



Cover Memorandum/Staff Report

File #: 24-1506

Agenda Date: 11/19/2024

Item #: 5.A.1.

TO: Mayor and Commissioners
FROM: Jeffrey L. Oris, CEcD, Assistant City Manager
THROUGH: Terrence R. Moore, ICMA-CM
DATE: November 19, 2024

CONSIDERATIONS REGARDING A.-G.U.I.D.E. FUNDING REVIEW

Recommended Action:

Discuss potential migration of funding provided to Delray Beach based - non profit organizations through the Delray Beach Community Redevelopment Agency's A-Guide program, to a City-based program. Provide direction to staff as to how the City Commission would like to proceed.

Background:

Recent changes to Sec. 163, Part III of the Florida Statutes have clarified and limited certain types of expenditures by Community Redevelopment Agencies (CRAs). These changes have made the Delray Beach CRA's A-guide funding program difficult to justify as a CRA expense and thus, the CRA is seeking to eliminate the program. To assist in this without causing disruption to the operations of the key organizations that are funded through this program, the City has been looking at replacing the A-guide program through other means. A transition began with the City funding 50% of the A-Guide program in FY 2023-24 and FY 2024-35. It is anticipated that the CRA will no longer fund the program in FY 2025-26.

The CRA has made A-Guide awards for FY 2024-25 in the amount of \$1,166,810. Not of concern due to the new CRA limitations is funding to the Community Land Trust (CLT) as it promotes affordable housing, a key strategy within the CRA's Redevelopment Plan and thus, the CRA will continue to fund the CLT in future years. Funding of the CLT amounted to \$239,810 for FY 2024-35, leaving \$927,000 of funding that the CRA will no longer provide to other organizations which include the Delray Beach Historical Society, Spady Cultural Heritage Museum (formerly EPOCH), Delray Beach Creative City Collaborative (Arts Garage), and the Delray Beach Public Library. For the last several years, funding amounts to these organizations has remained somewhat constant though there have been some minor increases and two organizations no longer receive funding (Old School Square and the Delray Beach Chamber of Commerce).

To meet previous expenditure requirements, the CRA had devised a very in-depth, and time consuming (both for applicants and staff) application process for any organization seeking funding so that a proper justification for the CRA expending funds toward A-Guide programs was met. The City is not obligated to follow the program guidelines as was required of the CRA thus, the City can fund awards in a multitude of ways it may deem appropriate. The follow are some suggestions for consideration given recent funding and the organizations that have been funded:

- 1) Convert A-Guide funding in amounts awarded by the CRA in FY 2024-25 to funding

agreements with the City as the City currently does with several non-profits. Agreements could be for a limited term with a fixed amount of funding and reporting requirements that must be met. This process ensures the non-profits currently funded will not lose any funding and eliminate the time and resource consuming application process for both the funded organizations and the City.

2) Keep the program as a grant program open only to those non-profits that have been funded in the past (or limited to current recipients). A grant review process would need to be formulated including what submittal requirements will need to be devised along with a point schedule for determining which applications to fund. This process would also work best with a review committee to do initial review and scoring of applications. This committee could be comprised of City staff persons or other persons appointed by the City Commission. Such a program would mean no funding was guaranteed for future years and significant time will still be required by the applicant organization, City staff, and any outside persons brought into the review process (if any).

3) A program could be developed similar to that in method #2, but the program opened to a larger pool of potential applicants than limiting funding to organizations currently funded. While this would allow for benefit to other organizations in the City, it would significantly alter the way the program has worked, eliminating financial certainty for not only currently funded organizations but also to any newly funded organizations as the program would be essentially one-time funding. An expanded program such as this would also significantly burden staff in disseminating applications, educating applicants on program requirements, reviewing applications received for completeness, reviewing and scoring of applications (whether done by a staff or outside committee), and ensuring all reporting requirements are met. Organizations and placing a significant burden it would significantly burden staff with application review as new applicants would be expected to apply.

Data on A-Guide funding (provided by the CRA) is included as an attachment to this agenda item to assist the Commission in understanding the historical amounts provided to non-profits.

City Attorney Review:

N/A

Funding Source/Financial Impact:

City would need to budget in FY 2025-26 any increase in amount it would wish to award over the existing 50% of the A-Guide funding currently provided to the CRA (\$463,500).

Timing of Request:

City administration needs to have direction as to amount to budget in next fiscal year and would need time to fully develop a grant program and guidelines and/or funding agreement templates.

Additionally, non-profit organizations currently funded through the CRA's A-Guide program, wish to have some certainty as to future funding and/or know what resources they will have to put forward to apply for funding.