
FINANCE COMMITTEE AGENDA – Regular Meeting

A Committee of the Chico City Council: Councilmember Bennett, Mayor Coolidge, and Chair Morgan
Meeting of Wednesday, October 27, 2021 – 8:30 a.m. to 10:30 a.m.
Meeting Location: Council Chamber Building, Conference Room 1, 421 Main St. Chico, CA

REGULAR AGENDA

A. APPOINTMENT PROCESS OF MEMBERS TO THE AD HOC CITIZEN’S COMMITTEE (CDBG-CAC) FOR THE PURPOSES OF REVIEWING AND RECOMMENDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICES APPLICATIONS

In December 2015, City Council authorized the creation of an Ad Hoc Citizen’s Committee (CDBG-CAC) to consider Community Development Block Grant (CDBG) Public Service funding applications beginning with the 2016-17 funding cycle. City Council directed the Finance Committee to review candidate applications and make appointments to the CDBG-CAC. The CDBG-CAC is responsible for reviewing grant applications and making recommendations for the use of CDBG Public Service funding as part of the City’s Annual Action Plan process. The Annual Plan is brought forward to the City Council annually for a public hearing and formal approval for the use of the CDBG entitlement grant from Housing and Urban Development (HUD). Per direction provided by the Finance Committee, this agenda item brings forward an Administrative Policy and Procedure which formalizes the appointment process and defines the roles and responsibilities of the CDBG-CAC. *(Report—MaryJo Alonzo, Housing Specialist)*

Recommendation: The Community Development Director recommends that the Finance Committee review the proposed Administrative Policy and Procedure (AP&P) for the appointment of members to the CDBG-CAC and forward a recommendation to City Council for final approval.

B. BUSINESS FROM THE FLOOR - *Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.*

C. ADJOURNMENT - The meeting will adjourn no later than 10:30 a.m. to the next regular Finance Committee Meeting on November 24, 2021 at 8:30 a.m. in Conference Room 1 at 421 Main St.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda. In order to maintain an accurate and complete record, the following procedural guidelines are being implemented:

1. Speaker Cards – speakers will be asked to print his/her name on a speaker card to address the Committee and provide card to the Clerk prior to the completion of the Staff Report.
2. The Clerk will call on speakers in the order the cards are received.
3. Speakers may address the Committee one time per agenda item.
4. Speakers will have three minutes to address the Committee.

Distribution available in the office of the City Clerk

Posted: 10/21/21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us
Copies of the agenda packet are available for review at: City Clerk’s Office, 411 Main St. Chico, CA.



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.



TO: Finance Committee

FROM: MaryJo Alonzo, Housing Specialist, 879-6302

RE: Appointment Process of Members to the Ad Hoc Citizen's Committee (CDBG-CAC) for the Purposes of Reviewing and Recommending Community Development Block Grant (CDBG) Public Services Applications

REPORT IN BRIEF

In December 2015, City Council authorized the creation of an Ad Hoc Citizen's Committee (CDBG-CAC) to consider Community Development Block Grant (CDBG) Public Service funding applications beginning with the 2016-17 funding cycle. City Council directed the Finance Committee to review candidate applications and make appointments to the CDBG-CAC. The CDBG-CAC is responsible for reviewing grant applications and making recommendations for the use of CDBG Public Service funding as part of the City's Annual Action Plan process. The Annual Plan is brought forward to the City Council annually for a public hearing and formal approval for the use of the CDBG entitlement grant from Housing and Urban Development (HUD). Per direction provided by the Finance Committee, this agenda item brings forward an Administrative Policy and Procedure which formalizes the appointment process and defines the roles and responsibilities of the CDBG-CAC (**Attachment A**).

Recommendation: The Community Development Director recommends that the Finance Committee review the proposed Administrative Policy and Procedure (AP&P) for the appointment of members to the CDBG-CAC and forward a recommendation to City Council for final approval.

FISCAL IMPACT

There is no fiscal impact to City funds associated with the CDBG-CAC. Per Council budget policy, the funding for the CDBG Public Services Community Organization Funding program comes from 15% of the annual CDBG funds allocated to the City by HUD. Staff time necessary to provide support to the CDBG-CAC is charged to the administrative portion of the CDBG grant.

BACKGROUND

The City of Chico has a long-standing history of providing financial support to non-profit agencies to provide services to the community. The practice began in 1973 with resources from the Federal Revenue Sharing Program funds and continued thereafter utilizing both General Fund and Community Development Block Grant funding. The City's process for the review of funding applications has changed over the years and in 2015, based upon staff review of CDBG best practices, the City Council directed the City's Finance Committee to appoint citizens to an Ad-Hoc Committee to review and make funding recommendations for Public Services activities. The recommendations are then presented as part of the City's HUD Annual Plan process.

There are a number of benefits for the use of a Citizen's Advisory Committee to review and make recommendations on Public Service funds:

- Address the federal requirement of public engagement with low income populations by involving low income representatives in funding recommendations;

- Provide an independent third-party body to relieve Finance Committee members and staff of the additional work that comes with the application review and funding recommendation process; and
- Prioritizes funding decisions in alignment with the Consolidated Plan for greater efficiency and impact.

Initially set up on a trial basis during the 2016-2017 program year, the CDBG-CAC appointments have since been forwarded to the Finance Committee for review and approval. A formal policy outlining the process provides staff, the Finance Committee and the public clarity on the appointment process. The intent of the policy is to standardize the process and ensure that this procedure is followed while making future appointments.

DISCUSSION

Per direction of the Finance Committee, staff has drafted an AP&P document outlining the process of appointing citizens to the CDBG-CAC. Based on research of best practices regarding review processes for the selection of recipients for CDBG Public Services funding, staff recommends that the CDBG-CAC be made up of both community members with experience and knowledge of the social service needs in the community and with community members at-large. Requiring community members that engage and/or serve the low-income population follows HUD guidance for encouraging participation amongst the group of participants the funding is intended to serve. As with other City advisory boards and commissions, appointed members are required to have general experience and/or education aligning with the programs and projects they review and make recommendations on.

Summary of Policy

The CDBG-CAC will be made of up to seven members. In order to promote a diverse perspective, address the needs of the low-income community and ensure a balanced consideration of the use of funds, staff recommends the Finance Committee appoint up to four (4) Representatives and up to three (3) Citizens from the lists below.

Representative Class:

Members who engage in the following activities will be considered a part of the Representative class of appointees:

- Service on advisory bodies within the community focused on the needs of low-income citizens, especially those who are experiencing homelessness or are at risk of homelessness;
- Involvement in groups that have experience and knowledge of the social service needs of low-income persons in the community, including but not limited to: Butte County Behavioral Health, Community Housing Improvement Program, Caring Choices, Northern Valley Catholic Social Services, Housing Authority of the County of Butte, Chico Interfaith Council, those who have experienced homelessness, or other low-income beneficiaries. This class excludes organizations who routinely, or are expected to apply for the Public Service CDBG funds to remove the possibility of potential conflicts of interest.

Citizen Class:

- Members of the community at large who are not currently engaged in the above activities.

It is desired that CDBG-CAC applicants have some knowledge of grants and grant funding processes, but is not a requirement for placement on the CDBG-CAC.

Summary of Appointment Process and Responsibilities

The CDBG-CAC shall be made up of up to seven (7) members. If membership drops below five (5) members, Staff will initiate a recruitment and bring forward applicants to the Finance Committee for review and approval. There are currently three members who were appointed to the CDBG-CAC earlier this year who have expressed interest in remaining on the CDBG-CAC for next year's review of grant applications. The list of interested members is included as **Attachment B**.

Citizens interested in serving on the CDBG-CAC will be required to complete an application, and explain any potential conflicts of interest per HUD regulations (2 CFR 200 and 24 CFR 570.611). A copy of the application is included as **Attachment C**. The CDBG-CAC will meet annually (and as needed) to collectively discuss and make funding recommendations to be included in the City's Annual Action Plan for the use of HUD funding. CDBG-CAC members will be required to attend an orientation provided by Housing Division staff and attend at least two public meetings where they will hear from Public Service grant applicants and review and rank applications. Due to the nature of an ad-hoc committee, the CDBG-CAC is not governed by the Brown Act. CDBG-CAC meeting agendas are posted on the Housing Division's website at least 3 days in advance of the meetings and the meetings are open to the public.

Next Steps

Once Finance Committee reviews the draft AP&P, the recommendation and accompanying staff report will be forwarded to City Council for review and approval. Earlier this year, seven community members were appointed to the CDBG-CAC and three members are interested in continuing on the committee. Staff will advertise and release the CDBG-CAC application in early December 2021 to fill the remaining vacancies. Submitted applications will be forwarded to the Finance Committee at their meeting in January 2022 to appoint members to the CDBG-CAC.

PUBLIC CONTACT:

The public was notified of this item via the posting of the agenda.

Reviewed by:



Brendan Vieg,
Community Development Director

Approved by:



Mark Orme, City Manager

DISTRIBUTION:

City Clerk (3)
CDD-Housing

ATTACHMENTS:

Attachment A: Proposed Administrative Policy and Procedure
Attachment B: Current CDBG-CAC members
Attachment C: CDBG-CAC Application

FILE: HUD General Administration/Public Services

CITY OF CHICO
Administrative Procedure and Policy Manual

Subject: Appointment of Citizen's Advisory Committee to review CDBG-Public Service Funding	Number:
	Effective Date:
Department(s) Affected: Community Development - Housing	Supersedes:
Authority:	File Reference:
	Approved:

I. PURPOSE

The City receives Community Development Block Grant (CDBG) funds annually as an entitlement grantee from U. S. Department of Housing and Urban Development (HUD), to be used for programming and projects meeting the needs of low-to moderate-income (< 80% Area Median Income) members of our community, as well as special needs populations established by HUD. While HUD provides local jurisdictions with the general framework of eligible activities and populations for which the funds may be spent, the City determines its own set of local priorities and strategies for the use of the funds based upon an assessment of community needs completed in conjunction with its citizens. The results of the community needs assessment are consolidated and described in detail in the City's Five-Year Consolidated Plan. The City is required to adopt an Annual Action Plan to implement goals of the Consolidated Plan and follow program regulations outlined in 24 CFR 570 and 2 CFR 200.

HUD rules state that up to 15% of an entitlement city's annual allocation may be expended for Public Services. For CDBG purposes, Public Service activities are described as social and human services which benefit low to moderate income persons. City Council Budget Policy F.1.a. states that a portion of the annual entitlement will be set aside for the purpose of providing funding assistance to community organizations providing public services. When a competitive application process is used to award funds to agencies providing public services, a Citizen's Advisory Committee will be used.

Staff researched best practices and determined that an Ad-Hoc Citizen's Advisory Committee (CDBG-CAC) made up of community members with experience and knowledge of the social service needs in the community, in addition to community members at large, are best suited to review eligible applications and make award recommendations to be included in the Annual Action Plan for City Council consideration and adoption. The creation of the CDBG-CAC allows the City to:

- Address the federal requirement of public engagement with low income populations by involving low income representatives in funding recommendations;
- Provide an independent third-party body to relieve Finance Committee members and staff of the additional work that comes with the application review and funding recommendation process; and
- Prioritize funding decisions in alignment with the Consolidated Plan for greater efficiency and impact.

At its December 15, 2015 meeting, the Council approved the formation of the CDBG-CAC and directed the Finance Committee to make CDBG-CAC appointments based upon the recommendations in the staff report and outlined below. Initially set up on a trial basis during the 2016-2017 program year, the CDBG-CAC appointments have continued to be forwarded to the Finance Committee for review and approval. This Administrative Policy and Procedure (AP&P) sets forward a formal policy, outlining the process for the Finance Committee, staff and the public regarding the CDBG-CAC appointment process. The intent of the policy is to standardize the process and ensure that future appointments are made following this procedure.

II. **POLICY**

The CDBG-CAC shall be made up of up to seven (7) members. Prior to appointment, potential applicants will be assigned to one of two classes described below. In order to promote a diverse perspective, address the needs of the low-income community and ensure a balanced consideration of the use of funds, the Finance Committee shall appoint up to four (4) Representatives and up to three (3) Citizens. If the CDBG-CAC membership falls to an even number of members, the appointed Chair shall have an extra vote, as outlined in Section III D.

Representative Class:

CDBG-CAC members who engage in the following activities will be considered a part of the Representative class of appointees:

- Service on advisory bodies within the community focused on the needs of low-income citizens, especially those who are experiencing homelessness or are at risk of homelessness;
- Involvement in groups that have experience and knowledge of the social service needs of the low-income community, including but not limited to: Butte County Behavioral Health, Community Housing Improvement Program, Caring Choices, Northern Valley Catholic Social Services, Housing Authority of the County of Butte, Chico Interfaith Council, those who have experienced homelessness, or other low-income beneficiaries. This class excludes organizations who routinely or are expected to apply for the Public Service CDBG funds to remove the possibility of potential conflicts of interest.

Citizen Class:

Members of the community at large who are not currently engaged in the above activities.

Though not a requirement, it is desirable that the CDBG-CAC applicants have some knowledge of grants and grant funding processes.

III. **PROCEDURE**

A. Recruitment

1. CDBG-CAC members will be appointed on an as-needed basis with undefined term limits.
2. The Housing Division will solicit the opportunity and call for applicants from City residents interested in serving on the CDBG-CAC. Notification emails will be sent to known local agencies which serve the low-income population. All notices will include wording indicating the City of Chico supports workforce diversity and that women, minorities and persons with disabilities are encouraged to serve in these volunteer positions.
3. The Housing Division will provide interested applicants with an application and a copy of this AP&P. Submitted applications become a public record and will be made available to the public once the applications have been forwarded to the Finance Committee in the agenda packet. Personal information will be redacted from the applications before they are available for public review.
4. Applicants shall attest or disclose conflicts of interest on their application as outlined in HUD regulations.

B. Interviews/Nomination Process

A nomination form listing the number of positions to be filled for CDBG-CAC, and applications will be provided to the Finance Committee to vote and appoint members.

C. Vacancies

The Finance Committee may hold a recruitment in a manner substantially similar to Section III.A.2-3 above, when the number of CDBG-CAC members falls below five (5). In order to ensure an effective and timely recommendation, no recruitment will be held between January 1 and April 1 of any given year. Where vacancy(ies) occur unexpectedly between January 1 and April 1, the CDBG-CAC Chair may be the tie-breaker vote if membership is below five (5) members.

D. Appointment of Chair

During the initial meeting following the training/orientation, CDBC-CAC members will appoint a Chair to run future meetings.

1. Any CDBG-CAC member can be elected to serve as Chair.
2. CDBG-CAC members may vote for themselves to the Chair position.

3. A majority of CDBG-CAC members must vote to approve the Chair.
4. As Chair, that member also acts as the tie-breaking vote if the membership falls to an even number.
5. The Chair is responsible for facilitating the meetings (meeting agendas are prepared by Housing Division Staff).

IV. CDBG-CAC RESPONSIBILITIES

The CDBG-CAC is asked to thoroughly review all Public Service funding request applications, Consolidated Plan priorities, and hold two public review meetings to ask questions of the applicants and present funding recommendations. Staff provides an initial review of applications to ensure that basic eligibility requirements are met and forwards applications to the CDBG-CAC.

A. Orientation/Training

1. CDBG-CAC members shall attend an orientation/training session provided by Housing Division staff prior to receiving and reviewing funding applications.
2. CDBG-CAC members must agree to adhere to guidelines, rating and ranking procedures and to maintain confidentiality during the process.
 - a. Grant applications remain confidential until they are released to the public when the first meeting Agenda is posted on the City's website.
 - b. CDBG-CAC members may not discuss applications with the public prior to the first public meeting.
3. The CDBG-CAC Committee's Guidelines are maintained by the Housing Division.

B. Meetings

1. The CDBG-CAC will meet at least twice to review grant applications.
2. During the first meeting, the CDBG-CAC will discuss the Public Service grant applications and provide time for each applicant to present their program and allow the committee and/or the public to ask questions of the applicants.
3. Following the first meeting, the CDBG-CAC is asked to fill out and submit a rating and ranking sheet to be used as part of the discussion and deliberation process.
 - a. The deliberation meeting is held prior to the second public meeting and is a confidential meeting with Staff and CDBG-CAC members.
 - b. The rating and ranking sheet is the formal measure for scoring applications and is required as part of HUD regulations, 2 CFR 200.320(b)(2)(ii).
4. As part of the final public meeting, the CDBG-CAC will be asked to review their rating process and present funding recommendations to Public Service applicants. These recommendations will be incorporated into the City's draft Annual Action Plan for consideration by the public and City Council.
 - a. There may be times when the CDBG-CAC's recommendations will not be sustained or will be modified by the City Council. It's important for the CDBG-CAC to recognize that this is not a rejection of the integrity of the recommendation but may be an inevitable part of the process of community decision-making.
5. Due to the ad-hoc nature of the CDBG-CAC, it is not governed by the Brown Act.
6. Agendas will be posted on the Housing Division's website at least 3 days in advance of the meetings and the meetings will be open to the public.

2021-2022 Ad Hoc Citizen Advisory Committee

Name	Class	Employer/Occupation	Known Conflict
Tamra Young	Representative	Butte County Housing Authority/Admin Ops Director	NO
Rashell Brobst	Representative	Boys and Girls Club of the North Valley/Chief Exec. Officer	NO
Kim Dietz	Citizen	Firmenich, Inc. & Dietz Rental/Business Development Manager	NO



CITY OF CHICO

Ad Hoc Citizen Advisory Committee

Information and Application

The City is seeking volunteers to participate on the Ad Hoc Citizen Advisory Committee (CDBG-CAC). Candidates may either be affiliated with agencies focused on the needs of low-income citizens or members of the general public. Experience writing or utilizing grants is helpful. The CAC will hold at least two public meetings annually, in February and March, and are required to read and review grant applications and make funding recommendations.

Purpose: To review Community Development Block Grant (CDBG) applications for Public Service activities and make funding recommendations to the Chico City Council.

Background: The City of Chico receives CDBG funding from the U. S. Department of Housing and Urban Development (HUD) on an annual basis. Per City budget policy, fifteen (15%) percent of the funding allocation is set-aside for eligible public service activities, which benefit persons of low to moderate income as defined by HUD. The funded activities must be in line with priorities as stated in the City's HUD Consolidated Plan located here: <https://chico.ca.us/pod/housing-planning-documents>.

Annually, local non-profit agencies apply for CDBG Public Service funding to provide services to low income City residents through a competitive process. Applications are released in early January and are due to the City at the end of the month. City staff reviews and evaluates applications for eligibility and provides them to the CDBG-CAC members for review and ranking based on Priorities of the Consolidated Plan. The CDBG-CAC meets in early March to hear presentations from each eligible organization and may ask questions of the organizations. The CDBG-CAC will meet again during the second week in March to discuss the applications and make funding recommendations. Those recommendations are included in the City's Draft Annual Action Plan, which outlines the annual use of HUD funds.

- Applicants must disclose potential conflicts of interest and may be ineligible to serve on the committee based upon conflicts outlined in 24 CFR 570 and 2 CFR 200.
- Applicants must reside in Chico.
- Applicants must review *Administrative Procedures and Policies (attached for reference)*
- CDBG-CAC applications will be forwarded to the City's Finance Committee at a regularly scheduled meeting, where appointments will be made.
- City of Chico supports workforce diversity and encourages women, minorities, and persons with disabilities to apply for these volunteer positions.

If you are interested in participating, please complete and submit the application form (attached). For more information, contact Housing Division at (530) 879-6300 or cityhousing@chicoca.gov.



**City of Chico
Ad Hoc Citizen Advisory Committee (CDBG-CAC)
Application**

Applicant Information

Name: _____

Home Phone: _____

Address: _____

Cell Phone: _____

City/State/Zip: _____

Email Address: _____

Name of Employer: _____

Occupation: _____

Business Phone Number: _____

Education and/or Experience serving low-income populations:

Have you served on a Board of Directors or on a City Commission or Board in the past year? If so, please identify the organization, commission, board or committee.

Disclose potential conflicts of interest which may make you ineligible to serve on the committee based upon the conflict (per 24 CFR 570 and 2 CFR 200).

I certify the above information is true and correct and if I am selected to participate on the CDBG-CAC, will adhere to procedures and policies of the committee.

Signature

Date

Please return the application to the City of Chico's Housing Division, 411 Main Street, 2nd Floor or PO Box 3420, Chico, CA 95927 or via email: cityhousing@chicoca.gov.