



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/18/2024

ITEM NO: 21

DATE: June 6, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Provide Direction on the Town's Community Grant Process

RECOMMENDATION:

Provide direction on the Town's Community Grant Process.

BACKGROUND:

The Town of Los Gatos has been awarding grants since 1992 to support community groups working toward the benefit of Los Gatos residents. The program was administered by the Town's Community Services Department until the Department was dissolved in Fiscal Year (FY) 2011/12. In that year, program administration was transferred to the Town Manager's Office with review of applications and award recommendations passing through the Arts and Culture Commission (ACC) and the Community and Senior Services Commission [now Community Health and Senior Services Commission (CHSSC)] before final approval by Town Council.

Prior to 2011, the program funding was provided in-part using federal Community Development Block Grant (CDBG) funds. Beginning in FY 2011/12, those funds were diverted to the County of Santa Clara's Housing and Community Development Advisory Committee for distribution and the Town's Community Grants became funded entirely by the Town's General Fund dollars.

On February 4, 2020, the Town Council approved revisions to the Community Grant program which had been recommended by Town staff working in conjunction with the ACC and the CHSSC based input from community organizations. These changes were intended to address problems that had developed over the previous years and to create a more fair and equitable system for grant applicants.

PREPARED BY: Ryan Baker
Library Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (Continued):

Three classes of grants were established: one-time competitive grants focusing on assisting new projects or surmounting new challenges for non-profits, two-year grants for sustaining non-profits in social services that had been receiving funding consistently between 2014 and 2020, and one-time innovation grants to assist individual community members in launching a project for the community. Innovation grants were discontinued as a line item in the Adopted FY 2024/25 Operating Budget due to the decreasing number of applications over the previous years and unexpected tax implications for recipients; funding in this category has been diverted to one-time competitive grants given that non-profit organizations have provided a greater impact for the funds allocated.

Town Council reviewed the scoring rubric for grants on several occasions between 2020 and 2024, with the Diversity, Equity, and Inclusion Committee (DEIC) additionally reviewing in spring of 2024. The standardized scoring rubric for evaluating and rating grant applications creates a fair and equally comparable set of guidelines. In fairness to all applicants and to extend funding to as many organizations as possible, past practice limited applications and grants awards to one per organization. Under the current system, grant applications are read and ranked by two members of the ACC, two members of the CHSSC, and one member of the DEIC. Each of the reviewers independently evaluates the applications and provides their scores to the Library Director who compiles the results.

The Town's Community Grant Program is unique in that few local government agencies offer similar competitive application programs on an annual basis for distributing grants of public money from their General Funds; where such programs do exist, they are often funded from Community Development Block Grants or passed through from other State or Federal grants.

In addition to the \$70,000 in sustaining grants and \$80,000 in one-time competitive grant line items in the Proposed FY 2024/25 Operating Budget, Council allocated an additional \$100,000 for the overall community grant program plus \$25,000 in competitive grant funds for nutrition programs and \$25,000 in competitive grant funds for rental assistance. The Council requested that staff return to Council for direction for the community grant process prior to the release of the applications for the next cycle, which is the subject of this agenda item.

DISCUSSION:

With the additional \$100,000 for the community grant program (bringing it to \$250,000), \$25,000 for rental assistance grants, and \$25,000 for nutrition/food grants, staff has the following questions to guide the Council's discussion and direction.

DISCUSSION (Continued):

1. Is it the intent of the Council to maintain the four noncompetitive, sustaining grants at approximately their current levels, totaling \$70,000:
 - Live Oak Nutrition at \$23,000
 - Counseling and Support Services for Youth at \$13,000
 - Next Door Solutions to Domestic Violence at \$13,000
 - West Valley Community Services at \$21,000
2. Should the remaining \$180,000 for the competitive grants be distributed into 18 grants with a cap of \$10,000 each? Each year tends to bring more applications in the competitive program as word of the program spreads. For example, past organizations that have applied within the competitive process are:
 - Art Docents of Los Gatos
 - AWO
 - Chabad of S Jose
 - Daves Avenue Elementary School
 - Girls on the Run of Silicon Valley
 - Homenetmen Santa Clara Ani
 - Jewish Silicon Valley
 - KCAT
 - Live Oak Adult Day Services
 - Los Gatos Chamber of Commerce
 - Los Gatos Community Concert Association
 - Los Gatos Education Foundation
 - Los Gatos Music and Arts
 - Louise Van Meter Project Cornerstone
 - Morning Rotary
 - New Museum Los Gatos
 - Omniware Networks
 - Parents Helping Parents
 - Parents Helping Parents Inc
 - Plant Based Advocates
 - Rebuilding Together Silicon Valley
 - Saratoga Senior Coordinating Council
 - Silicon Valley Jewish Film Festival
 - St Lukes Pantry Fund
 - The Los Gatos Anti-Racism Coalition
 - The Rotary Club of Los Gatos
 - United Way
 - Veterans Memorial & Support Foundation
 - West Valley Muslim Association
 - Young Science Institute
 - YWCA Support Network
3. Should organizations who receive funding from the Town through other mechanisms (e.g., the Chamber for a service contract and NUMU for the one-time allocation in the FY 2024/25 Budget) be eligible for community grant funding through the competitive process?
4. For the nutrition/food grants and for the rent relief grants, should organizations that already receive a sustaining grant be eligible for all or a portion of these funds?

DISCUSSION (Continued):

5. For the nutrition/food grants and for the rent relief grants, is it the intent of the Council to distribute the funds to as many qualifying organizations in that category that apply, award the entire \$25,000 to a single entity of that category, or have a cap on the grant amount per organization (e.g., \$10,000 that matches the other competitive grants)?

CONCLUSION:

Staff will work within the current framework and include the newest additions from the Adopted FY 2024-25 Budget to keep the grant timelines on track.

In addition, an open and honest discussion of the entire process would be well warranted soon to solidify the program for future years. Considering that the underlying philosophy of the grant process overhaul in 2020 was to establish a set of transparent rules, a level playing field for all applicants, consistent messaging, and an objective method of ranking all applications equally, it is becoming apparent that new direction is needed from Council regarding its present-day overall objectives of the Community Grant program and process. At that time, Council may wish to additionally consider if there is advantage in memorializing any selected process through an official Town Council Policy.

FISCAL IMPACT:

Grants funds in the total amount of \$300,000 have been included in the Adopted FY 2024/25 Operating Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.