

# Memorandum



CITY OF DALLAS

DATE September 29, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Community Care Agenda Item: CARES Act Funded – Nonprofit Assistance Program**

On June 17, 2020, the Dallas City Council allocated \$550,000 in CARES Act funding for nonprofit assistance program funding. The COVID-19 pandemic and resulting economic constriction have led to substantial impact across sectors, particularly the nonprofit sector. The Council of Nonprofits states on its website that “conversations on nonprofit sustainability have turned into conversations on their survivability” in light of the crisis. The nonprofit sector is critical in times like these as needs for their services grow, with more individuals seeking basic needs support and other services provided by the sector. Additionally, State, County and local COVID-19 regulations, as well as social distancing and safety considerations, though in place to promote safety and protect community members, unfortunately also create additional operational challenges to service delivery.

According to the State of the Sector 2020 Report produced by the Center for Nonprofit Management, there were 11,096 registered 501(c)3 public charities in Dallas. Regionally, nearly 60% of registered public charities indicate a mission aligned with human services (26.6%), education (16.2%), health (excluding hospitals) (5.9%), or public and social benefit (9.8%). Though the data collected in the report largely pre-dates the pandemic, the Report notes that COVID-19 will have a significant impact on the sector and that the data will serve as a baseline against a planned post-pandemic report.

In response to this need, the Nonprofit Assistance Program will support nonprofit organizations, as outlined in the attached Program Statement, that provide programming and services among the below:

- Organizations and programs focused on providing access to health services of all kinds, including those focused on addressing disparities; mental health services for children and youth; and supporting COVID-19 testing and access to testing/tracing
- Organizations and programs focused on preparing people for living wage jobs in the COVID-19 environment (e.g., via rapid re-employment, upskilling or reskilling through partnerships with community colleges/schools and/or moving to online adult learning)
- Organizations that provide supportive services for workers, such as childcare, food, or transportation
- Providing safe, stable housing for families or individuals
- Organizations that provide services to re-entry populations to assist them as they are returning to the community during this very challenging time
- Programs focused on personal safety from violence in the home
- Programs focused on public safety in the community and eliminating violence directed at people of color, disenfranchised and marginalized populations
- Programs working to reduce learning loss and close the racial academic achievement gap

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- Programs focused on supporting teachers/students given current online learning challenges
- Programs addressing the digital divide
- In- and out-of-school engagement programs for children and youth
- Organizations that provide basic needs and emergency assistance for low income clients, such as food assistance, rental and utility assistance, transportation or similar

The Office of Community Care (OCC) developed the Nonprofit Assistance Program Statement and sought feedback from local nonprofit funders and foundations, including representatives from organizations involved in the collaboration of funders behind North Texas Cares. The program will administer grants in the amount of no more than \$30,000.00 each, provided to nonprofits through this program. Grants can support operational expenses, including but not limited to expenses such as rent, utilities, staff salaries and benefits, cleaning supplies, and program supplies incurred between July 1, 2020 and December 14, 2020 and resulting from COVID-19 and/or nonprofit response to needs caused by pandemic. Grants will be administered via an online application process during one or more established application periods, which launch in late October/early November. Should the level of funding requests exceed funding availability, applicants will be prioritized that are located within communities of concentrated poverty and/or that primarily or exclusively serve such communities and/or clients experiencing poverty. The City's Equity Impact Assessment Tool demonstrates that income and economic resilience are among COVID-19 high risk economic factors, thus supporting organizations that serve clients experiencing poverty is critical to maintaining a social safety net for low income clients and continuing the City's focus on the "drivers" of poverty.

OCC is in the process of selecting a subrecipient to administer the application and grant process through a Request for Applications (RFA) process. Staff expects to have a subrecipient identified by October 12, 2020 and will provide an update via memo to the City Council in this selection.

Should you have any questions or concerns, please contact myself or Jessica Galleshaw, Director of Office of Community Care.



Kimberly Bizer Tolbert  
Chief of Staff

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

## Exhibit A

### City of Dallas CARES Nonprofit Assistance Program Program Statement

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**Program Purpose:** To provide financial support in the form of a grant for operational expenses, including, but not limited to expenses such as rent, utilities, staff salaries and benefits, cleaning supplies, and programs supplies incurred between July 1, 2020 and December 14, 2020, and resulting from COVID-19 and/or in response to needs caused by pandemic, to Dallas-based nonprofit organizations that deliver social services programming. To demonstrate need, applicants will be required to provide documents demonstrating anticipated or actual loss of revenue for the period of July 1, 2020 through December 14, 2020.

**Eligible Participants:** Nonprofit organizations that are located within the city of Dallas and serve primarily city of Dallas residents by providing social services to low-to-moderate income individuals.

- Must be a nonprofit organization with registered 501(c)3 tax exempt status
- Be officially registered with the State of Texas, physically located, and operating in the city of Dallas and serving residents of the city of Dallas
- Participants must have been in existence since October 1, 2017
- Must be current on applicable city taxes
- Must be currently providing direct-to-client social services (health, economic security, safety and wellbeing, education, and social justice) programming in one or more of the areas outlined below
  - Organizations and programs focused on providing access to health services of all kinds, including those focused on addressing disparities; mental health services for children and youth; and supporting COVID-19 testing and access to testing/tracing
  - Organizations and programs focused on preparing people for living wage jobs in the COVID-19 environment (e.g., via rapid re-employment, upskilling or reskilling through partnerships with community colleges/schools and/or moving to online adult learning)
  - Organizations and programs that provide supportive services for workers, such as childcare, food, or transportation
  - Organizations and programs that provide safe and stable housing for families or individuals
  - Organizations and programs that provide services to re-entry populations to assist them as they are returning to the community during this very challenging time
  - Organizations and programs focused on personal safety from violence in the home

- Organizations and programs focused on public safety in the community and eliminating violence directed at people of color, disenfranchised and marginalized populations
- Organizations and programs working to reduce learning loss and close the racial academic achievement gap
- Organizations and programs focused on supporting teachers/students given current online learning challenges
- Organizations and programs addressing the digital divide
- Organizations and programs that provide basic needs and emergency assistance for low income clients, such as food assistance, rental and utility assistance, transportation or similar
- In- and out-of-school engagement programs for children and youth
- Must have been providing at least one or more of the social services programming types outlined above for at least 2 years prior to March 1, 2020
- Nonprofit organizations that have received funding from the City of Dallas's Small Business Assistance Program may apply for support, however the applicant may only receive funding from the Nonprofit Assistance Program if the Program funding exceeds the total amount received through the Small Business Assistant Program and funding received from the Small Business Assistance Program will be deducted from the total award amount. The Program shall not provide funds for the same eligible expenses for the same time period already funded by another local, state, or federal program.

**Participants will be required to complete an application on-line or by phone for assistance and provide proof of the following:**

1. Being in existence on or before October 1, 2017
2. Documentation demonstrating loss of income since March 1, 2020
3. Documentation of nonprofit status and description of social services program delivery history, including:
  - a. Copy on IRS determination letter of tax-exempt status
  - b. Copy of Articles of Incorporation, By-Laws
  - c. Board of Directors Listing and Board Information Form
  - d. Minutes of the most recent Board of Directors meeting
  - e. Organization Chart
  - f. Current year operating budget (revenue and expenses) and year-to-date financials

Meeting this eligibility does not obligate the City to provide assistance to any nonprofit organization.

**Ineligible Participants:**

- Nonprofit organizations who have ceased operations or are closed, excluding short-term or temporary closures resulting from an exposure or need for facility cleaning due to a diagnosis of COVID-19
- Nonprofit organizations that do not offer direct-to-client social services programs in one or more of the outlined areas
- Nonprofit organizations that primarily or solely provide scholarships and do not provide direct client assistance programs
- Nonprofit childcare providers that have received assistance from the City's Child Care Providers Micro-Grant Program
- Nonprofit organizations that have received a Paycheck Protection Loan

**Assistance to be Provided:** Grants in the amount of no more than \$30,000.00 will be provided to nonprofit organizations through this Program. Assistance is provided to support organizations ability to continue operations in, light of revenue loss due to the COVID-19 pandemic. Assistance will be administered via an online application process during one or more established application periods. Should the level of funding requests exceed funding availability, applicants will be prioritized that are located within communities of concentrated poverty and/or that primarily or exclusively serve such communities and/or clients experiencing poverty.

**Eligible Uses of Funds:** Operational expenses, including but not limited to expenses such as rent, utilities, staff salaries and benefits, cleaning supplies, and programs supplies incurred between July 1, 2020 and December 14, 2020. Supporting documentation for all expenses is required.

**Reporting Requirements:** Should the City enter into a subrecipient agreement for administration of the program, the selected third-party administrator shall provide monthly reports to the City of Dallas through a designated staff that includes nonprofit awardees and award amounts. A detailed report on the application process should be provided at the conclusion of the Program that includes data on all applicants, locations and service areas of awardees, primary services and programs delivered by awardees.

Participants will be required to submit a planned use of funding during the application process, including any documentation of expenses incurred to date that are included within the request. Participants will be required to submit documentation of use of funds upon Program closure. Additionally, participants may submit to operational review and audit of fund use by City of Dallas and are required to agree to submit requested documentation to City of Dallas as requested and required by the CARES Act and the United States Department of Treasury.

**Program Budget:** \$550,000.00