



CITY OF IOWA CITY COUNCIL ACTION REPORT

March 21, 2023

Resolution approving preliminary funding recommendations under the American Rescue Plan Act (ARPA)-funded Non-Profit Capacity Building Capital Grant Program.

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Fiscal Impact: The City has been allocated \$18,325,190 in ARPA-SLFRF funds. This agenda item would encumber \$3 million of those funds, to be authorized for expenditure under a future agenda item.
Staff Recommendation: Approval
Commission Recommendations: N/A
Attachments: [11.28.22 Final Non Profit Capital Funding Request for Statements of Interest.docx](#)
[Summary of Statements of Interest.pdf](#)
[NPCG Preliminary Funding Recs Reso 3.21.23.doc](#)

Executive Summary:

In December 2022, the City launched a Non-Profit Capacity Building Capital Grant Program using \$3 million of American Rescue Plan Act (ARPA) funds. Eight letters of interest (totaling just over \$11 million) were received and reviewed by a committee consisting of City staff and two City Council designees. The review committee narrowed down the submissions and invited a set of applicants in for an informational interview. Following this evaluation process, the review committee recommends moving forward with two preliminary funding awards:

1. Free Medical Clinic - \$1 million to expand and renovate clinic space and dental operatories and make ADA accessibility improvements.
2. Neighborhood Centers of Johnson County - \$2 million to seed acquisition and renovation of a new community center in a targeted neighborhood featuring early childhood education/care space, youth after-school programming space, and family and neighborhood support space.

Approval of this resolution will authorize staff to work with each agency to develop a full proposal and corresponding grant agreements, which would again require City Council approval prior to the funding award being made.

Background / Analysis:

In 2021-22 the City of Iowa City received \$18.3 million in American Rescue Plan Act (ARPA) State and Local Relief Funds. After dedicating several months in 2021 to gathering public

input, the City Council identified several spending priorities, one of which was a social service needs assessment, capital planning, and related seed funding. After exploring this with other local governments, there did not appear to be mutual interest in pursuing a regional social service needs assessment.

With the City Council's direction, in December 2022, City staff prepared and launched a capital grant program for Iowa City-based legacy non-profits geared towards growing capacity to serve our community. The grant program targeted non-operational facility improvements/expansions that would increase an organization's service capacity for the future. \$3 million in ARPA funding was allocated to the program, with the intent of funding a small number of grants (1 – 3) with individual awards ranging from \$1 million to \$3 million. The Request for Statements of Interest detailing the program details and eligibility criteria of the Non-Profit Capacity-Building Capital Grant Program is attached.

Due the complex nature of capital grants, the Non-Profit Capacity Building Grant Program followed a modified application process. In mid-December 2022, a Request for Statements of Interest was issued and Statements of Interests were due by January 31, 2023. The review committee consisted of one representative from the City Manager's Office, three representatives from Neighborhood Services, and two City Council members. Mayor Pro Tem Alter and Councilor Bergus were selected by the larger City Council to serve on the Non-Profit Capacity-Building Capital Grant program review committee.

Eight letters of interest (totaling just over \$11 million) were received and reviewed based upon the program criteria and ARPA guiding principles previously established by the City Council. A summary of the funding requests submitted is attached. While many compelling projects were submitted, the review committee collectively narrowed down the submissions to invite a set of applicants in for an informational interview to learn more about the project. Interviews were held the last week of February 2023 and the review committee reached consensus to recommend two projects totaling \$3 million be further considered for a Non-Profit Capital Grant Program funding award:

1. Free Medical Clinic - \$1 million

- Project Description: Renovate the lower level to add a reception area and five new exam rooms for specialty care, install an ADA-compliant elevator and renovate the existing stairwell, renovate portions of the lower-level garage space and relocate the two dental operatories from the upper level, and repurpose the former dental operatory space on the main level to add 2-3 additional clinic rooms and administrative office capacity. Overall, the project would result in 7-8 additional clinic spaces, which will enable Free Medical Clinic (FMC) to see more chronic care patients, offer more frequent specialty care, and launch a full dental program.
- Justification: FMC staff reported that there is a 3-month waiting list for chronic care patients and a 1-year waiting list for dental. The need is expected to grow in May 2023 when temporary pandemic-related Medicaid expansions expire. Due to the high demand for services and current limited capacity, surveys conducted by FMC revealed that there is a perception in the community that it is too difficult to get into Free Medical Clinic to be seen. Furthermore, these lengthy waiting lists limit the FMC's ability to market their services more widely. The proposed project furthers the City's equity and racial justice priorities since FMC largely serves the uninsured population and many immigrants and refugees. FMC staff report that volunteer practitioners are ready and willing to fill new clinic space and FMC has a strategic goal to add a dentist to the paid

staff team. As such, this grant award will enable FMC to not only address immediate capacity issues but also prepare for more robust free medical and dental services for the community in the future. Due to FMC's staffing model, the renovation project would enable immediate capacity growth without adding considerable operating expenditures.

- Funding Request/Recommendation: FMC requested a \$546,000 award through their initial Statement of Interest. The review committee invited Free Medical Clinic to participate in a project interview. Following this interview, it was apparent to the review committee that FMC's original request was insufficient to meet the community demand for services and that a \$1 million award would achieve the transformative, capacity-building intent of the grant program. Preliminary recommended funding award: \$1 million.

2. Neighborhood Centers of Johnson County - \$2 million

- Project Description: Seeds capital campaign to acquire and renovate a new community center located in a targeted Iowa City neighborhood, such as Towncrest. Project features include adding at least 50 early childhood education/childcare slots and six classrooms, satellite public library space, a computer lab classroom for adult and youth educational programming, large multi-purpose space with kitchen, after-school classrooms for youth development programming, a welcoming lobby with public computer access, social gathering areas, and partnership food pantry, and private meeting rooms and offices for staff and community partners to render services. The project is designed to be scaled and phased based upon capital campaign outcomes.
- Justification: The proposed project responds to several public health, social, educational, childcare, and economic inequities that were accelerated by the COVID-19 pandemic. Additionally, the proposed project aligns with several, if not most, of the Iowa City Strategic Plan values and impact areas. Neighborhood Centers of Johnson County (NCJC) is in their 50th year of providing family support, early childhood education, youth development, and community engagement in targeted neighborhoods. Over the last 18 months, NCJC staff, board members, and community partnerships have been researching and developing plans for acquiring and renovating a new Iowa City-based community center to meet the growing need of the families they serve. By locating the new community center in a targeted neighborhood in need, such as Towncrest, NCJC will add childcare slots for families who receive state childcare assistance, build capacity for middle- and high-school programming, provide satellite public library space, create computer-skills learning opportunities, and provide space for other community partnerships. Additionally, the center will help serve as a neighborhood organizing and engagement hub, as demonstrated by NCJC's recent partnership with the City to organize and launch the Wonderful Westside neighborhood association. NCJC's capital and operational funding models allow the project to be scaled and phased over time, so the City's grant award can be immediately applied towards the capacity-building capital project even if the full scope of operational programming is phased in over several years.
- Funding Request/Recommendation: NCJC requested a \$3 million award to seed the capital campaign that would ultimately fund the project. Following an informational interview, the review committee recommends a lower funding award in order to accommodate multiple, transformative funding awards, though we recognize this places a larger fundraising burden on NCJC to complete the project. Preliminary recommended funding award: \$2 million.

Next Steps

Staff and the City Council designees recommend moving forward with the preliminary funding awards of \$1 million to Free Medical Clinic for renovation and expansion of clinic spaces and dental operatories and \$2 million to Neighborhood Centers of Johnson County for the acquisition and renovation of a new community center in a targeted neighborhood location.

Upon City Council approval of this resolution and preliminary funding recommendations, staff will work with each agency to develop a full proposal and corresponding grant agreements, which will be brought back before council for final approval before the funding award is made.