

**COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC SERVICE GRANT
POLICIES & PROCEDURES
AND
APPLICATION RATING CRITERIA**

I. INTRODUCTION

Costa Mesa is a Housing and Urban Development (HUD) entitlement City and as such, is automatically eligible to receive Community Development Block Grant (CDBG) funds. Program regulations (found in 24 Code of Federal Regulations 570) state that up to fifteen percent (15%) of CDBG funds may be used annually to provide public services (including labor, supplies and materials), provided the service meets one of the three national objectives established by HUD:

- Services of benefit to low and moderate income persons.
- Services to aid in the prevention or elimination of slums and/or blight.
- Services meeting an urgent need.

Public services may be any of a variety of programs or activities designed to address the objectives listed above including child care, youth services, homeless services, drug abuse counseling and treatment, health care, senior services and many others.

II. PUBLIC SERVICE GRANT DISTRIBUTION

Prior to 1994, grants were awarded to nonprofit organizations without preference for any specific type of service. In February 1994, the City Council adopted a funding policy in an effort to streamline the public service grant process. In January 2004, the City Council amended their original funding policy to the following:

1. A maximum of twenty (20) grants may be awarded per year.
2. Minimum grant amount \$5,000.
3. All applicants must provide most recent copy of 990 Tax Filing.
4. As a general guideline, applicants spending more than 20% of agency funds for administration and fundraising should not be funded.
5. HCD staff must obtain a copy of police incident reports for all applicants with Costa Mesa-based facilities that provide direct services to the public

In October 2015, the City Council's advisory committee on matters related to CDBG public services, the Housing and Public Service Grant Ad-hoc Committee

(H&PSG Ad-hoc Committee), made recommendations to the existing City Council funding policies:

1. A maximum of ten (10) grants may be awarded per year
2. Minimum grant amount is \$15,000.
3. All applicants must provide most recent copy of 990 Tax Filing.
4. As a general guideline, applicants spending more than 20% of agency funds for administration and fundraising should not be funded.
5. Staff will obtain copies of police incident reports for all applicants with Costa Mesa-based facilities that provide direct services to the public.
6. A maximum of five (5) points will be awarded to applicants that are based in Costa Mesa.

III. PROCESS

Housing and Community Development (HCD) staff will handle the recruitment/solicitation, distribution and collection of funding requests from local social service providers. ~~Staff will request volunteers from the 3R Committee to serve on the Public Service Grant subcommittee~~ The Economic and Development Services Director will convene the H&PSG Ad-hoc Committee for the purpose of interviewing grant applicants. All ~~3R~~ H&PSG Ad-hoc Committee members, including alternates, are eligible to participate. ~~The minimum number of participants on the subcommittee is three (3) and the maximum is twelve (12).~~

IV. APPLICANT INTERVIEWS

HCD Staff ~~staff~~ will arrange interviews with applicants and inform ~~sub~~committee members of times and locations. Prior to the interviews, ~~sub~~committee members will be provided with a copy of each applicant's complete funding request packet. ~~Subcommittee~~ Committee members should review these packets prior to the interviews. On the first evening of interviews, the ~~sub~~committee will be asked to select a spokesperson.

1. Structure of Interviews

Interviews will be set up to allow for a presentation by applicants of no more than ~~ten~~ five (105) minutes followed by a brief question and answer period. Between interviews, time will be allowed for the ~~sub~~committee to rate the applicant prior to proceeding to the next interview. Discussions regarding funding distribution should not be held at this time.

2. Question and Answer Period

Every attempt will be made to allow ample time for ~~sub~~committee members to ask questions of applicants. However, due to time constraints, the duration of the question and answer period may be limited. HCD sStaff will be responsible for limiting questions to ensure interviews proceed in a timely manner in order to accommodate all scheduled interviews.

In an effort to provide a fair and equal environment to all Public Service Grant applicants, a list of questions/topics has been compiled and will be provided to ~~sub~~committee members prior to the interviews (Exhibit A). A summary of the current rating criteria is also included in Exhibit A. ~~Subcommittee~~ Committee members should focus questions that fall within this list of topics and make every attempt to tailor questions to the specific area for which funding is being requested. For example, if an applicant has requested funds for administrative salaries and benefits then appropriate questions might revolve around salaries, duties, responsibilities, etc. of positions that fall within this description. However, if an applicant has requested funds to

Attachment 1

purchase equipment, it would be more appropriate to ask questions specifically pertaining to equipment needs.

HCD staff coordinating the interviews will be responsible for informing ~~sub~~committee members if they stray substantially from the guidelines of "Topics/Questions" in Exhibit A, and/or into territory not relevant to the application review process.

V. RATING AND FUNDING DETERMINATIONS

1. Applicant Rating

At the beginning of each round of interviews, HCD staff will distribute rating sheets for use that evening. One rating sheet per program will be completed by each ~~sub~~committee member. ~~Subcommittee-Committee~~ members should rate each applicant individually on each set of criteria listed on the rating sheet. A maximum one hundred (100) points is possible for each applicant, ~~with the exception of any coalitions which are also eligible for an additional ten (10) points. Based on current rating criteria, bonus points may also be available. If interviews are held for more than one day, Rating-rating~~ sheets will be collected by HCD ~~staff~~ Staff at the end of each ~~evening of interviews~~ interview session.

At the conclusion of all interviews, HCD staff will compile the data from all the rating sheets and provide the ~~sub~~committee with ~~a tally the average rating score~~ for each applicant, broken down into categories by type of service (Youth, Senior, etc.)

2. Funding Determinations

Utilizing the applications packets, the interviews and the ratings as tools, the ~~sub~~committee will formulate a recommendation on how the public service grant funds should be disseminated.

In order to facilitate comparison, applicants are ranked with like applicants by category with the higher rated applicants within each category being selected for funding. However, simply having the highest score within a category does not guarantee full funding for an applicant. The ~~sub~~committee reserves discretion to determine the amount of funding as well as the number of applicants funded within each category in order to comply with the City Council's directive on the maximum number of grants. Other factors to be considered include the amount requested, the number of applicants in a category and the type of service. The ~~sub~~committee also reserves the discretion to not fund an entire category if they feel that there is a more pressing need in other categories so long as this is consistent with City Council policy and the City's Consolidated Plan.

Attachment 1

For applicants applying as a coalition, ~~any~~ awarded funds will be designated as one total grant. The distribution of ~~any~~ awarded funds to the individual agencies will be at the discretion of the coalition's administrating agency. However, the ~~sub~~committee reserves the option to exclude from funding one or more individual member agencies of the coalition. If the ~~sub~~committee chooses to exercise this option and excludes one or more individual member agencies from funding, it will be necessary for the rationale behind this decision to be included in the Public Service Grant Staff Report presented to Council for approval.

Once the ~~sub~~committee has made their final recommendations, this information will be presented to the ~~3R Committee and subsequently to the~~ City Council for approval of the recommendations. The ~~sub~~committee will be asked to designate a spokesperson to represent them at the City Council public hearing. Applicants will also be notified of the funding their recommendations ~~for funding~~ prior to the ~~3R Committee and~~ City Council ~~Meetings-meeting~~ so that they may ~~provide~~ comment on the ~~sub~~committee's recommendations.

TOPICS/QUESTIONS EXHIBIT A

The following is a list of topics for questions that may be asked of applicants during public service grant interviews. All questions should relate directly to one of the topics, which were taken directly from the rating criteria and the application.

1. "Demonstrated need for service" –
 - Data/evidence of need in the community?
 - Costa Mesa vs. regional needs – why higher or lower in CM?
 - How differs from other programs that meet this need?
 - Why this agency is better than other programs that meet this need?
 - Is this a NEW program or an increase in service from prior year?

2. "Capacity to implement program and meet projected service goals"
 - Previous year's goals vs. actual assisted – higher or lower than expected? Why?
 - Agency background questions – years in service, staff qualifications, etc.
 - Program successes and failures - any changes implemented for this year?
 - Other programs implemented by this agency?
 - Goal determination – process?
 - Input from Staff regarding issues/trends of applicant's prior year activity.

3. "Cost effectiveness of the program"
 - Cost vs. number of Costa Mesa residents served?
 - Budget variances from previous years?
 - Budget determination – process?

4. "Proportion of low-income clients served"
 - Statistics – how low-income tracked? How low-income calculated?
 - Variances of low-income from previous years?
 - Low-income referrals and efforts to recruit – process?

5. "Percentage of program budget requested"
 - Costa Mesa funds versus total program budget?
 - What would happen if not funded?
 - Other cities requesting CDBG funds from – this year? Past years?
 - Other funds solicited – process? Successful in solicitation?

6. "Financial and client tracking systems"
 - Statistics – how clients are tracked through program? How client population calculated?
 - Variances of total clients from previous years?
 - Any follow-up provided once client completes program?

7. "Percentage of overall program budget servicing Costa Mesa residents"
 - Percentage of budget equal to percentage of residents serviced?
 - Percentage variances from previous years?

8. "Number of Costa Mesa residents served by the program"
 - Statistics – how residency verified? How residency tracked/calculated?
 - Variances from previous years - higher or lower? Why?
 - Costa Mesa referrals and efforts to recruit – outreach process?
 - How is 'double counting' avoided in service level reporting?

9. "Coalition points"
 - ~~Optional five points for being part of a coalition or collaborative~~
 - How does coalition operate?
 - Are funds only for coalition clients or will non-coalition clients also be served?

COSTA MESA CDBG PUBLIC SERVICE GRANT APPLICATION RATING CRITERIA SUMMARY

▪ **CRITERIA 1 -- DOES THE PROPOSED PROGRAM ADDRESS A COMMUNITY NEED?**

Data should be provided as evidence that a need exists in the community for the proposed program. Applications will be scored on the evidence that a need exists (including data that is relevant to Costa Mesa), and how the proposed program will reduce or eliminate the need.

Maximum Points: 15 Pts

DOES THE PROPOSED PROGRAM MEET A CONSOLIDATED PLAN PRIORITY NEED?

The Consolidated Plan process has identified the priority needs for programs and services in the community. Applications will be scored on the “relative priority” of the “Consolidated Plan Priority Need” the proposed program, that is does the proposed program address a high, medium or low priority need. Points are weighed toward an application that addresses a high priority.

Staff will screen all applications and will enter the corresponding score on the respective rating sheet.

Maximum Points:	High Need =	510 Pts
	Medium-Low Need =	26 Pts
	Low-No Need =	02 Pts

▪ **CRITERIA 2 - THE CAPACITY OF THE APPLICANT TO IMPLEMENT THE PROPOSED PROGRAM TO MEET PROJECTED SERVICE GOALS.**

“Capacity” evaluation should be based on objective data such as the percentage of a stated goal has the applicant has met on a consistent basis.

Staff will prepare a three-year funding/accomplishment history report for all applicants that have previously received CDBG funding from the City. For new applicants, program staff will make an effort to contact prior funders and ascertain a history of meeting stated goals.

Maximum Points: 20-15 Pts

▪ **CRITERIA 3 - COST EFFECTIVENESS OF THE PROPOSED PROGRAM.**

Application evaluation should focus on program cost factors such as:

- Percent of overhead, i.e., agency administration and fundraising
- Dollars per unit of service
- Comparison of proposed program per unit cost to other like programs
- Evaluation of the accomplishment rate of the proposed program

Staff will provide a summary of the percentage of program funds spent on program overhead as reported in an agency’s most recent 990 IRS filing. Existing policy states that agencies recommended for funding should not expend more the 20% of program funds for agency administration and fundraising.

Maximum Points: 20-15 Pts

▪ **CRITERIA 4 - LEVERAGING OF COSTA MESA CDBG FUNDS.**

Evaluation of leveraging should focus, but not limited to:

- The amount of additional funds the program will bring to the table
- Evaluate if the City's CDBG funds will be matched by other applicant resources
- Evaluate if the City's CDBG funds will be used as seed money designed to create additional funding opportunities
- Evaluate if the City's CDBG funds will be used to initiate a new program

Maximum Points: ~~45~~ 10 Pts

▪ **CRITERIA 5 - FINANCIAL AND CLIENT TRACKING SYSTEMS.**

The application review should focus on objective information such as:

- Timeliness of the applicants' reports
- Are funds being spent in a timely manner
- Is sufficient documentation to back up payment provided
- Are performance results measured against established goals

Staff will provide a three-year funding history and accomplishment report prior to deliberations.

Maximum Points: ~~20~~ 10 Pts

▪ **CRITERIA 6 - PERCENT OF OVERALL PROGRAM BUDGET BENEFITING COSTA MESA RESIDENTS.**

Staff will evaluate applications and provide a summary of the percentage of the overall program budget that will serve Costa Mesa residents. To encourage the support of programs that predominately serve Costa Mesa, a sliding scale of points should be used:

Staff will screen all applications and will enter the corresponding score on the respective rating sheet.

Maximum Points: 100% - 70% if program budget benefits CM residents = 10 Pts
69% - 30% if program budget benefits CM residents = 6 Pts
29% - or less if program budget benefits CM residents = 0 Pts

▪ **CRITERIA 7 – APPLICATION SUBMITTED AS A COALITION OR COLLABORATIVE**

The City encourages innovative partnerships among applicants in an effort to efficiently and effectively meet the identified need(s) of Costa Mesa residents, and to reduce program administrative costs. Committee members should allocate points based on the strength of the coalition/collaborative relationship, ability to provide effective/efficient services to clients, and reduced administrative costs. (Note: It is not necessary for all coalition/collaboration members to be applicants of CDBG funds; however, the applicant agency must provide copies of agreements, memorandums of understanding, etc. to substantiate the relationship(s) and role(s) of the partnership agencies.)

Maximum Points: 10 Pts

▪ **CRITERIA 8 – AGENCY BASED IN THE CITY OF COSTA MESA**

Points will be awarded to those agencies that are headquartered in Costa Mesa. Consideration could be given to those agencies that are not based in the City but that provide services in the City.

Maximum Points: Agency headquartered in Costa Mesa = 5 Pts
Agency not headquartered in Costa Mesa but provide services in the City = 2 Pts

▪ **CRITERIA 7-9 - EFFECTIVENESS OF INTERVIEW**

There should be an incentive for applicants to be well prepared to answer questions from the Application Review SubH&PS committee-Committee so the latter can best evaluate the application as

objectively as possible. Applicants have been encouraged to send knowledgeable program representatives to make concise presentations to the ~~sub~~committee and that can respond to questions regarding the application.

Maximum Points: 5 Pts

▪ **CRITERIA 8 - COALITION POINTS (UP TO 10 POSSIBLE POINTS)**

~~The City encourages innovative partnerships among applicants in an effort to reduce program administrative costs. The type of coalition/collaborative that are eligible for extra points has been delineated in the application.~~

~~Committee members should allocate extra points based on the strength of the coalition/collaborative relationship, ability to provide effective/efficient services to clients, and to reduce administrative costs for the City.~~

Maximum Points: 10 Pts

▪ **CRITERIA 9-10 – VETERANS PREFERENCE POINTS (UP TO 10 POSSIBLE POINTS)**

The City Council has authorized the allocation of extra rating points for agencies that provide a preference to Veterans and their families. Extra points will be awarded based on the percentage of veterans served by an applicant. Rating points will be awarded based on the following scale:

0 % of clients are veterans =	0 Pts
0.1 to 10% of clients are veterans =	1 Pt
10.1% to 20% of clients are veterans =	2 Pts
20.1% to 30% of clients are veterans =	3 Pts
30.1% to 40% of clients are veterans =	4 Pts
40.1% to 50% of clients are veterans =	5 Pts
50.1% to 60% of clients are veterans =	6 Pts
60/1% to 70% of clients are veterans =	7 Pts
70.1% to 80% of clients are veterans =	8 Pts
80.1% to 90% of clients are veterans =	9 Pts
90.1% to 100% of clients are veterans =	10 Pts

Maximum Points: 10 Pts

▪ **Other evaluation factors**

- ~~Does the application meet the minimum HUD requirement that 51% of all clients serviced by a public service grant qualify as Low-/Mod-Income, and also meets the City's requirement that 70% of clients qualify as Low-/Mod-Income clients? Staff will provide the information.~~
- Police Service call information will be provided. No rating score is directly attributable to this information; however raters may consider the information as it deliberates. [HCD](#) staff will provide the information.