



CITY OF CORONADO

CITY COUNCIL STAFF REPORT

February 15, 2022

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APPROVE REVISIONS TO CITY COUNCIL POLICY NO. 28 COMMUNITY GRANTS AND FISCAL YEAR 2022-23 COMMUNITY GRANT PROGRAM DOCUMENTS

RECOMMENDATION:

Approve revisions to City Council Policy No. 28 – Community Grants (Attachment 1), amending the community grant program process, approve the final program documents for the Fiscal Year 2022-23 Community Grant Program (Attachment 2), and authorize the release of the Fiscal Year 2022-23 Community Grant Program applications.

BACKGROUND:

Since 2000, the City of Coronado has awarded grants in support of local non-profit organizations. On May 7, 2019, City Council adopted Policy #28 - Community Grants to establish formal guidelines for the program to promote the effective stewardship of public funds. In FY 19-20, organizations responded to an amended grant application and were evaluated through the new process. The change introduced experienced, unaffiliated field readers to evaluate and score applications based on objective criteria. On August 20, 2019, the Council awarded one million dollars in grant funding, according to Policy #28.

On January 7, 2020, the Council considered and approved the draft program documents for the FY 20-21 grant cycle. Stakeholders were invited to comment on the draft documents during a public comment period. The Council approved the final grant program documents on April 7, 2020. Staff issued grant applications and program documents on April 10, 2020. Improvements to the program included three webinars for applicants focused on effective programming and grant writing in partnership with the Cultural Arts Commission. Additionally, applicants received a detailed response rubric to clarify scoring requirements along with ongoing staff support during the submission process. The objective evaluation criteria, robust rubric, and improved support to applicants created a more transparent, user-friendly process and raised the overall quality of applications received. On July 21, 2020, the Council awarded \$800,000 in grant funding for the FY 2020-21 grant cycle. The City Council considered the FY 21-22 program grant documents in February 2021 and approved the issuance of the documents and application. On June 15, 2021, the Council awarded \$950,500 in grant funds to 35 programs at 17 organizations.

ANALYSIS:

Staff recommends the following changes for the FY 2022-23 grant program documents and Council policy.

Amend the eligibility grant requests to address programs in support of faith-based, fraternal, or political purposes.

The existing eligibility requirements for the Coronado Community Grant program do not preclude faith-based, fraternal, or political organizations from applying for public funds. As a program supported by public funds, it is important to ensure grant awards support programs accessible to all in the community. Under the amended policy, faith-based organizations may qualify if they have established a separate 501(c)(3) organization to operate the funded program, the program

is offered to the general population regardless of faith affiliation and does not require faith affiliation or participation in faith-based activities. Organizations solely in support of fraternal or political causes would not be eligible for community grant funding.

Establish a minimum application score of 70%

Applicants scoring less than 70% after independent field reader review would not be eligible for grant funding due to the low quality of their submission. One applicant in the FY 2021-22 grant cycle received a score below 70% and was not funded based on the staff recommendation. For organizations with low scores, staff makes themselves available to review the unsuccessful application and provide feedback towards future submissions. Low applicant scores may demonstrate a lack of understanding of the grant program goals and requirements.

Clarify the “One Time Purchase” grant type

The “One-Time Purchase” grant type restricts awards to a one-time purchase of a capital good and states organizations may not apply for one-time purchase grants for consecutive years. Staff recommends clarifying to exclude phases of the same project from receiving funding under the “one-time purchase” grant type. Without this change, organizations can continually apply for consecutive years of funding for substantially the same program.

Revise the total amount a single organization can request from \$200,000 to \$150,000

In FY 2020-21 three organizations requested funding that when combined exceeded 95% of the year’s available funding. In response, the Council implemented a funding request cap for FY 2021-22 of \$200,000 for any single organization. Although an improvement, in FY 2021-22 four organizations requested funding that combined exhausted three-quarters of the available funding. Without the return of funds resulting from the cancellation of events due to COVID-19, equitably making award allocations would have been a considerable challenge. At the end of the process, staff has needed to reduce the level of funding for other organizations because of the outsized awards to groups who make large requests. The current funding approach of determining award as a percentage of the applicant score allows qualified organizations to receive some level of funding. However, the award amounts based on score percentage continue to exceed the budgeted amount. It is recommended to phase in the cap by reducing it an additional \$50,000 to give organizations the ability to adjust to the change. In the previous grant cycle, two organizations received awards of over \$150,000. The Council #28 policy provision requiring an Agreed Upon Procedures audit for organizations receiving over \$150,000 has been adjusted down accordingly to \$100,000.

Affirm the current practice regarding returned/repurposed funds

Since the onset of the pandemic several organizations have had to revise or cancel programs. Currently no formal policy exists regarding returned or repurposed funds. With the cancellation of the Fourth of July Parade, the Committee returned funding to the City. However, with the cancellation of the Coronado Flower Show the Coronado Floral Association requested the rolling forward of their grant award until the next show could be held and did not request additional funds during the last two cycles. Current practice involves organizations unable to perform programs as outlined in their grant application may, by written request to the City Manager, request a grant modification that will be considered and approved on a case by case basis by the City Manager.

Finally, the Council requested information on the spending categories for applicants (Attachment 3). The budget request form was changed to collect consistent data on three categories of spending – salaries and benefits, advertising/marketing, and supplies. The City does not currently require reporting of awardee expenditures. The majority of spending requests were made for supplies (46%), followed by salaries and benefits (44%), and advertising/marketing (10%). Many

grant programs operate under a reimbursement model, whereby eligible spending categories are established, and funding is provided after receiving proof of the expenditure.

There are no recommended changes to the scoring rubric as approved in FY 20-21. Keeping the same requirements reduces the administrative burden to community groups of responding to new criteria, made especially challenging during the protracted pandemic. Maintaining essentially the same documents and application also reduces the administrative burden for staff that results from updating all the program materials and reorienting applicants. However, if the Council does desire to make changes to any of the community grant documents, including the scoring rubric, staff will incorporate any adjustments requested and return for final approval on March 1, 2022. This will alter the proposed calendar of opening applications by two weeks. The grant program documents, and final application will be issued as soon as possible. To improve the experience of grant applicants, the City is launching an online application to facilitate ease of submission. An applicant orientation will be scheduled and conducted remotely. During the optional orientation, staff will walk through the application with interested stakeholders and provide general information on the program. Applicants must submit responses by April 1, 2022. Grant awards will tentatively be made at the June 21, 2022 Council Meeting after the adoption of the FY 2022-23 budget scheduled for review at the June 7, 2022 Council Meeting.

FISCAL IMPACT:

There is no fiscal impact as a result of approving the FY 2022-23 Community Grant Program documents or issuing the application. Per Council Policy #28 – Community Grants, grant funding for FY 2022-23 is set at 1.55% of general fund revenue or \$1,000,000, whichever is less. In FY 2021-22, the Council awarded \$950,500 in Community Grant funds. The anticipated amount available for the FY 2022-23 grant program is \$1,000,000.

ALTERNATIVE:

The Council could decide to change or not to adopt the Community Grant program documents and application for FY 2022-23.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

Not Applicable.

PUBLIC NOTICE:

No notice required. However, grant awardees from the previous cycle were notified about the consideration of this agenda item.

ATTACHMENTS:

1. Council Policy #28 - Community Grants (red-lined version)
2. FY 2022-23 Community Grant Program documents (red-lined version)
3. FY 2021-22 Community Grant Award Applicant Budget Requests by Category

Submitted By: City Manager's Office / Kelly Purvis