

## CHAPTER FOUR: FINANCIAL MANAGEMENT

### SUBCHAPTER 4.03: Grants and Donations

#### 4.03.010 Purpose and Findings

(a) The purposes of this subchapter are to establish policies and procedures for assuring that all grants for charitable purposes are lawful and for establishing a fair and efficient process for reviewing and approving requests for grants or donations.

(b) The City Council finds that:

- (1) *Need to Rely on Partners to Provide Services.* Because of the Town's small size and limited resources, the Town relies on the assistance of partnering agencies to provide services that the Town cannot efficiently provide. The Town's population is only 1,458, with only 463 housing units. With this small population and limited number of housing units, which tend to be in generally good condition, issues relating to housing and housing support services by the public within Colma are few. With few housing issues within the Town, there is insufficient work to support full or part-time housing agency staff. Rather, the Town depends on the San Mateo County Department of Housing and the non-profit organization to meet the needs of the community.
- (2) *Difficulty in Quantifying the Public Benefit.* With a lot of nonprofit organizations, it is difficult to quantify the benefits to the community at large. One reason is the reluctance of the recipients of benefits to identify their place of residence. The North Peninsula Food Pantry and Dining Center of Daly City, for example, refuses to even ask recipients for their addresses for fear of embarrassing them. Yet, officials of the Food Pantry have represented to the Town that there is enough anecdotal evidence to conclude that the Pantry serves a substantial number of Colma residents as well as homeless individuals passing through Town.
- (3) *Legislation.* The Legislature and the courts have consistently held that providing food, shelter or clothing to needy persons serves a public purpose. "[T]he clearance, re-planning, and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern." (Calif. Health and Safety Code § 34201)
- (4) *Transient Nature of the Homeless Population.* While acknowledging that every expenditure must serve a public purpose and that the public might be limited to the population served by the granting agency, a public purpose could still be served even if only a very small number of Town residents are served. For example, any organization that helps the homeless population would be providing both a regional-wide and a Town-wide benefit by reducing the homeless population by providing meals. As homeless persons are often

transient, support for homeless persons would benefit the Town even if the homeless are only passing through.

- (5) *Housing.* State law requires that the Town's Housing Element include policies and scheduled programs for the preservation, improvement and development of housing (Gov't Code § 65583). In the area of housing, the Town is unable to offer programs to maintain existing homes, assist first-time homebuyers, build supportive or affordable housing, administer an affordable housing program, assist homeless individuals in the transition to stable housing, or provide housing for individuals undergoing drug and alcohol rehabilitation. Instead, the Town relies on nonprofit organizations for many of these programs and services.

In its 2009 Housing Element and its draft 2015 Housing Element, the Town has pledged to support two nonprofit organizations that preserve, improve or develop additional housing – HIP Housing Development Corporation and Rebuilding Together Peninsula. HIP Housing provides affordable housing programs to residents of San Mateo County, such as its Home Sharing Program for the elderly and its roommate referral program. Rebuilding Together Peninsula assists with maintenance and upgrading of existing housing stock so that people can remain in their homes safely. Rebuilding Together also offers a "Safe at Home" minor repair program that offers assistance to residents who can't afford minor home repairs.

Continued support of HIP Housing and Rebuilding Together Peninsula and their programs will help preserve, improve and develop housing in the Town. Therefore, continued support serves a valid public purpose.

- (6) *Temporary Food or Shelter for the Homeless.* The Town does not have shelter for homeless individuals and relies instead on Shelter Network to meet the needs of the homeless in Colma, of which there were seven, according to the 2013 San Mateo County Homeless census. The Town also works to meet the needs of its homeless residents by appropriate referrals to local homeless assistance programs available in San Mateo County, including North Peninsula Food Pantry and Dining Center of Daly City and the Second Harvest Food Bank (Draft 2015 Housing Element). Although not up to the level of a policy statement in the Town's Housing Element, support of these organizations and their programs is important because they assist Colma residents as well as the broader community with basic needs.

[History: Res 2014-07; 2/13/14, Res 2014-55; 12/10/14]

#### **4.03.020 Criteria for Approving Grants**

(a) *Rule.* The City Council shall not approve any expenditure that would constitute a gift of public funds. In determining whether a grant is a gift of public funds, the City Council must find that:

- (1) The expenditure will serve a public purpose; that is, that the expenditure will serve the Colma community at large;

- (2) For an expenditure that provides benefits to the public and private persons at the same time, there is a direct and substantial benefit to the public with only an incidental benefit to private persons; and
- (3) The services of the organization administering the grant are readily accessible to Colma residents or businesses.

(b) *Purposes.* The City Council may appropriate money from the General Fund for any of the following purposes:

- (1) When there is an identifiable benefit to the Town or the community at large;
- (2) When the recipient organization provides a service that complements or enhances a service that the Town of Colma also provides to its residents or businesses; or
- (3) When the recipient organization provides a service that the Town could provide to its residents or businesses but chooses not to.

(c) *Accessibility.* In determining whether a recipient organization's services are readily available to Colma residents or businesses, the City Council may consider:

- (1) The number of Colma residents or businesses served by the organization in the years prior to the grant application;
- (2) The location(s) where Colma residents or businesses may receive the recipient organization's services or programs; and
- (3) The nature and extent of the efforts of the recipient organization to reach out to Colma residents and businesses.

[History: Res 2014-55; 12/10/14]

(d) *Rough Proportionality.* The amount of each grant must be roughly proportional to the benefit provided by the organization to the Town or its residents and businesses.

[History: Res 2014-07; 2/13/14]

#### **4.03.025 Funding Categories**

Provided that the appropriation complies with subsection 4.03.020 (a) and is for at least one of the purposes in subsection 4.03.020(b), the City Council may appropriate funds for programs or projects that:

- (1) Provide shelter, food, or clothing to persons in need of those programs (Necessities of Life);
- (2) Provide physical or mental health services to persons with special needs (Integrated Care Services);

- (3) Educate and engage residents (Education);
- (4) Promote economic development or support businesses located or doing business in the Town (Economic Development); or
- (5) Provide a service that the Town could provide to its residents or businesses or support, complement or enhance a service or program that the Town of Colma provides to its residents or businesses (Complementary Services).

[History: Res 2014-55; 12/10/14]

#### **4.03.030 Eligible Organizations; Rough Proportionality Required**

- (a) Grants may only be made to a governmental entity; an organization that is organized and operated exclusively for religious, charitable, literary, scientific, or educational purposes and is exempt from tax under Internal Revenue Code section 501(c)(3); or, a chamber of commerce that is exempt from tax under Internal Revenue Code section 501(c)(6).
- (b) For an organization to be eligible:
  - (1) The organization's mission must include providing a public benefit to the residents or businesses of a defined geographic area that encompasses the Town of Colma;
  - (2) The organization's governing board must reflect the diverse composition and different perspectives of the community it serves, and its members must not be drawn solely from a single subset of the community; and
  - (3) The organization must have policies and procedures to ensure that the terms and conditions of all grants are satisfied.

[History: Res 2014-07; 2/13/14]

#### **4.03.040 Grant Limitations**

- (a) Grants cannot be used to fund existing obligations, debts or liabilities.
- (b) Grants are made with the understanding that the Town has no obligation or commitment to provide any additional support to the grantee.
- (c) Town funds should not be used to support national and regional charitable organizations; instead, they should be supported by individual and corporate donations.
- (d) Requests for grants from religious organizations will be considered only if a general need is being met and the project does not promote the teachings of a particular church denomination.
- (e) Grants may not be used for any political campaign or to support attempts to influence the legislature or any governmental body other than through making available the results of nonpartisan analysis, study and research.

(f) The grantee shall not discriminate on the basis of race, color, religion, gender, age, weight, height, sexual orientation, marital status, national origin, disability or other characteristic protected by law.

[History: Res 2014-07; 2/13/14]

#### **4.03.050 Request for Determination of Eligibility for Grant Funding**

(a) An applicant shall first submit a request for determination of eligibility for grant funding on a form prescribed by the City Manager, which shall state the following:

- (1) Organizational Information, preferably no longer than one page, summarizing the organization's history, mission, goals, current programs, and the population served;
- (2) A description of the population served by the organization;
- (3) Evidence that the organization's governing board reflects the diverse composition and different perspectives of the community it serves, and that its members are not drawn solely from a single subset of the community; and
- (4) Policies and procedures adopted by the organization to ensure that the terms and conditions of all grants are satisfied.

(b) The Request for Determination of Eligibility shall be accompanied by documentation of the organization's eligibility, i.e.:

- (1) An IRS letter of tax exemption under IRC sections 501(c)(3) for charitable organizations;
- (2) An IRS letter of tax exemption under IRC section 501(c)(6), for chambers of commerce; or
- (3) Articles of Incorporation, statutory reference, or similar documentation, for a governmental entity.

(c) The organization needs to file the foregoing information only once. Each year afterwards, the organization must verify that the information is still current and, if not, must update each item of new or changed information.

[History: Res 2014-07; 2/13/14]

#### **4.03.060 Grant Applications**

An application for a charitable donation shall be made on a form prescribed by the City Manager and shall state the following:

- (1) Program or project title;
- (2) Purpose of the grant (not more than two sentences);

- (3) Timeline for accomplishing the project or program;
  - (4) List of all previous requests to the Town within the previous five years;
  - (5) Summary of the program or project, including an action plan and timetable for implementation;
  - (6) A succinct statement of how the grant meets the criteria in section 4.04.020, and how the Colma community would benefit from this project;
  - (7) Identity of partners in the project and their roles;
  - (8) An evaluation plan that includes a description of how the applicant will define the success of the program or project;
  - (9) A detailed budget for the program or project.
- (b) Grant applications should be brief and to the point.
- (c) A charitable organization must attach one copy of each of the following documents to the application:
- (1) Roster of current governing board members;
  - (2) Annual operating budgets for the organization for the current year and the next year; and
  - (3) If the organization is operating at a deficit, an explanation of cause of the deficit and what the organization is doing to eliminate expected year-end deficits.

[History: Res 2014-07; 2/13/14]

#### **4.03.070 Grant Application Timeline**

- (a) On or before July 1 of each year, the City Council may include in its budget for the upcoming fiscal year a total amount that may be granted and donated to charitable organizations and governmental entities in accordance with this subchapter.
- (b) During the period from July 1 to August 1 of each year, any eligible charitable organization or governmental entity may submit an application to the Town for a grant. Thereafter, the City Clerk shall notify each applicant whether its application is complete and the date when the City Council will consider the application.
- (c) As soon thereafter as practical, the City Council shall consider all applications for grants. Approved grants will be disbursed approximately 30 days after approval of the grant by the City Council and execution of a Grant Agreement by the Grant Recipient.

[History: Res 2014-07; 2/13/14]

#### **4.03.080 Grant Agreement**

The Grant Recipient must execute a Grant Agreement with the Town before any funds may be paid. The Grant Agreement shall include a statement of the goal or purpose of the Grant, a time within which the goal is expected to be achieved, and reporting requirements.

[History: Res 2014-07; 2/13/14]

#### **4.03.090 Grant Reports**

(a) Within 90 days of completion of the program or project funded by a grant, the Grant Recipient shall file a brief report with the City Manager explaining:

- (1) The extent to which the Grant Recipient reached the goals and objectives for the program or project;
- (2) An evaluation of the program or project, including a description of the project or program's impact on the Town or its residents or businesses; and
- (3) An explanation of how the grant funds were spent.

(b) The City Manager may, in the Grant Agreement, require that the Grant Recipient file an Interim Report.

[History: Res 2014-07; 2/13/14]

#### **4.03.100 Emergency or Disaster Relief**

Notwithstanding anything to the contrary herein, the City Council may provide financial aid or assistance for:

- (1) the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency declared by the President, if found to be in the public interest;
- (2) disaster relief in connection with a national or local emergency created by military attack or sabotage;
- (3) providing adequate national or local defense;
- (4) responding to a local emergency, as defined in subdivision (c) of Government Code section 8558.

[Reference: CALIFORNIA CONSTITUTION, Article XVI, Section 6; GOVERNMENT CODE § 53021]

[History: Res 2014-07; 2/13/14]

#### **4.03.110 Implementing Policies and Regulations**

The City Manager is authorized and directed to establish procedures and regulations to implement this resolution.

[History: Res 2014-07; 2/13/14]