


MEMORANDUM

Date: October 20, 2025

To: Mayor and City Council

From: Gerry Beaudin, City Manager 

Subject: One-Year Pilot RFQ Process for Housing and Human Services Funding Distribution for FY 2026/27

This memo provides an update on the planned one-year pilot Request for Qualifications (RFQ) process for Housing and Human Services Grant (HHSF) funding to nonprofit partners for Fiscal Year 2026/27, covering the period of July 1, 2026 through June 30, 2027. This process is being piloted to maximize operational efficiency and accommodate the current pause of the Human Services Commission due to staffing reductions approved through the budget process.

Background

The City currently manages HHSF funding through four distinct funding sources, which totaled \$588,683 in FY 25/26:

- Community Development Block Grant (CDBG): \$57,218
- HOME Investment Partnerships Program: \$80,000
- Lower Income Housing Funds (LIHF): \$351,465
- General Fund for public services: \$100,000

In the current fiscal year, the City received 31 applications with a total funding request of \$1,337,164 and funded 19 programs, with an average award of \$30,983 per program. However, this average is significantly skewed due to the varying restrictions and requirements across the above four funding sources, and there are a significant number of programs whose awards are relatively small, at \$5,000 to \$10,000 each. Notably, only seven agencies (all funded through LIHF) were allocated the full amount of funding requested, indicating high demand relative to available resources. The allocations are included as Table A (attached).

The current grant process and subsequent administration of grantee contracts and disbursements is very administratively burdensome, at an estimated staff cost of nearly \$250,000, not including City overhead costs. The current process includes many administrative steps, including processing applications, preparing documents and reports for

Commission and City Council review, hosting Commission meetings, developing agreements for multiple programs and organizations, and processing numerous individual invoices throughout the year. With the Human Services Commission currently paused and reduced staffing levels city-wide, particularly in the human services functions of the Library and Recreation Department, this resource-intensive process warrants examination for operational efficiencies.

Pilot RFQ Process

The RFQ process will follow the same timeline as the annual HHSG application process that nonprofit partners are familiar with. The RFQ will be released in early December 2025 and due in mid-January 2026. RFQ responses will be reviewed in March 2026. Awards and contracts will be approved by the City Council in May 2026.

Staff will use the following guidelines for selection of grant awards:

- The Eastern Alameda County Human Services Needs Assessment as a foundational document.
- The top funding priorities established by the Human Services Commission in FY 2024/25.
- Current fiscal year funding allocations as projections, with final agreements contingent upon securing federal funding numbers.
- The same online platform (ZoomGrants) that nonprofit partners have used in previous grant cycles to submit applications, ensuring familiarity and ease of use for applicants.

This approach will allow the City to clearly define funding priorities within the RFQ itself, creating a more strategic and targeted allocation process while maintaining alignment with documented community needs and previously established priorities.

Benefits of the Pilot Approach

- **Strategic Alignment:** By defining priorities upfront in the RFQ, the City can more effectively direct limited resources toward identified community needs.
- **Data-Driven Evaluation:** The pilot will generate concrete data on process efficiency (e.g. staff resources allocated), applicant experience, and outcome effectiveness to inform future decisions.
- **Maintains Continuity:** Using established needs assessments and commission priorities ensures continuity in funding philosophy while testing a new administrative approach. Additionally, the same software platform that non-profits have used for grant submissions can be used for the RFQ proposals.
- **Operational Efficiency:** The RFQ process has the potential to significantly reduce the administrative burden on staff while maintaining rigorous evaluation standards.
- **Transition Period:** The one-year pilot provides a measured approach while City Council determines the new commission and committee structure following budget-related restructuring.

Other Considerations

While the new process will create operational efficiency, the transition to an RFQ process during the pause of the Human Services Commission will shift the role of commission

members, who have historically played a central role in grant allocation decisions. Clear communication about the pilot's temporary nature and plans for future commission involvement will be essential to ensure that commissioners understand the process and the reasoning behind it and do not feel disenfranchised.

A robust external communication strategy will also be critical to ensure all nonprofit partners are fully informed about the new RFQ process, timeline, and requirements. This will require proactive outreach to prevent confusion or missed opportunities, particularly for smaller organizations with limited capacity. This will be mitigated by using the same platform and timeline as previous grant processes.

Next Steps

Staff will implement a one-year pilot RFQ process for FY 2026/27 Housing and Human Services funding. This pilot will allow staff to evaluate whether this approach offers meaningful efficiency gains while maintaining our commitment to addressing critical human services needs in our community. Results of the process will be shared with the City Council.

Attachments:

1. Table A – FY 2025/26 HHSG Allocations