

**Community Grant Policy Proposed Amendments Summary**

<b>Current Policy</b>	<b>Proposed Amendments Presented to Governance and Ethics Committee</b>	<b>Feedback from Governance and Ethics Committee</b>	<b>Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion</b>
<p>The current Policy does not require applicants to have a financial need to receive grant funding.</p> <p>Current language: <i>To establish a standardized process to award grants to qualifying non-profit community organizations, youth athletic groups or organizations, educational groups or organizations, or individuals, for events, activities, and competitions that provide a public benefit for the City of Santa Clara and its residents.</i></p>	<p>The reasoning behind this proposed amendment was to promote altruism, inclusivity, and effective use of grant funds towards Community Events/Activities that are being hosted by applicants that have a financial need for grant funding.</p> <p>Proposed language: <i>To establish a standardized process to award grants to:</i></p> <ul style="list-style-type: none"> <li>• <i>Qualifying 501(c)(3) non-profit community organizations;</i></li> <li>• <i>youth athletic groups or organizations;</i></li> <li>• <i>educational groups or organizations; and</i></li> <li>• <i>individuals</i></li> </ul> <p><i>that have a financial need for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara and its residents, students, and schools.</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>Upon further review, staff recommends minor clarifying edits which are reflected below. If approved, the Community Grant application will be updated to include a field for applicants to explain why the grant is needed and provide supporting documentation as necessary. The application is currently an attachment to the policy, but it is not a policy document. Rather, the application is a form intended to aid the applicant and the City Manager’s Office in the application process to ensure that staff has sufficient information to evaluate. Therefore, in an effort to streamline the grant process, staff also recommends removing the application as an attachment to the Policy to allow for future administrative updates as necessary.</p> <p>Proposed amended language: <i>To establish a standardized process to award grants to qualifying:</i></p> <ul style="list-style-type: none"> <li>• <i>501(c)(3) non-profit community organizations;</i></li> <li>• <i>youth athletic groups or organizations;</i></li> <li>• <i>educational groups or organizations; and</i></li> <li>• <i>individuals</i></li> </ul> <p><i>that demonstrate a financial need for grant funding for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara (City) and its residents, students, and schools.</i></p>

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<p>The current Policy is limited and unclear on the types of events that are eligible.</p> <p>Current language: <i>To establish a standardized process to award grants to qualifying non-profit community organizations, youth athletic groups or organizations, educational groups or organizations, or individuals, for events, activities, and competitions that provide a public benefit for the City of Santa Clara and its residents.</i></p>	<p>The Community Grant Program was originally designed to support one-time events and activities. However, there are opportunities to promote creativity and increase community engagement and direct benefits to Santa Clara residents by also supporting community projects and programs within Santa Clara. As such, the proposed amendments expanded the definition of eligible Community Events/Activities to include programs and community projects that the Community Grant Program may consider to promote increased public benefits to Santa Clara residents, students, and schools.</p> <p>Proposed language: <i>... for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara and its residents, students, and schools.</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>None</p>
<p>The current Policy outlines the following language regarding grant appropriations: <i>Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the budget approval process.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested an update to the Policy to include proposed amendments that would allow the remaining balance of unused grant funds in the Community Grant Program budget to be carried over to the next fiscal year.</p>	<p>Since FY 2021/22, an average of \$52,000 has been awarded annually in Community Grants, leaving on average, a remainder of \$38,000 in the Community Grant Program budget per fiscal year that is absorbed back in the City’s General Fund. While the Community Grant Program has had remaining balances in past fiscal years, staff is planning to promote and expand the Community Grant Program to encourage more potential applicants to apply which could result in more expended funds. Consistent with City practices, staff recommends bringing forward any potential carryovers of unspent Community Grant Program funds as part of the adopted budget or budgetary year end process for City Council consideration.</p>

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<p>The current Policy outlines the following language regarding maximum grant amount: <i>Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested updated policy language to increase the maximum grant award amount annually to account for inflation.</p>	<p>In the Community Grant application, applicants must specify the amount of grant funds requested. Upon confirming that the requested grant funds will be spent toward eligible expenses, grant amounts have ranged from \$900 to the maximum award amount of \$10,000 for an average grant amount of \$8,715 per approved applicant from FY 2021/22 through FY 2023/24. Staff's recommendation is to leave the current policy language in its current form and re-visit this provision if necessary to increase the grant amount to account for inflation if the \$10,000 maximum award proves to be insufficient over time due to inflation. Additionally, if there is a need for more grant funds, then Council can approve those funds through the budget process or through a budget amendment, consistent with current City practice.</p>
<p>The current Policy outlines the following language regarding application submittal: <i>Applications will be evaluated by the City Manager's Office on a case-by-case and "first come-first served" basis, throughout the fiscal year.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested proposed amendments to allow for a portion of the Community Grant Program budget to be reserved for later in the year for Youth Competitions / Performances.</p>	<p>Before the Community Grant Program absorbed the Championship Team Trust Fund, \$36,000 was budgeted annually for youth participation in championship games. In FY 2023/24, \$18,265 was awarded for youth participation in competitions and performances (inclusive of sports, academics, etc.). Staff recommends leaving the current Policy language in its current form and re-visiting this in the future if the program budget is exhausted before youth groups/individuals have a chance to apply upon advancement to their respective competition or performance.</p>

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<p>The current Policy is silent on prohibited uses of grant funds and does not provide guidance to address policy violations.</p>	<p>Grant requirements are clearly communicated through the approved grant application and corresponding grant approval letter provided to grant recipients under the grant approval process. The proposed amendments include language that aims to promote accountability and increase protections for the City by setting clear instructions on how grant funds can be spent and what needs to be submitted to the City for auditing.</p> <p>Proposed language: <i>An applicant that receives grant funds may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their event/activity/competition should any of the following occur:</i></p> <ul style="list-style-type: none"> <li>• <i>Misuse of grant funds,</i></li> <li>• <i>Failure to provide documentation demonstrating that grant funds were spent in the manner they were approved by the City,</i></li> <li>• <i>Failure to follow the terms outlined under this Policy and in the approved grant application; and</i></li> <li>• <i>Major changes to the event, activity, or competition without prior City approval.</i></li> </ul>	<p>The Governance and Ethics Committee approved staff's recommendation with an additional request that staff consider term limits for suspension based on the severity of the policy and demonstration of organizational change by which the infraction occurred.</p>	<p>Staff reviewed the Committee's request and propose a period of one year upon resolution of outstanding issues. A term limit of one year provides a grant recipient sufficient time and opportunity to review the requirements in the Policy in preparation of an application submittal as a recurring applicant, if desired.</p> <p>Proposed amended language: <i>An applicant that receives grant funds (grant recipient) may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their Community Event/Activity or Youth Competition/Performance should any of the following occur:</i></p> <ul style="list-style-type: none"> <li>• <i>Misuse of grant funds,</i></li> <li>• <i>Failure to provide documentation demonstrating that grant funds were spent in the manner approved by the City,</i></li> <li>• <i>Failure to follow the terms outlined under this Policy and in the approved grant application; and</i></li> <li>• <i>Material changes to the Community Event/Activity or Youth Competition/Performance without prior City approval.</i></li> </ul> <p><i>Grant recipients that are ineligible to apply for a Community Grant in the future due to noncompliance with this Policy, may apply again in one year after resolution of outstanding issues.</i></p>

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<p>The current Policy's eligibility criteria require applicants to demonstrate how the request for grant funding aligns with City Council Goals which are established as part of the City Council's Priority Setting process and are intended to set goals and priorities of the City which may not always be directly applicable to the Community Grant Program.</p> <p>Current language:  <i>a) Provides a benefit to Santa Clara residents</i>  <i>b) Contributes positively to the recognition and image of the City of Santa Clara</i>  <i>c) If the grant is for an event, then the event will be open to the general public and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i>  <i>d) Aligns with established Council Goals</i>  <i>e) Grant Funds will not be used for political or religious purposes</i>  <i>f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>	<p>Staff recommended replacing the Council Goals with grant focus areas to better assist applicants with identifying how the proposed Community Event/Activity or Youth Competition/Performance aligns with priorities central to the Community Grant Program. Staff also recommended updating the policy with a clearer definition of political and religious purposes for consistency with state and federal laws.</p> <p>Proposed language:  <i>a) Must be held within the City of Santa Clara</i>  <i>b) Provides a community benefit to the residents of Santa Clara</i>  <i>c) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i>  <i>d) Aligns with the following grant focus areas:</i>  <ul style="list-style-type: none"> <li>• Santa Clara Identity/Culture/Representation/Equity</li> <li>• Santa Clara Youth</li> <li>• Community Service</li> </ul> <i>e) Consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:</i>  <ul style="list-style-type: none"> <li>• Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.</li> <li>• Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.</li> </ul> <i>f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>The proposed amendments presented to the Governance and Ethics Committee removed eligibility requirement (b) for Community Events/Activities in an effort to reduce any potential redundancy in the amended Policy. However, this eligibility requirement remained intact for Youth Competitions/Performances. Since the eligibility requirements for the two grant categories have been separated for clarity, staff recommends adding this eligibility requirement back into the proposed Policy amendments under Community Events/Activities for consistency, in addition to the recommended clarifying edits reflected below.</p> <p>Proposed amended language:  <i>a) Must be held within the City of Santa Clara</i>  <i>b) Contributes positively to the recognition and image of the City of Santa Clara</i>  <i>c) Provides a community benefit to the residents of Santa Clara</i>  <i>d) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i>  <i>e) Aligns with one of the following grant focus areas:</i>  <ul style="list-style-type: none"> <li>• Santa Clara Identity/ Culture/Representation /Equity</li> <li>• Santa Clara Youth</li> <li>• Community Service</li> </ul> <i>f) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:</i>  <ul style="list-style-type: none"> <li>• Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.</li> <li>• Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.</li> </ul> <i>g) If the event or activity is a fundraising event, the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>

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<p>The current Policy only lists a few expenses that are eligible for grant funding and is silent on ineligible expenses.</p> <p>Current language:  <i>Allowable expenses shall be defined as: City permits, Fees and Services, Venue, Food and Beverage, Trash/Recycling, and Stage/Tent Rentals. Grant funds requested for Food and Beverage do not exceed 15% of the total grant amount or \$1,500.</i></p>	<p>The City Manager’s Office has not historically approved grant funds for give-away items, consultant fees, and other expenses that would otherwise violate the current Policy or any other City policies. Conversely, staff aims to promote successful Community Events/Activities and consider reasonable requests for grant funds towards expenses essential to the success of the event, provided that they do not violate the current Policy or any other City policies. As such, staff proposed the amendments below:</p> <p><i>Grant funds may only be used for the following eligible expenses for the Community Event/Activity:</i></p> <ul style="list-style-type: none"> <li>• <i>City permits, fees and services,</i></li> <li>• <i>Venue rental fees and related insurance;</i></li> <li>• <i>Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount)</i></li> <li>• <i>Trash and recycling</i></li> <li>• <i>Stage, tent and equipment rentals</i></li> <li>• <i>Marketing, promotion, and advertising (excluding consultant services and marketing materials production)</i></li> <li>• <i>Incidental, one-time related expenses specifically for the Community Event/Activity</i></li> </ul> <p><i>Grant funds shall not be used for costs related to the following:</i></p> <ul style="list-style-type: none"> <li>• <i>Gifts and giveaway items (e.g., gift cards, raffle baskets, and prizes)</i></li> <li>• <i>Programmatic expenses such as applicant’s staff time, overhead costs, consultant services, and payment of hired staff</i></li> </ul>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>Staff proposed further amendments to the eligible expenses to include other permits, fees, and services from other public agencies and other “similar” event rentals and further clarify marketing and promotional expenses, consistent with prior City approval of such grant expenses.</p> <p>Proposed amended language: <i>Grant funds may only be used for the following eligible expenses for the Community Event/Activity:</i></p> <ul style="list-style-type: none"> <li>• <i>Permits, fees and services from the City of Santa Clara and other public agencies</i></li> <li>• <i>Venue rental fees and related insurance;</i></li> <li>• <i>Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount)</i></li> <li>• <i>Trash and recycling</i></li> <li>• <i>Rental of stage, tents, and similar equipment</i></li> <li>• <i>Marketing and promotion of the Community Event/Activity such as printing expenses of promotional materials and fees related to advertising to the public (excluding third-party services to design marketing materials)</i></li> <li>• <i>Incidental, one-time related expenses specifically for the Community Event/Activity</i></li> </ul> <p><i>Grant funds shall not be used for costs related to the following:</i></p> <ul style="list-style-type: none"> <li>• <i>Gifts and giveaway items such as gift cards, raffle baskets, and prizes</i></li> <li>• <i>Programmatic expenses such as applicant’s staff time, overhead costs, consultant services, and payment of hired staff</i></li> </ul>

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<p>The current Policy does not require grant recipients to provide additional information surrounding community impact of the event.</p>	<p>Within thirty (30) days upon the conclusion of the Community Event/Activity or Youth Competition/Performance, grant recipients must complete a post event process in which receipts and invoices are submitted for verification that grant funds were spent in the manner they were approved. This requirement in the current Policy allows the City Manager’s Office to measure a grant recipient’s past success when weighing whether to approve or deny a future request for grant funding. Staff recommended including language in the Policy requiring grant recipients to submit additional documentation during the post event process to collect information that could be used to measure the success of the event, including attendance numbers, fundraising actuals (if applicable), and community impact.</p> <p>Proposed language: <i>If the applicant received grant funding, the applicant shall submit within 30 days after the Community Event/Activity documentation of:</i></p> <ul style="list-style-type: none"> <li>• <i>Proof of all allowable expenses incurred (e.g., receipts and invoices) and demonstrate that the grant funds have been spent in the manner and for the purposes stated in the approved application</i></li> <li>• <i>Attendance numbers</i></li> <li>• <i>Community Impact</i></li> <li>• <i>Fundraising actuals, if applicable</i></li> </ul>	<p>The Governance and Ethics Committee approved the proposed amendments with an additional request that grant recipients submit a five hundred (500) word description of how the event went to be included on the City’s website.</p>	<p>Staff included updated language to expand the community impact requirement that would allow the City to post grant recipients’ community impact statements on the City’s website in addition to minor clarifying edits as shown below:</p> <p><i>Grant recipients shall submit within thirty (30) days after the Community Event/Activity documentation of:</i></p> <ul style="list-style-type: none"> <li>• <i>Proof of all allowable expenses incurred (e.g., receipts and invoices submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.</i></li> <li>• <i>Attendance numbers</i></li> <li>• <i>A community impact statement that describes how the event impacted the Santa Clara community (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City’s website.</i></li> </ul> <p>Staff also recommends applying the same requirements to Youth Competitions/Performances:</p> <p><i>Grant recipients shall submit within thirty (30) days after the Youth Competition/Performance documentation of:</i></p> <ul style="list-style-type: none"> <li>• <i>Proof of all allowable expenses incurred (e.g., receipts and invoices submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.</i></li> <li>• <i>Attendance numbers confirming the number of students and coaches/chaperones that attended the Youth Competition/Performance</i></li> <li>• <i>A community impact statement that describes how the competition/performance impacted the youth groups/organizations or individuals (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City’s website.</i></li> </ul>

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<p>The current Policy does not clearly state that the post event materials should be submitted completely and on time.</p>	<p>The proposed amendments included language outlining the grant recipient's responsibility in the post event process to provide the required documentation in full and on time:</p> <p><i>Proposed language: It is the responsibility of the applicant to return any unspent grant funds within the required time frame. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late return or failure to return the unspent grant funds.</i></p> <p><i>It is the responsibility of the applicant to submit the required documentation within the required timeframe. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late submission of documentation, incomplete/insufficient documentation, or failure to submit documentation.</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>Upon further review, staff is proposing additional clarifying updates to the language to consolidate and clearly describe the procedure:</p> <p><i>Proposed updated language: City Manager's Office will review the submitted documentation outlined above for compliance and notify the grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the grant recipient to submit the required documentation within the required timeframe within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or incomplete documentation, failure to submit documentation, or late return or failure to return grant funds as required by the City.</i></p>