

Financial Partner Application Process

**BUDGET, GOVERNANCE, AND INTERGOVERNMENTAL
RELATIONS COMMITTEE**

MAY 6, 2024

Referral to BGR Committee

Policy Question:

- ▶ Are the current eligibility criteria for various Financial Partner programs sufficient to ensure the successful provision of services and accountability to promote the most effective use of public funds?
- ▶ Are any changes needed to the criteria to both provide measurable outcomes and effective use of public funds?

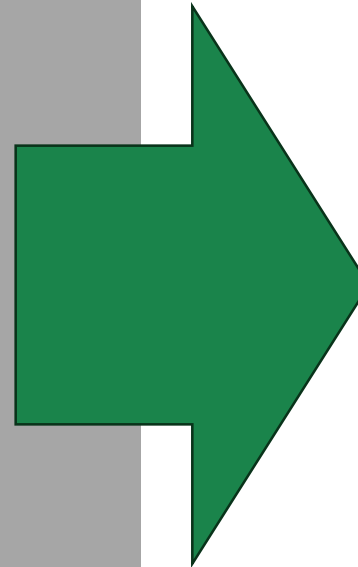
Committee Charge:

Assess the effectiveness of the city's eligibility criteria in awarding Financial Partners and recommend any changes as needed ahead of the FY 2026 budget process.

Financial Partnerships with Agencies

The strategic priorities defined by City Council guide decision-making and align resource allocation:

- Great Neighborhoods
- Safe Communities
- Transportation and Planning
- Workforce and Business Development
- Well-Managed Government, focused on Equity, Engagement, and the Environment



Financial Partners are contracted by the City of Charlotte to provide specific services which support key initiatives to advance Council priorities and contribute to community enrichment.

Financial Partner Types

▶ Discretionary Revenue Partners

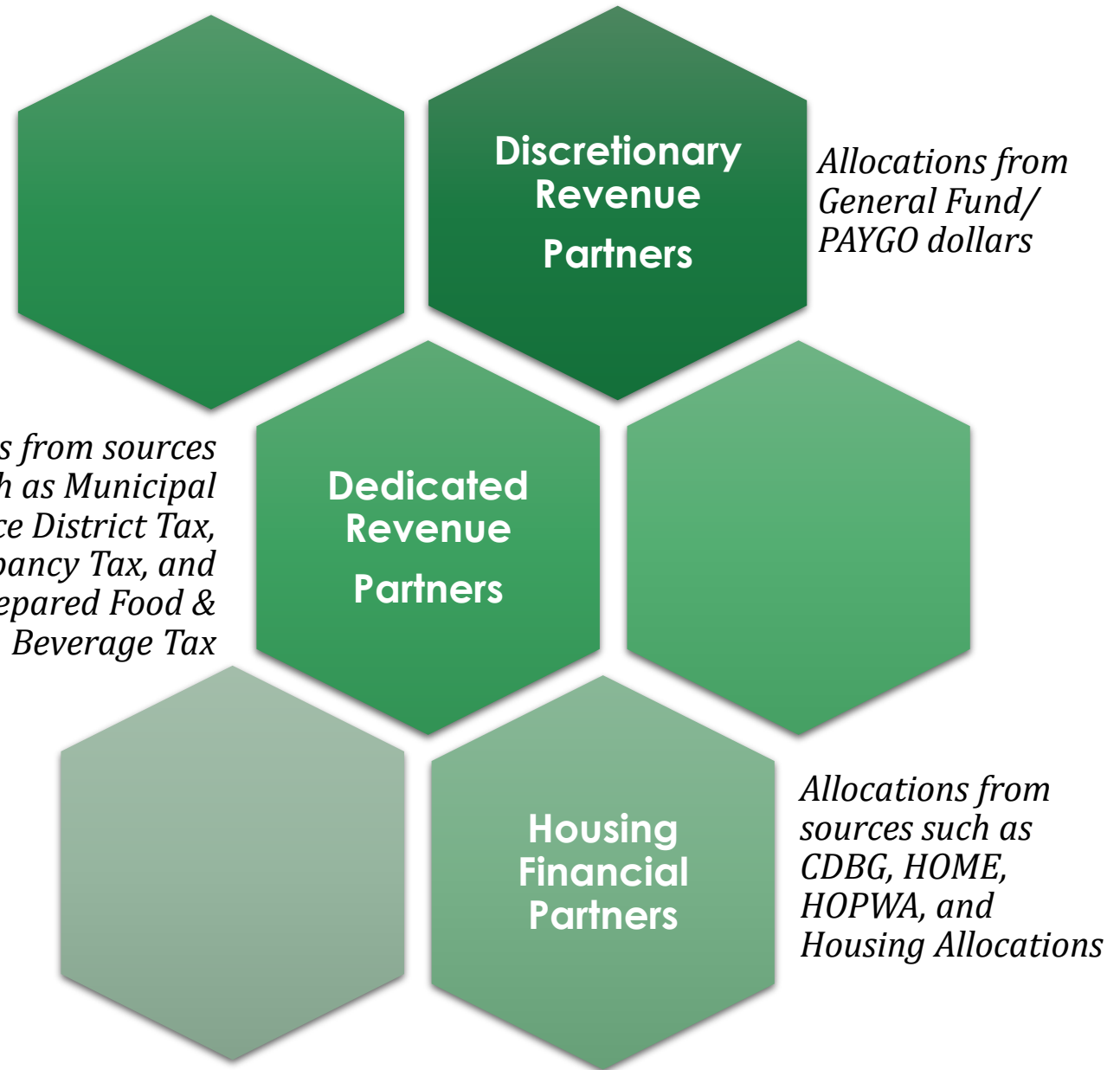
- Competitive process
- “Boots on the ground” organizations

▶ Dedicated Revenue Partners

- Partnerships renewed annually

▶ Housing Financial Partners

- Organizations typically support housing goals
- Funded by either federal grants or from Housing Allocations, or
- Locally appropriated from the PAYGO fund for services specific to crisis assistance, housing, and community development.





**Dedicated
Revenue
Partners**

Dedicated Revenue Sources – Charlotte Regional Visitors Authority

- ▶ Incremental sales and tax revenues collected through hospitality and tourism (hotel occupancy, rental car and prepared food & beverage) go to support events and venues.
- ▶ By state statute, revenues collected must be invested in hospitality and tourism events and venues. A portion of these revenues are used to contract with the Charlotte Regional Visitors Authority (CRVA).
- ▶ The CRVA is a component unit of the city that focuses on tourism promotions and facility management for venues such as: Bojangles' Coliseum; Charlotte Convention Center; NASCAR Hall of Fame complex; Ovens Auditorium; and Spectrum Center.
 - CRVA Visit Charlotte - markets and promotes convention center facilities and engages in activities associated with tourism to benefit the City's travel and tourism industry.
 - CRVA Film Commission - agency is to recruit films, TV series, reality shows, commercials, music videos and still photography to Charlotte and the Charlotte region. 1-year term with option to renew for additional 1-year terms via amendment and granted City Council budget ordinance approval.

Dedicated Revenue Sources – Municipal Service Districts

- ▶ “The Municipal Service District Act of 1973” authorizes City Councils in the State of North Carolina to create MSDs for downtown revitalization projects when services are needed to a greater extent than those provided for the entire city, as part of its annual budget process.
- ▶ Many types of enhanced services can be provided a few examples of service considerations include:
 - Supplemental cleaning
 - Amenities for enhanced beautification
 - Targeted marketing and branding
- ▶ An MSD is a defined area within a city, town, or village in which the unit’s governing board levies an additional property tax in order to provide projects or extra services that benefit the properties in the district. Ref: G.S. Ch. 160A, Art. 23.
- ▶ The MSD tax rate applies to the full assessed value of all properties within the MSD, excluding the personal property of any public service corporation.
- ▶ Currently the city has six MSDs:
 - Charlotte Center City Partners: districts 1-4 (uptown and south end)
 - University City Partners: district 5
 - SouthPark Community Partners: district 6



**Housing
Financial
Partners**

Process for Housing Financial Partners

- ▶ Housing Financial Partners are programmed primarily with Federal grants, such as CDBG, HOME, and HOPWA, with supplemental funding from PAYGO. These partners assist in providing housing resources such as construction or rehabilitation of units, financial support such as short-term assistance for rent or utilities and other services such as homebuyer counseling.
- ▶ Housing and Neighborhood Services staff administer an application process and conduct an assessment process of potential partners.
- ▶ Factors considered include:
 - Alignment with City Council priorities and affordable housing goals
 - Alignment with goals and eligibility criteria of the specified federal funding source
 - Proposed program budget, activities and expected outcomes
 - Experience in, and organizational capacity for, administering federal funding, including ensuring compliance with multiple regulatory requirements
- ▶ Staff are evaluating potential changes to the partner selection process. Some services are best suited for a competitive Request for Proposals process



Discretionary Revenue Partners

Process for Discretionary Funding Requests

- ▶ The Financial Partner Application is open for a limited time beginning in the Fall
- ▶ The city's Strategy & Budget Department:
 - Confirms receipt of application once submitted, and
 - Works with organizations to make sure all required application attachments are submitted.
- ▶ All applications submitted are compiled and presented to City Council in the form of a report which details:
 - Funding request
 - Programs and/or initiatives that will be supported with requested funding
 - Performance and equity metrics that will quantify organizational success in advancing strategic priorities through funded programs and/or initiatives
- ▶ During the budget development process, City Council reviews submitted applications
 - Based on Council's feedback, the City Manager includes initial funding recommendations within the proposed budget
 - City Council determines which organizations are funded for the fiscal year
- ▶ Organizations submit their funding request during the application process; however, council may adjust this amount at their discretion
 - Funding is provided for one fiscal year, with no commitment of future funding

Financial Partner Reporting (non-housing service partners*)

▶ Performance Measures

- Established in partnership with staff to ensure alignment with strategic priorities
- Reported on at mid-year and year-end
- Performance Measures

▶ CBI-Certified MWSBE Utilization

- Goals established in partnership with CBI at start of contract year
- Ensure selected organizations support competition and participation of Minority, Women, and Small Business Enterprises (MWSBEs) in city contracting
- Reported on quarterly

▶ Equity Measures

- Organizations identify target populations that their programming supports
- Ensure partners support the city's efforts to address systemic and community barriers that limit opportunities for Charlotte's vulnerable communities
- Reported on at mid-year and year-end

** Housing services partners are typically subject to federal regulations and requirements and/or specific purpose contracts*

Current Conditions

- ▶ No maximum \$ request amount
- ▶ One year contract, typically renewed
- ▶ No criteria on eligible uses
 - Any type of expense (salary/operating)
- ▶ No ranking/assessment of proposals
- ▶ Funding dispersed quarterly

Previous Conditions – CDBG Funded OST Partners

- ▶ Formal Request For Proposal process
- ▶ Funding: eligible to apply for one-third of total program budget, not to exceed \$400,000
- ▶ Must have three years of providing continuous services prior to applying for program
- ▶ Ineligible requests:
 - Building or renovation costs
 - Consultants and evaluators
 - Equipment
 - Land acquisition
 - Purchase of vehicles
 - Space rental
- ▶ Application review committee consisting of four city staff members and three community volunteers

Mecklenburg County: Community Service Grant Program

The Community Service Grant (CSG) Program is an opportunity for Mecklenburg County to partner with nonprofit organizations by providing a one-year grant that is awarded through a competitive application process.

Eligibility

Nonprofit organizations offering programs that serve Mecklenburg County residents. Programs must be aligned to one of four focus areas, including: Health Community, Connected Community, Safe Community, and Economic Opportunities.

Organization Requirements

1. Serve the residents of Mecklenburg County;
2. Be a registered 501(c)(3) nonprofit with the IRS;
3. Have financial statements audited by independent CPA;
4. Documents supporting a diversified workforce (EEO policy);
5. Professional membership that supports organizational sustainability;
6. Active registration with NC Secretary of State.

Award

No maximum, but must be able to show how funding will be used

Funding Disbursement

The CSG program operates on a quarterly reimbursement model, meaning that organizations must submit a summary of actual quarterly expenses to receive reimbursement. Funding is not provided in advance.

Reporting

To receive reimbursement, grant recipients will be required to provide a quarterly invoice as well as a report of actual expenses aligned to the budget proposed in the awarded grant application. Recipients are also required to provide quarterly reports on performance measures established during the application process.

Term Limits

Grants last for a period of one year. Programs (not organizations) that are awarded funding for three consecutive fiscal years will be sunset from the CSG program. Sunset programs can be considered as potential vendors that support a Mecklenburg County department strategic plan.

FY 2024 Funded Organizations

- ▶ 16 organizations
- ▶ Total funded: \$2,153,254
- ▶ Largest Award: \$472,000 (Youth Advocate Programs)
- ▶ Smallest Awards: \$25,000 (The Echo Foundation)

Discussion & Questions



Process for Donations of Vehicles/Equipment

Per NC General Statutes Article 12 – chapter 160A-280,

A city may donate **surplus, obsolete, or unused personal property** to another governmental unit within the United States, a sister city, or a nonprofit organization.

A donation of personal property requires:

- ▶ **(1) a public notice at least five days prior to the adoption of a resolution approving the donation and**
- ▶ **(2) the resolution shall be adopted prior to making any donation.**