



# CITY OF IOWA CITY COUNCIL ACTION REPORT

December 12, 2023

---

Resolution adopting the Aid to Agencies process and rescinding Resolution No. 18-214.

---

Prepared By:	Erika Kubly, Neighborhood Services Coordinator
Reviewed By:	Tracy Hightshoe, Neighborhood and Development Services Director
Fiscal Impact:	No impact. The proposed Aid to Agencies budget for FY25 is \$770,445 including \$120,000 in CDBG funds and \$650,445 in city general funds).
Staff Recommendation:	Approval
Commission Recommendations:	The Housing and Community Development Commission recommended approval by a vote of 8-0 at their November 16, 2023 meeting.
Attachments:	<a href="#">HCDC 11.16.23 minutes-draft</a> <a href="#">A2A Definitions and Eligibility Memo 11.9.23</a> <a href="#">Resolution</a>

## Executive Summary:

Aid to Agencies funding provides nonprofit public service agencies with flexible operational funding to help them serve low-income Iowa City residents based on priorities set in the City's Consolidated Plan. Funding is split into two eligibility categories, Legacy Agencies and Emerging Agencies. Staff and HCDC propose to revise the definition of Emerging Agency funding to allow an unfunded Legacy Agency to apply for Emerging funds, and generally update the definitions of both funding opportunities to match how applications are currently accepted.

## Background / Analysis:

During the FY24 Aid to Agency funding allocation, two Legacy Agencies were not recommended for funding by staff and the Housing and Community Development Commission (HCDC). One of the agencies inquired about applying for Emerging funds, and HCDC expressed interest in allowing Legacy Agencies that were not awarded Legacy funding in a given year to apply for Emerging funds. However, the current definitions approved by City Council in Resolution No. 18-214 on July 17, 2018, determined that a Legacy Agency is not eligible to apply for Emerging Funds. Those two agencies were not allowed to apply for the FY24 Emerging funds, but one agency was subsequently allocated funding by City Council.

The Aid to Agency process has evolved over time and the instance of a Legacy Agency not receiving funding was not anticipated at the point in which the definitions and eligibility criteria were drafted. As such, the language describing Emerging and Legacy Agency funding as

outlined in Resolution No. 18-214 does not address this situation. Additionally, some of the language used in the 2018 resolution is out-of-date based on how the program is currently set up.

The proposed revised definitions are as follows:

	<b>Emerging Agencies</b>	<b>Legacy Agencies</b>
Purpose	Operational funding intended to help new nonprofit organizations develop.	Ongoing operational funding for a core group of service providers intended to be a stable source of funding.
Definition and Eligibility	Any nonprofit agency that is not receiving Legacy funding in a given fiscal year. Must be a 501c3 organization in good standing.	Must be identified as a Legacy Agency in the City's Consolidated Plan (currently City Steps 2025) at the time of application.
Budget	Up to 5% of total Aid to Agencies annual budget established by City Council. HCDC recommends the amount to allocate to Emerging Agencies up to 5% during the application review.	Aid to Agencies budget established by City Council minus up to 5% for Emerging agencies.
Funding Amount	Minimum of \$5,000 Maximum of \$15,000	Minimum of \$15,000 No Maximum
Application Process	Applications accepted annually through the City of Iowa City during the CDBG/HOME funding process typically in December/January.	Applications accepted every other year for two years of funding through the United Way Joint Funding Process. Awarded agencies will receive a prorated amount of funding in the second year based on the approved City budget.
Reporting	Semi-annual reports submitted to City	Quarterly reports submitted in eclmpact through United Way.
Payments	Two semi-annual payments	Four quarterly payments.
Additional Notes	This source should not be expected to be ongoing or permanent. Eligibility to apply is not a guarantee of funding.	Funding is not guaranteed and may be subject to a prorated increase or decrease depending on annual funding amounts. If an agency does not perform to a minimum standard, funding may be revoked.

Amendments	Amendments to the eligibility and definition of Emerging Agencies or change to financial terms may be approved by the Neighborhood and Development Services (NDS) Director. The NDS Director may request HCDC provide a recommendation to City Council for consideration and approval.	Amendments would follow the City's adopted Citizen Participation Plan.
------------	--	--

With City Council approval of these definitions, implementation would begin with the FY25 funding round which will include only Emerging funding applications since Legacy funds were awarded in FY24. Applications for Emerging funds will be made available on December 29, 2023 and due on January 29, 2024 at noon.

Earlier this year, the HCDC created a subcommittee to review the Aid to Agency application and funding process. That subcommittee work is currently underway and is not represented in this agenda item. The subcommittee is expected to present their recommendations to the full commission at the January 2024 HCDC meeting. Any recommendations for substantial changes to the Aid to Agency program would be brought back to City Council ahead of the FY26 Legacy Agency funding process, which begins in August 2024.