



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 02/21/2023

ITEM NO: 13

DATE: February 21, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Update on the Community Grant Program and Provide Direction on the Program's Funding Level for Fiscal Year (FY) 2023-24

RECOMMENDATION:

Receive update on the Community Grant Program and provide direction on the program's funding level for FY2023-24.

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 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 from Town Council. In 2018, the ACC and CHSSC revised and streamlined the application process.

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. These changes included establishing the total funding amount for community grants as part of the regular budget process; moving the application cycle to begin after approval of the annual budget; allowing grant applications for projects addressing Community Vitality and Events in addition to the traditional categories of Human Services, Arts, and Education; and establishing three classes of grants: one-time grants focusing on assisting new projects or surmounting new challenges for non-profits, two-year grants for sustaining non-profit projects in social services that had been receiving funding consistently between 2014 and 2020, and

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Library Director

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

BACKGROUND (continued):

one-time innovation grants to assist individual community members in launching a project for the community. On June 2, 2020, the Town Council approved a standardized scoring rubric for judging and rating grant applications by using a fair and equally comparable set of guidelines, with staff making minor administrative changes each year where additional clarity was needed (Attachment 1). Grant applications are read and ranked by a joint subcommittee consisting of two members of the ACC and two members of the CHSSC.

Between FY2020-21 to FY2022-23, the Town has allocated between \$150,000 to \$151,000 per fiscal year to fund the Community Grant Program. In those three years, the Town has awarded a total of 32 one-time Community Grants for non-profits at approximately \$7,500 each, 14 Sustaining Grants for non-profits ranging between \$5,000 and \$22,000 each, and seven Innovation Grants for individual community members at a flat \$1,500 each.

The Community Grant Program is funded with General Fund monies with no tie or crossover with American Rescue Plan Act (ARPA) funding. Under the Council's authority and discretion, the Council did award grants to organizations using ARPA funds outside of the community grant process. As such, these ARPA grants are not discussed in this report.

DISCUSSION:

Demand for grant funding from local organizations each year far exceeds the budget allocated, with approximately 15 applications per year not awarded funding for a total of 45 unfunded applications over the three-year period. Additionally, several organizations each year approach Council directly to request funding for their projects either in addition to, or in lieu of, applying for a Community Grant.

If Council is agreeable to continuing the Community Grant Program in its current form, Council may wish to consider what funding levels can be afforded within the limitations of the FY2023-24 budget in relation to Council's priorities for support to community organizations.

Additionally, if Council is agreeable to continuing the program in its current form, staff requests that Council be forthright throughout the year in directing requests received at Council meetings to the Community Grant application process to ensure that all community organizations are subject to the same standard set of guidelines, processes, and rating considerations so that all competition for such funding is on equal footing and within threshold allocation amounts.

CONCLUSION:

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. There is no doubt that such funds greatly aid organizations in our community, although it is not possible for staff to determine what amount of budget placed towards grant giving would meet community demand for funding.

ALTERNATIVES:

If Council is not amenable to continuing the Community Grant Program in its current form, either by discontinuing the program due to budget constraints, assigning funding directly to select organizations instead of employing a competitive process, or desiring to revise the program process other than changes to funding levels, Council should provide staff with direction regarding desired changes.

FISCAL IMPACT:

A status quo budget for Community Grants for FY2023-24 would be equal to \$151,000. Any amount greater or less would be taken from or returned to the General Fund.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Community Grant Scoring Rubric