



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Ben Luedtke, Budget & Public Policy Analyst

DATE: October 17, 2023

Project Timeline:

1st Briefing: October 17, 2023

2nd Briefing: November 7, 2023 (*if needed*)

Potential Final Vote: November 7 or 14, 2023

RE: Local Nonprofit Direct Assistance Grant Awards

ISSUE AT-A-GLANCE

In April 2022 as part of Budget Amendment #4 of FY2022, the Council approved one-time \$2 million from American Rescue Plan Act or ARPA for local nonprofit direct assistance grant awards managed by the Community & Neighborhoods Department (CAN). The advisory Community Recovery Committee and the Mayor are recommending the full \$2 million be awarded across 23 applications (see Attachment 1 for the funding log). **The Council has final decision-making authority over the grant awards including the dollar amounts and uses.** Please see "Additional Information" section for more on applications, award limits, scoring, and clarifications about the recommended funding log.

Applications were accepted during the month of September last year. The Administration reviewed all applications for eligibility and compliance with federal ARPA guidance. In Budget Amendment #6 of FY2023 the Council changed the funding source for the \$2 million from ARPA to instead be from the General Fund. The Administration has proceeded to align the grant eligibility with ARPA regulations in keeping with the program's original intent. Tracking and compliance reporting to the Federal Government is no longer necessary because ARPA funds are not being used. Organizations will be required to track and submit documentation to the City. The \$2 million is still subject to City Code Chapter 2.20 governing the Community Recovery Committee and grants program (see Attachment 2 for the ordinance).

The funding recommendations propose to award the full eligible amount requested by applicants. This results in more funding per applicant and less applicants receiving funding. Note this is a different approach than the local business assistance grant awards managed by the Economic Development Department where funding recommendations were for a percentage of the full eligible amount (e.g., scored 85 so received 85% of the eligible amount requested).

The Council also approved a separate one-time \$2 million from ARPA for local business assistance grant awards that are managed by the Economic Development Department. Note the direct nonprofit assistance grants managed by CAN are not a passthrough to local businesses like the Economic Development nonprofit passthrough grants which the Council approved on October 3. The advisory committee issued funding recommendations for the \$481,400 of remaining local business assistance grant awards which will have a separate Council briefing tentatively scheduled for November.

Goal of the briefing: Review the recommended grant awards, identify questions and potential modifications to the awards, and determine whether the Council is comfortable scheduling an adoption vote.

40 Applications Reviewed and Scored by the Committee

A total of 40 applications were reviewed and scored by the Committee as shown in the Attachment 1 funding log. The total requested funding is \$3,833,313. The total eligible funding requested is less at \$3,317,126 because \$516,187 was found to be ineligible. The project description column in the funding log identifies whether an application was fully or partially eligible. The highest possible score is 100. The top scored application (#1) received a score of 87.17 points. The lowest scored application (#23) that is recommended for funding received a score of 75 points.

In the Attachment 1 funding log, the third column from the right identifies the service category for each application. Of the 23 applications recommended for funding:

- 10 applications (#1, #3, #4, #7, #10, #12, #14, #15, #17, and #19) are in the mental health assistance category,
- Seven applications (#5, #6, #8, #9, #13, #22, and #23) are in the expanded educational opportunities category,
- Three applications (#16, #20, and #21) are in the rental assistance / eviction prevention category,
- One application (#2) is in the retraining displaced workers category,
- One application (#11) is in the healthcare access category,
- One application (#18) is in the mitigating the digital divide category.

Applicants Receiving Multiple Awards for Different Programs

There are several organizations that submitted multiple applications for different programs and are recommended to receive multiple grant awards. Below is a list of those organizations and their applications.

- \$151,230 for First Step House
 - o \$51,322 for #3 case management, and
 - o \$99,908 for #4 restorative care pathways
- \$163,846 for The Children's Center Utah
 - o \$76,923 for #7 young children outpatient clinic services, and
 - o \$86,923 for #14 therapeutic preschool
- \$300,000 for The United Way; note that all three applications would build out well-being rooms and expand experiential learning
 - o \$100,000 for #5 Bryant Middle School,
 - o \$100,000 for #6 Bennion Elementary School (*see policy question #4*), and
 - o \$100,000 for #8 Rose Park Charter School
- \$200,000 for The Road Home
 - o \$100,000 for #11 access to health services in homeless resource centers, and
 - o \$100,000 for #12 access to mental health services
- \$185,801 for the Asian Association of Utah
 - o \$92,791 for #19 behavioral health support, and
 - o \$93,010 for #20 rental assistance

Rounding Awards to Nearest \$100 or \$1,000

The Finance Department recommended rounding grant awards to the nearest \$100 for easier tracking and compliance reporting to the Federal Government. The Council adjusted Phase 1 local business direct grant awards and local nonprofit passthrough grant awards to be rounded to the nearest \$100. The local nonprofit direct grant recommendations are not rounded. In response to staff questions on this topic, CAN provided a funding log that rounds grant awards to the nearest \$100.

POLICY QUESTIONS

1. Questions about Recommended Grant Awards – Does the Council have any questions about the 23 recommended local nonprofit direct assistance grant awards?
2. Rounding Awards – The Council may wish to discuss with the Administration whether to round the awards to the nearest \$100 as recommended by the Finance Department. This rounding was done for two phases of local business assistance grant awards. The Council may also wish to ask the Administration to use the rounding approach for other grant programs going forward such as the annual HUD grants.
3. Awarding Grants to Organizations with Multiple Applications – The Council may wish to discuss with the Administration the pros and cons of awarding grants to organizations that submitted multiple applications vs spreading limited grant awards further to more organizations. A list of applicants proposed to receive multiple grant awards is listed on the prior page.
4. Application #6 The United Way at Bennion Elementary – The Council may wish to ask the Administration how the Salt Lake City School District studying potential closure of Bennion Elementary could impact the intended benefits of the \$100,000 grant award. For example, the project description states the funds would be used for physical improvements to “build out a well-being room.” The School Board has not decided which elementary schools to close and is currently studying a list of seven potential closures.
5. Annual HUD Grants and New Five-year Consolidated Plan (2025-2029) – The Council may wish to ask the Administration to share information with the nonprofit applicants about how to apply to the City’s other grant programs such as annual HUD grants. The Council may also wish to ask whether feedback on community needs received during this process could inform updating the City’s Consolidated Plan for the next five-year period (2025-2029) such as new or modified goals and strategies.

ADDITIONAL & BACKGROUND INFORMATION

Award Limits

The maximum award is \$100,000 for any of the ARPA assistance grants per City Code Chapter 2.20.040(A) (see Attachment 2). There is no minimum award set in ordinance. The City uses minimum awards for other programs such as annual grants from the U.S. Housing and Urban Development Department (HUD) and the Capital Improvement Program or CIP. Grant recipients must submit documentation for reimbursements and file quarterly reports with the City.

Scoring

See Attachment 1 funding log where scores for all applications are shown in the right most column ordered from highest to lowest score. A total of 100 points was available. Up to 35 points were awarded by the Administration through a risk assessment which is a common requirement of federal funding. Up to 65 points were available by averaging the individual scores from the advisory committee members. The administrative and committee member average points were combined to yield the total score.

Spending Deadlines

Under federal guidelines ARPA funds must be obligated by the end of calendar year 2024 and must be fully spent by the end of calendar year 2026. City Code Chapter 2.20.050 (see Attachment 2) sets an earlier spending deadline of December 31, 2024, to provide public benefits at a faster pace.

Community Recovery Committee

(See Attachment 2 for the ordinance)

In April 2022, the Council enacted Chapter 2.20 of Salt Lake City Code creating the time-limited Community Recovery Committee as an official City board. Section 2.20.060 of the ordinance identifies a sunset for the Committee once all the ARPA program funds are expended or the federal spending deadline has passed. The Committee reviews applications and makes funding recommendations to the Mayor and City Council for the ARPA local business and nonprofit assistance grants. The Committee has seven or nine members who also serve on other City boards or committees.

Grant Categories

(See Attachment 2 for the ordinance)

No specific categories are identified for the business assistance grants. These grants are focused on small and local businesses, tourism, travel, or hospitality, and support for artists and artisan businesses. A business must first demonstrate an economic and/or operational hardship caused by the pandemic, and then propose an ARPA eligible use for the grant funds.

Specific categories are identified for the nonprofit assistance grants which are: “offering services to retrain displaced workers; providing legal or other assistance for evictions or rent relief; expanding educational opportunities; deploying resources to mitigate the digital divide; supporting parents or children affected by COVID-19 including childcare or after school programs; and providing access to healthcare services including mental health support.” (2.20.040(A)) Note nonprofits may submit applications for programs not listed above.

ATTACHMENTS

1. Local Nonprofit Direct Assistance ARPA Grant Funding Log
2. Community Recovery Committee Chapter 2.20 of Salt Lake City Code

ACRONYMS

ARPA – American Rescue Plan Act

CRC – Community Recovery Committee

CAN – Community and Neighborhoods Department

CIP – Capital Improvement Program

FY – Fiscal Year

HUD – United States Housing and Urban Development Department