



CITY COUNCIL AGENDA REPORT

MEETING DATE: JANUARY 19, 2016

ITEM NUMBER: **NB-2**

SUBJECT: REVISIONS TO COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC SERVICE GRANTS RATING CRITERIA AND RELATED POLICIES AND PROCEDURES

DATE: JANUARY 7, 2016

FROM: DEVELOPMENT SERVICES DEPARTMENT/HOUSING AND COMMUNITY DEVELOPMENT

**PRESENTATION BY: WILLA BOUWENS-KILLEEN, AICP, ZONING ADMINISTRATOR
MIKE LINARES, CDBG/HOME COORDINATOR**

**FOR FURTHER INFORMATION CONTACT: MIKE LINARES, 714.754.5678
Mike.Linares@costamesaca.gov
WILLA BOUWENS-KILLEEN, 714.754.5153
Willia.Bouwens-Killeen@costamesaca.gov**

RECOMMENDATION:

Approve revised rating criteria and related Policies and Procedures for Community Development Block Grant public service grant applications as recommended by the Housing and Public Service Grant Ad-hoc Committee.

BACKGROUND:

The City of Costa Mesa is a recipient of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). CDBG funds can be used for a variety of activities provided the majority of program/project beneficiaries are low and moderate-income persons. The City is allowed to allocate up to 15 percent of its annual CDBG allocation for public services, i.e., social service programs.

Prior to each fiscal year, Housing and Community Development (HCD) staff solicits applications for CDBG public service grants from nonprofit organizations and City departments that provide direct services to Costa Mesa residents. Since 1995, the City Council has charged a resident advisory committee with the task of rating and ranking applications and, ultimately, developing funding recommendations for Council consideration. Prior to 2012, this advisory committee was the Redevelopment and Residential Rehabilitation (3R) Committee. Since 2012, the Housing and Public Services Grant (H&PSG) Ad-hoc Committee has served in this advisory role.

To facilitate the grant recommendation process, the City Council has adopted policies and procedures and grant application rating criteria. In past years, the application rating criteria and policies/procedures have been modified in response to changing HUD and City priorities, and at the request of the resident advisory committee. At its September 24, 2015, meeting, members of the H&PSG Ad-hoc Committee discussed the need to modify the current application rating criteria. Specifically, members of the committee want

to ensure that grant funds were making an impact in the community. Committee members discussed the possibility of increasing the minimum grant amount and encouraging greater collaboration among grant applicants. On October 29, 2015, the H&PSG Committee met and voted on several revisions to the existing grant application rating criteria. HCD staff has modified the existing Policies and Procedures to reflect the recommended changes to the application rating criteria. In summary these modifications include the following:

1. A maximum of ten grants may be awarded per year. (*Revised from maximum of 20 grants per year.*)
2. Minimum grant amount is \$15,000. (*Revised from \$5,000.*)
3. Staff will obtain copies of police incident reports for all applicants with Costa Mesa-based facilities that provide direct services to the public. (*Added emphasis in review process.*)
4. A maximum of five points will be awarded to applicants that are based in Costa Mesa. (*Previously no points were provided for Costa Mesa-based programs.*)
5. Award rating points for grant applicants that partner with other service providers. Note: partner does not need to be a grant applicant. (*Previously only bonus points were awarded for collaborative applications.*)

A red-line of proposed changes to the public service grant rating criteria and corresponding modifications to the existing policies and procedures is provided as Attachment 1.

ANALYSIS:

As a recipient of CDBG funding, the City of Costa Mesa can allocate up to 15 percent of its annual allocation from HUD, for public services. The City Council has established rating criteria and policies/procedures to facilitate the allocation of these funds. The H&PSG Ad-hoc Committee has been charged with utilizing the criteria and policies/procedures to develop funding recommendations for Council consideration.

The H&PSG Ad-hoc Committee desires to ensure that CDBG public service grant funds make a noticeable and positive impact in the City. To this end, application rating criteria could be modified to encourage more efficient and effective use of grant funds. The revised rating criteria will allow H&PSG Ad-hoc Committee members to award points to grant applicants that can demonstrate program efforts will address a community need, and that can efficiently utilize funds. Increased funding (i.e., minimum grant) will provide grant recipients with the resources needed to invest in the community and to better address the needs of Costa Mesa residents.

ALTERNATIVES CONSIDERED:

Utilizing rating criteria for the allocation of public service grants funding is at the discretion of the City Council. The City Council could choose to not modify the existing criteria and policies/procedures, leaving the current process in place. Similarly, the Council could direct staff to include additional modifications for use by the H&PSG Ad-hoc Committee.

FISCAL REVIEW:

Approval of these changes will not have a fiscal impact on the City's budget.

LEGAL REVIEW:

The recommended action does not require legal review.

CONCLUSION:

It is recommended that the City Council revise the rating criteria and related policies and procedures for CDBG public service grant applications as recommended by the H&PSG Ad-hoc Committee.

MIKE LINARES
CDBG/HOME COORDINATOR

WILLA BOUWENS-KILLEEN, AICP
ZONING ADMINISTRATOR

GARY ARMSTRONG, AICP
ECONOMIC DEVELOPMENT AND
DEVELOPMENT SERVICES
DIRECTOR / DEPUTY CEO

STEPHEN DUNIVENT
INTERIM FINANCE DIRECTOR

CC: Chief Executive Officer
Assistant Chief Executive Officer
Director of Economic & Development / Deputy CEO
City Attorney
Public Services Director
Transportation Services Manager
City Clerk (9)
Staff (7)
File (2)

ATTACHMENTS: 1 [Draft Revised Community Block Grant Public Service Grant Policies & Procedures and Application Rating Criteria](#)