

# INDIAN WELLS CITY COUNCIL

## November 3, 2022



**To:** City Council  
**From:** Finance Department  
**Prepared by:** Kevin McCarthy, Finance Director  
**Subject:** **Recommendation to Approve Resolution Amending the Community Assistance Funding Policy**

### RECOMMENDED ACTION:

Council **APPROVES** Amending the Community Assistance Funding Policy.

### DISCUSSION:

During the October 3, 2022, City Council Meeting, Council offered direction to amend the Community Assistance Funding Policy to provide the Council an annual source of discretionary funding for Community Assistance not necessarily in the purview of the Grants-in-Aid program.

The City's Community Assistance Funding Policy is bifurcated into (1) Community Assistance Funding, defined as annually budgeted funding set aside to financial aid-worthy non-profit organizations within the Coachella Valley, and (2) Extraordinary Funding Requests, defined as singular funding requests of \$250,000 or more requiring community support. Based on the Council comments at the October 3<sup>rd</sup> City Council meeting, staff recommends changes to both types of funding requests.

#### Community Assistance Funding:

The proposed amendment splits Community Assistance Funding into two separate pools. The Grants-in-Aid program shall receive 80% of the available funding up to \$160,000. The second pool shall operate at the sole discretion of the City Council and will receive the remaining 20% of the funding up to \$40,000.

To preserve the existing \$160,000 maximum funding level of the Grants-in-Aid program and to fund the new City Council discretionary pool, Staff recommends Council increase the maximum Community Assistance Program funding level to \$200,000.

#### Extraordinary Funding Requests

Under the existing policy, funding for the Community Assistance Funding is subject to a formula based on net surplus and has a maximum funding cap of \$160,000. For each

new budget year, the amount of the community assistance funding budget shall be established by calculating twenty-five percent (25%) of the prior year's General Fund's Net Change in Fund Balance (after all capital contributions) using year-end estimates established during the last quarter of each fiscal year.

If funds are insufficient, the amount of community assistance funding shall be reduced or eliminated until all criteria have been met. Unexpended community assistance funds from either pool shall not be carried forward into the next fiscal year. To assist the City in selecting community-based organizations, the City established the Grants-In-Aid committee consisting of residents appointed by the City Council to review, evaluate, and recommend funding to the City Council.

#### Extraordinary Funding Requests:

Staff recommends Council reduce the funding level for Extraordinary Funding Requests from \$250,000 to \$200,000. Reducing Extraordinary Funding Requests will accomplish two positive results: (1) it will eliminate the funding gap between regular Community Assistance Funding and Extraordinary Funding Requests, and (2) by lowering the funding to \$200,000, the City Council will invite more public engagement opportunities into the community.

The Extraordinary Funding Request is not subject to a funding formula and begins at a minimum of \$250,000. However, the Extraordinary Funding Request is subject to the following public engagement procedures:

- Review by the Extraordinary Grants Committee consisting of???
- A minimum of one public hearing and one public Town Hall event at the applicant's expense.
- Written communication sent to residents via US Postal Service, which includes summary information on the funding request, the budgetary impact to the City that is funded, and the date, time, and location of the Public Hearing and Town Hall meeting to accept community input on proposed funding. Each mailing shall be at the expense of the Applicant.
- A Community-wide mail survey or cloud-based online civic engagement platform/poll shall be used to provide an additional vehicle to inform and provide community feedback regarding the funding proposal

#### California Environmental Quality Act (CEQA):

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's

environmental regulations. The City, acting as the Lead Agency, determined that the ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

## **FISCAL IMPACT**

Implementing a City Council discretionary funding pool will increase the annual Community Assistance Funding budget by a maximum of \$40,000 under the formula. Should the Council decide to implement the amended policy into the Fiscal Year 2022-23, additional funding of \$40,000 is required based on the formula. Funding is recommended using the following sources:

- \$25,000 from the City's Community Assistance Program
- \$15,000 from the City's Sponsorship Program

No additional appropriation is being requested.

## **ATTACHMENTS:**

1. Resolution