




MEMORANDUM

TO: Mayor and Council Members

THRU: J. Rodney Gonzales, Assistant City Manager

FROM: Veronica Briseño, Chief Economic Recovery Officer 

DATE: September 14, 2020

SUBJECT: Staff Update on the Austin Non-Profit Relief Grant Re-Opening Resolution No. 20200507-023 and Resolution No. 20200604-040.

This memo provides an update regarding proposed revisions to the eligibility criteria for the Austin Non-Profit Relief Grant (formerly called the Austin Nonprofit and Civic Health Organizations Relief Fund – or ANCHOR Fund). These proposed revisions will allow the Economic Development Department to provide grants to additional non-profit organizations impacted by the global COVID-19 pandemic. To ensure the Mayor and City Council members have enough time to review the proposed revisions, Economic Development Department will begin implementing these revisions with re-opening the application on September 21, 2020 at 10:00 a.m. and closing on October 9, 2020 at 5:00 p.m. Community champions will be in place to provide application support and technical assistance.

Background

The City Council created the Austin Non-Profit Relief Grant when it adopted [Resolution No. 20200507-023](#) on May 7, 2020. The resolution allocated \$6 million for the Austin Non-Profit Relief Grant. The City Council approved an additional \$350,000 for the Austin Non-Profit Relief Grant when it adopted [Resolution No. 20200604-040](#) on June 4, 2020. The City Council established six focus areas for this grant:

1. Health and Human Services – \$2,000,000
2. Workforce Development and Social/Legal Services – \$1,250,000
3. Education – \$1,250,000
4. Arts and Culture – \$1,000,000
5. Environment and Animals – \$500,000
6. Other – \$350,000

As part of Resolution No. 20200604-040, the City Council also authorized the City Manager to use funds in the City's COVID-19 Spending Framework flexibly to maximize the lawful use of the Federal funds within the framework established by the applicable Federal programs, and then to use City funds to the extent needed to address needs that the City Council prioritized but that are not funded by the Federal programs.

The City Council authorized ratification of a contract with the Austin Better Business Bureau to administer this grant program when it adopted [Resolution No. 20200611-103](#) on June 11, 2020.

Proposed Revisions to the Austin Non-Profit Relief Grant

Austin Better Business Bureau staff collected applications for the Austin Non-Profit Relief Grant from July 7, 2020 through July 24, 2020. Three hundred fifty-three (353) applicants sought funding, and 221 were selected for a grant award. The total award amount was \$3,619,648. The Austin Better Business Bureau received \$298,332.65 for administrative fees, leaving a program balance of approximately \$2,432,019.

Several eligibility criteria in Resolution No. 20200507-023 significantly impacted the review of applications. Common areas of concern included:

1. Determining the eligibility status of non-profit organizations with an Austin presence that serve nationwide and/or statewide populations;
2. Determining the eligibility status of non-profit organizations that serve in Austin City Council districts, but are not headquartered in an Austin City Council district but rather located in the City's extraterritorial jurisdiction (ETJ) or other nearby community;
3. Determining the eligibility status of non-profit organizations that are in a City of Austin Council District, but serve the regional metropolitan population;
4. Determining the eligibility status of non-profit organizations that provide support and programming that primarily benefit for-profit members; and
5. Determining the eligibility status and eligible costs of religious non-profit organizations.

Additionally, the requested assistance from Arts and Culture organizations exceeded the \$1 million cap by \$493,581.57. This resulted in multiple eligible applicants being denied funding for eligible expenses.

After discussing these items with the program's third-party administrator and Community Champions, Economic Development Department staff recommends revising multiple program criteria and guidelines (see Appendix A) and facilitating a second round of the Austin Non-Profit Relief Grant. To allocate the remaining funding, staff proposes that all applications be evaluated, and awards determined, by a scoring matrix that includes criteria for need, vulnerability, and equity. All the funds will be awarded to applicants that score the highest on this matrix until the funding is allocated.

Staff also recommends directly rolling the remaining unfunded grant applications from the initial Austin Non-Profit Relief Grant program to the second round for automatic consideration. New and prior applicants would have the opportunity to receive case management and technical assistance services to prepare or adjust their applications, if desired.

Conclusion

Please contact me at Veronica.Briseno@austintexas.gov if you have questions regarding the contents of this memo and the staff recommendations.

cc: Spencer Cronk, City Manager
Nuria Rivera-Vandermyde, Deputy City Manager
Rodney Gonzales, Assistant City Manager
CMO Executive Team
Sylvia Holt-Rabb, Acting Director, Economic Development Department
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Nicole Klepadlo, Redevelopment Project Manager, Economic Development Department
Chris Schreck, Program Manager II, Economic Development Department

Appendix A: Proposed Austin Non-Profit Relief Grant Eligibility Criteria and Identified Revisions

Current Eligibility Criteria	Proposed Eligibility Criteria
Non-profit organizations and funding are segmented into six focus areas.	Non-profit organizations and funding will not to be segmented into focus areas.
Organizations with less than \$5 million in revenue.	No limit on organization's revenue.
Half of the funds are awarded to applicants that score the highest on a scoring matrix that includes criteria for need, vulnerability, and equity. The remaining half of funds are awarded to eligible applicants by random lottery.	All the funds are awarded to applicants that score the highest on a matrix that includes criteria for need, vulnerability, and equity.
Non-profit organizations are required to be locally based with operations primarily within the City of Austin.	<p>Non-profit organizations must meet one or more of the following location eligibility criteria:</p> <ol style="list-style-type: none"> 1. Be physically located and have an office/headquarters street address in a City of Austin Council District and provide services to the populations within a City of Austin Council district, but not further than the regional MSA (Metropolitan Statistical Area); 2. Non-Profits without a physical address in a City of Austin Council District, which may include Nonprofits who do not have a brick and mortar office location, or operate as an at-home Non-Profit, but provide services to the populations within a City of Austin Council district, but not further than the regional MSA, must provide demonstrated evidence via documentation that the organizations programming locations occur within a City of Austin Council district. A programming location cannot be a P.O Box address. <ul style="list-style-type: none"> • Organizations serving beyond the MSA are not eligible to apply. This includes organizations providing statewide or nationwide services. • P.O Boxes or UPS Boxes are not eligible physical or programming addresses
Non-profit organizations with fewer than 25 full time equivalents (FTEs) are eligible to apply for the program. For the purposes of this program, a	Organizations with fewer than 75 full time equivalents (FTEs) are eligible to apply for the program. For the purposes of this program, a full-

full-time employee counts as 1 FTE. A part-time employee, regardless of the typical number of hours worked, counts as .5 FTE. Independent contractors are not counted toward the FTE total.	time employee counts as 1 FTE. A part-time employee counts as .5 FTE if they work between 20 hour per week and 40 hours per week, and .25 FTE if they work less than 20 hours per week. Independent contractors are not counted toward the FTE total.
Activities that include support benefiting primarily for profit members are ineligible.	Organizations that are membership structured are eligible for the grant should they meet all other required criteria.
Activities by fraternal, sectarian and religious organizations where the funding is intended to principally benefit members/adherents and to fund inherently religious activities are ineligible for this program.	Fraternal, sectarian, and religious organization are not eligible organizations for funding.
Applicants are required to provide names and biographies of their Board of Directors and required to provide a letter of support for the grant application from the Board of Directors.	Applicants should provide a list of board names, but bios are not necessary. A letter of support can come from the Board Chair, the entire Board, or can be substituted with a documented supportive action (e.g. vote during a board meeting) from the Board of Directors.
Applicants must provide documentation demonstrating a direct financial loss associated with the COVID-19 global pandemic.	Applicants attest and verify that the organization experienced an economic hardship as a result of COVID-19 (loss of revenue, disruption in services, reduction in staff, etc.). Documentation will not be required.
Organizations able to provide a 2018 and/or 2019 federal income tax return (990s).	No proposed changes.
Organizations who have been in operations providing services for two years minimum.	No proposed changes.
Non-profit organizations under good standing with the Internal Revenue Service and classified as a “public charity” with a tax-exempt status under Section 501c3 or 509a.	No proposed changes.
<p>Ineligible applicants to include:</p> <ul style="list-style-type: none"> • Endowments or memorials • Non-profit hospitals and higher education institutions • Private foundations • Full time, permanent City of Austin employees are ineligible to receive these funds 	No proposed changes to these ineligible applicants identified.