CITY OF IOWA CITY
MEMORANDUM

Date**:** July 15, 2019

To**:** Iowa City City Council

From**:** Vanessa Fixmer-Oraiz, Housing and Community Development Commission Chair

Re**:** Aid to Agencies Recommendations

Introduction

At our July 11, 2019 meeting, Housing and Community Development Commission (HCDC) discussed different ways to modify the Aid to Agencies (A2A) process. That discussion was largely in reaction to two memos which proposed modifications. The first was from City of Iowa City Neighborhood Services staff dated July 3, 2019, and second was from the Agency Impact Coalition dated July 10, 2019 (both attached). HCDC voted to recommend for consideration both memos to Council with the following changes and clarifications.

Recommendations

For the staff memo, HCDC recommends supporting staff recommendations with the exception that the City should continue funding for emerging agencies up to 5% of the A2A budget. While the City allocates CDBG/HOME, Climate Action Grants, and Social Justice and Racial Equity Grants, these do not necessarily fund general operational expenses. HCDC encourages less established agencies to apply for project grants, but believes it is important to provide general operational funding in addition to project-based funding to help these organizations establish themselves.

For the Agency Impact Coalition memo, HCDC recommends supporting all points in addition to the following staff suggestions on how to implement two of the items. First, each Commissioner will serve as a liaison for 2-3 funded agencies to help schedule annual site visits and improve familiarity with funded agencies. Second, staff and HCDC will establish annual meetings with agencies as part of the timeline review process for City Steps. This will provide an opportunity for HCDC, agency executives, and City staff to have discussions outside of the funding cycle. Specifically, this would allow HCDC to receive updates from agencies on trends, gaps, and needs and to review and debrief City Steps and other relevant plans guiding annual allocations processes.

Next Steps

Many of these changes can be incorporated this fiscal year for the FY21 funding round while others will take time. Immediate steps that HCDC would like to implement are as follows:

- Determine liaisons for currently funded agencies
- Schedule a timeline City Steps review for this summer with agency leaders
- Have staff provide a funding recommendation for FY21 using HCDC-approved criteria
- Provide HCDC questions in advance for FY21 applicants prior to meetings

HCDC hopes that these recommendations and changes will help the Commission, staff, and agencies to work more collaboratively to face the challenges and opportunities ahead and to meet the increasing needs of those within our community who require it most. Please let us know if you have any questions as you consider these recommendations.

CITY OF IOWA CITY
MEMORANDUM

Date: July 3, 2019

To: Housing and Community Development Commission

From: Erika Kubly, Neighborhood Services Coordinator
Kirk Lehmann, Community Development Planner

Re: Aid to Agencies Recommendations

Introduction:
Iowa City has historically funded a portion of the operating costs of local non-profits that serve low income residents through the Aid to Agency (A2A) fund. Last year, the City Council adopted recommendations made by the Housing and Community Development Commission (HCDC) to provide stable funding for existing nonprofits and to also provide new opportunities for developing agencies to receive funds through the A2A allocation process. After this past allocation cycle, Council asked HCDC to review their processes and determine the best way to move forward with funding recommendations. This memo contains staff recommendations to modify the A2A process based on historical precedent and feedback from HCDC and agencies.

History/Background:
The goal of A2A has historically been to provide a stable source of operational funding for human service agencies serving low- and moderate-income (LMI) residents. Council first began having HCDC recommend A2A allocations in 2010 to align funding recommendations with the priorities set in CITY STEPS, the City's five-year federally mandated consolidated plan for housing, services and jobs for LMI residents. Prior to that point, a committee of City Council members and staff allocated the funding to a core group of agencies. New applicants typically were not funded; however, this began to change once HCDC started making funding recommendations.

On July 17, 2018, City Council adopted policies revising the process based on HCDC input. There were three main changes. First, 5% of A2A funding was set aside for "emerging" agencies, defined as agencies that have not existed as a legal entity for at least two years or have not received A2A in any of the last five years. Second, the remaining funds were available to "Legacy" agencies, defined as those who have existed as a legal entity for at least two years and have received A2A funding in any of the last five years. Allocations to Legacy agencies were awarded over a two year period to provide stability. Finally, HCDC created a goal of providing 70% of funds to High priority agencies, 25% to Medium priority agencies and 5% to Low priorities agencies with an intent of spreading funding between priority groups and reducing competition to receive a High priority designation.

This revised process was first used for the FY20 funding allocation. The City estimated a budget of $355,000 for Legacy agencies and $19,000 for emerging agencies. At their January 17, 2019 meeting, HCDC noted that A2A funds had remained stable over the last several years while needs increased. In addition, more agencies were applying and receiving funds. As such, HCDC recommended that Council fully fund the requests of FY20 Legacy agencies, totaling $625,500, and requested a work session with Council to discuss why they recommended funding over their budget estimate. After meeting together on February 5, 2019, Council agreed to fully fund the Legacy requests for a single year with the condition that HCDC revisit the A2A process to avoid future unexpected budget recommendations.

HCDC has had ongoing discussions about how to revise the process at their monthly meetings since April 2019. Because the FY21 Joint Funding Applications will be released on August 1, 2019, changes related to the process must be determined at the July HCDC meeting in order to be incorporated into the next funding cycle.

Staff Recommendation
Based on the feedback received, staff recommends A2A return to its original intent of providing a stable funding source for human service agencies serving LMI residents based on the funding priorities set in CITY STEPS for public service agencies. Every five years, the priorities in CITY STEPS are reviewed and a new plan is adopted. City staff is currently working on the new five-year CITY STEPS plan, which will need to be adopted by the City Council and accepted by the federal government by July 1, 2020.

During the new plan development process, staff recommends identifying and limiting A2A applicants to a core group of service providers which meet the established priorities. These identified agencies would then apply on a competitive basis based on identified priorities, history of funding, and capacity. Beginning with FY22, agencies would apply on a two-year cycle. This process would provide stable funding for agencies with demonstrated capacity to effectively utilize A2A dollars. The priorities and agencies allowed to apply would be reevaluated with each new five-year plan to address changing priorities or gaps of service as identified in CITY STEPS. If needed, there would also be a mechanism to modify the number of eligible agencies during the five-year planning period through the federally defined Consolidated Plan amendment process.

Because the FY21 Joint Funding Application process will begin before the adoption of *City Steps 2025*, staff recommends limiting FY21 A2A applications to those agencies who applied for Legacy funds in FY20. This is consistent with the expectation of a two-year funding cycle when Legacy agencies applied last year. For the remaining fiscal years covered by *City Steps 2025* (FY2022 through FY2025), staff recommends that the 2021-2025 Plan identify a set of 15-20 core agencies to be funded through A2A for public service funding. This will help focus funds in a strategic manner and provide the stability desired by agencies.

A2A applicants will continue to apply through the United Way Joint Funding process. Every two years, HCDC will review and approve the ranking criteria for evaluation of the public service applicants. With the FY21 allocation cycle, staff will rank applications based on these criteria and make a funding recommendation for HCDC to consider. HCDC can recommend changes to staff's recommendation. The HCDC recommendation would be submitted to City Council for their consideration and adoption.

Staff also recommends discontinuing the emerging agencies set-aside due to alternative funding opportunities that are now available. The City has allocated $25,000 in Climate Action Grants and $75,000 in social justice and racial equity grants. These grants are expected to continue, and both have equity components and an emphasis on serving disadvantaged populations. Project-based CDBG/HOME grants are also available for emerging agencies or those who have not received grant funds in the past. These different sources are a good fit for emerging agencies and can help agencies build capacity and establish a track record. As an agency becomes more established and can demonstrate the ability to meet priority needs and grant requirements, they may be eligible to be incorporated into the A2A funding cycle based on their ability to address *City Steps 2025* priorities.

Proposed Timeline
<u>August 1, 2019</u>: FY21 A2A applications are released to agencies that were awarded funds last year through the United Way Joint Funding process.

<u>September 12, 2019</u>: FY21 A2A applications due.

<u>September 19, 2019</u>: HCDC receives copies of FY21 A2A applications for review. HCDC will compile questions for agencies regarding their applications ahead of the November meeting.

<u>November 21, 2019</u>: HCDC discusses questions for agencies at their November meeting. Staff will compile and send out questions to agencies in preparation for HCDC's December meeting.

December 19, 2019: Question & Answer session with A2A applicants. Agencies are provided questions in advance and invited to attend HCDC's December meeting.

December 2019: Draft of *City Steps 2025* complete. Draft will include updated priorities and identification of core agencies who are eligible for A2A funding for FY22 through FY25.

January 16, 2020: Staff provides FY21 A2A funding recommendations to HCDC at their January meeting. HCDC considers modifications and makes an FY21 A2A funding recommendation to Council.

April-May 2020: HCDC reviews, considers changes, and recommends *City Steps 2025* to Council. Council holds a Public Hearing and considers changes and adoption of *City Steps 2025*, in addition to HCDC's FY21 A2A funding recommendation.

August 2020: FY22-23 A2A applications are released to eligible agencies identified in *City Steps 2025*.

August 2022: FY24-25 A2A applications are released to eligible agencies identified in *City Steps 2025*.

Summers 2021-2024: Annual timeline review of *City Steps 2025* priorities and core agencies who are eligible for A2A funding. If modifications are needed, the Consolidated Plan would be amended in accordance with the Citizen Participation Plan.

To: Housing and Community Development Commission

From: Agency Impact Coalition

Re: Aid to Agencies Process

Date: July 10, 2019

The Housing and Community Development Commission's leadership and determination demonstrated throughout the FY20 Aid to Agencies funding process compelled and inspired local agencies identified by the City of Iowa City as Legacy Agencies to form a coalition, the Agency Impact Coalition. The Coalition has been meeting regularly with much of the initial discussions focused on how to better advocate for the work of our organizations and the collective impact we have throughout the community.

HCDC is continuing its drive to improve the Aid to Agencies process and recently sent out a survey to solicit feedback from funded agencies. However, the survey questions did not get to the heart of the recommendations and concerns that have consistently been articulated during Coalition meetings and we realized the majority of our feedback fell under the category of "other." As a result, we are submitting this single response. The suggestions below are made in the spirit and hope of creating a better informed and more participatory, collaborative process for both Aid to Agencies and CDBG/HOME awards:

- Inclusion of annual site visits to the funded agencies and/or as part of the orientation and on-boarding for HCDC members. Local not-for-profit executives bring decades of experience and are themselves subject-matter experts. We are eager for our community to understand the complexity and nuances of our services, the constituencies we serve, and the challenges we face. This may be time intensive, but it would set an entirely different foundation and context from which to work.
- Joint meetings outside of the funding cycle for HCDC, not-for-profit executives, and Neighborhood Services Department staff to thoroughly debrief CITY STEPS, the Annual Action Plan, and other relevant plans underpinning and guiding the allocations process for both Aid to Agencies and the annual CDBG/HOME competitions. Components of these conversations could include updates on trends, gaps, and needs.
- Better leverage the professional experience and practical knowledge of the Neighborhood Services Department staff. City staff add valuable perspective which is not being fully integrated into the process and dialogue.
- Create a data driven process that aligns with CITY STEPS and reorients the dialogue to be driven by need as opposed to managing scarcity.
- Our collective impact has substantial economic multipliers and significant public benefits that positively impact our community. Is there a method to more formally recognize this to better inform policy makers and as a component of the City's annual budget process?
- Specific to the application(s) and review therein, ensure additional questions to applicants are standardized and made available to everyone in advance.

In addition to these suggestions we support staff recommendations made in their July 3, 2019 memo to HCDC and the approaches recommended to reorient the process back to the original intent of, "providing a stable funding source for human service agencies serving LMI residents based on the funding priorities set in CITY STEPS…". Please know it is with the highest regard that we write. Members of this Commission have approached their charge with determination, integrity, compassion, and empathy. You have anguished over the decisions to be made and taken an unprecedented and bold position to which our Council responded. Please know that you have inspired and motivated us. We are eager to work more collaboratively to face the challenges and opportunities ahead and recognize that we come with the common intention of improving the health, safety and well-being of our community.

MINUTES **PRELIMINARY**

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
JULY 11, 2019 – 6:30 PM
SENIOR CENTER, ROOM 202

MEMBERS PRESENT:	Megan Alter, Charlie Eastham, Vanessa Fixmer-Oraiz, John McKinstry, Maria Padron
MEMBERS ABSENT:	Matt Drabek, Lyn Dee Hook Kealey, Peter Nkumu, [vacant]
STAFF PRESENT:	Kirk Lehmann, Erika Kubly
OTHERS PRESENT:	Delaney Dixon, Nicki Ross, Adam Robinson, Amy Greazel, Ellen McCabe, Ron Berg, Michelle Heinz, Missie Forbes, Crissy Canganelli, Christi Regan, Heath Brewer, Ellie Paxson, Genevieve Anglin

RECOMMENDATIONS TO CITY COUNCIL:

By a vote of 5-0 the Commission recommends to City Council modifications to the Aid to Agencies process and approve FY21 Aid to Agencies forms as with changes as discussed.

CALL MEETING TO ORDER:

Fixmer-Oraiz called the meeting to order at 6:30 PM.

APPROVAL OF THE JUNE 20, 2019 MINUTES:

McKinstry moved to approve the minutes of June 20, 2019. Eastham seconded the motion. A vote was taken and the motion passed 5-0.

PUBLIC COMMENT FOR TOPICS NOT ON THE AGENDA:

Crissy Canganelli (Shelter House) submitted correspondence dated July 2, 2019 to provide corrected information from the minutes of the Human Rights Commission heard by the Commission at their previous meeting. Lehmann read the correspondence:

> *Good Morning:*
>
> *I am writing to provide a correction to information provided to the Human Rights Commission during its May 15, 2019 meeting. The draft Meeting Minutes which are available to the public indicate that County Supervisor Porter reported to the Commission that, "Johnson County just gave Shelter House $630,000."*
>
> *The Johnson County Board of Supervisors allocated a total of $630,000 to the Housing Trust Fund of Johnson County which was made available for affordable housing initiatives over the past fiscal year. Of the funds awarded to Shelter House by the HTFJC, $250,000 came from Johnson County. Funds were awarded as a loan, are repayable to the HTFJC, and were restricted for a new construction project at 820 Cross Park Avenue.*
>
> *The Human Rights Commission minutes were included in the June Housing and Community Development Committee Meeting packet, as such, I request this correction in fact be provided to both the Commission and relevant Iowa City staff.*

I am deeply grateful for the partnership and support of the City of Iowa City in all aspects of Shelter House programming and would be happy to provide any additional information that would be helpful. Please do not hesitate to contact me by phone or email.

Crissy Canganelli, Executive Director of Shelter House

RECOMMEND TO CITY COUNCIL MODIFICATIONS TO THE AID TO AGENCIES PROCESS AND APPROVE FY21 AID TO AGENCIES FORMS:

Kubly began by summarizing a memo from staff regarding Aid to Agencies (A2A) recommendations dated July 3, 2019. Overall, staff recommends returning A2A to its original intent of providing stable funding for human service agencies serving low- and moderate-income residents based on the priorities set in CITY STEPS. Every five years, these priorities are reviewed. Staff is currently developing the new five-year plan, to be adopted by Council and the federal government by July 1, 2020. During the planning process, staff recommends limiting A2A applicants to a core group of service providers which meet its established priorities. These agencies would then competitively apply based on these priorities, their history of funding, and their capacity. Beginning with FY22, agencies would apply on a two-year cycle. The priorities and agencies allowed to apply would be reevaluated with each new five-year plan to address changing priorities or gaps of service as identified. If needed, the City could modify eligible agencies during the five-year period as well through the Consolidated Plan amendment process.

Kubly continued that because the FY21 Joint Funding Application process will begin before the adoption of City Steps 2025, staff recommends limiting FY21 A2A applications to agencies who applied for Legacy funds in FY20, consistent with the expectation of a two-year funding cycle when Legacy agencies applied last year. For the remaining fiscal years covered by City Steps 2025, staff recommends that the Plan identify 15-20 core agencies to be funded through A2A. Applicants will continue to apply through the United Way Joint Funding process. Every two years, HCDC will review and approve the ranking criteria for evaluation of the public service applicants. With the FY21 allocation cycle, staff will rank applications based on these criteria and make a funding recommendation for HCDC to consider. HCDC can recommend changes to staff's recommendation. The HCDC recommendation would be submitted to City Council for their consideration and adoption.

Kubly noted staff also recommends discontinuing the emerging agencies set-aside due to available alternative funding opportunities, such as Climate Action Grants and the Social Justice/Racial Equity grants. Project-based CDBG/HOME grants are also available These sources can help agencies build capacity and establish a track record. As an agency demonstrates its ability to meet priority needs and grant requirements, they may be incorporated into the A2A funding cycle based on addressing priorities.

Eastham noted that the staff recommendation does not discuss the budget and asked if the Commission can recommend a higher budget amount. Kubly noted the City Manager is leading that discussion and has invited agencies to meet this month prior to the establishment of next year's budget.

Fixmer-Oraiz stated that the alternative project grants discussed are unclear as to whether they allow operational funding. She noted it is important for the Commission to show support for agencies to help them get off the ground, and operational funding is often the first step.

Eastham added that he would like more discussion with agencies to see how they would like to see newer agencies gaining access to the newer larger agency funding during the five-year City Step timeline.

Alter added that in the memo it does note as an agency becomes more established and demonstrates they meet grant priorities and requirements they may be eligible to be incorporated. Alter asked how an emerging agency would be able to prove that if they don't have access to funds to help them.

Fixmer-Oraiz suggested the Commission discuss the Agency memo and then take comments from the audience. Fixmer-Oraiz read the memo the Commission received from the Agency Impact Coalition regarding the Aid to Agencies process dated July 10, 2019.

The Housing and Community Development Commission's leadership and determination demonstrated throughout the FY20 Aid to Agencies funding process compelled and inspired local agencies identified by the City of Iowa City as Legacy Agencies to form a coalition known as the Agency Impact Coalition. The Coalition has been meeting regularly with much of the discussions focused on how to better advocate for the work of our organizations and the collective impact we have throughout the community. HCDC is continuing its drive to improving the Aid to Agencies process and recently sent out a survey to solicit feedback from funded agencies. However the survey questions did not get to the heart of recommendations and concerns that have been consistently articulated during Coalition meetings and we realize the majority of our feedback fell under the category of "other". As a result we are submitting this single response, the suggestions below are made in the spirit and hope of creating a better informed and more participatory collaborative process with Aid to Agencies and CDBG/HOME awards.

- *Inclusion of annual site visits to the funded agencies and more as part of the orientation and onboarding for HCDC members. Local not-for-profit executives bring decades of experience for the complexity and nuances of our services, the constituencies they serve and the challenges we face. This may be time intensive but would create an entirely different context for which to work.*
- *Joint meetings outside the funding cycle for HCDC, not-for-profit executives and neighborhood services development staff to thoroughly debrief City staff on the Annual Action Plan and other relevant plans underpinning and guiding the allocations process for both Aid to Agencies and the annual CDBG/HOME competitions. Components of these conversations can include updates on trends, gaps and needs.*
- *Better leverage of professional experience and practical knowledge of the neighborhood services departmental staff. City staff add valuable perspective which is not being fully integrated into the process and dialogue.*
- *Create a data-driven process that aligns with City Steps and reorganize the dialogue to be driven need as opposed to managing scarcity.*
- *Our collective impact has substantially economical multipliers and substantial benefits that positively impact our community. Is there a method to more formally recognize this to better inform policy makers and as a component of the City's annual budget process.*
- *Specific to the applications and review therein, assure additional questions to the applicants are standardized and made available to everyone in advance.*

In addition to these suggestions we support staff recommendations made at the July 3, 2019 memo to HCDC and the approaches recommended to reorient the process back to the original intent of "providing a stable funding source for human aid agencies serving LMI residents aligning funding with priorities set in City Steps". Please note it is with the highest regard we write, members of this Commission have approached their charge with determination, integrity and compassion and empathy. You have languished over the decisions to be made and taken an unprecedented and bold position to which the Council responded. Please note you have inspired and motivated us, we are eager to work more collaboratively to face the challenges and opportunities ahead and recognize we come with a common intention of improving the health, safety and wellbeing of our community.

Fixmer-Oraiz stated for the record she is deeply moved by this memo and thanked the Coalition for putting it together, HCDC appreciates and recognizes the absolute impact the agencies have on our community which is why HCDC feels so passionate about making this work.

Eastham would appreciate hearing overall thoughts on the question of setting an amount for Aid to Agencies in the City's budgeting. He wants to understand what the agencies are actually interested in, is it the overall amount of agency funding or if it is a single, reliable process for knowing how much funding the City is going to provide from year to year for each agency.

Crissy Canganelli (Shelter House) responded by saying they are interested in both. The City Manager reached out to the agencies and asked if they would be able to meet as Kubly mentioned before the end of the month. Canganelli added that this cannot be separated into parts, it is all connected, and they want to build relationships and have more of a participatory and collaborative process which allows all groups

to learn from one another. She noted that the City has never looked at funding as to what is the need versus managing scarcity. In the past it has been approached from the managing scarcity end. She added they need to understand they all want to do good and do the good work well, they don't understand what the baseline is yet, so they need to work better together to inform that, she has every confidence they will be able to move that line item up. There are other parts of the conversation as well, they need to look at how agencies could manage resource differently, and open things up in a different way.

Eastham said the process staff proposed says the annual amount of Aid to Agencies funding is going to be determined through negotiations between agencies and the City Manager directly. He notes that might work out well but wants to know if agencies have an idea for the role of the HCDC in that process.

Canganelli said the Commission brings the balance to the conversation, it should be a combination of all three parts. She doesn't feel is it up to the agencies to define who plays what role or how much of a part, but they want to segment out the different voices within this process to avoid excluding them, so the combination would be City staff, HCDC, and nonprofits informing the conversation from an early point. Not only in the budgeting process but also for the Commission to get to know the agencies a little more before they are at the point of reviewing and analyzing applications.

Alter said it is a relief to hear of a desire for a more collaborative process, it is too much to shoulder on one part. She loves the idea of annual site visits and would like to increase those. The site visits HCDC did recently really helped make everything fall into place for her and makes it real. They got to have candid conversations with residents, staff, and executive directors.

Fixmer-Oraiz liked adding to the conversation the trends, gaps, and needs to take into consideration. She feels it will be important to learn what agencies are seeing and experiencing versus an application. She notes there is a need for collaboration and everyone having a better understanding of one another.

Fixmer-Oraiz wonders when the Agencies meet with the City Manager if it would be beneficial to have a member of HCDC present. Eastham agrees it would be helpful.

Eastham liked the memo, the name Agency Impact Coalition, and the points about creating a data-driven process and looking at collective impact. The collective impact point is intriguing, Padron put together a data-filled PowerPoint presentation which helped persuade Council, so the more data the better.

Fixmer-Oraiz wants to look at short- versus long-term goals, things that could be accomplished easily such as increasing site visits, and wants to discuss actionable items to take from this conversation.

Lehmann said staff has discussed some of these ideas in terms of short- and long-term items. He said the idea of having liaisons to schedule site visits is a good one, with nine commissioners there would be two or three agencies per person, and that could be accomplished early into this fiscal year and have the liaisons schedule visits for the different sites.

Padron said the liaison would schedule the visit but every commissioner would have the freedom to go on the visit. Lehmann said that would be correct, and if they could avoid having more than four at one visit it would help logistics to avoid having trips be a formal meeting.

Lehmann said with regards to the timeline review, he likes the idea of joint meetings outside of the funding cycle for nonprofit executives, staff, and HCDC to meet at one of the HCDC's meeting for an agency debrief and discussion.

Eastham would like site visits and the conversational get together but also likes the idea of staff making a funding recommendation which has not been done in the past. Lehmann agreed and noted he matched the questions on the application to a point system staff would use to make recommendations. He wants there to be transparency on how decisions are being made for staff recommendations.

Alter asked if there has been discussion amongst staff or the agencies regarding the prioritization of high, medium and low priority, because it has been something they have struggled with. Lehmann said for the

next year's funding cycle, where the new City Steps will not be done yet, it will be incorporated into one of the questions on the scoring criteria under community need, the need has to be listed as a high priority to get all 15 points, but the difference from a high to medium priority throughout the whole application however is only a difference of two points out of 100. In the future the City Steps will discuss how to prioritize or reallocate priorities based on the survey, which explicitly mentions priorities, and try to use the general public input rather than just HCDC. Lehmann feels there needs to be some sort of prioritization.

Alter said often high priorities are at crisis level with high need and high impact but the flip side low priorities are often preventative or helping to avert crisis so she would hate to lose those. It will be important to remember that when looking at data and the results from the survey.

Fixmer-Oraiz read a comment received on the survey. *"I believe the choices made regarding low, medium and high priority are somewhat subjective, children services are important as are women services, aging services and mental health. My fear is when start segregating groups in this way it minimizes growth opportunities for programs and hurts populations in our community that simply don't have access to other resources. Maybe if there was more clarity in how/why the rankings came to be it wouldn't be as much of a concern."* Fixmer-Oraiz just wanted to put that quote out there because it speaks to the subject at hand. Fixmer-Oraiz asked where the rankings came from, she assumes City Steps. Lehmann believes they came from HCDC after City Steps was adopted.

Genevieve Anglin (United Action for Youth) noted that it has been difficult that her agency does a lot of different things but because they have the word youth in their title they have always been classified into youth services. Over half their budget is used for homeless services and mental health services, so that complicates how they answer the questions on the application.

Fixmer-Oraiz feels there needs to be a discussion on what questions should be on the application, a discussion between the Commission and the agencies so they don't miss the mark. However they are at the point now where the funding cycle is upon them so they will have to put up with some of the issues, there won't be time for a total overhaul.

McKinstry stated he was pleased the Agency Impact Coalition was supportive of the staff recommendations and staff is supportive of the agencies so that is a good basis to proceed, looking at the points both have made and fuse them together.

Fixmer-Oraiz asked if it is as simple as to adopt the Agency Impact Coalition's and staff memo recommendations. Lehmann said what would be good to go through the main framework in the staff memo and add in the items (maybe all) from the Coalition memo and then go through the ranking criteria so there is a basis for ranking this year and next year it can be tweaked after City Steps is complete. Kubly added they will need to adopt the draft application or make suggestions for changes so it can be given to The United Way to be released.

Fixmer-Oraiz suggested they discuss from the staff memo the emerging agency funds, and asked if the two new funding sources were project based grants or could they be operational. Lehmann said they are project based but believes an agency could pay for staff. Fixmer-Oraiz noted keeping the emerging agency funds would be good because there just aren't a lot of funds available for operations and the category was created with an amount based on staff salary. Lehmann said the $15,000 for legacy funding was created due to staff salary needs – not the $5,000 minimum for emerging agency funds.

Eastham suggested a recommendation that the other two sources of funds, social justice grants and climate action grants be available for operational needs. Kubly said they could make that recommendation but they do not have the authority to make that change. Lehmann suggested that HCDC send a representative to each of those commissions to make that recommendation during their public comment process. Lehmann said from staff perspective it is nice to have the distinction between project based and operational grants because project based grants have very concrete accomplishments whereas operational funding is harder to evaluate success. Fixmer-Oraiz said that is why most grants won't fund operations and why perhaps HCDC should keep the emerging agency funding set-aside.

Lehmann said if HCDC is adopting the staff memo as their recommendation the Commission will need to add something about having Council look for funding sources, perhaps the two listed or others, to fund operational costs for newer agencies to help them get off the ground. Fixmer-Oraiz noted the survey had a few comments supporting the emerging agency funding and others that said it wasn't enough funding to even help. Fixmer-Oraiz feels they need to keep the emerging agency funds and perhaps with this data-driven process they can show the need for increasing the amount of funding to emerging agencies.

Padron asked overall how this new process will be more permanent or secure for the legacy agencies. Is the only difference the five years? She thought there would be a group of agencies, older agencies, who will get money for sure every year, but if there is a process of ranking and voting then how are we assuring them they will get the money every year. Lehmann said with staff recommendations, there should be more consistent viewpoints over time, whereas with HCDC every year the membership changes by at least three people and that can change the direction. Additionally concrete ranking criteria should provide more stability. Padron said in the few years she has been on the Commission even with clear ranking criteria people find a way to rank differently so she would like to ask Council to commit to a certain amount for some agencies. Fixmer-Oraiz said that is the hope of the meeting between the Coalition and the City Manager to come to an agreement for stabilization. Padron asked if it was possible to just promise some agencies an amount of money for several years, they would still have to apply and have applications reviewed, but less ranking and more like an entitlement grant. Lehmann said theoretically that is possible, but that is very different from what has been done. Padron doesn't feel the process described in the staff memo is different than what is being done now, other than the five years of funding, but could be stuck for five years with a low amount of funding. Fixmer-Oraiz said that is why she wanted to focus on short-term and long-term goals, changes they could make tonight and then others that would need further discussion.

McKinstry added this is a political process, new City Council members are elected all the time, HCDC members change, needs in the community change, there are many variables so there needs to be some flexibility. He appreciated the Agencies noted that part of their job is to inform the community about what they do so Council members could have the correct information and create relationships with agencies and make decisions. He feels getting started in the process earlier and being more collaborative will help.

Alter stated there are however some constants, need is there, the executive directors and people working in these agencies are subject matter experts and know best what the needs are and how to best use the funds. She added having stability would help agencies do the work they need instead of going through this process every year or couple of years. And then if there is a spike in trends or crisis moment agencies can modify or amend ongoing needs to show the new needs. Alter agrees with Padron that doing this would be radical but having bureaucracy not be a barrier.

Fixmer-Oraiz stated the only real answer moving forward is to be more collaborative and to have open communication to make sure changes are made and informed. She feels a recommendation at this time would be to adopt the staff memo with the additions from the Coalition memo, she added she would like to keep the support of the emerging agency funds. Eastham agreed and added the City Manager needs to hear clearly what amount of funding Aid to Agencies needs to be.

The recommendation is the staff memo recommendation, paragraphs one through four, plus the Agency Impact Coalition memo points integrated, with the addition of a HCDC liaison to each agency for site visits recommended in bullet point one, paragraph five from the staff memo would be edited to note HCDC recommends continuing the emerging agency funding at its current 5% set aside. Eastham agrees but adds Council should still look at the other two sources of funding for emerging groups. With regards to the application, staff is interested in asking for LMI breakdowns in question six, which says "provide us with succinct specific description of your primary target population, describe client groups in terms of their primary needs and strengths, what barriers do they face. If the agency serves a regional area provide percent of overall clients that are Johnson County residents." Lehmann said the way they have graded that in the past is specific to 30% area median income or equivalent, 50% AMI or equivalent or 80% AMI or equivalent. He said they could potentially include that in a separate question in the appendix for agency demographics, knowing not all agencies have this data so they could say "or provide strong evidence of AMI served" or leaving it open to have "or those at similar standard of income level such as

poverty line" leaving it open for the agency describes their services.

Fixmer-Oraiz is curious of the agency perspective on this question of providing LMI demographics and the points assigned to the LMI. Having the data helps HCDC with their deliberations but she knows not all track the data, such as Free Lunch Program or Table to Table.

Chelsey Markle (the Arc of Southeast Iowa) said it is complicated for them, they do disability services and it is not necessarily a large LMI population but the funding received goes 100% towards the ones who can use the services.

Fixmer-Oraiz asked if there was any way to just offer a comment box for the agencies to allow agencies to explain special situations.

A member of the audience who was a former Table to Table board member stated a comment box would be very helpful so they could explain they do not keep actual statistics on the people who are eating the food, however they do their due diligence with the organizations who are giving out the food.

Lehmann said adding a comment box to every question would double the number of questions which complicates the application. McKinstry suggested just one extra question at the end that is an open comment box to address in detail answers to questions above. Fixmer-Oraiz feels that could get complicated and would rather have a comment box after each question and go for quality and not worry about quantity of questions.

Alter noted the LMI in particular, time and time again is hard to quantify when filling out the scoring if there isn't LMI data and it is such a large chunk of points and the comment box would be useful.

Fixmer-Oraiz noted there was a comment in the survey about the funding question and the way it is asked in the application doesn't fit every organization. Lehmann said there have been questions/issues with the financial fee structure question as well as Form C and the auto calculations also causes hiccups. Kubly believes those hiccups have been resolved but will check with United Way to make sure it is taken care of.

Lehmann said the Commission discussed cutting down the financial section, he as staff would primarily look at agency revenues, expenses and in-kind support, that he doesn't look as closely at fund balances or restricted funds so that may simplify the application. Padron is interested to see how much goes out to the programs and how much is salaries and operations. Lehmann said that is split out in the expenses.

The Commission agreed they would only need a comment box for question six regarding the LMI served or benefits to LMI populations.

Fixmer-Oraiz also noted they would need to be clearer moving forward to let the agency partners know when they needed to attend meetings for questions/answer periods.

Kubly asked if they will be doing a memo to Council with all these recommendations included. Fixmer-Oraiz agreed it would be best, have staff put together a memo and the chair will sign it.

Lehmann said the final piece is the scoring criteria. First is taken directly from question one "what specific need of the community is being addressed" so the first criteria is community need. 15 points describes a high priority need the completely addresses the community need and will solve the need; 10 points is high priority which addresses the community need and would have a major impact; 8 points would then be medium or low priorities that completely address the community need and have impact; 3 points for indirectly supporting the need or no supporting documentation or statistics, significant areas are missed in addressing the area; 0 points if it is not identifying a need described in City Steps.

McKinstry stated there are high quality agencies and people who provide good documentation and while it may be hard to differentiate high from medium or low priorities (they are all priorities) he doesn't have any recommendation for a better system.

Fixmer-Oraiz feels this is an area the Commission needs to work on, it's not perfect, so maybe keeping it as is for this round but digging into it in the future.

Lehmann said with this new system staff will score all the applications, provide a rationale for the scores to the Commission and then the Commission will decide if they accept the staff recommendations or wish to make changes.

Lehmann reviewed the rest of the other questions and scoring and the Commission agreed it was a good range of scores and criteria to move forward. He also noted they would look at the previous year's applications to note progress and outcomes from the agencies on previous awards. Fixmer-Oraiz noted that outcomes questions can be quantitative and some are qualitative, for example Habitat for Humanity does great work, but serves less people than other agencies. Eastham noted it must be looked at by individual agency, how their outcomes benefit the people they serve and compare to similar agency, such as did this Habitat chapter serve the same number of people that another Habitat chapter did and that is what they should be asking for. Lehmann liked that idea, they struggle with the depth of service versus the breath of service. Alter felt there is no need for some many categories or ranges of outcomes, it should be an either you are doing it or not. Lehmann agreed and noted staff can use its knowledge of other agencies to know what is happening. They also look at the success and experience of working with agencies in the past. Fixmer-Oraiz suggested combining the last two scoring criteria into a single question.

McKinstry moved to recommend to City Council modifications to the Aid to Agencies process and approve FY21 Aid to Agencies forms as with changes as discussed. Alter seconded the motion. A vote was taken and the motion passed 5-0.

REVIEW AND DISCUSS THE SOUTH DISTRICT HOME INVESTMENT PROGRAM:

Kubly updated the Commission, noting staff went back to Council in May because staff was having trouble locating properties. Since then, they located a property and have a purchase agreement out that will go to Council next week (1232-1234 Sandusky Drive). The purchase price is $124,000 for the duplex so they are excited about the affordability of the property. It is currently vacant because it sustained fire damage earlier this year and tenants were relocated after the fire.

Eastham asked if there were any insurance proceeds used to repair the fire damage. Kubly assumes there were for the property owner at that time.

Lehmann added one of the units was already stripped down to the studs so that will make the renovation on that unit easier. After the fire, the owners replaced the roof and furnace. This is a side-by-side duplex so it will be two units. Of the two tenants that were renting the units, one left the state but the other might be interested in purchasing one of the units.

Kubly stated even with the fire damage they are confident they can repair and rehab the units within the budget. They will have to condo the units so they can sell them separately and there is a building code/fire requirement that may have some additional costs.

Eastham asked if staff was proposing to proceed with selling the units to a program qualified buyer under the requirements of the South District Home Investment Program, which was already approved by Council but now the purchase has to go back to Council. Lehmann said Council directed staff to reach out to property owners to locate properties based on the staff South District memo from December. Kubly said this specific acquisition will go before Council next week.

Eastham asked the Commission to discuss the modifications to the Program as proposed by Habitat.

Heath Brewer (Executive Director, Iowa Valley Habitat for Humanity) stated in terms of the purchase of property and the larger portion of investment the City would have to make is to stabilize the neighborhood by balancing affordable homeownership opportunities with affordable rental options and they understand