting Santa Clara County residents and visitors to critical health and human services such as food, shelter, counseling, drug and alcohol intervention, and employment assistance.

Community Health Awareness Council (CHAC): \$104,273

The City of Mountain View has provided funding to the Community Health Awareness Council (CHAC) since 1973, when it entered into a Joint Powers Agreement (JPA) along with the City of Los Altos, Town of Los Altos Hills, and the Mountain View Whisman School District, Los Altos School District, and Mountain View-Los Altos Union High School District for CHAC's operation. Services CHAC provides include student and parent counseling, nutrition and housing support, parenting classes, financial counseling, competency development, and more. Adjustments are made periodically for increases in costs.

Community School of Music and Arts: Arts4Schools: \$52,259
Music4Schools: \$24,800

The partnership with CSMA for the Music4Schools/Art4Schools program began in 1981.

CSMA provides approximately 2,000 hours of classroom teaching for both the Music4Schools and Art4Schools program through the Mountain View Whisman School District. Programs are held at all eight elementary schools, grades Transitional Kindergarten (TK) through fifth. Services are provided to roughly 3,500 students. The curriculum content for the programs is created in accordance with the California State Education Standards for the Visual and Performing Arts to ensure the highest level of instructional quality and artistic excellence.

Friends of Caltrain: \$5,000

The City has provided funding to Friends of Caltrain since Fiscal Year 2015-16 after a request was made at a Council meeting. The membership fee is limited to education to provide information and connections for organizations that depend on transit. Friends of Caltrain educates riders and stakeholders, including employers, businesses, and decision makers, about the value of Caltrain service and improvements.

Housing Trust: \$150,000

The City has made contributions to the Housing Trust Silicon Valley (HTSV) since 2001. The contributions to HTSV support site acquisition and financing of local affordable housing projects and provide assistance to first-time homebuyers for Mountain View residents.

Joint Venture: Silicon Valley: \$20,000

The City has been an ongoing member of Joint Venture: Silicon Valley (JVSV), which provides opportunities for education and regional collaboration. The City is actively involved in several JVSV indicatives.

Police Activities League (MVPAL): \$5,000

Since the MVPAL was relaunched in 2006, the program's nonprofit board has been staffed by volunteers and the program has been supported by financial and in-kind donations from public, private, and nonprofit organizations, in addition to community volunteers. MVPAL is a collaborative community effort that creates positive and constructive environments for our most vulnerable children. MVPAL programs encourage the development of life skills that will help divert at-risk youth away from the ever-enticing gang lifestyle, substance abuse, and criminal behavior. The Police Department actively supports a variety of programs and joint ventures, to include mentoring, boxing, Dreams and Futures, and Net Gain. The City has provided funding to MVPAL beginning in Fiscal Year 2012-13.

Project Sentinel – Fair Housing Services: \$25,000

- Project Sentinel has provided fair housing services since 2003 to ensure that housing providers are complying with Federal, State, and local fair housing laws. Services include:
 - Investigating fair housing cases.
 - Conducting fair housing audit tests.
 - Educating the public on tenants' rights pertaining to fair housing and educating landlords on fair housing compliance.
 - Providing legal referrals to those who allege they have experienced housing discrimination.

Project Sentinel – Mediation Program: \$91,944

- Project Sentinel provides mediation services for dispute resolution between tenants and landlords, and between tenants and tenants. This has been an ongoing City program.

Youth Waiver Program: \$2,000

There is \$2,000 available for the Youth Sports Fee Waiver Program. In Fiscal Year 2013-14, there was \$4,000 available and \$2,350 of that was provided to Mountain View Little League to help subsidize their existing scholarship program they make available to Mountain View residents. In Fiscal Year 2014-15, the amount was reduced to \$2,000 and the entire amount was provided to Mountain View American Youth Soccer Organization (AYSO) for the same purposes as they were the only youth soccer organization making the request. In Fiscal Years 2015-16 and 2016-17, the funds were not utilized. Each individual youth soccer organization is generally reliant on its own internal scholarship fund, and this fund has helped the organization supplement its own scholarship program. Staff is preparing to bring this to the youth soccer organizations to determine how best to solicit requests and standardize the process in the future.

Friends of Stevens Creek Trail: \$9,900

On March 20, 2018, Council approved providing a portion of the local matching funds required for the Friends of Stevens Creek Trail's grant application to the Santa Clara Valley Water District for fish passage improvements on Stevens Creek at Deep Cliff Golf Course. A similar "local match" was made after a request in 2016.

There are other services that are contracted directly with nonprofit agencies that are not included in Attachment 1. Examples of these are Community Services Agency (CSA) where the City has contracted with CSA to provide specific services to assist the homeless, and Project Sentinel that has been providing the first point of contact and hearing officer services for the implementation of the Community Stabilization and Fair Rent Act (CSFRA). The City also provides funding to the Central Business Association through the funds collected via the Business Improvement Districts. The City has also provided funding to SV@Home to support Affordable Housing Week, which includes events, forums, and educational opportunities on key housing issues.

Currently, the Fiscal Year 2018-19 Preliminary Budget does not include any changes to nonprofit funding for the General Operating Fund from the Fiscal Year 2017-18 Adopted Budget.

RECOMMENDATION

Provide direction to staff regarding any change to the nonprofit funding or funding process. Alternatives for Council to consider are as follows:

1. Continue the current funding process.
2. Request all nonprofit funding to be reviewed and approved through the CDBG process.
3. Develop new models for funding nonprofits and schedule a future Study Session to discuss.
4. Provide other direction.

NEXT STEPS

The public hearing for CDBG/HOME funding is scheduled for April 24, 2018 and the Narrative Budget Study Session is scheduled for May 1, 2018.

PUBLIC NOTICING

Agenda posting and notice to all nonprofit agencies listed in Attachment 1 that receive City funding.

PJK-WC/3/CAM
546-04-03-18SS-E

Attachment: 1. Schedule of Funding of Nonprofit Agencies