

DISCUSSION ITEMS

Agenda Item # 14

AGENDA REPORT SUMMARY

Meeting Date: July 12, 2016

Subject: Discuss providing funding to community organizations and direct staff accordingly

Prepared by: Jon Maginot, City Clerk/Assistant to the City Manager

Approved by: Chris Jordan, Interim City Manager

Attachment(s): None

Initiated by:
City Council

Fiscal Impact:

Unknown at this time; if Council wishes to fund community organizations, funds would need to be appropriated from the General Fund

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

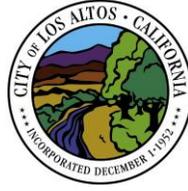
- Does Council wish to establish funds for community organizations?
- Should Council wish to provide funds, how much?

Summary:

- The City does not currently fund community organizations
- The Los Altos Community Foundation has expressed interest in partnering with the City to establish a City-contribution program
- Criteria and a selection process would need to be established should Council wish to establish a community grants program

Staff Recommendation:

Move to discuss providing funding to community organizations and direct staff accordingly



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Purpose

Discuss whether the Council wishes to provide funding to community organizations and how to implement such a program

Background

At the June 14, 2016 City Council meeting, the Council approved having a future agenda item to discuss funding non-profit organizations which directly benefit the community. The Council also asked the Los Altos Community Foundation (LACF) for guidance in identifying potential organizations to fund.

The City previously provided funding to community organizations as part of the budget process. These funds came from the City's General Fund and typically amounted to between \$70-\$75K. The City did not have a formal process to apply for these funds, nor did the City advertise or announce the availability of the funds. Requests were from organizations that had historically received funding each year. The amounts distributed to individual organizations ranged from \$500 to \$30,000. In addition, there was no formal process for reporting on how the funds were spent.

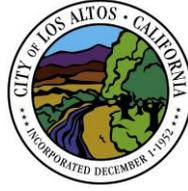
In 2009, the City Council directed staff to propose a contribution process and selection criteria for the funds. In the end, the Council opted to cease community contributions beginning with Fiscal Year 2010/11. There were a number of reasons for this action including the burden administering such grants would place on the City.

Because the City is part of the CHAC Joint Powers Agreement, the City continued to provide nearly \$30,000 annually to that organization. It is recommended that this funding continue regardless of what decision Council makes regarding funding community organizations. Should Council wish to set aside funds for community organizations, it is recommended that the dollar amount selected not include the funding for CHAC.

Discussion/Analysis

Following the June 14, 2016 Council meeting, staff met with representatives of LACF to discuss a process for identifying organizations which would meet the intent of the Council. The LACF representatives were open to the idea of helping the City identify appropriate community groups, but requested clear parameters to determine which groups would meet the Council's intention.

Another option that was discussed between City staff and LACF was to have the City provide funds to LACF and to have LACF distribute the funds according to criteria set by the City. There are a number of advantages to taking this approach. LACF has the staff and experience to administer grant funds while the City does not. LACF also has the ability to more closely monitor how funds are used. It is anticipated that under this system, LACF would report to the City on how the funds were distributed and would ensure that funds are used to the benefit of the community. LACF



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currently has a similar partnership with the Packard Foundation and the Heising-Simons Foundation.

Options

- 1) Appropriate a dollar amount to be used for contributions to groups which benefit the community and direct staff to develop a process for administering a grant program

Advantages: The City would control which groups receive funds

Disadvantages: The City would be required to fully administer the grant program, including advertising, selecting organizations to fund, monitoring use of funds and receiving regular reports from the organizations

- 2) Appropriate a dollar amount to be used for contributions to groups which benefit the community, provide these funds to the Los Altos Community Foundation or other, similar group and direct staff to establish selection and reporting criteria for those organizations to be funded

Advantages: The City can provide funding for worthy community organizations. The administrative duties of a grant program would be handled by an outside group

Disadvantages: The City would not have direct control over which groups receive funds

- 3) Do not appropriate funds to be used for contributions to groups which benefit the community

Advantages: The funds which would have been used for this purpose can be dedicated to other uses. The City would not be required to establish a grant program

Disadvantages: Certain community groups would not receive funding from the City

Recommendation

The staff recommends Option 2.