

DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 7/29/21

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. Title: Revives and amends a contract between Denver Economic Development & Opportunity and the Colorado Nonprofit Development Center by reflecting allocated federal coronavirus relief funds in 2021 and extending the duration of the contract to continue to administer Denver's relief and recovery grant program with \$485,000 through 2021 in response to the continued needs of local, small nonprofits.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Katherine Jarvis 405-650-3871 (m)	Name: Susan Liehe 720-480-3481 (m)
Email: katherine.jarvis@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable): Brian Martin

7. City Council District: Citywide

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$600K; IGA/Grant Agreement, Sale or Lease of Real Property):
Professional Services

Vendor/Contractor Name: COLORADO NONPROFIT DEVELOPMENT CENTER (CNDC)

Contract control number: OEDEV – 202158644

Location: 789 Sherman Street, Suite 250
Denver, CO 80203

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** 3

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

1/1/2021 through 12/31/2021

Contract Amount (indicate existing amount, amended amount and new contract total):

- By the original deadline of 12/31/2020, in spite of extensive outreach to nonprofits, DEDO/NEST was only able to expend \$3.36M of the \$4.75M through NPERF given the pool of qualified applications that could meet the minimum mandated federal standards (demonstrated revenue loss, records of financial statements, etc.).
- At that time, the remaining \$900K of the \$4.75M was reallocated to programs that demonstrated urgent need, with the goal of continuing to quickly get the dollars back into the community – i.e., DEDO’s work to get direct support to hospitality workers as well as business relief grants to small businesses.
- In 2021, along with the CARES funding deadline being extended, the remaining \$485K has been re-allocated back to DEDO/NEST for the NPERF program.
- With the original contract with CNDC being reduced by \$900,023.27 and those funds re-directed, the contract expired in 12/31/2020. With this proposed revival, the re-allocation of \$485K for NPERF will be expended through 12/31/2021.

SUMMARY:

CNDC Expense 2020	3,364,976.73	
Total Contract	4,750,000.00	
Unspent Funds	(1,385,023.27)	due to inability of small nonprofits to meet federal criteria
2021 CRF Request	485,000.00	allocated to NPERF for 2021
New Contract	3,849,976.73	
Funds Re-Allocated	(900,023.27)	redirected to continue immediate relief to community

2021 Contract Amount (A)	Additional Funds (B)	Total 2021 Contract Amount (A+B)
4,750,000	-900,023.27	3,849,976.73

Current Contract Time	Additional Time	2021 Contract Time
6/1/2020 - 12/31/2020	12 months	12/31/2021

Scope of work: See Executive Summary for program elements.

Was this contractor selected by competitive process? If not, why not? Yes. In Spring 2020, DEDO reached out to five local organizations that have capacity and interest to support this grant program. For the solicitation request, committee members requested the five organizations to go through a series of questions that demonstrated their ability to administer a rapid-response relief grant for eligible nonprofit organizations. The program solicitation committee

compiled, reviewed, and scored the responses, and moved forward with the three top candidates to submit a formal letter of interest that detailed their expertise, technical capabilities, and fee structure for further consideration.

The committee ultimately selected the Colorado Nonprofit Development Center (CNDC) to be this grant program administrator because, as a community-based nonprofit, it is uniquely positioned to understand the needs and challenges of other community-based organizations, whether those be financial, business, or programmatic. CNDC's deep relationships with both formal and informal nonprofit groups (i.e., fiscally sponsored groups and organizations), a deep value and articulation of considerations to vulnerable communities, as well as the external resources they provide nonprofits in their everyday work, all set them apart from the other assessed candidates.

Has this contractor provided these services to the City before? Yes No

Source of funds: Federal coronavirus relief funds

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

As of December 31, 2020, the city's Nonprofit Emergency Relief Fund (NPERF) had awarded more than \$3.2M to 301 nonprofits with an average grant of \$10,689. As per the program intent, 244 of these awardees, or 81%, were operating in or serving NEST neighborhoods.

This contract revival and amendment will allow for a continuation of the program through 2021.

DEDO is aware that nonprofit organizations who most need the relief funds are unfortunately those who may be less likely to successfully meet the application criteria (with regard to demonstrating a financial loss, and/or, with regard to the needed financial documentation). The funds allocated to NPERF through 12/31/2020 exceeded the level of grant awardees who were able to successfully apply and qualify; the available program budget for 2020 was \$4.7M, and \$3.2M was awarded in grants by year end.

In 2021, Denver has re-allocated its Coronavirus Relief Act dollars and has designated \$485,000 for the NPERF program through December 31, 2021. *As noted above, \$900,000 remainder has been directed to other pandemic relief programs in DEDO that benefit workers in the hospitality/event industries.*

Based on significant demand and with accelerated application review and contracting systems in place, DEDO will continue to provide grants up to a maximum of \$15,000 per grantee to eligible Denver nonprofit organizations to alleviate impacts resulting from the pandemic. This rapid-response funding program is supporting nonprofits in Denver to continue critical programs and services for residents across a spectrum of needs. CNDC receives up to 5% of the program cost for its services, including financial review, issuing and disbursing grant funds, and following up with grantees as needed.

Nonprofit applicants are reviewed according to the following criteria:

- Disruption of services and programs;
- Increased demands;
- Decreased donations; and
- New or expanded services in response to COVID-19.

To make this grant program as inclusive, diverse, and equitable as possible, priority is being given to nonprofits that:

- Operate in vulnerable communities;
- Have staff and board members representative of the communities they serve;
- May not have access to traditional public funding; and
- May provide programs and/or support directly related to COVID-19 relief.

For this 2021 round, DEDO will be increasing its technical support to these NPERF applicants and revisiting the list from 2020 of small nonprofits who were unable to qualify previously, and offering additional 1:1 support on the application process. *While the criteria for an award do not change, given federally mandated requirement for a demonstrated financial loss, etc., our support to improve each applicant's capacity to apply and qualify will be increased. It is not uncommon for small nonprofits to struggle demonstrating financial documentation to the extent required for federal funds.*