



City of Carson Report to Mayor and City Council

October 4, 2011
Unfinished Business

SUBJECT: CONSIDER REVISED GUIDELINES FOR COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC SERVICE PROGRAM SUBMITTALS

Submitted by Clifford W. Graves
Economic Development General Manager

Approved by David C. Biggs
City Manager

I. SUMMARY

This item is continued from the September 20, 2011 City Council meeting (minutes unavailable).

At the September 20, 2011 City Council meeting, staff presented proposed revisions to the policy guidelines for evaluating Community Development Block Grant (CDBG) public service program submittals. The current policy was adopted by City Council in 2006, prompted by anticipated continued reductions to and the possible elimination of the CDBG program. City Council directed staff to develop additional provisions to the proposed guidelines that would address two areas of concern: 1) provide additional consideration in the proposal rating process to programs with long histories of receiving CDBG funds from the city; and 2) modify the application of a minimum proposal rating score an applicant program must receive in order to receive funding consideration.

II. RECOMMENDATION

TAKE the following actions:

1. ADOPT the recommended policy guidelines for Community Development Block Grant public service funding requests (Exhibit No. 1).
2. DIRECT staff and the Citywide Advisory Commission to apply these guidelines to the review, evaluation, and recommendation of applications for funding.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Staff proposes enhanced revisions to the policy guidelines to more closely link the program administration and monitoring process to that of evaluating requests for funding.

In discussing the matter at its September 20, 2011 meeting, City Council instructed staff to develop additional provisions in the revised guidelines providing additional consideration to programs with long histories of receiving CDBG funds from the city, and modifying the minimum rating score that an applicant program must receive to be considered by the Citywide Advisory Commission (CAC). In summary, the proposed added policy revisions presented by staff would include the following changes:

1. Similar to the existing policy guideline awarding bonus points to Carson-based service providers, providers with histories of ten (10) years or more would receive a maximum of five additional bonus points.
2. Providers with histories of ten years or more of funding would also be provided an additional year to correct identified program monitoring deficiencies before being dropped from further funding consideration.
3. Recognizing that the award of bonus points for Carson-based providers and for longevity does increase the maximum rating score a provider can attain to 115 points, the recommendation from September 20 that an applicant program be required to attain a rating score of 70 or above to receive further consideration would be modified to incorporate a "curve" element. Thus, rather than a straight 70-point minimum, the minimum rating score in order to advance to CAC consideration will be based on 70% of the top-scoring program's score.

Prompted by anticipated continued reductions to, and possible elimination of the CDBG program, staff will increase emphasis on program monitoring and performance reporting. The U. S. Department of Housing and Urban Development (HUD) subjects the city's operation to similar monitoring of its CDBG program. Program providers must demonstrate to city staff that the program expenses that providers incur, and are reimbursed from CDBG funds, are for eligible purposes. Additionally, the programs receiving CDBG funding must be serving a majority of persons of low and moderate income (a key CDBG national objective). Staff has found a number of providers that continue to receive CDBG funding find it difficult each year to comply with the documentation and reporting requirements (based on HUD regulations and guidelines), making it difficult to justify to HUD why those programs continue to receive funding. To address this problem, staff has taken a number of steps to increase the degree of technical assistance it provides to our service providers. These have included providing feedback and recommendations from the monitoring reviews, meeting periodically with individual providers to address problems that develop throughout the program year and prior to the application deadline each year, setting up workshops for prospective providers where the CDBG program's eligibility criteria, and the reporting and documentation

requirements, is outlined. In the upcoming application cycle, staff will provide more detailed information in these pre-application workshops on how to collect the required program information and maintain the required files. For the past three years, staff has made attendance at one of these workshops mandatory for programs applying for funding. Given that the policy guidelines are open for consideration at this time, staff is recommending the inclusion within Council’s policy guidelines of mandatory attendance at these pre-application workshops on the part of prospective providers.

V. FISCAL IMPACT

None

VI. EXHIBITS

- 1. Policy Guidelines for Community Development Block Grant Public Service Funding (Current and Proposed). (pgs. 4-5)

Prepared by: Keith Bennett

TO:Rev091911

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council	
Date _____	Action _____

Policy Guidelines for Community Development
 Block Grant Public Service Funding
 (Current and Proposed)

Existing Guidelines (Adopted 11/8/06)	Staff's Proposed Changes (Presented 9/20/11)	Changes in Response to Council Direction 9/20/11
<p>Applications for Community Development Block Grant (CDBG) and Cultural Arts Commission funding shall be considered by the City Council at the same meeting.</p> <p>No service provider shall receive funding from both CDBG and Cultural Arts Commission budgets, however, there is no limit to funding an organization from one source if the organization has two distinct programs.</p> <p>That there will be <u>no limit</u> on the number of consecutive years a service provider may receive funding. However, there should be no earmarking of annual funding for any service provider. That is, the amount of funding a service provider receives in any single year shall be determined by a competitive application process.</p>	<p>No proposed change (reserved in the event of reinstatement of Cultural Arts funding or development of a similar funding source).</p> <p>No proposed change (reserved in the event of reinstatement of Cultural Arts funding or development of a similar funding source).</p>	
<p>Each Commission (Citywide Advisory and Cultural Arts), in conjunction with staff, shall establish a point system for evaluation of applications. Service providers who are Carson-based or predominantly serve Carson residents shall receive bonus points.</p>	<p>Link consecutive funding availability to results of annual program monitoring. Programs with less than satisfactory results given one year to correct identified deficiencies. A second consecutive year of less than satisfactory results will result in that program no longer being permitted to apply for or receive funding.</p> <p>Applicants must attain a minimum score of 70 on the proposal rating system to advance to Citywide Advisory Commission review.</p>	<p>Programs with less than satisfactory program monitoring results, but with ten (10) or more years of funding history given <u>two</u> years to correct identified deficiencies before being denied the opportunity to apply for or receive funding.</p>
		<p>Modify the minimum score to advance to Citywide Advisory Commission review to a number based on 70% of the highest-rated program's score.</p>

Existing Guidelines (Adopted 11/8/06)	Staff's Proposed Changes (Presented 9/20/11)	Changes in Response to Council Direction 9/20/11)
<p>The minimum annual grant amount for CDBG and Cultural Arts Commission service providers shall be \$7,500.00. However, it is the City Council's policy to not fund startup organizations or programs.</p>	<p>Increase the minimum annual grant amount for CDBG to \$10,000.00. "Startup" defined as a program that has an operational history of less than two years, regardless of the length of time the organization proposing to operate the program has been in existence.</p>	
<p>Applications for funding shall be compared for administrative versus direct client service costs and collaboration with other entities in providing services.</p>	<p>No proposed change.</p>	
<p>(No existing guideline regarding the number of programs to be funded per year.)</p>	<p>Limit the number of programs awarded CDBG funding to no more than ten (10) per year.</p>	
<p>(No existing guideline regarding granting additional consideration to programs with lengthy funding histories.)</p>		<p>Award programs that have been founded for ten (10) years or more a maximum of ten (10) bonus points</p>
<p>(No existing guideline regarding attendance at pre-application workshops conducted by staff</p>		<p>(Additional recommendation by staff: Require applicants to have attended pre-application workshop in order for their application for funding to be accepted.)</p>