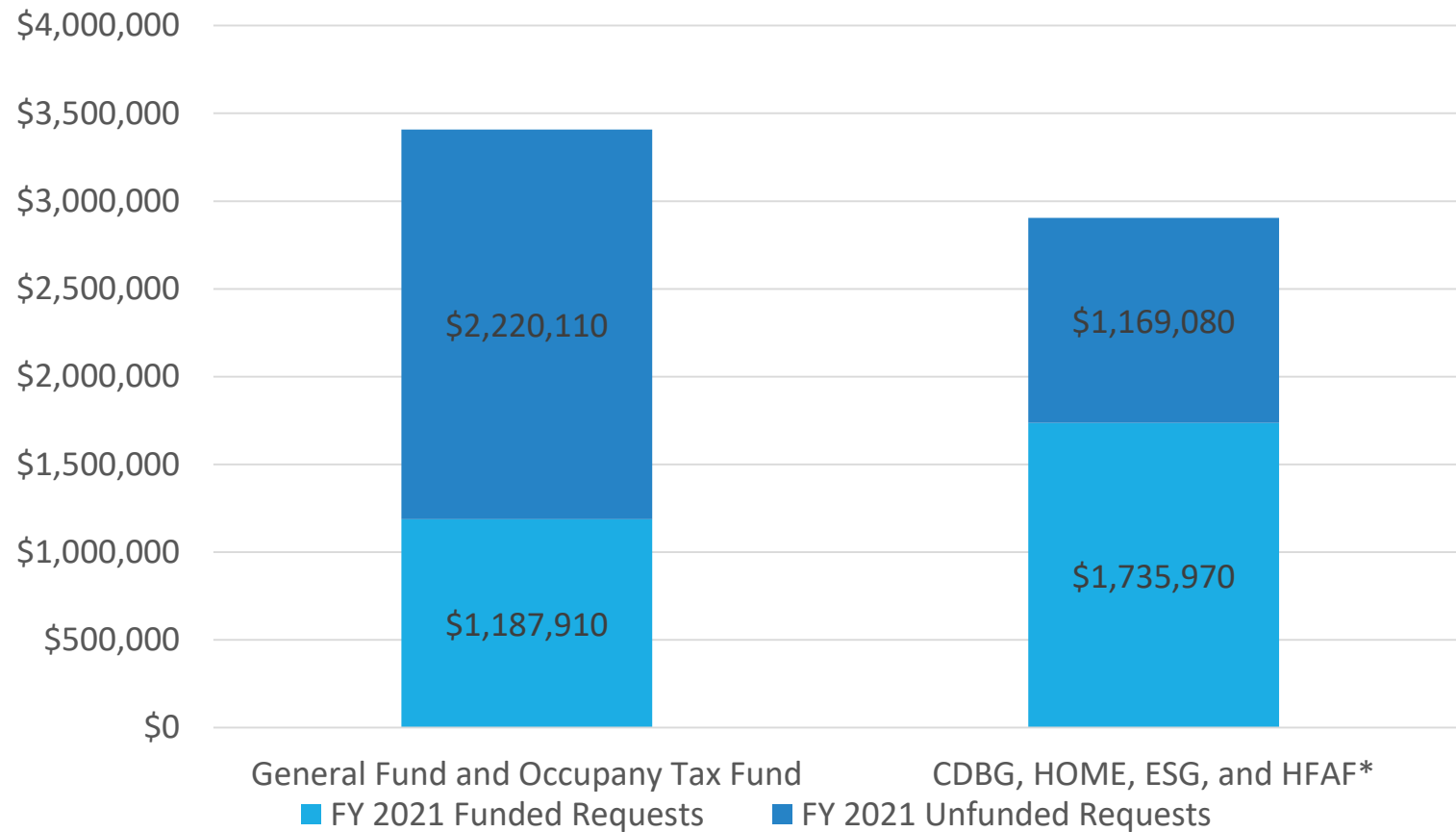


Community Agencies Funding Process Alternatives

Goals of Process Changes

- Provide opportunities for other agencies to gain access to funding
- Provide more direction on uses of funding
- Provide more accountability for agencies' use of City funds
- Achieve specific outcomes from City funding

FY 2020-21 Community Agency Funding



*Acronyms:

Community Development Block Grant (CDBG)

Home Investment Partnership Funds (HOME)

Emergency Solutions Grant (ESG)

Housing Finance Assistance Fund (HFAF)

Steps Identified for Potential Changes

Staff is seeking direction from City Council in the following areas:

- Application
- Selection and Funding
- Contracting
- Monitoring
- Auditing

Application

- Change from operating to start-up or capital funding
 - Phase out of current operating funding
 - Potential exceptions
 - Examples: Arts Council, Old Salem
 - Strive for program self-sufficiency
- Maximum City contribution to project/program budget
 - Could be a percentage and/or flat maximum
 - Some organizations have only one program

Funding and Selection

Funding

- Total funding amounts tied to revenue streams
 - Examples: tax rate equivalent, change in occupancy tax revenues

Selection

- Funding by Strategic Focus Area or Program Area
 - Example: 25% to Economic Development/Innovation
25% to Affordable Housing
25% to Arts
25% to Other/Human Services

Fund and Selection

- Zero-basing Community Agency Allocation Committee (CAAC) recommendations
 - Approval in previous years would not guarantee future allocations.

Note: would be excluded if multi-year commitment made

Contracting

- Performance-based competitive application process (RFP Process)
 - Requires City to set programs and performance goals
 - Applicants scored on ability to meet City-specified needs
 - Performance-based contracting used
- Performance-based contracting
 - Specific goals for each agency
 - Failure to reach goals means reduced payment

Contract Monitoring

- On-site evaluations
 - Could be conducted by CAAC or staff
 - Evaluate physical space where services are provided
 - Potentially speak directly with clients
 - Review back-up documentation
- Additional resources required

Auditing

- Contract Audits
 - Stronger focus on performance and contract requirements
 - Lesser focus on agency policies and financial controls
 - Assurance that performance goals are met
 - Assurance that workload and outcomes are adequately documented
 - Review City contract administration
- Performed by City Internal Audit Division

Seeking Direction

- Change to only start-up and/or capital funding
- Cap City contributions to programs (flat max or % of budget)
- Tie total funding to revenue streams
- Allocate funding to program or strategy areas
- Provide direction zero-basing allocation recommendations
- Implement performance-based contracting
- Create a performance-based competitive grant process
- Provide for on-site monitoring of all community agencies
- Perform contract audits on rotating basis