

March 9, 2010

MEMO

TO: Tom Muehlenbeck, City Manager
Frank F. Turner, Deputy City Manager

FROM: Phyllis M. Jarrell, Director of Planning

SUBJECT: Grant Recommendations

Council recently discussed several changes to funding amounts and administrative procedures for the various grants programs administered by the city. Staff has been reviewing the practical effects of the proposed changes and offers commentary below. The changes were also reviewed with the budget reduction committee as requested.

A table is also attached which outlines each the city's various grant programs and the proposed changes to each. This memo only addresses the grants administered by the Planning Department.

Heritage Grants---Source: Hotel/Motel Tax

Proposed Changes

- Place cap on funding for salaries and operations at '09-'10 fiscal year levels
- New grant recipients will not be eligible for funding for salaries and operations
- Require grant recipients to provide information from visitor logs to demonstrate link to increased tourism
- Develop a "challenge grant" that would withhold funding equal to 1/3 of the grant unless recipients raise funds from outside sources

Salaries and Operations – The majority of grant funds received by the Plano Conservancy for Historic Preservation (Interurban Railway Museum), the Plano African American Museum and the Heritage Farmstead are used for salaries, operations and capital projects. The

Heritage Commission has noted its concerns about this trend with the organizations, preferring to see grant funds used for heritage projects and programs instead. However, they have explained that it is easier to find funding from other sources for special projects and programs. Very few grant programs will fund salaries and operations. Presently, the guidelines for the grant allow up to a 4% increase over the past year's funding for salaries and operations.

An across-the-board reduction in total grant funding or in the funding for salaries and operations could be considered. However, without the city's support for these items, it is unlikely that the three museums could remain open. In addition, the Heritage Farmstead and the Interurban Railway Museum are located on property owned by the City. Closure of these two museums would result in vacant buildings and attendant nuisance issues. Funding operations through non-profit organizations is more cost effective than hiring additional city staff to operate these facilities.

Challenge Grant – A "challenge grant" program in the amount of 1/3 of the total '09-'10 heritage grant to provide an incentive for the recipients to increase funding from other sources has been proposed. Under this challenge, the city's last payment would be withheld unless the agency can demonstrate that they have acquired additional funding from other sources. 1/3 of the '09-'10 grant amount is \$220,391.

Staff has considered how this challenge requirement might be applied. To be fair, we based the challenge amount on the percentage of the overall grant received by the individual groups. For example, the Heritage Farmstead received approximately 50% of the total grant funds in '09-'10. Applying this percentage to the 1/3 challenge amount would require the Farmstead to acquire \$110,195 from other sources during the year. In testing this methodology, using information provided by the organizations in the grant applications, it appears that all of them would be able to meet the challenge if the value of volunteer hours and in-kind donations are included. Volunteer hours make up the bulk of the organizations' support from other sources. If the value of these hours were not applied to the challenge grant, it is likely that only the Heritage Farmstead would be able to meet these requirements. The additional staff time needed to administer the challenge grant should also be considered, especially if the challenge is easily met.

Buffington Community Service Grant---Source: General Fund

Proposed Change

- Provide a flat \$250,000 in grant funds rather than \$2 per capita (\$527,604 in '09-'10)

Reduction in Grant Funding – The BCSG provides funding for a variety of social service agencies. City Council has directed that the majority of grant funds be provided to agencies providing emergency services. The city's funding supplements approximately \$3.7 million from other sources reported by the agencies. A reduction in funding will significantly impact the ability of these agencies to assist Plano citizens. In its review of this proposed reduction in grant funding, the Budget Reduction Committee noted that the timing of a reduction may not be the best given the current economic climate and the level of need in the community. However, the committee believed that the proposed reduction should be presented for Council's consideration.

Other Cities' Programs -- Other cities in Collin County have similar grant programs funded from their general funds. Allen provides a flat \$75,000 per year, while Frisco and McKinney fund their programs at \$1 per capita (\$105,000 and \$126,000 respectively in '09-'10). The '09-'10 fiscal year was the first time McKinney funded their program for two consecutive years. Prior to this, the program was funded every other year.

Housing Rehabilitation and First Time Homebuyer Grants---Source: Federal Grants

Proposed Change:

- Where allowed by federal regulations, maximize use of grant funds for staff time and administrative costs, rather than using city funds

Administrative Costs – The salaries of staff members who administer the federal grant programs are paid from the grant, with the exception of the Community Services Manager. However, to maximize the funding available for housing projects, the city has in the past generously covered sick leave and vacation time for these staff members from the General Fund. The proposed switch will reduce the funding available for projects by an estimated \$75,000, but the city's program will continue to remain under the cap allowed by federal regulations for grant administration.

Please let me know if you need additional information.

XC: Christina Day, Community Services Manager
Tina Firgens, Planning Manager
Liz Casso Hersch, Heritage Preservation Officer

**CITY OF PLANO GRANT PROGRAMS
FY 2009-2010
(DOES NOT INCLUDE FEDERAL STIMULUS GRANTS)**

FUNDING SOURCE: HOTEL MOTEL TAX

Grant	'09-'10 Amount	Rules/Restrictions	Recommending Body	Typical Recipients	2009-2010 Recipients	Proposed Changes to Program
Heritage Preservation	\$661,173	Up to 15% of hotel/motel tax collections may be used for historic preservation activities related to tourism.	Heritage Commission	Non-profit groups operating museums and promoting historic preservation programs	Heritage Farmstead Museum Plano Conservancy for Historic Preservation Plano African American Museum North Texas Masonic Historic Museum and Library Rowlett Creek Cemetery Association	Place cap on funding for salaries and operations at '09-'10 level. New grant recipients may not receive funding for salaries and operations. Withhold funding equal to 1/3 of the grant unless recipients raise funds from outside sources. Require grant recipients to provide information from visitor sign-ins to demonstrate link to increased tourism.
Cultural Arts Major Grants	\$656,173	Up to 15% of hotel/motel tax collections may be used for cultural activities	Cultural Affairs Commission	501(c)3 arts organizations based in or providing services in Plano	Art Centre of Plano Chamberlain Performing Arts Dallas Asian American Youth Orchestra Men of Note Orchestra of New Spain Plano Art Association Plano Children's Theatre Plano Civic Chorus Plano Community Band Plano Metropolitan Ballet Plano Symphony Orchestra Quilters Guild of Plano Rover Dramawerks Younger Generation Chorus	Reduce funding amount from 15% to 10% of hotel/motel tax collections. All grant contracts for 2010-2011 will include a requirement to report residency data on audiences/attendees as well as information about other funding sources.
Cultural Arts Small Grants	\$5,000	Up to 15% of hotel/motel tax collections may be used for cultural activities	Cultural Affairs Commission	Small, new and emerging arts organizations based in or providing services in Plano (limit of 2 years if not a non-profit)	Argentine Cultural Foundation Children's Chorus of Collin County Dallas Chinese Choral Society Rhythm Junkies Plano Teen Harmony	Reduce funding amount from 15% to 10% of hotel/motel tax collections. All grant contracts for 2010-2011 will include a requirement to report residency data on audiences/attendees as well as information about other funding sources.
Special Events Grants	\$157,190	At the full discretion of City Council	Cultural Affairs Commission	501(c)3 organizations producing special events in Plano	Plano Balloon Festival	Reduce eligibility by equivalent percentage as is being considered for other hotel/motel funding

FUNDING SOURCE: GENERAL FUND

Grant	Amount	Rules/Restrictions	Recommending Body	Typical Recipients	2009-2010 Recipients	Proposed Changes to Program
Buffington Community Services Grants	\$527,604 at \$2 per capita	At Council's direction, majority of funding is directed to agencies providing emergency assistance to residents. State law prohibits a city from funding more than 50% of the budget of an agency providing indigent services. City policy limits funding of salaries to 50% or less. Grant rules adopted by Council in 1998; grant application requirements adopted annually by the Community Relations Commission.	Community Relations Commission	Various social service agencies	Assistance Center of Collin County Assistance League of Greater Collin County Avenues Counseling Center CASA of Collin County Collin County Adult Clinic Collin County Children's Advocacy Center Collin County Committee on Aging Family Literacy (PISD) Family Outreach Hope's Door Journey of Hope Maurice Barnett Geriatric Wellness Plano Children's Medical Clinic Plano Community Charity Rape Crisis Center Salvation Army Samaritan Inn Special Care and Career Services	Uncouple from per capita calculation and consider at flat \$250,000 for the grant amount. Determine if other cities in Collin County have similar grant programs using general fund dollars instead of/in addition to any federal grant funds.
Special Events Grants	\$42,569	At the full discretion of City Council (grants may include in-kind services from the City)	Cultural Affairs Commission	501(c)3 organizations producing special events in Plano	Asian American Heritage Festival Plano International Festival North Texas Soap Box Derby Susan G. Komen Race for the Cure	Amount of funding to be determined as part of budget process March-May
Special Events Grants	\$21,424	At the full discretion of City Council (grants may include in-kind services from the City)	City Council	501(c)4 organizations producing special events in Plano	Lion's Club 4 th of July Parade Plano Christmas Parade	Cultural Affairs Commission to make recommendations to City Council. Will be included with other special events grants as Lions Club now has 501(c)3 designation Amount of funding to be determined as part of budget process March-May
Urban-Town Center Grants	\$57,500	At the full discretion of City Council (grants may include in-kind services from the City)	City Council	Must meet definition of Urban-Town Center: a form of development or redevelopment that combines various uses into a pedestrian-oriented environment	Legacy Town Center event Historic Downtown Plano Association events	Now to be considered by Cultural Affairs Commission along with all other recommendations to City Council. Amount of funding to be determined as part of budget process March-May

FUNDING SOURCE: FEDERAL GRANTS

Grant	Amount	Rules/Restrictions	Recommending Body	Typical Recipients	2009-2010 Recipients	Proposed Changes to Program
Community Development Block Grant	\$1.27M + estimated \$120,000 of program income from loans	Activities must further a Consolidated Plan goal. 15% funding cap for public service activities (social services), 20% cap for grant administration, other 65%+ must be used for construction for housing or non-profits as required by the 2005-09 Consolidated Plan. Numerous other federal requirements. Additional grant restrictions adopted by the Community Relations Commission.	Community Relations Commission	City of Plano affordable housing programs, non-profit affordable housing developers, non-profit social service agencies.	Life Path Systems Boys & Girls Club of Collin County Communities in Schools Dallas Crossroads Family Services AIDS Service of North Texas Plano Housing Corporation Habitat for Humanity City-administered Homelessness Prevention program (outsourced to Samaritan Inn) City-administered housing rehabilitation program City-administered homebuyer assistance program	Where allowed by federal regulations, maximize use of grant funds for staff time and administrative costs, rather than using city funds.
HOME Investment Partnership	\$482,440 + estimated \$6,800 of program income from loans	Activities must further a Consolidated Plan goal. Minimum of 15% of funds go to certified Community Housing Development Organizations, 10% cap for grant administration, remaining funds must be used for affordable housing activities. Numerous other federal requirements. Additional grant restrictions adopted by the Community Relations Commission.	Community Relations Commission	City of Plano affordable housing programs and non-profit affordable housing developers	Plano Housing Corporation Habitat for Humanity Christ United Methodist Church "House on the Corner" program City-administered housing rehabilitation program City-administered homebuyer assistance program	Where allowed by federal regulations, maximize use of grant funds for staff time and administrative costs, rather than using city funds.



CITY OF PLANO

**CULTURAL AFFAIRS COMMISSION
2010 CALENDAR**

(a complete copy of this calendar is available through the Web site at
http://www.plano.gov/City_Hall/agendas/Pages/Cultural%20Affairs%20Commission.aspx)

- March 12 All Guidelines & Application forms available to the public.
- April 16 All grant applications due by 5pm.
- April 23 Applications provided to Commissioners.
- May 6 Small Arts, Special Events, Urban-Town Center presentations made to Commission includes preliminary scoring.
- June 12 Major Arts presentations made to Commission includes preliminary scoring.
- June 17 Finalize Recommendations on all Grants.
- Aug. 14 Chair presents recommendations to City Council at FY 2010-2011 Budget Work Session.

**2010 Calendar for Grant Programs
Heritage Preservation
Buffington Community Services
CDBG/HOME**

Heritage Preservation

- March 31st---Grant applications available on-line
- May 8th---Application deadline
- May 19th---Heritage Commission receives applications
- June 12th---Heritage Commission holds public hearing and determines grant recommendations
- August 14th---Recommendations for 2010 heritage preservation grants presented to the City Council as part of the budget worksession

Buffington Community Services Grant and CDBG/HOME

- February 15th---Grant applications available on-line
- March 18th---Application deadline
- May 13th---Community Relations Commission holds last public hearing for agencies
- May 25th and 27th---Community Relations Commission determines grant recommendations
- June 28th---Recommendations for 2010 CDBG/HOME grants presented to City Council for approval (to meet HUD deadlines)
- August 14th---Recommendations for 2010 Buffington Community Services Grant presented to the City Council as part of the budget worksession