




AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Direct Community Grant
Procedural Recommendations

DATE: March 25, 2022

City Administrator Approval 

Date

Apr 4, 2022

RECOMMENDATION

Staff Recommends That the City Council Receive An Informational Report From The City Administrator On Procedural Recommendations For City Council To Award Direct Community Grants (Budgetary Earmarks).

EXECUTIVE SUMMARY

This informational report responds to a Fiscal Year (FY) FY 2021-23 Budget Policy Directive adopted by City Council on June 24, 2021. The City Administrator was directed to create a process for City Council's consideration when Council makes direct allocations for grants. Additionally, this process shall ensure alignment with Council priorities and evaluation for the allocation of future grant resources directly by City Council. The process outlined allows for fair consideration, removes equity barriers and streamlines the process for the execution of the grant agreement.

BACKGROUND/LEGISLATIVE HISTORY

On December 9, 2014, the Oakland City Council adopted [Resolution No. 85292 C.M.S.](#) that recognized the collective responsibility to advance racial equity and commit the City to remove structural barriers that prevent our society from being just and inclusive.

On June 30, 2015, City Council adopted [Ordinance No. 13319 C.M.S.](#), which amended Chapter 2.29 of the Oakland Municipal Code entitled, "City Agencies, Department and Offices", which established the organizational structure of the City and created the Department of Race and Equity and defined implementation steps related to a citywide strategy of a fair and just city.

On June 17, 2021, the City Council adopted [Resolution No. 88717 C.M.S.](#), which adopted the FY 2021-23 Biennial Budget and Policy Directives. The Budget Policy Directives instructs the City Administration to instill equity in the budgeting process and create a process for making direct community grants for Council consideration and ensure alignment with Council priorities and evaluation for the allocation of future grant resources directly by Council.

City Council
April 19, 2022

ANALYSIS AND POLICY ALTERNATIVES

Historical Grant Awards

During the Biennial Budget process, City Council has historically awarded grants to community-based organizations (CBO). The CBOs who have been selected by City Council are awarded grant funds to provide various services or programs to the community. Some of the CBOs are locally recognized and have historically been identified as a potential Grantee. However, smaller local non-profits or CBOs may not have the public recognition and/or lobbying power to advocate successfully for grant funding and may provide a service or program that aligns with Council priorities and/or mitigates inequities. In response to the Budget Policy Directive to “*instill equity in the budgeting process*”, staff recommends establishing a fair process where all Oakland CBOs and non-profits are afforded the opportunity to request grant funding for programs or services that align with Council priorities.

Fair and Just Consideration

Pursuant to Oakland Municipal Code (OMC) 2.04.015, the scope of the purchasing ordinance to require a request for proposal/qualifications (RFP/Q), “*shall not apply to agreements for grant awards given by the City of Oakland to support nonprofit and similar organizations providing service programs to the public at large*”. However, City Council is requesting a fair process with equitable consideration for the awarding and continuation of grant awards. By conducting an RFP/Q to solicit proposals from all interested Oakland non-profit or CBOs, this process will directly support the City’s efforts to “increase fairness and opportunity for all people.” It will also allow all Oakland CBOs or nonprofits in need of funding to submit a proposal to be considered for this grant funding opportunity.

Equity Scoring Analysis

The RFP/Q advertisement will invite Oakland CBOs and nonprofits to submit a proposal indicating their need for grant funding to provide a service or program that aligns with, at minimum, one Council priority. Within their proposal, the Petitioner will identify which communities their service or program primarily serves. This information will be used to score the proposals using an equity scoring matrix. While it is expected that the CBOs may not have the equity background to detail their program’s impact on the community, it is anticipated that staff will arrange several pre-proposal meetings to discuss the equity scoring matrix. The pre-proposal meeting will cover topics such as what is equity and how their program impacts the community, what the petitioner can do to strengthen their proposal, and ensure the petitioner understands what is required within the proposal. This will give all petitioners the opportunity to submit the best proposal for their program or services.

With the guidance of the Department of Race and Equity (DRE), the Finance Department will develop an Equity Scoring Matrix similar to the Capital Improvement Program’s Prioritization Factors and Weighting System. This matrix will be used to rate all responsive proposals and may include factors such as location, demographics, impact, and safety. The equity scoring matrix will provide an unbiased look at the equitable impacts, benefits to the community, and plans for mitigation of inequities of all proposals.

Transparent, Inclusive, and Open Government

Once the responsive proposals are scored, the list of CBOs and their requested funding amount will be distributed to the City Council. To support a transparent and open government, staff recommends that City Council review and select Grantees from this list during the Biennial Budget process so that the public is aware of the Grantee selection process. This will strengthen the public's trust in Oakland's local government. It is also recommended that the list accompany the City Council's amended budget as an attachment for future reference. Once City Council adopts the Biennial Budget, the Grantee's allocations (budgetary earmarks) are established in the Non-Departmental budget and will be managed by the Finance Department. The budgetary earmarks should not be in the form of pass-through federal or state grant funds due to the strict guidelines required for this funding. The budgetary earmarks must be from other eligible revenue sources such as the general-purpose fund. The City Administrator shall identify which department is most appropriate to manage the grant agreement to ensure prompt execution and fulfillment of invoice payments.

Prompt Execution of Grant Agreement

Generally, after City Council adopts the biennial budget, staff is challenged with obtaining the required contract schedules for grant execution which delays the agreement significantly. By requiring several of the primary schedules to be submitted with the RFP/Q, the grant execution timeline is greatly reduced. The proposal will provide much of the necessary information that City staff will need to execute a grant agreement with the Grantee. This will allow for the programs and services to commence without delay.

Staff evaluates and monitors Grantee in terms of its effectiveness and timely compliance with the provisions of the grant agreement, specifically the scope of work. Near the completion of the program or prior to fiscal year end, the Grantee is required to provide a written report on the outcomes of the grant award.

Responsible Government and Future Grant Evaluation

To ensure that city resources are expended in a responsible manner and provide the public with an opportunity to see the impact of the grant awards, the Grantee shall provide the Project Manager with a written report detailing the outcomes of the grant award. The report may include images of the project in progress, successes, failures, and requests for the continuation of grant funding. This allows for greater transparency of the use of city resources.

City staff shall review the written report provided by the Grantee and return to City Council to provide a final "Grant Continuation or Renewal Recommendation" for future funding. This recommendation will have three standard options: 1) Continue, 2) Continue with modifications, or 3) Discontinue Grant Award. This recommendation will be based on the outcomes of the program or services provided, identify the successes and failures, equity mitigation accomplishments and overall programmatic impact.

Process For Executing Grant Budgetary Earmarks

To ensure that grant allocations for CBOs align with City Council priorities, remove structural barriers that prevent our society from being just and inclusive, and ultimately advance racial equity, staff recommends that budgetary earmarks for CBOs are considered after a fair RFP/Q proposal, subject to an equity analysis and considered alongside all other budget proposals.

To summarize the process outlined above, the recommended process for City Council to award a budgetary earmark for CBOs or nonprofits would be:

1. Finance Department
 - a. Advertises a Request for Proposal/Qualifications
 - b. Collects and scores the responsive proposals
 - c. Compiles the Community-Based Organization Petitioner List (CBO List)
 - d. Distributes the CBO List to Mayor and City Council
2. Mayor
 - a. Reviews and selects CBOs for inclusion in the Mayor's Proposed Budget
3. City Council
 - a. Reviews and selects CBOs for inclusion in the City Council Amended Budget
 - b. Adopts the Biennial Budget
4. Finance Department
 - a. Establishes budgetary earmarks in Non-Departmental budget
5. City Administrator
 - a. Assigns Departmental Manager to oversee grant agreement execution
6. Managing Department
 - a. Returns to City Council with the Grant Awarding Resolution
 - b. Coordinates and manages the grant agreement with the Grantee
7. Grantee
 - a. Provides program or services to the community
 - b. Submits a program summary report to Project Manager
8. Managing Department
 - a. Submits a Grant Continuation or Renewal Recommendation to City Council prior to the biennial budget process for future granting consideration.

FISCAL IMPACT

There is no fiscal impact to receive this informational report, however, the implementation of the procedural recommendations will provide for a more efficient grant awarding process which will expedite the payment of invoices to the Grantee and significantly reduce staff time in executing the grant agreements.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

Staff recommends that City Council members list the RFP/Q on their media platforms along with the City website to notice all petitioners of the availability of grant funding. City staff will coordinate with local community organizations to advertise the RFP/Q and seek input and feedback for the process. It is recommended that City Council focus efforts to primarily and intentionally seek the solicitation of Grantees whose services address our underserved Oakland communities.

COORDINATION

This report was coordinated by the following departments: City Administrator's Office, City Attorney's Office, Finance, Workplace & Employment Standards, and Race & Equity.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report. However, the economic opportunities that will arise from the streamlining of the budgetary earmark process will provide an efficient use of city staff time. In addition, the various programs supported by the earmarks may provide funding to Grantee's who desire to provide programs that may have economic opportunities for participating Oakland residents benefitting from the programs.

Environmental: There are no environmental opportunities associated with this report. However, the RFP/Q requires that the proposal is in alignment with City Council priorities; one of which is a "Sustainable and Healthy Environment". For some grantees whose programs or services aligns with this council priority, there may be direct support of the City's goal to develop a "Sustainable and Healthy Environment".

Race and Equity: A racial equity analysis has not been conducted; however, should City Council consider adopting the procedural recommendations, all budgetary earmarks will be subject to an equity impact analysis as the City's efforts in achieving an equitable Oakland are priority for the Oakland City Council, Mayor's Office, and City Administration.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That the City Council Receive An Informational Report From The City Administrator On Procedural Recommendations For City Council To Award Direct Community Grants (Budgetary Earmarks)

For questions regarding this report, please contact Brittany Hines, Assistant to the Director, at (510) 238-7078.

Respectfully submitted,



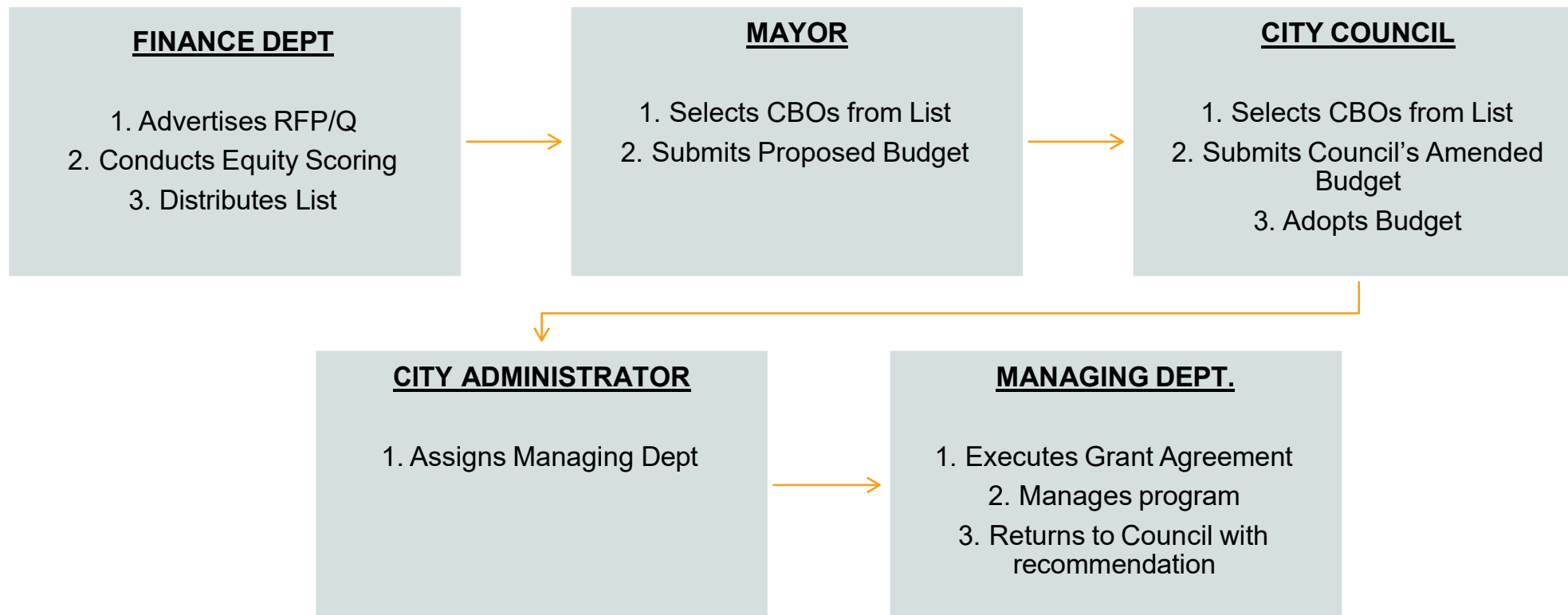
ERIN ROSEMAN
Director of Finance

Prepared By:
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Finance Department

Attachments (2):
A – Draft Equity Scoring Matrix
B – Budgetary Earmark Flowchart

Location/Priority Neighborhood (5 points)	Economic Opportunity (5 points)
Mitigation of Inequities (10 points)	
Racial Groups/Demographics (5 points)	Health & Safety (5 points)

EQUITY SCORING MATRIX (DRAFT)



BUDGETARY EARMARK PROCESS

