

AGENDA ITEM NO. **25**

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
DEPARTMENTS OF COMMUNITY INITIATIVES AND
HOUSING AND COMMUNITY DEVELOPMENT**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives and, Andrew Cameron, Director, Department of Housing and Community Development

THROUGH: Terry M. Brechtel, City Manager

COPIES: Jelynn LeBlanc Burley, Assistant City Manager; Frances A. Gonzalez, Assistant City Manager; Rebecca Waldman, Asset Management Department; Andrew Martin, City Attorney; Lou Lendman, Office of Management and Budget; File

SUBJECT: APPROVING FY05 AND FY06 HUMAN DEVELOPMENT SERVICES GOALS, INVESTMENT PRIORITIES AND FUNDING LIMITS; AND ESTABLISHING THE CONSOLIDATED HUMAN DEVELOPMENT SERVICES FUNDING PROCESS

DATE: February 5, 2004

SUMMARY AND RECOMMENDATIONS

The purpose of this ordinance is to approve FY2005 and FY2006 human development services investment priorities and funding limits for delegate agencies, and establish a Consolidated Human Development Services Funding process.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

On January 15, 2004, the Economic and Human Development Committee and City Council reviewed FY04 Human Development Services Funding priorities. At that time, Council received a ballot designed to establish their human development investment priorities for FY 05 and FY 06. Based on the results of the ballots, City Council human development investment priorities are as follows:

Priority Service Area (32.8%) Family Strengthening Goals: Children community-wide will enter school prepared to learn and parents will be prepared to serve as their child's first and most important teacher. Children will receive high quality early care and education.

Priority Service Area (25.6%) Youth Development Goals: Increase the overall developmental assets of youth. High school students will graduate on time and complete higher education.

Priority Service Area (23.1%) Workforce Development Goal: San Antonio's workforce will acquire the education and skills to prepare them for jobs in driver industries and earns them a livable income.

Priority Service Area (18.5%) Community Safety Net Goal: Enhance and ensure continuation of the community safety net to promote the overall health of our most vulnerable residents.

The City's Consolidated Human Development Services Funding process will include the following funds: City of San Antonio General Fund for Delegate Agencies, Community Development Block Grant Funds (CDBG); Community Services Block Grant Funds (CSBG); Federal, State, and Local Child Care Development Funds (CCDF); Federal Emergency Shelter Grant (ESG); Federal Housing Opportunities for Persons with Aids (HOPWA); and other Federal, State, and local funds as they may become available. The contract period will be for one year with an option to renew for an additional one-year period, based on agency performance and funding availability.

FISCAL IMPACT

Using FY04 estimates, the consolidated human development services funding pool would include approximately \$10 million from General Fund, CCDF, HOPWA/ESG, CSBG, and CDBG.

POLICY

At the direction of the Economic and Human Development Committee, staff developed a consolidated funding process to address San Antonio's human development services and meet the priorities established by City Council. The Department of Asset Management is coordinating the RFP process with assistance from the Departments of Community Initiatives (DCI) and Housing and Community Development (HCD). The City will issue a RFP that includes all priorities on February 6, 2004. The RFP asks agencies to respond based on the Priority Service Area in which their services are categorized. Agencies will only compete against agencies that provide services in the same Priority Service Area.

The evaluation process will be comprised of several committees representing service categories in each Priority Service Area. Based on United Way's model, volunteers from the various city boards and commissions, along with subject matter experts and external funders, will be asked to review and score the proposals. Each evaluation committee will meet, discuss proposals and return a final ranking to the Directors of DCI and HCD. The Directors will review the Evaluation Committees' ranking, analyze service needs, and recommend allocations based on funding availability. On May 20, 2004, the City Council's Economic and Human Development Committee will review the recommendations. On June 24, 2004, the recommendations will be presented to City Council for consideration and approval.

Through this ordinance, staff is also seeking approval to set revenue limits for delegate agencies. This ordinance offers two funding options for FY 2005 through FY 2006:

Option 1: The Directors will ensure that no agency receives more than 50% of its overall revenues from the City each fiscal year. This option is based on City Council discussion during the FY 2004 budget process and the expectation that agencies would be more proactive in seeking support through outside sources, foundations, and partners in order to leverage the City's funding. It was also noted that the City's investment would be a catalyst for building capacity to provide human services. Approximately three agencies currently receive more than 50% of their funding from the City.

Option 2: The Directors will ensure that no agency receives more than 65% of its overall revenues from the City for the first year of the contract and 50% in FY06. A gradual decline in support will allow agencies currently above the maximum to broaden their revenue base while maintaining adequate service levels over the next year.

DCI will administer and monitor contracts funded by ESG, HOPWA, General Fund and other special grant resources. Housing and Community Development will administer and monitor the contracts funded by CDBG public service dollars. In the third quarter of FY05, staff will recommend continued funding to City Council based on an annual review, agency performance and funding availability.

COORDINATION

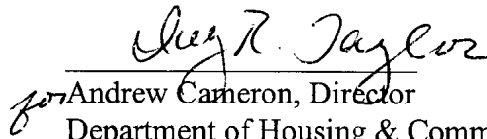
Activities have been coordinated with the Department of Community Initiatives, Department of Housing and Community Development, City Attorney's Office, Office of Management and Budget/Risk Management, and Asset Management Department.

SUPPLEMENTARY COMMENTS

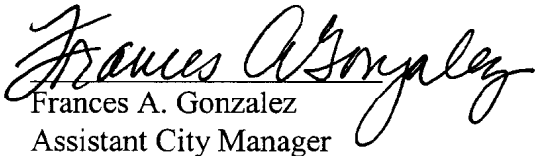
Provisions of the Ethics Ordinance do not apply.



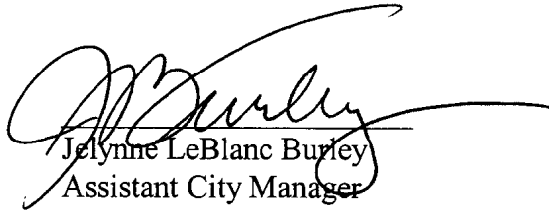
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for Andrew Cameron, Director

Department of Housing & Community Development




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Assistant City Manager



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Approved:


Terry M. Brechtel
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