



CITY OF POMONA COUNCIL REPORT

November 4, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

**SUBJECT: OVERVIEW OF THE CITY'S GRANT APPLICATION REVIEW AND
ADMINISTRATION PROCESS**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Discuss the City's grant application process and provide direction to staff regarding seeking and applying for future grant funding on the City's behalf.
2. Provide direction on community initiated grants and the process needed to incorporate these grants into the City process.

EXECUTIVE SUMMARY: As requested by City Council, this presentation will provide an overview of the City's grants application review and administration process, including the procedures followed in evaluating and determining when to apply for grant funding to carry out city projects, programs and/or services. The presentation also includes a discussion of community initiated grants and the process needed to incorporate these grants into the City process.

FISCAL IMPACT: There is no fiscal impact with this staff presentation.

DISCUSSION:

Annually, the City of Pomona administers over thirty different grants that account for over \$30,000,000 in revenue for the City. Grants make up 11.9% of the total appropriations in the FY 2019-2020 budget and are used by the City to carry out projects, programs and/or services. The City's grant portfolio includes Federal, State and County funding and is administered by several City departments including: Development Services, Neighborhood Services, Police and Public Works.

In determining when to seek grant funding, each Department reviews several aspects of the grant application and administration process, including: the type of grant, the requirements of the funding if awarded, sustainability, what resources will be needed to carry out the grant including staffing, who will lead grant administration, and what financial resource will be required, to name a few.

Grants may appear to be “free money”, but in fact each grant comes with terms, administration and reporting requirements, financial and program monitoring, audits, retention of files and often match and sustainability requirements. In reviewing whether to apply for a grant or not, staff must review all the information available to ensure that the grant that is being applied for fits into the overall operation of the City and that it will benefit the City's mission and goals. Often grant writing requires a collaborative effort of not only City staff, but also community and other governmental partners. All City staff engaged in preparing grant proposals and administering grant awards serve an important role in the success of project outcomes and objectives, by ensuring that all grant terms and conditions and budgetary and regulatory requirements are met.

Community Initiated Grants

At times, grants are brought to the City by community organizations or groups wanting to partner with the City in applying for funding. In reviewing these requests, City staff looks at many of the same areas as City grant applications and may ask questions such as: When is the application due? Who will write the grant? What City Departments will be required to review, comment, recommend, or assist in the grant process? What City resources are necessary to make the grant competitive or fulfill the grant? Will the funding be used as part of a City project or program and/or carried out on City property? Is the project, program and/or service being applied for meeting one of the City or Council established goals, strategies and/or areas of priority? Is it supported by City policies, procedures and codes? Is there a match or leverage requirement and who will be responsible to meet that requirement? Will the result of the funding, if awarded, lead to an ongoing maintenance or funding requirement that will need to be sustained by the City? Does the project, program or service create additional liability for the City? These are the initial questions that must be asked to determine the City's ability to recommend support for the grant application from an external agency.

Often times though, this initial review is cursory to a process that in some cases is established and in other cases needs to be established. For example, a grant application from a community organization that includes an art component that will be placed in a public space, should be brought to the Cultural Arts Commission for approval or recommendation. A grant application that is focused on improving a park space should be brought to the Parks and Recreation Commission for approval or recommendation. If a project includes art in a park, it should be brought to both the Cultural Arts Commission and Parks and Recreation Commission. These reviews should occur prior to the grant application being submitted for funding.

What the City does not have currently is a mechanism to determine if the proposed grant application for a project, program or service is determined to be a public vs. a private benefit. The City in most cases could not support a grant application that solely benefits a for-profit organization or where the funding would not be used for a determined public benefit. It is recommended that this determination, whether at the staff level or commission level, be part of any ongoing process that is established. It is also recommended that an evaluation process be established to determine if ongoing maintenance or funding requirements will result if the grant is awarded. If this is the case, the ability to sustain such efforts often lead to a budgetary impact. It is recommended that if ongoing maintenance or funding is required, the Finance Department be included in the approval process for these external grant applications approvals.

Finally, it is recommended that City Council direct staff to draft a process to include the considerations above, and any considerations as provided by City Council, to bring back to City Council for final approval.

CONCLUSION

Grants are an exceptional way to fund projects, programs and services; however, they come with the expectation that all work including the management of the grant award will follow the highest standards of the regulatory and budgetary requirements of the grantor and the City. Failure to comply with such requirements can lead to a loss of goodwill with funders and in some cases the return of funds. Inadequate review of grant proposals or grant awards upfront may lead to the City spending general fund revenues to support a grant project inconsistent with the City's overall strategic direction, or may commit the City to general fund revenue spending beyond the grant period. In addition, the City's support of community initiated grants can provide needed resources to our City and a public benefit, but they should also be evaluated to determine the actual benefit and need from a City perspective, if the City is being asked to support the grant application.

It is the goal of City staff to continue to seek grant funding to enhance City projects, programs and services; to apply for grant funding when appropriate; to administer grant funding with a high standard of accountability; and, to work with community organizations to support bringing needed resources to the City of Pomona.

COUNCIL PRIORITIES & GOALS:

This item supports the 2019-2020 City Council Priority 1: Fiscal and Operational Responsibility – Goal C: Obtain additional grant funding and other revenues to help achieve City goals.”

Prepared by:

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