



**Draft for Housing and Human Services Commission review
on October 24, 2012**

Council Date: November 13, 2012

SUBJECT: Discussion and Possible Action to Determine Priority Needs for Human Services and Amount of Supplemental Funding for Fiscal Years 2013-14 and 2014-15

BACKGROUND

The City provides funding to eligible human services agencies on a competitive basis pursuant to Council Policy 5.1.3: Human Services, originally adopted in 1981, and amended in 1999 and 2006. Eligible human service agencies are those providing supportive services to clients, a majority of whom are lower-income persons or households (those earning less than 80% of area median income). This funding is provided on a two-year cycle following hearings held by the Housing and Human Services Commission (Commission) and Council to determine the “priority human service needs” for the next two years.

Currently, slightly over two-thirds of this funding comes from the federal Community Development Block Grant (CDBG), and the remainder from City general funds, pursuant to historic practice and formalized by Council actions taken in November 2008 which directed staff to include an appropriation of \$100,000 (confirmed annually) in supplemental funding for human services in the City’s 20-year Resource Allocation Plan. On April 3, 2012, Council held a study session on Council Policy 5.1.3, and provided input on the current evaluation and allocation process (see **Attachment 1**). This input has been incorporated into the recommended alternatives, as explained further in the Discussion section of this report.

Agencies providing human services not encompassed within any of the priority needs categories are not excluded from this funding opportunity, although proposals addressing priority needs will receive higher ranking than those addressing non-priority needs. After the priority needs have been recommended by the Commission and approved by Council, staff will issue a request for proposals (RFP) for programs serving the priority needs, and will begin reviewing proposals in early 2013. After proposals are reviewed by staff for eligibility, the Commission will hold several more public hearings to evaluate proposals and recommend funding allocations to Council for approval in May 2013.

EXISTING POLICY

Human Services Policy 5.1.3

POLICY STATEMENT:

I. The City will bi-annually, prior to adoption of the two-year Resource Allocation Plan, review prevailing conditions of human needs within the City and give appropriate attention to Human Services Policies in the City. The Housing and Human Services Commission, following one or more public hearings, will recommend to City Council priority human service needs for the next two years. Following a public hearing, City Council will adopt a two-year priority of human service needs.

2010-2015 HUD Consolidated Plan:

Goal C: Community Development

Objective 1: Support provision of essential human services, particularly for special needs populations.

Need addressed: Lower-income households and/or those with special needs often struggle to meet their basic needs for food, clothing, health, child care, and shelter, or more specialized services described in Chapter 4.

Prioritization: Very low-income, extremely low-income, and/or special needs households (seniors, disabled, homeless people, children, youth, victims of domestic violence, etc.):

- A. Basic needs (such as food, shelter, transportation, health & mental health care, employment assistance/training, child care, etc).
- B. After school or intervention programs to provide youth with positive alternatives to drugs, violence, and/or gangs (i.e., recreational, mentoring, educational, and career-building activities).
- C. Mental health, addiction and substance abuse counseling, particularly for youth and those exiting institutions.
- D. Other specialized supportive services as may be requested by the community, such as foreclosure assistance, legal assistance for seniors and others, and other specialized human services, such as those currently supported by the City, or those that may address a new or unmet priority need.

DISCUSSION

For many years Sunnyvale has provided funding for various human services using both CDBG and general funds (“supplemental funds”). The use of CDBG funds must be consistent with the City’s 2010-2015 Consolidated Plan, a five-year strategic plan, required by the U.S. Department of Housing and Urban Development (HUD) as a condition of providing the grant. This plan identified Sunnyvale’s housing and community development needs through a citizen participation process held in 2009-10, and outlines a strategy to address those needs, including the priority human services needs set forth by the City, as well as the criteria used to set such priorities. Based on community input,

Commission recommendations and Council actions, the adopted 2010-15 Consolidated Plan included the objective of meeting priority needs for human services in categories A through D, as shown above.

Attachment 2 provides more detail on how funding was allocated among these general priority needs categories for the current two-year funding cycle (fiscal years 2011-12 and 2012-13). The allocations are also shown by type of clientele or special needs group (elderly, disabled, homeless, etc.) to receive “prioritization” in receiving the services funded, consistent with the Consolidated Plan.

The purpose of the current biennial hearing is to determine whether this list of priority needs should continue to be implemented for the FY 2013-2015 funding cycle, or if it should be modified or updated in any way prior to solicitation of proposals. An additional aspect of this process that Council may wish to consider at this time is whether the current amount of annual supplemental general funds provided in the 20-year Resource Allocation Plan (\$100,000) is appropriate for the upcoming two-year cycle.

In addition, in response to some of the input received at the April 3, 2012 Council study session, staff has provided a copy of the current evaluation criteria and scoring guidelines used during the last funding cycle, for Council consideration and possible adjustment (**Attachment 3**). Council may also wish to provide additional direction to staff and/or the Commission for other modifications to the funding process, such as setting a pre-determined proportion of funding for each of the general need categories and evaluating applications only within their respective needs. For instance, all basic needs (“safety net”) services would compete amongst similar safety net programs within the pre-determined portion of funding (i.e. 60% of total or other percentage) allocated for safety net services. In prior funding cycles, staff has recommended setting such funding targets for each category before issuance of an RFP, but those recommendations were not supported by the Commission in the past, as commissioners preferred to evaluate each proposal on its merits against all other proposals received.

Council may wish to consider setting general targets similar to the percentage of funding shown for each priority needs category in the first chart in Attachment 2, or in any other amounts. The current percentages reflect the past practice and decisions made through general community consensus in the prior funding round. The current distribution of funding among the categories is generally similar to that of earlier cycles as well. While setting targets can be helpful, flexibility should be allowed to respond to the quality of eligible proposals received, and the public comments received through the citizen participation process.

FISCAL IMPACT

The recommended alternatives (1.a and 2.a) are consistent with the current Adopted Budget and 20-year Resource Allocation Plan, and therefore these alternatives would have no fiscal impact on the general fund. The impact of different alternatives would depend on the alternative amount of general funds proposed. Expenditures of CDBG grant funds on human services is not considered an impact to the general fund, as these funds must be spent in a timely manner or any unused portion will be lost to the City. Alternative 3 would not have any fiscal impact as it would not change the total amount of funding made available for human services, but it would provide some guidance regarding how to allocate available funds among the service categories.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

At a regular meeting on October 24, 2012, the Commission held a hearing to review the needs identified in the Consolidated Plan, as noted on page two above, and to identify any new priority or unmet human service needs, and made the following recommendation to Council: **[insert recommendation]**. Minutes of that meeting are provided in **Attachment 4**.

ALTERNATIVES

1. Determine Priority Needs:
 - a. Approve the priority human service needs as described in the 2010-2015 Consolidated Plan.
 - b. Approve a modified list of priority human service needs.
2. Determine Supplemental Funding:
 - a. Confirm the annual appropriation of \$100,000 in general funds for supplemental human services, consistent with the current 20-year Resource Allocation Plan, and direct staff to include that amount in the Recommended 2013 Projects Budget.
 - b. Direct staff to include a different amount of general funds in the Recommended 2013 Projects Budget.
3. Set general funding targets for each priority need category, to be used as a guideline for future allocation decisions, consistent with the distribution shown in page 1 of **Attachment 2**, or as determined by Council.
4. Provide direction to staff regarding any desired modifications to the current evaluation and scoring system as shown in Attachments 1 and 3.

RECOMMENDATION

Staff recommends Alternatives 1.a, 2.a, and 3. Public input and concerns expressed during the hearings on the 2010-2015 Consolidated Plan and subsequent annual Action Plans confirm that the priority needs set forth in the Consolidated Plan continue to be valid. The Commission has consistently recommended maintaining supplemental general funding for human services at \$100,000 annually, as the cost of providing a consistent level of service to address these priority needs exceeds the amount of CDBG funding available for human services. Staff also recommends Alternative 3 as it may help applicants more clearly define their proposals, would allow programs to be more fairly evaluated among peer services, and would help policy-makers with difficult allocation decisions, if funding targets were established in advance for each priority need category.

Reviewed by:

Hanson Hom Director, Community Development

Prepared by: Suzanne Isé, Housing Officer
Katrina L. Ardina, Housing Programs Analyst

Approved by:

Gary M. Luebbers
City Manager

Attachments

1. Notes from April 3, 2012 Council Study Session
2. Current Human Services Funding Distribution
3. Evaluation Methods from January 2011 RFP
4. Minutes of the Housing and Human Services Commission Meeting of October 24, 2012

Attachment 1

Notes from April 3, 2012 Council Study Session

CITY OF SUNNYVALE
City Council Study Session
Summary

Study Session on
April 3, 2012

Review of Council Policy 5.1.3: Human Services

The City Council met in study session in the West Conference Room at City Hall, 456 W. Olive Avenue in Sunnyvale, California, on April 3rd, 2012 at 6:30 p.m., with Vice-Mayor David Whittum presiding.

City Councilmembers Present:

Mayor Anthony Spitaleri
Vice Mayor David Whittum
Chris Moylan
Jim Griffith
Patrick Meyering
Tara Martin-Milius
Jim Davis

City Councilmembers Absent:

None

City Staff Present:

Gary Luebbers, City Manager
David Kahn, City Attorney
Robert Walker, Assistant City Manager
Hanson Hom, Director of Community Development
Suzanne Isé, Housing Officer

Visitors/Guests Present:

Marie Bernard, Sunnyvale Community Services

Call to Order: 6:30 p.m.

Study Session Summary:

Director Hom introduced Housing Officer Isé, who gave a brief slide presentation on the subject, including a brief background, the issues of concern identified by Council and staff during several public hearings on human services funding last year, and some possible changes to the process.

Council asked questions and commented on the subject:

- Council should follow the adopted funding policies/criteria throughout the process, not change criteria at the end of the process. The process seemed to work well last time. Is it really broken?
- The system is broken.
- Cost per client or per unit of service is a very important evaluation criterion. Staff must provide accurate data regarding these costs.
- Cost per client is not really the best way to evaluate the cost-effectiveness of these programs. A more important factor is how much cost-savings the proposed program would generate for the City, by preventing the need for more critical and expensive city services (public safety interventions, hospitalizations, incarceration, etc.).
- Council should provide direction to the Housing and Human Services Commission (HHSC) early in the process regarding the amount of the General Fund supplement Council is willing to allocate.
- We need to look both ways at cost effectiveness: both cost per unit or client, and value to society of the service.
- Staff should provide data on cost savings created by each program.
- The aging population is going to impact all levels of government by increasing the need for human services. This will be the number one issue impacting cities in the coming years.
- City role is to have a bigger perspective, including acknowledging the law enforcement savings created by many of these programs.
- Council is not as familiar with the proposed programs as are others involved earlier in the evaluation process, so they should give serious consideration to the evaluations of those who have spent time reviewing the programs in detail.

Members of the public offered the following comments:

- Other funding agencies, such as the United Way, the County, and Silicon Valley Community Foundation, are also looking at ways to better evaluate and rank funding proposals. Many of these funding agencies are dividing available funds into pre-determined portions before soliciting proposals, such as a fixed amount for safety net services, and another amount for one or more specialized social services. City should look at what they are doing and may find some good techniques for making difficult funding decisions.

Adjournment: 6:55 p.m.

Respectfully submitted,

Suzanne Isé
Housing Officer

Study Session on Human Services Policy 5.1.3

Purpose and Desired Outcome of Study Session:

The purpose of this study session is to determine what aspects of the CDBG Human Services funding process Council wishes to further explore. Staff has divided the current process into five components which are described below. For each component, staff has provided Council's existing policy, concerns it has heard over the years, and possible options Council may wish to explore as a part of this study. This exercise will help staff to focus its efforts on those aspects of the funding process that concern the Council the most.

A. Background

Policy Framework for Human Services Funding Program:

- Council Policies
- Council Actions on December 16, 2008 (RTC# 08-372)
- HUD Consolidated Plan
- Socio-Economic Element of the General Plan
- Allocation to Program in Projects Budget and Resource Allocation Plan

B. Issues for Discussion

1. Determination of General Fund Supplement Amount

Council Policy 5.1.3 (full text is attached).

POLICY STATEMENT:

- 1. The City will **bi-annually**, prior to adoption of the two-year Resource Allocation Plan, review prevailing conditions of human needs within the City and give appropriate attention to Human Services Policies in the City. The Housing and Human Services Commission, following one or more public hearings, will recommend to City Council priority human service needs for the next two years. Following a public hearing, City Council will adopt a two-year priority of human service needs.*

Current policy requires the City to hold three Council hearings in first year of two-year cycle. This provides three opportunities in the first year of the cycle for Council to modify the amount of General Fund supplement for the coming fiscal year. The first of these opportunities, the November hearing, occurs prior to the release of the RFP for human services proposals:

- November:** Tentative determination of General Fund supplement during CDBG Priority Needs hearing.
- May:** Tentative amount of supplement is confirmed or modified during CDBG Action Plan hearing.
- June:** Final approval of supplement as part of City budget approval.

Two hearings are required in the second year of two-year cycle:

- May:** Tentative amount of supplement is confirmed or modified during CDBG Action Plan hearing.
- June:** Final approval of supplement as part of City budget approval.

Possible Concerns:

During the most recent funding cycle, at least one councilmember asked if there were any opportunities to reconsider the general fund supplement amount for the following fiscal year (FY 2012-13) prior to approval of the budget for that fiscal year.

Option:

Hold an additional hearing (before May) in the second fiscal year of the cycle to confirm or modify the General Fund supplement amount contained in the Projects Budget and Resource Allocation Plan, which would have been adopted during the budget hearings in June of the first year of the cycle. This consideration could be a consent agenda item or a public hearing.

2. Role of the Housing and Human Services Commission

Current Council Policy provides rather broad direction to the Commission regarding evaluation of human services applications:

C.P. 5.1.3 §VIII (4):

The Housing and Human Services Commission will conduct formal evaluations of the applications, including the opportunity for each group to present its program in public hearing for evaluation. The Commission will make recommendations to the City Manager and Council for allocation of available CDBG funds to outside groups to provide human services.

Possible Concerns:

During the last cycle, some council members were apparently disturbed by an unanticipated recommendation of the Commission to use approximately \$60,000 from the Budget Stabilization Fund for human services grants, and/or were confused by the Commission's choice not to formally rank or score the grant proposals, and their decision to recommend grants based on a proportion of the total funding available (an unknown amount due to Congressional debates at the time), rather than allocating a fixed dollar amount at the time of the hearing. All of these issues were unique to the 2011 allocation cycle, however, and were primarily related to the federal funding cuts expected last year.

Options:

Provide more specific direction to the Commission with regard to how it should make its recommendation to the City Manager and Council, such as:

- a. Require Commission to ensure that its funding recommendations do not exceed the amount of funds allocated to Human Services in the Resource Allocation Plan or most recent Council Hearing to determine tentative funding amount.
- b. Require Commission to ensure that recommended grant awards are within the minimum and maximum grant amounts established by Council.
- c. Require the Commission to formally score and/or rank the applications prior to determining recommended grant amount, using the scoring method established in the RFP and/or added to Council Policy.
- d. Establish a Council sub-committee to develop more detailed policy direction to the Commission regarding the procedures it shall follow in making its funding recommendations (i.e., any of the above details and/or direction regarding site visits, evaluation criteria, etc.).

3. Evaluation Criteria

Council Policy 5.1.3 includes broad guidelines regarding the evaluation process and criteria to be used in allocating human services funding. These are largely similar to those used in the non-Human Services Outside Group Funding process:

VIII. EVALUATION PROCESS:

To assure all applications for City funding of human services receive due consideration and to ensure Council is provided with the information it needs to make its funding decisions, the following evaluation process will be applied to requests received:

1. *Applications not received by the due date will be rejected. Applicants submitting applications, which are materially incomplete, will have five working days from notification by staff to correct any deficiencies, or their applications will not receive further evaluation.*
2. *Staff will determine proposal eligibility based on guidelines provided in this policy. Proposals not qualifying will not be recommended to Council for funding and will not receive further evaluation.*
3. *Staff will prepare a technical evaluation of the applications and make recommendations to the Housing and Human Services Commission based upon the priorities adopted by City Council and upon its evaluation of the applicant's ability to effectively deliver such services.*
4. *The Housing and Human Services Commission will conduct formal evaluations of the applications, including the opportunity for each group to present its program in public hearing for evaluation. The Commission will make recommendations to the City Manager and Council for allocation of available CDBG funds to outside groups to provide human services. The Commission may also notify the City Manager and City Council of applications where a significant need will remain unmet even if Council allocates CDBG funds as recommended. The City Manager may recommend, and the City Council may provide supplemental funding from the annual Operating Budget.*

5. *The City Manager will forward the Commission recommendation to Council with a staff recommendation thereon.*

The Housing and Human Services Commission shall develop evaluation criteria, which criteria must be consistent with adopted Council policy. Staff and the Commission will apply these criteria uniformly to all applications reviewed. The following guidelines for general evaluation criteria include (but are not limited to):

Critical Evaluation Factors. *Each of these factors must be met for the program to receive a recommendation for City funding.*

- *The organization must meet minimum eligibility standards to receive funding.*
- *The organization and its program must have demonstrated good performance and capability to effectively provide the program.*
- *The organization and its program must deliver services in a cost-effective manner.*
- *The organization must be an appropriate agency to deliver this program.*
- *The program must not be a duplication of services provided in the same service area.*
- *The organization and its programs must demonstrate strong financial management and effective management controls.*
- *The proposed program must have a contingency plan for funding if City support is limited or eliminated in the future.*

Favorable Evaluation Factors. *The proposed program must address one or more of the following factors to receive a positive recommendation.*

- *The proposed program addresses a priority adopted by the City Council and is related directly to a general plan policy.*
- *The proposed program is a needed enhancement of any existing City program, and can be better performed by an outside group than by the City directly.*
- *The program has a diverse funding base and is not heavily reliant upon City funds to support its operation.*
- *The program has leveraged City funds with other funding sources to maximize service provision.*

Slightly more detailed evaluation criteria and a scoring method was established in the RFP and application form provided to applicants in FY 2010-11. These criteria, which incorporate all the applicable CDBG regulations, were used by staff in order to complete the technical evaluations called for in Council Policy. The current form of the RFP and application form was developed in 2009 in collaboration with other CDBG jurisdictions within the County and their technical consultant, based on CDBG regulations and past practices of the participating jurisdictions. It is similar to the documents that had been used in prior years. The RFP was reviewed and approved by the Housing and Human Services Commission prior to its release, to ensure that they agreed with the evaluation method described therein.

Possible Issues:

At least one Council member expressed dissatisfaction that neither staff nor the Commission used a mathematical formula to evaluate proposals and determine grant amounts, based on data such as "cost per client" and "number of Sunnyvale residents served".

Options:

- a. Develop more detailed evaluation criteria and/or a more detailed evaluation process.
- b. Add language to this section of the Council Policy describing the desired evaluation criteria and/or process in more detail.

4. Staff Technical Evaluations and Scoring

Currently Housing Division staff is responsible for technical evaluations and staff scoring of applications received. Staff uses the CDBG regulations and administrative requirements, and the broad eligibility criteria contained in Council Policy 5.1.3, sections VI and VII, as well as the Consolidated Plan-identified Priority Needs, to determine applicant eligibility for a grant. Current practice is to establish the scoring system in the RFP, as explained above. This scoring system is quite similar to that used by City Purchasing staff for evaluation of proposers for professional services, and by other grant-making organizations, where cost is not the only criteria in the selection process. The scoring system works best when several people with general knowledge of the relevant policies and regulations, a broad perspective of the program objectives, and some familiarity with the local community are available to review the applications and assign scores. Staff used the following scoring system in the FY 2010 cycle:

Category	Maximum Points Available
1. Organizational Capacity and Relevant Experience	20 points
2. Evidence of Need for Program (Program addresses one or more Priority Needs for human services, as described in Consolidated Plan)	20 points
3. Program Design and Readiness	20 points
4. Budget Narrative and Financial Management	20 points
5. Percentage of Project Cost Provided by Applicant's Matching Funds	20 points
Total Points Available	100 points

Possible Issues:

Same concern as noted above under Item 3.

Options

- a. Modify scoring system prior to issuance of the next RFP, if desired.

- b. Establish a staff evaluation committee, consisting of five staff members, such as: two Housing staff and three staff (i.e., management analysts) from other departments such as Finance, Community Services, and OCM, to score proposals based on the scoring system set forth in the RFP. The membership of this committee may change with each two-year cycle, if needed due to operational/staffing changes.

5. Data to be provided in application

The following information is requested in the current human services grant applications, as well as a description of the proposed program and various other information:

- Unit cost: for unit of service for which applicant seeks City grant (applicant defines unit of service).
- Average units per client, based on prior year(s) source data, to the extent available
- Cost per client (based on cost of average units per client)
- Total Sunnyvale clients served by program generally (any funding source)
- Number of Sunnyvale clients served by requested grant amount, based on cost/client

Possible Issues:

Same concern as noted above under Item 3.

Options:

- a. Improve the forms to be used in the future, to better explain the data required.
- b. Provide additional technical assistance and training to applicants to improve quality and accuracy of data received. Staff held a workshop for current grantees in July 2011 to ensure compliance with HUD and City requirements by the current fiscal year grantees. Staff will continue to offer this workshop to grantees at the start of each fiscal year to ensure they all have a clear understanding of the grant requirements, particularly any agencies with new staff members administering the City grant.

Attachment: Council Policy 5.1.3

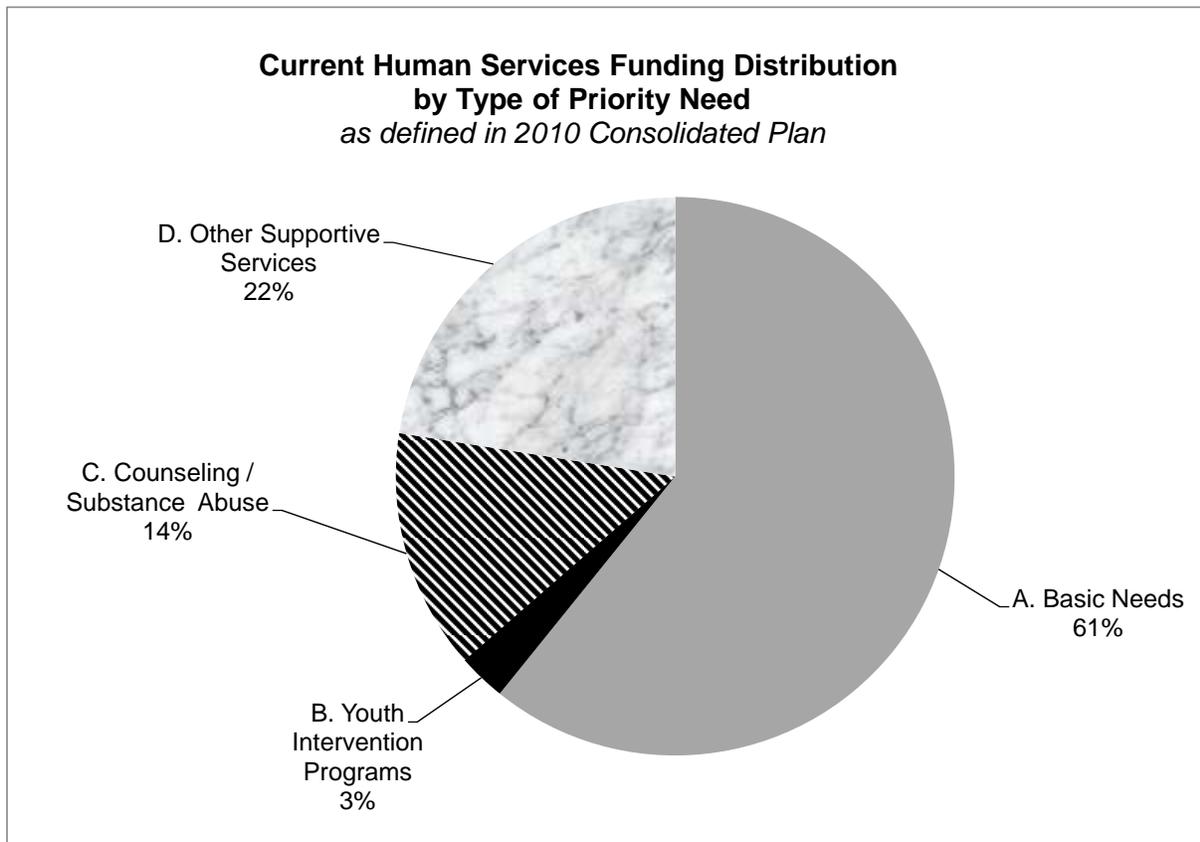
Attachment 2

Current Human Services Funding Distribution

Current Human Services Funding Distribution

Funding Distribution by Priority Need Category and Subcategory of Funded Service in FYs 2011/12 and 2012/13

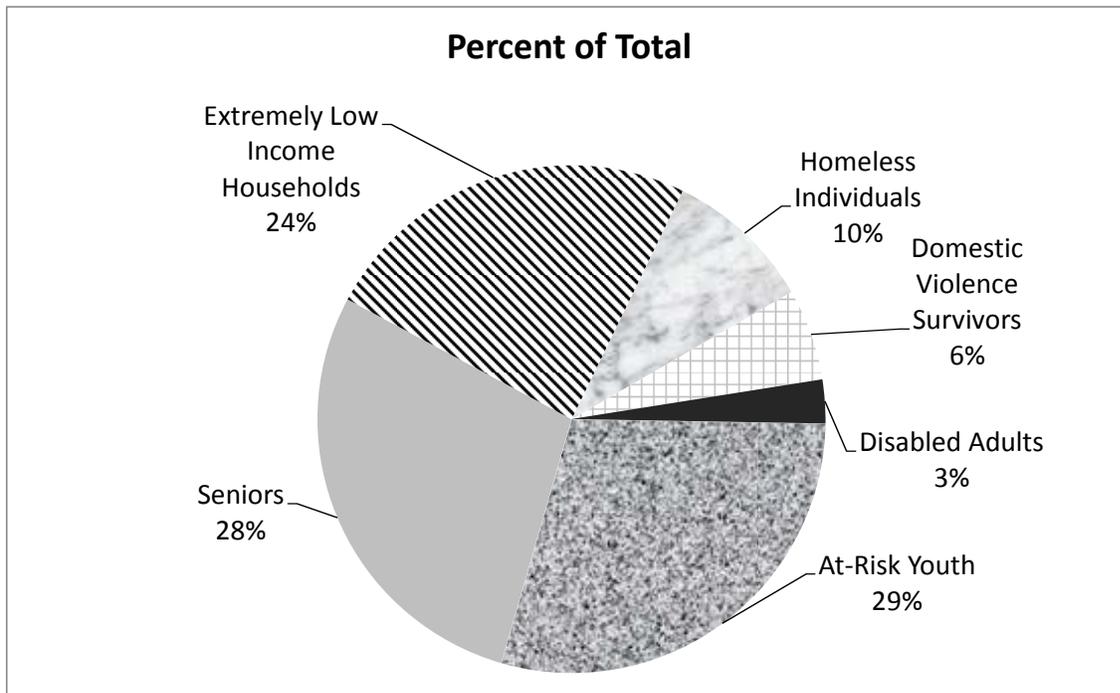
Priority Need Category	Sub-Category: Specific Need Addressed	Percent of Funding within Need Category	Total Funding for Category	Category Percent of Total
A. Basic Needs (Safety Net)	Food & Nutrition	55%	\$ 187,013	61%
	Health Care	17%		
	Transportation	16%		
	Shelter	11%		
	Subtotal A	100%		
B. Youth Intervention	Youth Mentoring & Recreation	100%	\$ 8,551	3%
	Subtotal B	100%		
C. Counseling & Substance Abuse	Mental Health / Crisis Counseling	100%	\$ 42,754	14%
	Subtotal C	100%		
D. Other Supportive Services	Homeless Case Management	11%	\$ 69,260	23%
	Domestic Violence Crisis Support	26%		
	Elder Day Care	28%		
	Occupational & Enrichment Services	12%		
	Legal/Advocacy	22%		
	Subtotal D	100%		
Total			\$ 307,578	100%



Current Human Services Funding Distribution

Funding Distribution by Target Clientele of Funded Service in FYs 2011/12 and 2012/13

Target Clientele	Total Funding	Percent of Total
At-Risk Youth	\$ 89,781	29%
Seniors	\$ 87,216	28%
Extremely Low Income Households	\$ 75,000	24%
Homeless Individuals	\$ 29,073	9%
Domestic Violence Survivors	\$ 17,957	6%
Disabled Adults	\$ 8,551	3%
Total	\$ 307,578	100%



Attachment 3

Evaluation Methods from January 2011 RFP

Policy 5.1.3 Human Services

POLICY PURPOSE:

The City of Sunnyvale recognizes that the supportive human services programs of the Federal, State and County governments do not fully meet the needs of all its population. The City, therefore, shall make its best efforts to provide supplemental human services, which include but are not limited to the emergency services, senior services, disabled services, family services and youth services.

The City establishes this Human Services Policy to insure that Human Services are identified and provided in the most efficient and effective manner.

This policy establishes guidelines for funding programs/services that may be provided on behalf of the City by outside groups. The intent of this policy is to:

- A. Establish a process through which outside groups can be funded to provide needed human services cost-effectively.
- B. Establish a methodology by which programs/services proposed by outside groups can be assessed.
- C. Establish an evaluation system that assures equity in the process of funding considerations by Council.
- D. Establish the type and amount of funding commitment that the City will provide.

This policy does not apply to those outside groups with whom the City contracts to provide City services other than human services. Human Services Agencies are defined as those which provide supportive services to a specific group of people, at least 51% of whom are lower income (80% or less than of area median income).

POLICY STATEMENT:

- I. The City will bi-annually, prior to adoption of the two-year Resource Allocation Plan, review prevailing conditions of human needs within the City and give appropriate attention to Human Services Policies in the City. The Housing and Human Services Commission, following one or more public hearings, will recommend to City Council priority human service needs for the next two years. Following a public hearing, City Council will adopt a two-year priority of human service needs.
- II. The City seeks to meet as many Human Service needs as possible using its limited available resources. The primary resource utilized for funding human services is the Federal Community Development Block Grant (CDBG) which permits up to 15% of the annual grant entitlement to be utilized for such purposes. The City Council may choose to supplement CDBG funding of human services through the annual Operating Budget process.
- III. The City assumes an advocacy role to manage the use of its resources to meet human service needs in Sunnyvale in the following ways:
 - Encourages and advocates coordination and cooperation among organizations providing Human Services in Sunnyvale

- Advocates, encourages and wherever possible, facilitates the co-location of human service providers
- Actively pursues the cooperation of Federal, State, County and other agencies to enhance the quality and availability of human services to residents of Sunnyvale.

IV. The City *may directly provide* needed Human Services when:

- Specifically targeted intergovernmental funds (such as CDBG) are available. The City is the most cost-effective or logical provider of the service, AND
- Provision of such services by the City is compatible with the City's General Plan, policies and/or action plans.

V. The City *may fund service providers* of needed human services when:

- Specifically targeted intergovernmental funds (such as CDBG) are available,
- Another agency is the most cost-effective or logical provider of the service, AND
- Provision of such services by the City is compatible with the City's General Plan, policies and/or action plans.

VI. PROPOSAL FUNDING CATEGORIES:

Programs requesting funding must qualify under one of the categories below:

Operational: Funding of programs and services to address identified community needs or problems as specified in the City's General Plans or other policies through direct financial support and/or in-kind contributions.

- Programs/services funded under this category must represent a service that can be more cost-effectively operated by the proposer than by the City, or
- Must be such that the proposer because of its role in the community is the most logical service provider.
- Funding may be provided on a multi-year basis but is not guaranteed. Continued funding is contingent upon City budget limitations and proposer's previous program performance.
- Proposer must demonstrate good faith efforts to secure funding for programs/service from other sources.

Emergency: Funding of operational programs offered in the community that meet an existing need for which normal funding is no longer available.

Proposers and programs qualifying under this category must demonstrate:

- o Good performance of current programs;
- o Current financial difficulties will largely curtail the services currently provided to City residents;
- o Future funding to continue the program can be obtained from other sources with reasonable probability;
- o Funding for programs qualifying under this category shall be limited to one year.

Seed Program: Funding for start-up of new programs designed to meet a significant community need or problem.

- Proposers must demonstrate a high probability that funding can be sustained beyond the commitment of City funds;
- Initial funding for seed programs is limited to one year;
- Second year funding may be possible if the program demonstrated good performance or special factors related to the continued need for funding can be demonstrated;
- Prospect must demonstrate good faith efforts to secure funding for programs/services from other sources.

Project: Funding of capital or other one-time projects designed to address a significant community need or problem.

- Funding of such projects shall be limited to a specific time frame, usually not more than one year.

VII. APPLICATION POLICY STATEMENT:

The City wishes to consider funding of needed and appropriate services. In order to determine which agencies should be awarded funding, the Council has adopted a formalized human services funding application procedure. All groups desiring to act as service providers, and requesting City funds to do so, must submit a complete application by specific due dates. Public notice of the availability of requests for proposals and the specified dates will be provided in ample time for applications to be prepared.

All applicants desiring a grant from the City to provide human and social services will be required to comply with the application procedure and time schedule. All applications will have to meet the following three criteria:

1. Provide a service consistent with an existing recognized City priority need, policy, goal or objective;
2. Request funds for a program or project that qualifies under one of the four previously identified funding categories;
3. Have completed the application process and the application has been determined to be accurate and complete.

VIII. EVALUATION PROCESS:

To assure all applications for City funding of human services receive due consideration and to ensure Council is provided with the information it needs to make its funding decisions, the following evaluation process will be applied to requests received:

1. Applications not received by the due date will be rejected. Applicants submitting applications, which are materially incomplete, will have five working days from notification by staff to correct any deficiencies, or their applications will not receive further evaluation.
2. Staff will determine proposal eligibility based on guidelines provided in this policy. Proposals not qualifying will not be recommended to Council for funding and will not receive further evaluation.
3. Staff will prepare a technical evaluation of the applications and make recommendations to the Housing and Human Services Commission based upon the

priorities adopted by City Council and upon its evaluation of the applicant's ability to effectively deliver such services.

4. The Housing and Human Services Commission will conduct formal evaluations of the applications, including the opportunity for each group to present its program in public hearing for evaluation. The Commission will make recommendations to the City Manager and Council for allocation of available CDBG funds to outside groups to provide human services. The Commission may also notify the City Manager and City Council of applications where a significant need will remain unmet even if Council allocates CDBG funds as recommended. The City Manager may recommend, and the City Council may provide supplemental funding from the annual Operating Budget.
5. The City Manager will forward the Commission recommendation to Council with a staff recommendation thereon.

The Housing and Human Services Commission shall develop evaluation criteria, which criteria must be consistent with adopted Council policy. Staff and the Commission will apply these criteria uniformly to all applications reviewed. The following guidelines for general evaluation criteria include (but are not limited to):

Critical Evaluation Factors. Each of these factors must be met for the program to receive a recommendation for City funding.

- The organization must meet minimum eligibility standards to receive funding.
- The organization and its program must have demonstrated good performance and capability to effectively provide the program.
- The organization and its program must deliver services in a cost-effective manner.
- The organization must be an appropriate agency to deliver this program.
- The program must not be a duplication of services provided in the same service area.
- The organization and its programs must demonstrate strong financial management *and effective management controls*.
- The proposed program must have a contingency plan for funding if City support is limited or eliminated in the future.

Favorable Evaluation Factors. The proposed program must address one or more of the following factors to receive a positive recommendation.

- The proposed program addresses a priority adopted by the City Council and is related directly to a general plan policy.
- The proposed program is a needed enhancement of any existing City program, and can be better performed by an outside group than by the City directly.
- The program has a diverse funding base and is not heavily reliant upon City funds to support its operation.
- The program has leveraged City funds with other funding sources to maximize service provision.

(Adopted: RTC 81-617 (10/13/1981); Amended: RTC 99-430 (10/19/1999); Amended: RTC 06-112 (4/11/2006))

Lead Department: Community Development Department

EVALUATION PROCESS:

To assure all applications for City funding receive due consideration and to ensure Council is provided with the information it needs to make its funding decisions, the following evaluation process will be applied to requests received:

- I. Applications not received by the due date will be rejected. Applicants submitting applications, which are materially incomplete, will have five (5) working days from notification by staff to correct any deficiencies, or their applications will not receive further evaluation.
- II. Staff will determine proposal eligibility based on guidelines provided in this policy. Proposals not qualifying will not be recommended to Council for funding and will not receive further evaluation.
- III. Staff will prepare a technical evaluation of the applications before submitting to the advisory committees/commissions.
- IV. The advisory committees/commissions will conduct formal evaluations of the applications, including the opportunity for each group to present its program to the advisory committee for evaluation. Staff and advisory committee will make recommendations to the City Manager and Council.
- V. The City Manager will review the proposals and recommend to Council which programs should be funded, taking into consideration other budget priorities.

EVALUATION CRITERIA

Required – Each of the following factors must be met for the program to receive a recommendation for City funding.

- Proposed service is consistent with an existing recognized City need, policy, and goal or objective.
- Program qualifies under one of the three Proposal Funding Categories.
- Organization completed the application process in a timely manner and the application has been determined to be accurate and complete.

Critical Evaluation Factors: Each of these factors must be met for the program to receive a recommendation for City funding.

- The organization must meet minimum eligibility standards to receive funding.
- The organization and its program must have demonstrated good performance and capability to effectively provide the program.
- The organization and its program must deliver services in a cost-effective manner.
- The organization must be an appropriate agency to deliver this program.
- The program is not a duplication of services provided in the same service area.
- The organization and its programs must demonstrate strong financial management and effective management controls.
- The proposed program has a contingency plan for funding if City support is limited or eliminated in the future to receive a positive recommendation.

Favorable Evaluation Factors: The proposed program must address one or more of the following factors to receive a positive recommendation.

- The proposed program addresses or is related directly to a general plan policy or action statement.
- The proposed program is a needed enhancement of an existing City program or program direction and can be better performed by an outside group rather than by the City directly.
- The program has a diverse funding base and is not heavily reliant upon City funds to support its operation.
- The program has leveraged City funds with other funding sources to maximize service provision.

Attachment 4

Minutes of the Housing and Human Services Commission Meeting of October 24, 2012