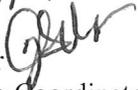


INTER-OFFICE COMMUNICATION

DATE: November 20, 2012

TO: Members of the Audit, Finance and Legislative Committee

VIA: Fred Murry, Assistant City Manager 

FROM: Jacqueline Richardson, HCD Manager 
John Wachtel, Neighborhood Planning Coordinator 

SUBJECT: Community Grant Program

On July 17, 2012, the City Commission held a Special Budget Meeting to discuss several aspects of the FY 2012-13 Budget including the Community Grant Program (CGP). At that meeting, the City Commission approved CGP funding for various non-profit organizations based upon funding recommendations from the SHIP Affordable Housing Advisory Committee (SHIP AHAC). The City Commission approved the funding requests for 43 of 44 organizations that submitted applications for consideration of CGP funding. During the Special Meeting, the City Commission also discussed matters related to the an organization that was not approved to receive CGP funding due in part to citizen opposition and other related issues. As a result, the City Commission requested the Audit, Finance and Legislative Committee to review the current CGP guidelines and procedures, particularly related to how organizations are, or are not, evaluated in terms of legitimacy, transparency and veracity.

BACKGROUND

- December 17, 2009: The Commission directed staff to develop a program for nonprofit organizations to assist the City in its goals to provide social services in the community. Staff presented the general concept of the CGP to the City Commission to provide funding for non-profit organizations based in the City. The City Commission recognized the CGP as a way to counteract the potential reduction in the provision of social services. The intent of the grant program is to provide small amounts of grant funding to non-profit organizations performing community services that advance City goals to support activities that serve a public purpose and improve the quality of life for Gainesville residents.
- June 3, 2010: Staff presented the draft CGP guidelines for City Commission consideration as part of the FY 11/12 budget process. The development of the program guidelines incorporated feedback from various community organizations, including the request to make the CGP process uncomplicated and to reduce time consuming record keeping and paperwork. As a result, the CGP guidelines were developed outlining the criteria for eligible organizations, reimbursable activities, and program requirements and procedures.
- July 15, 2010: The City Commission approved the CGP. The Commission allocated up to \$125,000 for the CGP, with ten percent set aside for program administration. The maximum grant award was established at \$2,500 per eligible non-profit organization. The City

Commission was also concerned about the time and effort needed to administer the new program, for both City staff and for the nonprofit organizations. For those reasons, the City Commission emphasized that the CGP should be simple for both City staff and for the nonprofit organizations. The Commission also indicated a desire to fund as many eligible programs as possible within the approved program budget. As required by the CGP guidelines, the City's SHIP AHAC would review the applications and make funding recommendations to the City Commission.

- October 1, 2010: The implementation of the CGP began in FY 11; thus, two years have been completed, FY 11 and FY 12. Funds have been allocated and approved, but not distributed for FY 13. Since the CGP began, there has never been more money requested than allocated. As a result, the SHIP AHAC has generally recommended that all organization funding requests be fully funded, and the City Commission has usually agreed. The current CGP Guidelines, Application and Reimbursement Form are attached for reference (Attachment A).

PROGRAM IMPLEMENTATION

Since the inception of the CGP, City staff has made significant efforts notifying nonprofit organizations when CGP Applications are being accepted. Several electronic and postal mailing lists of nonprofit organizations are used each year to notify potential applicants. Notice is also published in the Gainesville Sun and the Gainesville Guardian. Finally, the City sends out a media release and posts a notice on its website.

As approved by the City Commission, the administration of the CGP program has remained a relatively simple process for City staff and participating organizations. To be funded, all organizations must sign a paper affirming that they meet all the program requirements. Applicants are reimbursed at a standard rate, which is generally believed to be less than the actual costs. No invoices, receipts, bank statements or cancelled checks are provided to the City, as the organizations are required to keep this information on file in their records. Staff review of applications and reimbursement requests has been limited to the following:

- Confirming the organization's nonprofit status;
- Confirming that the organization has a physical address in the City;
- Confirming that the organization's sums are correct;
- Confirming that all the proper forms are completed and signed; and
- Confirming that the organization's clients are City residents.

At their regular advisory board meeting on August 7, 2012, the SHIP AHAC members expressed support for the City Commission's original intention to keep the CGP process simple, particularly for small organizations and small projects.

In contrast, the City also administers the Federal Community Development Block Grant (CDBG) program. A portion of the funds from that program are awarded to nonprofit organizations for activities and services similar to those that the CGP reimburses. In FY 2012-2013 that portion was \$186,021, which is based on available program funding as appropriated by HUD. Funding requests are usually greater than the funds available. For these programs, organizations sign a formal contract and are reimbursed based on actual expenses which must be documented through various means, which include invoices, receipts and cancelled checks, etc. Additionally, for CDBG programs involving payments to nonprofit organizations, the Citizens' Advisory Council on Community Development (CACCD) spends several months conducting site visits, and

examining and discussing the organizations applications and funding requests. Clearly, the management and administration of the CDBG program is much more detailed and complicated compared to the CGP (i.e., contract management, financial reporting, compliance monitoring and more time consuming for both applicants and staff.).

ANALYSIS

The concerns from the City Commission involve how to vet the applicants without overly complicating the CGP process.

Past experience and research of other communities indicate that expanding the application to require a one- or two-page pamphlet, brochure or explanation of the applicant organization's program, purpose, mission, financials, staffing and history could be helpful. Requiring more than this level of information, may discourage applications, even if the maximum award is increased. Attached for reference is a chart comparing grant programs similar to the CGP, from various other communities. The chart provides information about several characteristics of the application process for those grant programs (Attachment B).

RECOMMENDATION

To address the concerns of the City Commission and include a higher level of disclosure of an organization's background and history, update the CGP application form to:

- Require the applicant to describe in more detail the organization's purpose, mission, program and history.
- Require the applicant to describe its organizational structure including board and employee information.
- Require the applicant to provide budget information, including revenues and expenditures, from several previous years.

In addition, require the applicant to make a brief presentation to the SHIP AHAC explaining the applicant's mission and program, and answer any questions the SHIP AHAC may have.