



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

SUBJECT: SEE BELOW

DATE: 09-07-05

Approved

Date

9/13/05

Council District: Citywide
SNI Area: N/A

**SUBJECT: APPROVAL OF THE PROPOSED SCHEDULE, PROCESS, AND
EVALUATION CRITERIA FOR THE 2006-2007 HEALTHY NEIGHBORHOODS
VENTURE FUND (HNVF) APPLICATION CYCLE**

RECOMMENDATION

Approval of the application process, evaluation criteria, and policies for the 2006-2007 Healthy Neighborhoods Venture Fund application cycle.

CEQA: Not a project.

BACKGROUND

Each year, the HNVF Advisory Committee approves an application schedule and process, including the evaluation criteria, for the upcoming HNVF application cycle for recommendation to the City Council. On June 22, 2005 and August 17, 2005, the Committee reviewed staff's recommendations, heard public comments on the criteria, and considered the recommendations of the Silicon Valley Council of Nonprofits. The Committee is now presenting its recommendations to the City Council as included in this memorandum. This report, attached criteria and schedule provide the Committee's recommendation for the 2006-2007 HNVF application cycle.

Applications for the Healthy Neighborhoods Venture Fund (HNVF) grant program are scheduled to be released to the public on October 17, 2005. City Council approval of the criteria, process and schedule, including policies needed to implement the process, is required prior to the release of the application. Following City Council approval, the Committee and staff will solicit and review project applications, hold HNVF Committee meetings, and make a funding recommendation to the City Council.

ANALYSIS

As part of the annual cycle and process for HNVF, the Committee and staff reviewed the prior year to identify improvement opportunities. The following is a list of specific items in the process that are recommended, including items considered but not recommended.

1. RFQ Process – Community Needs Assessment: Not Recommended.

The Committee considered and voted against a Request for Qualifications process for HNVF in its consideration of a multi-year funding cycle because funding received from the State is tenuous. In addition, an RFQ process would limit the type of projects that have historically been funded by HNVF.

The Committee requested that staff research areas of community need as indicated in the various strategic plans adopted by the City: A Blueprint for Bridging the Digital Divide (Youth Services Master Plan); and Community for a Lifetime – A Ten Year Strategic Plan to Advance the Well-Being of Older Adults in Santa Clara County. In addition, staff also reviewed United Way Silicon Valley's Santa Clara County Trends and Needs Assessment Report May 2005. Committee recommendations as a result of staff research are presented under the Eligibility Criteria Refinement and Narrowing of Criteria for each category in subsequent sections of this memo.

2. Acceptance of New Applications: Recommended.

The Committee recommends continuing to accept new applications in Cycle 7. For purposes of this decision, "new" applications are defined as projects not currently funded by HNVF in Cycle 6 (2005-2006).

3. Pilot Projects: Not Recommended.

At the request of the Committee, staff explored the possibility of establishing a category for funding pilot projects. For purposes of this decision, a "pilot project" is defined as a project that has never been implemented by the applicant agency. Discussions were held with representatives from United Way, Community Foundation Silicon Valley, and Santa Clara County Social Services Agency. None of these agencies has any special funding for pilot projects. The Committee recommends that all projects compete on their own merits with no reserve for pilot projects.

4. Innovative Fund: Not Recommended.

The Committee recommends discontinuing the "innovative" category. All projects shall compete on their own merits. The inclusion of "innovative" project and "Innovation

Fund” cause confusion for applicants, and may complicate funding decisions for the Committee.

5. Acceptance of Physical Improvement Applications: Not Recommended.

The Committee recommends not accepting applications for physical improvement projects in Cycle 7 due to concerns regarding the level of funding needed for public improvement projects and a desire to focus on community service projects.

6. Senior Services/Health Category Criteria: Recommend Additional Criteria.

Per the Committee’s request for information regarding narrowing of criteria within funding categories, staff reviewed the City Council adopted *Community for a Lifetime: A Ten-Year Strategic Plan to Advance the Well-Being of Older Adults in Santa Clara County* (February 2005). This strategic plan has identified a new vision for senior services, and brought the following two needs to the top of a priority list: 1) transportation and 2) information about services. While continued attention is felt necessary on several other key needs (e.g., housing, nutrition, language, health care, in-home care, caregiver support, and senior center programs), transportation and information about services surfaced as critical needs for older adults.

In keeping with this new strategic plan, the old vision in the HNVF application of “Foster the independence of older persons in San José and assist them in meeting their basic life needs through planning, advocacy, funding, and/or directly providing services to this growing, diverse population” will be updated with the new vision of “Each person living in the City of San José and the County of Santa Clara respects older adults. The community values the contributions, strengths, wisdom, and diversity of its older members and provides an integrated network of services to meet their needs and enhance their quality of life.” Long-term outcome #3 will be revised from “Older adults needing homemaker, attendant, respite, and/or nursing care receive appropriate types and levels of affordable services in their homes” to “Older Adults needing homemaker, attendant, respite, nursing care, and/or transportation receive appropriate types and levels of affordable services to maximize their independence.”

The Committee recommends that all projects in the Senior Services/Health category must include an information and referral component to their services. Since all of the eligible activities in the Senior Services/Health category remain priorities, no narrowing of the criteria for this category is being recommended.

7. Tobacco-Free Community/Health Category Criteria: No Change.

Appropriate Tobacco Allocation Amount

The City Council approved an allocation plan that required 25% of the HNVF funds be allocated to new or existing tobacco-free community/health activities, 25% of the funds be allocated to new or existing senior services/health activities, and 50% of the funds be allocated to new or existing education/health activities. For flexibility in making funding decisions, the Committee used the original “25-25-50” allocation formula as a guideline rather than a requirement. As a result, the amount of funds allocated to the tobacco category has fluctuated.

Year of Funding	Anti-Tobacco/Health Activities	HNVF Total CBO Allocation*	% of Tobacco Spending
2001-2002	\$2,615,572	\$11,378,293	23%
2002-2003	\$2,317,702	\$10,737,202	22%
2003-2004	\$1,333,212	\$10,262,606	13%
2004-2005	\$962,922	\$5,088,486	19%
2005-2006	\$355,000	\$4,155,000	9%

*excludes off-the-top allocations

The Committee feels that applications in all categories should compete on the merits of the application. Therefore, no changes are being proposed to the Tobacco-Free Community/Health category funding allocation. Projects not rating high enough would not be considered for funding even if this brings the total recommended funding in the Tobacco-Free Community/Health category to less than 25% of total available funding.

8. Education/Health Category Criteria: Recommend Additional Criteria.

The 40 Developmental Assets defined by the Search Institute and Project Cornerstone are essential building blocks for young people’s achievement, as well as avoidance of high-risk behaviors. In a study released on January 2005 by the Search Institute and Project Cornerstone, middle and high school students surveyed in Santa Clara County have an average of 18.8 of the 40 Developmental Assets measured. To be considered “thriving,” a youth should have at least 31 of the 40 assets. It is recommended by the Search Institute and Project Cornerstone to intentionally build assets in young children and focus on sustaining and increasing positive relationships and interactions with youth as they grow older. Based on community input, Project Cornerstone added an additional Developmental Asset of Positive Cultural Identity for Santa Clara County, bringing the number of Developmental Assets for Santa Clara County to 41. In order to refine the eligibility criteria within the Education/Health Category, the Committee recommends that all applications submitted in this category address at least one of the 41 Developmental Assets.

9. Introduction of New Rating Criteria: Recommended.

In Cycle 6 (2005-2006), applications received a pre-screening in the areas of:

- needs
- capacity to achieve results
- operational performance and
- leverage

These four areas were pre-screened prior to being analyzed and rated. Applications received either a “yes” or “no” in each of these four areas as a pass/fail test. Those applications that did not pass in each area of the pre-screening did not move forward to be rated, and were notified of the failure to pass the pre-screening requirements. This process will continue in Cycle 7.

Following the passing of pre-screening, applications were then rated high, medium, or low in the following areas:

- project design – proposed service is clearly described and a clear explanation is provided on how it meets the community need;
- work plan – proposed activities and performance measures are clearly illustrated with achievable goals;
- project outcomes – proposed performance measures are intermediate, quantifiable, realistic, and have clearly defined measurement methodology;
- leverage – demonstrates substantial leveraging of funding sources and clearly describes how proposed services are coordinated with City departments or other key players.

After a lengthy discussion, the Committee is recommending the addition of a new rating criterion of “past performance in the HNVF program” for Cycle 7.

- past performance in the HNVF program – during the previous two cycles, project was conducted as described in the contracts; project goals were met; and reports and documents were submitted in a timely manner.

10. Leverage Policy Refinement: Recommended.

In Cycle 6, applicants were required to demonstrate that they have or intend to leverage 20% of their project budget from other funding sources. The applicants provided feedback to this requirement, and asked that for Cycle 7 the Committee consider allowing applicants the opportunity to update the leverage information before the ratings are finalized. The rationale is that decisions made by other funding sources may positively affect the final HNVF rating on leverage. The Committee recommends that HNVF continue to require applications to demonstrate a minimum of 20% cash leverage from other funding sources. This is a pre-screening requirement (pass/fail) in order for the application to move forward for rating. The Committee further recommends by February 1, 2006, applicants may provide an update to their leverage statement, which will then be rated high, medium, or low. By July 1, 2006, applications must provide documentation

confirming the leverage on which they were rated. If the agency is unable to document leverage at the level of their rating, a contract will not be developed and the recommended funding for that agency will be returned to the fund balance.

11. Ratings Scale and Community Review Panels: Not Recommended.

Staff explored the County of Santa Clara Social Services Agency (SSA) General Fund grant process including the possibility of incorporating community members into the application evaluation process. The Committee recommends that staff continues to rate all applications. In addition, the Committee recommends no change to the low-medium-high Likert scale currently in use for application ratings by HNVF staff.

12. Off the Top Funding: Recommended.

The Committee recommends the continuation of off the top funding for the following projects: Children's Health Initiative, Homework Centers, and HNVF Administration. Off the top funding amounts will not be determined until actual funding levels are realized from the State. Funding levels may vary from year to year.

13. Minimum and Maximum Funding Levels: Recommend \$25,000 Minimum Funding and No Maximum.

The Committee recommends not establishing a maximum request amount or maximum funding amount and to maintain the \$25,000 minimum request and funding amount, with the understanding that the minimum funding amount is subject to change.

14. Multi-Year Funding Cycles: Not Recommended.

The Committee continues to recommend a one-year funding cycle for applications because of the uncertainty of the City's Master Tobacco Settlement funding from the State. The Committee also recommends continuing the rule of allowing an agency to submit a maximum of two applications per funding category.

15. Sunset Policy: Not Recommended.

The Committee recommends not implementing a sunset policy.

16. Cash Flow Strategy: Not Recommended.

The Committee decided to table the discussion of a cash flow strategy for HNVF pending notification from the State Attorney General's Office regarding future master settlement payments.

17. Utilization of Independent Evaluation Team: Not Recommended.

The Committee does not recommend the use of an independent evaluator for HNVF programs due to cost considerations. Contract monitoring will continue to be performed by staff.

18. Definition of Funding Strategy: Recommended.

In the past, there has been confusion regarding the distinction between an Eligibility Criteria and a Funding Strategy. The Committee has agreed that Eligibility Criteria differs from Funding Strategy in that:

- Eligibility Criteria defines the eligibility of the applicant, clientele, category, and activities that would qualify an application for funding consideration.
- Funding Strategy is developed based on available funding, funding requests of qualifying applications, and current funding priorities.

19. Proposed Schedule for Cycle 7: Recommended.

The Committee's recommended schedule for Cycle 7 is attached. The Committee will hold a public comment meeting on April 12, 2006. This meeting will be devoted to allowing applicants to speak to their proposed project to aid the Committee in making award recommendations to the City Council.

20. Cap on Increase for Current Projects: Recommended.

The Committee recommends that applicants may request up to a maximum of 5% over their current funding for existing projects. By limiting the amount requested by applicants, the distribution of funds will be more equitable.

OUTCOME

The outcome will be the approved Process, Criteria, and Schedule for HNVF Cycle 7 (2006-2007).

PUBLIC OUTREACH

Public meetings of the HNVF Committee were held on June 22, 2005 and August 17, 2005.

HONORABLE MAYOR AND CITY COUNCIL

09-07-05

**Subject: Approval of the Proposed Schedule, Process, and Evaluation Criteria for the 2006-2007 Healthy
Neighborhoods Venture Fund (HNVF) Application Cycle**

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COORDINATION

This memorandum was coordinated with the City Attorney's Office.

CEQA

Not a Project.



SARA L. HENSLEY
Director of Parks, Recreation
and Neighborhood Services

Attachment A – HNVF Proposal Rating Criteria for Cycle 7 (2006-2007)

Attachment B – HNVF Goals, Impact Areas and Long-Term Outcomes Related to Health and
Safety

Attachment C – Cycle 7 (2006-2007) Healthy Neighborhoods Venture Fund (HNVF) Grant
Application and Process Schedule

**HNVF PROPOSAL RATING CRITERIA
FOR CYCLE 7 (2006-2007)**

APPLICATION PRE-SCREENING

Rating Criteria	Description	Rating Type
Statement of Needs	Meets a demonstrated community need and has clearly stated funding need for a project that falls within one of the funding categories. Articulate describes how the proposed project addresses the need.	<p>Yes: Agency demonstrates a need and the proposed project feasibly and credibly addresses the need.</p> <p>No: Agency does not demonstrate a need or proposed project does not directly relate to addressing the need.</p>
Capacity to Achieve Results	Demonstrates an ability to successfully implement proposed project.	<p>Yes: Agency demonstrates expertise, experience, and a sufficient level of staffing to meet the need.</p> <p>No: Agency does not demonstrate expertise, experience, and a sufficient level of staffing to meet the need.</p>
Operational Performance	Demonstrates a successful overall track record of accomplishing goals in a timely manner. Provides financial audit if available.	<p>Yes: No major performance issues are detected. Most recent financial audit does not include any unaddressed reportable conditions or material weaknesses.</p> <p>No: Has a poor performance record with difficulty accomplishing goals or most recent financial audit includes unaddressed reportable conditions or material weaknesses.</p>
Leverage	<p>Demonstrates a 20% cash match.*</p> <p>*Documented value of donated or subsidized rent and/or utilities may be included in cash match.</p>	<p>Yes: Agency demonstrates at least 20% cash match.</p> <p>No: Agency does not demonstrate at least 20% cash match.</p>

**HNVF PROPOSAL RATING CRITERIA
FOR CYCLE 7 (2006-2007)**

APPLICATION RATING

Rating Criteria	Description	Rating Type
Project Design	Proposed service is explained, clearly described and includes the location of services, number of clients served, and hours of operation. Demonstrates how it impacts the community need identified.	<p>High: Applicant describes the project design very clearly and in detail.</p> <p>Medium: Applicant adequately describes the project design, but description may be somewhat lacking in detail or clarity.</p> <p>Low: Applicant does not adequately describe the project design.</p>
Work Plan	Illustrates an achievable work plan for the proposed project, with reasonable goals, performance measures, and activities to obtain the stated results.	<p>High: Applicant's proposed work plan very clearly illustrates the activities described in the Project Design section and the performance measures stated in the Project Outcomes section.</p> <p>Medium: Applicant's proposed work plan adequately illustrates the activities described in the Project Design section and the performance measures stated in the Project Outcomes section.</p> <p>Low: Applicant's proposed work plan does not adequately illustrate the activities described in the Project Design section and the performance measures stated in the Project Outcomes section.</p>

**HNVF PROPOSAL RATING CRITERIA
FOR CYCLE 7 (2006-2007)**

Rating Criteria	Description	Rating Type
Project Outcomes	<p>States quantifiable intermediate performance measures that are realistic and have clearly defined measurement methodology.</p> <p>A performance measure differs from an activity measure in that a performance measure demonstrates a measurable change in behavior, situation or condition.</p>	<p>High: Applicant presents an intermediate performance measure that is clearly stated and measures the intended results of the project. There is a very clear connection between the performance measures, the services provided, and the needs addressed. Performance measures are quantifiable and supported by clear measurement methods.</p> <p>Medium: Applicant does not present an intermediate performance measure that clearly measures the intended results of the project; there is a slight connection between the performance measure, the services provided, and the needs addressed, but the performance measure does not clearly demonstrate a behavior, situation, or condition change; <i>or</i> the performance measure is not quantifiable and measurable or is not supported by clear measurement methods.</p> <p>Low: Applicant does not present an intermediate performance measure that measures the intended results of the project; there is no clear connection between the performance measure, the services provided, and the needs addressed; <i>and</i> the performance measure is not quantifiable and measurable or is not supported by clear measurement methods.</p>

**HNVF PROPOSAL RATING CRITERIA
FOR CYCLE 7 (2006-2007)**

Rating Criteria	Description	Rating Type
Leverage	Demonstrates substantial leveraging of funding sources. Demonstrates strong collaborative relationships with other entities and/or coordinates proposed services with City departments or other key players. Documented value of donated or subsidized rent and/or utilities may be included in cash match.	<p>High: More than 50% cash match plus other diversified funding base, in-kind leverage, and/or collaboration (working jointly with another entity) that results in increased, expanded, or enhanced services and/or expanded target population.</p> <p>Medium: 36-50% cash match plus other in-kind leveraging and/or coordination (regular information sharing and communication with other community service entities) that demonstrates proposed expanded services or new services have been developed with existing services in mind.</p> <p>Low: 20-35% cash match.</p>

**HNVF PROPOSAL RATING CRITERIA
FOR CYCLE 7 (2006-2007)**

Rating Criteria	Description	Rating Type
<p>Past Performance in the HNVF Program</p>	<p>During the previous two cycles, project was conducted as described in the contract; project goals were met; and reports and documents were submitted in a timely manner.</p>	<p>High: Agency complied with all terms of contracts and received prior written approval for all changes. Agency met or exceeded all goals; no unresolved issues at monitoring visits; all reports and documents submitted within timeframe. For Cycle 6 and forward, attended all required HNVF workshops.</p> <p>Medium: Agency did not comply with all terms of contracts or did not receive prior written approval for some changes; some project goals were not met; some reports or documents were not submitted in a timely manner; or, for Cycle 6 and forward, agency attended some but not all required workshops.</p> <p>Low: Project was not conducted as described in contracts; agency did not receive prior written approval for changes; project goals were repeatedly or substantially unmet; or reports and documents were repeatedly not submitted in a timely manner. For Cycle 6 and forward, agency did not attend required workshops and did not make an effort to receive information from staff.</p>

**HNVF GOALS, IMPACT AREAS AND LONG-TERM OUTCOMES
RELATED TO HEALTH AND SAFETY**

HNVF Goal	Impact Areas	Long-term Outcomes
<p><i>To decrease the use of tobacco products and related health problems associated with tobacco use for San José residents, contributing to improved overall health for the City's population.</i></p>	<p>TOBACCO-FREE COMMUNITY (San José Tobacco-Free Collaborative)</p> <p>Stop tobacco addiction and reduce the impact of tobacco use in San José through prevention and education, tobacco cessation, and counter-marketing.</p>	<ol style="list-style-type: none"> 1. San José will be a tobacco-free community.
<p><i>To improve the academic success of San José students through programs that address unmet health care needs and provide for healthy developmental age-appropriate activities.</i></p>	<p>EDUCATION (Blueprint)</p> <p>Provide for safe opportunities for youth to be successful and productive.</p>	<ol style="list-style-type: none"> 1. Young children will enter kindergarten ready to succeed academically. 2. Elementary/middle school children will be educationally at or above grade level and will choose healthy behaviors. 3. Teenagers have a sense of purpose and graduate from high school with a plan for higher education or career preparation.
<p><i>To improve the quality of life for seniors by increasing subsidized programs and services, providing for basic health and nutritional needs, and promoting independent living through social and recreational activities.</i></p>	<p>SENIOR SERVICES (Aging Services Strategic Plan)</p> <p>Each person living in the City of San José and the County of Santa Clara respects older adults. The community values the contributions, strengths, wisdom, and diversity of its older members and provides an integrated network of services to meet their needs and enhance their quality of life.</p>	<ol style="list-style-type: none"> 1. Every older adult in San José receives an adequate daily diet. 2. Older persons in San José maintain optimum physical and mental health, and have full access to affordable preventive and treatment health services. 3. Older adults needing homemaker, attendant, respite nursing care, and/or transportation receive appropriate type and levels of affordable services to maximize their independence. 4. Older adults in San José have full protection from physical, psychological, and/or financial abuse and neglect.

Cycle 7 (2006-2007)
HEALTHY NEIGHBORHOODS VENTURE FUND (HNVF)
GRANT APPLICATION AND PROCESS SCHEDULE

DATE	ACTIVITY
Wednesday, June 22, 2005 Health Building, Room 202A 5:00 PM – 7:00 PM	Committee Meeting: Committee Debrief/Discussion on Process Improvement.
Wednesday, August 17, 2005 4:00 PM – 7:00 PM New City Hall (NCH) Council Chambers	Committee Meeting: Public Hearing on criteria and process. Committee approves criteria and process for recommendation to Council.
Tuesday, September 27, 2005	City Council consideration and requested approval of criteria, process, and schedule.
Monday, October 17, 2005 NCH Tower, 9th Floor	Applications released to the public
Tuesday, October 18 through Thursday, December 1, 2005	Technical Assistance Period, including draft application review
Wednesday, October 26, 2005 Location: To be determined	Workshop: On Eligibility and Project Outcomes and how to complete your HNVF application
Thursday, October 27, 2005 Location: To be determined	Workshop: On Eligibility and Project Outcomes and how to complete your HNVF application
Thursday, December 1, 2005	Last day for Technical Assistance
Friday, December 2, 2005 8:00 AM – 5:00 PM NCH Tower, 9th Floor, T-955	HNVF Applications Due
Tuesday, December 20, 2005	Applications provided to Committee
Wednesday, February 1, 2006	Last day for applicants to submit updated leverage information

Cycle 7 (2006-2007)
HEALTHY NEIGHBORHOODS VENTURE FUND (HNVF)
GRANT APPLICATION AND PROCESS SCHEDULE

DATE	ACTIVITY
Wednesday, March 1, 2006	Distribute summary analysis to Committee
Wednesday, March 22, 2006 4:00 PM – 7:00 PM Location: To be determined	Committee Working Meeting: Application Discussion Meeting. 2 nd Quarter Monitoring Report.
Wednesday, April 12, 2006 4:00 PM – 9:00 PM Location: To be determined	Admin. Recommendation and Public Comment: To discuss Administration's Recommendation
Wednesday, May 3, 2006 4:00 PM – 7:00 PM Location: To be determined	Admin. Recommendation and Committee Working Meeting: To finalize Committee's Recommendation
Wednesday, May 17, 2005 4:00 PM – 7:00 PM Location: To be determined	Admin. Recommendation and Committee Working Meeting: To discuss funding Recommendation (if necessary)
Tuesday, June 20, 2006	City Council approves HN VF Recommendations as part of the 2006-2007 Adopted Budget Actions
Wednesday, June 21, 2006 4:00 PM – 7:00 PM Location: To be determined	Committee Meeting: Proposal Process Debriefing.