



Agenda Report

24-627

Agenda Date: 7/2/2024

REPORT TO GOVERNANCE AND ETHICS COMMITTEE

SUBJECT

Review Policy and Procedure 049 (“Community Grant Policy”)
(DEFERRED FROM JUNE 3, 2024)

BACKGROUND

On September 18, 2018, the City Council approved Policy and Procedure 049 (“Community Grant Policy”) to create a standardized process for the City of Santa Clara Community Grant Program, which awards grants to qualifying applicants up to \$10,000 per applicant, per fiscal year for eligible community events, activities, and Santa Clara youth group participation upon advancement into state, national, or international championship games, competitions, or performances.

Since the Community Grant Program launched on October 1, 2018, the City of Santa Clara has awarded community grants for various community events such as fun runs, social impact summits, car shows, cultural events, pageants, youth events, fundraisers, and community discussions that provide a direct benefit to Santa Clara residents. In addition to community events and activities, the City has also awarded grants to Santa Clara youth groups to travel and compete in championship games and performances for football, baseball, softball, robotics, symphonic band, jazz band, and marching band.

The adopted FY 2021/22 and FY 2022/23 biennial budget consolidated the Community Grant Program and Championship Teams budgets. During the June 22, 2021 budget adoption, City Council approved the reallocation of \$10,000 from the Community Grant Program to the Santa Clara Ballet, bringing the total Community Grant Program budget to \$90,000 of available funds.

On May 24, 2022, the City Council approved modifications to the Community Grant Policy, which added additional provisions to include a definition of allowable expenses, additional requirements for applicants (including reoccurring applicants), grantees, and provided staff the ability to audit.

The current Community Grant Policy is attached to this report (Attachment 1).

DISCUSSION

The purpose of the Community Grant Policy is to establish a clear process and procedures for the Community Grant Program. The policy outlines eligibility requirements and instructions for applicants, which also includes an application that applicants must fill out and submit to the City Manager’s Office for review and approval.

In an effort to enhance protections while promoting altruism, creativity, and inclusivity to the Community Grant Policy, staff recommends the following amendments for consideration by the Committee, which are included in the proposed amended policy (Attachment 2):

- (a) Adds language to indicate applicants must have a financial need for grant funding. This provision empowers staff to request background information from the applicant to determine legitimacy, financial stability, business models, and the ability to provide impactful events to Santa Clara residents.
- (b) Adds language to outline prohibited activity and ramifications for policy violations. The current policy does not include provisions protecting the City should violations occur. The proposed language restricts applicants from applying for future grants and/or requiring that grant funds be returned in part or in full for the following actions:
- a. Misuse of grant funds;
 - b. Failure to provide documentation sufficiently verifying grant funds were spent in the manner for which they were approved;
 - c. Failure to follow the terms outlined in the policy and approved grant application; and
 - d. Significant changes to the event, activity, or championship competition/performance that occur without prior City approval including but not limited to:
 - i. Postponement or significant change in the target date of the event;
 - ii. Changes of location that negatively impact participation and/or benefits to Santa Clara residents;
 - iii. Changes in activity;
 - iv. Changes in expenses; or
 - v. Changes that impact the terms, conditions, and eligibility set forth upon the approved application and the Community Grant Policy.
- (c) Adds an additional requirement in the post-event audit. On May 24, 2022, the City Council approved modifications to the Community Grant Policy which empowered staff to conduct a post-event audit. This provision allowed staff to collect receipts and invoices from the grantee to verify that grant funds were spent in the manner they were approved. Staff also requests fundraising and attendance numbers, which can be used to determine the success of the event and could also be used to weigh future eligibility if the grantee applies for a grant in the future. The proposed policy maintains these provisions and adds an additional requirement for grantees to report on the impact to the community and provide more information on how Santa Clara residents were served.

The proposed policy also includes language to clarify that it is the responsibility of the applicant to maintain and submit the required documentation within designated timeframes. Late submission and incomplete submittals risk future eligibility to apply for future grant opportunities through the Community Grant Program.

- (d) Enhances the eligibility requirements to clearly capture the spirit and intention of the Community Grant Program, which is to encourage and support eligible community events/activities in the City of Santa Clara, and support youth groups traveling to and participating in championship games/performances, in which both categories directly benefit the City of Santa Clara and its residents. The proposed language also eliminates the requirement that applications align to City Council Goals because such goals are adopted to prioritize and focus the efforts of the City's government, and may not align with all possible community-based events, activities, and competitions that request funding. Instead, the proposed policy asks that applicants demonstrate the event/activity/competition aligns with the

following grant focus areas:

- a. Santa Clara Identity/Culture/Representation/Equity;
- b. Santa Clara Youth; and
- c. Community Service.

In addition, the eligibility criteria also states that grant funds will not be used for political or religious purposes. The proposed policy includes definitions of these activities consistent with federal and state laws regarding limitation on use of public funds.

- (e) Expands the types of eligible events and activities to include workshops, programs, and community projects. By expanding the range of eligible community events and activities, qualifying applicants are encouraged to come up with creative ways to provide community benefits to Santa Clara residents, and ensures a fair and equitable application process.
- (f) Adds language to expand eligible expenses and include ineligible expenses for grant funding. Additional expenses essential to the success of the event should be considered for approval such as marketing and promotion expenses, equipment rentals, and one-time incidental expenses related to the event or activity. To that end, the proposed policy includes ineligible expenses such as gifts, giveaway items, overhead costs, consultant services, and payment of applicant's staff time. This provision aims to provide assistance to the applicant when filling out the application.

The Governance and Ethics Committee shall review and discuss the current policy and procedure. If the additional amendments are approved, staff will bring forward the revised policy and a resolution to the full City Council for their consideration and approval.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the recommendation.

As mentioned above, City Council approved the reallocation of \$10,000 from the Community Grant Program to the Santa Clara Ballet, bringing the total Community Grant Program budget to \$90,000 of available funds.

Staff is reviewing the status of the Santa Clara Ballet. If the organization is no longer active in Santa Clara, staff may recommend a budget amendment to City Council, as appropriate, to reallocate those funds back to the Community Grant Program budget.

Additionally, on January 30, 2024, the Santa Clara Stadium Authority Board approved Amendment No. 1 to the Naming Rights Agreement with Levi Strauss & Co. which included a \$4 million charitable commitment over 20 years from StadCo for community grants. The total annual amount of this contribution to the Community Grant Program budget will be proposed during the June 4, 2024

Council meeting.

COORDINATION

This report was coordinated by the City Manager's, City Attorney, and City Finance Offices.

PUBLIC CONTACT

Public contact was made by posting the Committee agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve amendments, if any, to Policy and Procedure 049 ("Community Grant Policy") and bring forth to City Council for consideration and approval.

Reviewed by: Michelle Templeton, Acting Assistant City Manager, City Manager's Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Policy and Procedure 049 Community Grant Policy (Current)
2. Policy and Procedure 049 Community Grant Policy (Proposed)