



STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

FROM: Nuria Rivera-Vandermyde, City Manager
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DATE: June 8, 2023

SUBJECT: **Community, Culture, Resilience, & Safety (CCRS) Tax Non-Profit Support Program – Grant Criteria Review**

EXECUTIVE SUMMARY

The purpose of this memo is to present the proposed program criteria for the non-profit grant program for the Community, Culture, Resilience and Safety Tax, approved by voters in 2021. The Community, Culture, and Safety Tax (CCS) was originally approved by voters in 2014 and extended in 2017 through 2021. The Community, Culture, and Safety Tax, now named the Community, Culture, Resilience, and Safety (CCRS) Tax, is a 0.3% dedicated sales and use tax that represents one of the City's major funding mechanisms to support citywide capital infrastructure needs. In November 2021, Boulder voters approved a 15-year extension of the Community, Culture, Resilience, and Safety (CCRS) Tax. The ballot language specifies that CCRS tax revenues are dedicated to funding city infrastructure projects and up to 10% of tax revenues to establish a grant pool to support non-profit organization capital projects that support the community.

Staff presented a proposed structure to Council [on July 14, 2022](#), following engagement sessions in June/July 2021 and March/April 2022. Staff received varied feedback from Council, and a request to consider the feedback and return with revisions. Staff returned to Council on [October 13, 2022 with clarifications](#) to the program structure, including a limit on the overall spending related to technical assistance and administration, flexibility related to project type based on community need, and reemphasizing the goals of the program.

QUESTIONS FOR COUNCIL

Staffing is seeking Council feedback and direction on the following question(s):

1. Does Council have any feedback on the proposed grant criteria?

BACKGROUND AND ANALYSIS

2021 Community, Culture, Resilience, and Safety Tax Renewal

In November 2021, Boulder voters approved of a 15-year extension of the Community, Culture, Resilience, and Safety (CCRS) Tax. The voter approval included the ability to issue debt up to \$110 million through 2036. The ballot language specifies that CCRS tax revenues are dedicated to funding city infrastructure projects and up to 10% to support non-profit organization projects that support the community. Over the 15-year cycle, the CCRS Tax is expected to generate \$217.5 million in revenues, providing 90%, or \$195.8 million, to city infrastructure projects, and 10%, or \$21.8 million, in non-profit grant funding.

CCRS Non-Profit Grant Structures: Development and Implementation Process

After voter approval of the 15-year extension of the CCRS tax, City staff created a cross-departmental internal steering committee to explore non-profit grant funding structures. The internal steering committee comprised of staff from the City's Equity Office, Housing & Human Services, Finance, Community Vitality/Arts & Culture, and Communication & Engagement departments. The steering committee's goals and intended outcomes, listed below, built upon City Council's goals of the non-profit funding developed during the 2021 CCRS tax renewal process, with particular focus on maximizing community impact and creating a grant structure framework that is inclusive of smaller non-profits.

Non-Profit Organizational Support Goals & Intended Outcomes:

- Addresses critical deficiencies, improves infrastructure, and advances Boulder's vision of being an inclusive and welcoming community.
- Maintains a healthy, stable, and financially sustainable non-profit base within Boulder to provide services to the Boulder community.
- Leverages investment of public dollars to maximize community impact.
- Addresses infrastructure needs to ensure community viability and resilience while preventing higher costs in the future.
- Advances city's racial equity goals and outcomes.

A key part of the CCRS non-profit grant development process included hosting two focus group sessions with non-profit stakeholders in March and April 2022 and building upon feedback from focus group sessions held in June and July 2021 leading up to the November CCRS Tax Renewal. The feedback from the focus groups is described in detail within previous memos from July and [October 2022](#). The focus groups confirmed many of the initial goals of the program as described above; however, particular emphasis was placed on the ability of such a program to creatively approach space affordability and sustainability challenges for all non-profits. The groups highlighted the need to consider the broader network of community-serving non-profit organizations as infrastructure in and of itself and strategies within the program should reflect an approach to investing broadly in this community infrastructure.

PROGRAM STRUCTURE

To review the details of the previous staff recommendations related to the grant structure and types, please see [the July 14, 2022, memo](#). Below is a summary table and an overview of each of the three proposed types.

Type	Title	Type of Grant(s)
Type 1	Capacity Building, Planning and Investments	Capacity Building, Planning, Capital
Type 2	Direct Capital Investments	Capital
Type 3	Community Facilities	Planning, Capital

The approach to include multiple types of grants is most responsive to previous engagements with non-profit stakeholders and uplifts the original goals of the program, which aim to address deficiencies and improve infrastructure to support a healthy, stable, and financially sustainable non-profit community in Boulder. Maintaining three distinct grant types enables several pathways for different sizes of organizations to address their capital planning and infrastructure needs.

The program structure sets maximum thresholds based on expense type and the estimated total program funding of ~\$21,750,000 over the 15-year life of CCRS tax:

- a) Capital Investments: 75%, ~\$16.3 million.
- b) Planning & Technical Assistance: 15%, ~\$3.3 million.
- c) Administration: 10%, ~\$2.2 million.

Once the program is launched and applications begin to be reviewed, non-profit organization’s need will drive the funding levels of each type of grant. As described in more detail below, the process includes a review committee to determine grant awards. The revised structure would allow this committee to have flexibility to make awards across the different types of grants based on the level of interest, alignment with the specific grant criteria, and alignment with program goals. The maximum thresholds for expense type would ensure that, regardless of the level of interest, the vast majority of awards will be for capital investments.

To maintain flexibility throughout the 15-year life of the CCRS tax, staff recommends regularly evaluating the thresholds to determine if these levels meet the intended outcomes of the program.

PROGRAM IMPLEMENTATION
Grant Criteria and Timelines, by Grant Type

Type 1 Grants – Capacity Building, Planning, and Capital

Summary. Type 1 Grants focus on capacity building and planning for capital investment in commercial space needs. This type is specifically targeting small and medium non-profit organizations in need of assistance to determine long-term sustainable commercial space solutions. Applicants will apply for acceptance in the program, with an anticipated initial cohort of approximately 8-12 organizations. Accepted organizations will receive an initial consultation with city staff and a third-party technical assistance partner to determine short-term capacity needs and long-term space requirements. In addition to the

initial consultation, accepted organizations will receive an initial capacity grant to support the participation in the program. The amount of the award will vary depending on organizational size and specific need and will be generally smaller in nature to facilitate initial participation in the program and incentivize full engagement in the technical assistance consultation.

Accepted organizations will be paired to additional technical assistance based on need, such as business and financial planning, legal, real estate, board development, and other general organizational development assistance, to establish a sustainable strategy in pursuing a long-term space solution. The goal of the program is to identify a realistic and executable long-term commercial space solution for every organization accepted to the program.

Some of the solutions may lead to a path without additional city funding, such as a long-term affordable lease for space. Other organizations may identify, through the work with the technical assistance partners and city staff, capital needs that align with CCRS parameters and will be prioritized for capital funding at the appropriate time within their process.

Application Information. City staff will conduct outreach through existing networks and broad communication to ensure awareness of the grant program. The application process is designed to not be a barrier in and of itself to pursue funding. The minimal information requested for application will include:

- Summary of organization, including location, date established, type of services provided, and anticipated outcomes.
- Size of organization, including number of employees, annual operating budget and annual revenues.
- Description of community served, and if available, aggregated demographics and location of individual clients or patrons served.
- Description of physical space needs, current space situation (e.g. lease length, ownership arrangement, etc.), and desired long-term commercial space solution(s).

Grant Type Criteria. The review committee will consider several factors in reviewing applications.

- Alignment with city's Sustainability, Equity, and Resilience Framework.
- Demonstrated long-term commitment (prior or future) to the Boulder community, including a physical presence in the City of Boulder.
- Programs and/or services are inclusive and demonstrate a commitment to serving historically underrepresented, underserved, or under resourced communities within the city.
- Ability of the funding to improve organizational and facility adaptation to future climate conditions.
- Ability to participate in the technical assistance programming and demonstrated long-term space needs that may be viable for a capital investment.

Timeline

- August 18, 2023 – Program Launch, Applications accepted
- October 20, 2023 – Applications Due
- November-December 2023 – Acceptance decisions, capacity grants issued

- December 2023-December 2024 – Technical Assistance provided

Third-Party Technical Assistance Partners. Type 1 program participants will participate in an initial assessment to help identify their individual needs based on a comprehensive review of the organization. The findings of the assessment will be kept confidential between a third-party technical assistance partner, the program manager, and the organization. The findings will help inform technical assistance needs that are catered individually to each organization. Additionally, the assessment and subsequent technical assistance will lay the foundation for determining the most successful potential solution to long-term space challenges for each organization.

The city is issuing a Request for Proposals (RFP) to solicit a third-party partner for the Type 1 grant program to provide technical assistance including capital planning to non-profit organizations. The RFP is seeking a firm or a consortium of partners to assist in the assessment of organizational needs of program participants and offer a variety of services depending on the individual needs of program participants.

Type 2 Grants – Direct Capital Grants

Summary. Type 2 Grants focus on direct funding of capital projects that ensure a long-term investment within the City of Boulder. This grant type is open to organizations of all sizes and is geared towards projects that are “shovel-ready” or can be executed in a shorter timeframe (less than two years). These projects should generally be well-defined, specific, and without the need for additional planning or technical assistance. Additional criteria for larger awards are described below, including guidance around matching funds and the ability to execute a capital campaign. The overall number of larger grants in each cycle will be limited to maximize the reach of available funding and to limit the volume of active capital campaigns to promote success. While there is not a maximum award identified, applications for above \$2 million will generally not be considered.

Application Information. For Type 2 grants, additional information is requested at time of application due to the larger award potential. Information requested for application will include:

- Summary of organization, including location, date established, type of services provided.
- Detailed description of capital project planned for investment. Information should include a detailed project budget, including a breakdown of funding sources, project timeline, and information on raising additional funding, if necessary.
- Description of community served, and if available, aggregated demographics and location of individual clients or patrons served.
- Size of organization, including number of employees, annual operating budget and annual revenues over at least a three-year period (2021-2023).
- Simple financial statements that include overview of organizational financial position, included aggregated summary of donor/revenue base over three-year period. Information should include any COVID-related assistance, outstanding debt and annual service payments, if applicable.

Grant Type Criteria. The review committee will consider several general factors in reviewing applications:

- Alignment with city’s Sustainability, Equity, and Resilience Framework.
- Demonstrated long-term commitment to the Boulder community, including a physical presence in the City of Boulder.
- Programs and/or services are inclusive and demonstrate a commitment to serving historically marginalized communities within the city.
- Demonstrated organizational capacity to execute on proposed project within a reasonable timeframe.
- Proposed project will facilitate a long-term capital investment in the community that contributes to the sustainability of the organization.
- Ability of the funding to improve organizational and facility adaptation to future climate conditions.
- Organizations that have participated in the Type 1 Grant Program and are recommended for capital funding from the review committee will be prioritized and some specific criteria may be waived.
- *Large Awards (Greater than \$1 million)*
 - The organization’s project budget should demonstrate on-hand resources adequate to support initial project planning and development. City funding should generally be one of the last investments within a capital stack for project investment with other investments (e.g. debt, cash, other financing) already secured.
 - Coherent funding strategy for capital campaign, if applicable.
 - Commitment to matching amount raised within 24-30 months of grant award.

Timeline

- July 31, 2023 – Funding Opportunity Announcement (Applications Open)
- September 15, 2023 – Applications Due
- September – October – Applications Reviewed
- October 15, 2023 – Notification of Award

Other Implementation Details

Grant Review Committee and Award Determinations. As reviewed by Council in October 2022, the final City Council step in this process is the review of this grant criteria. Staff will establish a review committee that is a balance of city staff, the third-party technical assistance partner, at least one external participant with direct non-profit management experience, and at least one Community Connector-in-Residence or Community Connector. The review committee is responsible for making final funding award determinations. City staff will communicate to Council and community, all awards made by the committee.

Program Evaluation

In recognition that the program structure is a departure from a more traditional grant cycle, continuous program evaluation is key to ensuring that the program is meeting our intended outcomes. The following is the proposed evaluation structure embedded in the program:

- **Development of specific, measurable intended outcomes.** In addition to aligning with the city’s Sustainability, Equity, and Resilience Framework goals, the intended outcomes include:

- Addresses critical deficiencies, improves infrastructure, and advances Boulder's vision of being an inclusive and welcoming community.
- Maintains a healthy, stable, and financially sustainable non-profit base within Boulder to provide services to the Boulder community.
- Leverages investment of public dollars to maximize community impact.
- Addresses infrastructure needs to ensure community viability and resilience while preventing higher costs in the future.
- Grants awards will be spent within the first 24 months of the award and awardees financial position will be improved. For Type 1 only, a long-term sustainable space solution is identified within 12 months and executed within 36 months of program acceptance.
- **Intentional program evaluation utilizing the City's Racial Equity Instrument.** Program evaluation for each grant type will occur and a report and recommendations issued to Council prior to the next round or iteration of Type 1 and 2 grants. Evaluation will utilize the Racial Equity Instrument, which includes the collection of racial equity data from grantees, determining benefit and burden across investments, and program improvements will be made based on the evaluation. This would allow for evaluation and improvement to occur after each grant cycle.
- **Identification of evaluation partner.** Staff will also explore the potential of bringing in a partner for program evaluation, either through the third-party technical assistance partner or an academic partner.

Additional Outreach and Communications

Staff will utilize existing networks and broad communications to notify potential applicants of the grant opportunities. This will include clear descriptions of the different types of grants, the process, and the benefits of pursuing the grant programs. Additionally, Community Connectors-in-Residence will be consulted on outreach avenues to ensure all eligible non-profits are aware of the opportunity.

Type 3 Grants – Community Facilities

Grant requests or emergent opportunities could be considered for the Type 3 grants if they implicated more intensive feasibility, research, and planning that requires a greater degree of partnership with the city. While this type of grant will not be soliciting applications directly at this time, this leaves flexibility to help support ideas that may be of important community value that do not easily fit into Type 1 or 2 grant categories.

NEXT STEPS

Upon positive feedback on the criteria by City Council, staff will finalize implementation of the program, including outreach and communication to community related to the grant opportunities. Staff will adhere to the proposed timelines for program launch and award and communicate regularly to Council on the progress of the program.