



## Legislation Details (With Text)

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49. 211074AW\_ARPA Application Star Center Theatre\_20220421, 50. 211074AX\_ARPA Application The Arc of Alachua County\_20220421, 51. 211074AY\_ARPA Application University of Florida Mobile Outreach Clinic\_20220421, 52. 211074AZ\_ARPA Application Upper Room\_20220421, 53. 211074BB\_ARPA Application Working Food\_20220421

Date	Ver.	Action By	Action	Result
4/21/2022	1	City Commission	Approved, as shown above	Pass

### American Rescue Plan Act (ARPA) - Aid to Nonprofit Organizations Program (B)

On May 13, 2021, the City Commission directed the Office of Equity & Inclusion to develop an Equity COVID Budget Tool to assist with the equitable spending of ARPA funds awarded to the City. On May 27, 2021, the Commission reviewed and adopted the Equity COVID Budget tool and assigned the timeline for implementation. The Equity COVID Budget Tool is included as Attachment A.

The initial intention by the City was to have City Commissioners submit proposals for projects they wished to support through the use of ARPA funds. The Equity COVID Budget Tool was intended to be the tool used to evaluate individual Commissioners' proposals and assist with funding discussions and decision making amongst the City Commission as a body. Based upon the public discussion of the process, nonprofit organizations, in addition to the Commissioners, submitted proposals to the Office of Equity & Inclusion.

In late June 2021, the Office of Equity & Inclusion held four engagement sessions to allow the public to comment on proposals from nonprofit organizations and for the public to offer new ideas that may have been missed. The Office of Communications and Engagement assisted with promoting these engagement sessions via the City's social media accounts, GNVnews, Video News Release, press release, direct outreach to groups to distribute flyers and information on the program (i.e. school board, chamber, churches, neighborhood groups, CareerSource) and radio ads such as PRAIZE and 98 JAMZ.

On August 10, 2021 a Final Report of the Equity COVID Budget Tool and citizen engagement process was produced by the Office of Equity & Inclusion. This report is included in Attachment B. Upon review, it was determined that more citizen engagement could be necessary and a process for soliciting and evaluating proposals based on the final expenditure categories, as well as ensuring quarterly reporting on all ARPA funded projects would be met, was needed.

On October 19, 2021, the City Commission approved \$7 million of ARPA funding for an Aid to Non-Profit Organizations Program (Agenda #201087).

By November 23, 2021, a total of 77 proposals, including Commissioner (61) and nonprofit proposals (16) were submitted to the Office of Equity & Inclusion. The Comprehensive Matrix shown in Attachment C provides an overview of all the proposals received.

The City Manager's Office met with staff from General Government and the Office of Equity & Inclusion to gain a better understanding of the goals of the ARPA Program as well as review areas where external expertise would be needed to ensure proper compliance with U.S. Treasury guidelines. In addition, existing project allocations were given a preliminary review to ensure fit with the Interim Final Rule in place at that time.

On January 6, 2022, the overall ARPA Program management was transferred over to the City Manager's Office, including distribution of the \$7 million in Aid to Nonprofit Organizations. In addition, the City Commission approved the Community Foundation of North Central Florida (Foundation) as the consultant to develop an application process for nonprofit organizations to apply for the \$7 million in Aid to Nonprofit Organizations Program, manage the evaluation process and provide a recommendation on distribution the funds (Agenda

#210759).

### **ARPA AID TO NONPROFIT ORGANIZATIONS PROGRAM - \$7 MILLION**

Upon award of the contract, the Foundation took the following actions to implement the Aid to Nonprofit Organizations ARPA Program:

- Convened an Evaluation Team comprised of four members of the Community Foundation of North Central Florida and three representatives from the City.
- Determined eligibility criteria for the program based on U.S. Department of Treasury Guidance and with the assistance of the City's General ARPA Consultant Government Services Group, LLC, an Anser Advisory Company (GSG):
  - Must be a public, tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code.
  - Must have been incorporated as a nonprofit prior to January 1, 2020.
  - Must be physically or principally located in Alachua County.
  - Provide services to City of Gainesville residents.
  - Is in good standing and up to date with required filings with the State of Florida and the Internal Revenue Service.
  - Must be a verified organization in the Foundation's Philanthropy Hub.
  - Must have incurred a necessary expenditure due to the COVID-19 health emergency or be directly impacted by a loss or reduction of income as a result of the COVID-19 public health emergency.
- Determined ineligibility criteria for the program:
  - For profit business.
  - Private foundations or any charitable organization not qualified under section 501(c)(3) of the Internal Revenue Code.
  - Any applicant with past due tax liabilities or tax liens or currently in bankruptcy.
- Developed a standard application (included as Attachment D) for all nonprofits to use including components of the Equity Tool.
- Determined the range of funding awards for applicants would be \$5,000 - \$750,000 to ensure an equitable distribution of funds with an emphasis placed on human service organizations serving communities of city residents disproportionately affected by the pandemic and a plan to reach a cross section of small, medium, and large nonprofits representing subsectors such as housing, food, health, etc. The \$750,000 cap was specifically determined by the single audit threshold that if surpassed, would require a nonprofit organization to incur additional audit and monitoring expenses. Lastly, this would ensure realistic spending thresholds by December 31, 2024.
- Obtained the list of nonprofit organizations and that had submitted ideas under the Office of Equity & Inclusion's initial solicitation and directly contacted those organizations to provide information and support on the application process.

The Foundation kicked off the Aid to Non-Profits Program on Wednesday, February 23, 2022. The Foundation utilized several methods for reaching nonprofits and giving notice of the application:

- Purchased from the IRS a listing of all 501(c)(3) organizations registered in Alachua County which totaled approximately 3,000 organizations.
- After vetting the list for organizations serving disproportionately impacted communities, postcards were mailed to approximately 1,000 nonprofits inviting them to attend information sessions and directing them to the website which contained pages devoted the City's Aid to Nonprofit Organizations ARPA program.

- In addition to the direct mail postcard, the Community Foundation utilized email listservs, social media (both specific to the Foundation and City, and other shared accounts), and traditional local media including WCJB & WUFT.

The application process started with a virtual Information Session (which had 92 registered nonprofit organizations) followed by weekly Question & Answer calls every Friday morning, including GSG, to answer questions about the program. The Foundation also hired a temporary project coordinator to focus solely on applicants. Unlike typical competitive grant programs, the Foundation provided one-on-one support for applicants throughout the process - including but not limited to Philanthropy Hub verification and grant application support. Throughout the application process, Foundation staff strongly encouraged requests be proportional to operational capacity.

Once an organization submitted their application, the project coordinator reviewed it to determine if the proper financial documents were attached, the funding requests and budgets were properly calculated, the beneficiaries were city residents, and other required information was provided. If any deficiencies were found, an organization was contacted and then given a brief window of time to address the issues on their application before they resubmitted.

Information from the Philanthropy Hub about the make-up of the applicant's board and if the board had a policy for diversity and inclusion was added to the application.

## **EVALUATION PROCESS**

Prior to distribution of applications to the Evaluation Team, GSG reviewed the funding request to determine its eligibility and compliance per the ARPA Final Rule. The Evaluation Team then individually scored the applications based on the pre-established criteria.

On March 28, 2022, the Evaluation Team convened a properly noticed Sunshine meeting. The meeting was also recorded. The Evaluation Team reviewed 46 applications totaling \$19,040,696.67 in funding requests. The criteria used by the Evaluation Team to review these applications is included as Attachment E and included the following components:

- Explanation of pandemic changes to the nonprofit organization.
- Amount requested in line with nonprofit organization's financial position.
- Program impact to the Gainesville community.
- Financial review including eligibility of proposed program with ARPA Final Rule and long term sustainability.
- Organizational Diversity and inclusion efforts.

An average score for all applications was then calculated and applications were sorted from highest to lowest average score. The Evaluation Team awarded funding in the following methodology:

1. Organizations with an average score of 86% and above are recommended to receive 100% of their requested funding.
2. Organizations with scores of 80-85.9% are recommended to receive 60% of their funding requests with a cap of \$300,000.
3. Organizations with average scores of 70-79.9% are recommended to receive \$20,000 each.
4. Eligible organizations with average scores of 65-69.9% are recommended to receive \$10,000 each.

A summary of the final scoring is provided in Attachment F.

### **AWARD RECOMMENDATION**

The Evaluation Team is recommending for award 37 applications totaling \$6,981,322:

- 9 applications are recommended for full amount requested
- 14 applications are recommended for partial amount requested
- 9 applications are recommended for \$20,000 award
- 4 applications are recommended for \$10,000 award
- 10 are not recommended because of ineligible expenses cited by GSG (7) or low scoring (2)

A detailed list of the recommended funding awards are summarized in Attachment G.

### **NEXT STEPS**

If the Commission approves the recommended funding awards, next steps include:

1. The Foundation will formally notify the applicants of the City Commission's final approval.
2. GSG and City Staff to meet with individual awardees to discuss subrecipient agreements, compliance monitoring, reporting and record retention requirements.
3. Awardees are registered in the City's vendor management system.
4. Upon execution of subrecipient agreement, funds will be disbursed to nonprofit organizations.
5. Hold quarterly meetings with awardees and City staff to ensure proper compliance with the U.S. Treasury as required by the ARPA Final Rule.

The Aid to Non-Profit Organizations Program is funded by ARPA funds which have been approved by the City Commission and appropriated in the FY 2022 budget.

Goal 1: Equitable Community

Goal 2: Sustainable Community

Goal 3: A Great Place to Live and Experience

Goal 4: Resilient Local Economy

Goal 5: "Best in Class" Neighbor Services

The City Commission accept the Community Foundation of North Central Florida's recommendation of funding for the City's ARPA Aid to Nonprofit Organizations Program as shown in Attachment G.