



## ADMINISTRATIVE SERVICES DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: January 21, 2020

#### **Subject**

Adopt Updated Community Funding Policy and Approve Community Funding Grant Cap of \$20,000 Per Applicant Per Year.

#### **Recommended Action**

Adopt Updated Community Funding Policy and Approve Community Funding Grant Cap of \$20,000 Per Applicant Per Year.

#### **Discussion**

##### *Current Policy*

- The first Community Funding Policy was adopted by Council in FY 2012-13, and the current Policy was adopted as part of the FY 2015-16 Adopted Budget.
- At the Budget Adoption hearing in June 2018, Council directed staff to update the Community Funding Program in order to assure that all applications received due consideration and that Council is provided with all information necessary to make final funding decisions. At that meeting, Council directed that the Parks and Recreation Commission evaluate all grant applications and provide funding recommendations to Council for consideration. All grant applications are first reviewed by the Administrative Services Department for compliance with eligibility criteria.
- The Parks and Recreation Commission, along with staff, made further updates to the Policy for Council consideration as part of the FY 2019-20 budget process at the Final Budget Adoption meeting in June 2019. At this meeting, Council approved the funding amount of \$109,800. However, Council did not approve the updated Policy and instead requested the Policy to be brought back at a future date for further review and consideration.

##### *Updated Program and Policy*

As a result of Council direction at the Final Budget Adoption meeting in June 2018, staff created a more robust community funding process and grant application to ensure that new requirements were included. The updated Community Funding Grant Program includes an updated application, an updated process, and newly developed evaluation criteria.

The Community Funding Policy provides a framework for the City's Community Funding Grant Program and guides the administration of the program and Council's decision-making process. Every requirement in the current Community Funding Policy is included in the updated Policy, which was formulated from a variety of sources including specific requests from Council and best practices from other cities. The updated Policy provides guidance on key aspects of the City's Community Funding Grant Program processes including: Eligibility, Evaluation Criteria, Restrictions/Guidelines, and Procedure.

In the updated Community Funding Policy, no changes were made to the following portions of the current Policy:

- Identify the services provided, purpose for the funds, how the expenditure aligns to City priorities and how the funds will be used to benefit the Cupertino community.
- Include information about the organization, its budget and its purpose.
- Cupertino does not fund ongoing operational costs. Requests should be for one-time, project specific needs.
- Organization must show that their staff has the experience to implement and manage the project. More than 75% of the budget must go to direct service costs versus administrative costs.
- City Council will make the final decision as part of the budget process.

The following update was made to the Community Funding Policy based on Council direction in June 2018:

- Eligible applications are forwarded to the Parks and Recreation Commission for a review and recommendation to the City Council regarding grant approval and funding amounts.

The following updates to the Community Funding Policy were based on researching best practices in other cities:

- Grant recipients will submit a written report to show proof that the grant funds have been spent in the manner and for the purposes stated on the application, including information about the number of persons served and other results that benefit Cupertino.
- An organization that is applying for multiple grants shall only submit one application.
- Proceeds generated from the funded activity may only be used for the conducted activity.
- If requested, recipients must provide full financial statements for the organization.
- Admission to or participation in the event must be "free of charge" unless approved by Parks & Recreation Commission.
- If an applicant makes a grant request directly to a member of the City Council, whether individually or as a group, the Council shall refer the applicant to the Administrative Services Department for a Grant application to be reviewed in accordance with this Policy.

- Grant recipients shall acknowledge the City contribution in formal promotional materials and efforts related to the funded activity. Any use of the City logo must be approved by the City's Communications Officer.

Additionally, while reviewing the Grant applications in Spring 2019, the Parks and Recreation Commission have recommended the following changes to the Community Funding Policy:

- Future grants shall not exceed \$20,000 per applicant, per year.
- Organizations should establish partnerships with other community or city organizations.
- Applications shall be sorted into different categories for a more equitable review process. These recommendations include:
  - *Applications will be sorted into two categories:*
    - *New applicants*
    - *Past recipients*
  - *Applications in each category will be evaluated using a tiered structure based on the dollar amount requested for award as follows:*
    - < \$999.99
    - \$1,000.00 - \$4,999.99
    - \$5,000.00 – \$9,999.99
    - \$10,000.00 - \$20,000.00

The updated Grant application process also includes the following:

- A more robust outreach method: Staff used social media, the City's website, and sent out emails to 100+ non-profits that serve the Cupertino community.

#### Sustainability Impact

No sustainability impact.

#### Fiscal Impact

None. Council has the final decision on annual grant funding amounts based on availability of funds.

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Prepared by: Toni Oasay-Anderson, Management Analyst

Reviewed by: Kristina Alfaro, Director of Administrative Services

Approved for Submission by: Deborah L. Feng, City Manager

#### Attachments:

A – Current Community Funding Policy

B – Redline Updated Community Funding Policy

C – Clean Updated Community Funding Policy

D – Community Funding Grant Application