

Capitola City Council

Agenda Report



Meeting: May 26, 2022

From: City Manager Department

Subject: Community Grant Program Recommendations

Recommended Action: Consider the recommendations of the Community Grant Subcommittee and direct staff to make proposed changes to the Community Grant process.

Background: The City of Capitola Community Grant Program historically has funded up to 40 community groups and programs. In 2018, the voters approved an amendment to the Transitory Occupancy (Hotel) Tax that dedicates a percentage of the tax to Early Child and Youth Programs (ECYP). The City Council has used this to fund youth programs through the Community Grant Program.

At the April 14, 2022, City Council meeting, the City Council received a report from Optimal Solutions Consulting outlining ways Capitola's Community Grant Program could be modified. The City Council appointed Councilmembers Brown and Brooks to a subcommittee to review the report and make recommendations.

Discussion: The subcommittee met multiple times to review the Optimal Solutions report and to consider its recommendations. The following are the subcommittee's recommendations:

- Budget the Community Grant Program at the Following Amounts
 - General Fund (GF) \$125,000
 - ECYP Funding \$61,000
- Establish a three-year grant cycle
 - Establishes a secure funding source for the grantees
- Establish three general fund Grant Conditions for Health and Well Being Priorities
- Fund the Conditions for Health and Well Being Priorities at the following percentages.
 - Stable and Affordable Housing and Shelter - 50% of GF funding
 - Health and Wellness - 30% of GF funding
 - Healthy Environment - 20% of GF funding
- Establish the Dedicated Funding Grant priority for Early Childhood and Youth Programs (ECYP)
 - Use recurring ECYP revenues to fund ECYP Grants
- Organize Grants into two tiers:
 - Operational Grants (Up to \$7,500)
 - 30% of funding in each Priority
 - Organization must serve Capitola residents
 - Can be used for administration
 - Outcome Grants (\$7,500 - \$15,000)
 - 70% of funding in each Priority
 - Specific program funded must directly benefit Capitola residents
 - Organization to report to City Council during grant period
 - Up to 25% of grant can be used for administration

The subcommittee also recommended opening the program up to new applicants and to find additional ways to distribute information about the Community Grant program.

In addition to the Community Grant Program, the City has been able to secure more than \$450,000 of CDBG funding over three years for food distribution agencies in Santa Cruz County. This funding will be allocated to Second Harvest Food Bank, Grey Bears, and Community Bridges.

Upon recommendation of the City Council, staff would create and distribute the application with the approved budgetary information.

Fiscal Impact: The General Fund portion of the Community Grant Program was \$125,000 in fiscal year 2021-22 and the ECYP allocation was \$50,000. The 2022-23 amounts will be determined by the City Council during the budget process.

Attachments:

1. Optimal Solutions Community Grant Program Report
2. Conditions for Health and Well-Being

Report Prepared By: Larry Laurent, Assistant to the City Manager

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager