

## MEMORANDUM

TO: Neighborhood and Community Engagement Commission

FROM: Transition Task Force: Jeff Strand, Matt Perry, Mark Hinds, Melanie Majors, Bob Cooper, David Rubedor, Joe Horan

DATE: October 27, 2009

RE: **Agenda Item #4: 2010 Transition Funds**

### ***Requested Action:***

To gather feedback and input from commission members about the proposed process for allocating and disbursing the proposed \$200,000 Transition Funds outlined by the Transition Fund Task Force.

### ***Background:***

The Transition Fund Task Force was established at the September 22, 2009 commission meeting. Task force members met on Thursday, October 8<sup>th</sup> and outlined the following proposed process for allocating and disbursing the proposed \$200,000 Transition Funds. The proposed process has also been posted on Google groups for commission members to comment on. The task force will meet again after the October 27, 2009 commission meeting to incorporate input received.

Underlined content denotes program details unresolved at this time by the Task Force.

### ***Operating Assumptions:***

- The funds are to be used as a last resort when no other funding is available including grants and NRP program income.
- The funds are insufficient to satisfy the existing operational and program needs of some neighborhood organizations
- The purpose of the funding is to “keep the lights on” for those organizations that have no other source of funding in 2010 (we should define “keep the lights on”)

### ***Process:***

- Let neighborhoods self-determine if they want to request funds. Neighborhoods interested in requesting funds will submit a “Letter of Interest”. Letter of Interest should include the requested amount and the following financial details:
  - Burn Rate (monthly admin/operating expenses)
  - Organization’s annual budget
  - Sources and uses
  - Other sources of revenue/income
  - Sources and amount of program income
  - Historical and anticipated foundation support

- Current NRP assets
- Requests will be considered on a case-by-case basis by a Review Committee consisting of two NCEC members, an NRP person, an NCR staff person and a staff person representing Development Finance.
- Given the unique situations for each neighborhood, the Review Committee may determine an award at or below the requested amount, recommend specific NRP Phase II re-allocations (plan mods, contract changes, etc), or a combination thereof. This process will ensure the Transition Funds are used only as a last resort and that any remaining NRP assets are available and accessible.
- Maximum Transition Fund allocations will be \$30,000 per round.
- Neighborhood organizations seeking Transition Funds who have not already received them shall have priority (Options: have a 6 – 9 month period between allocations? Or one-time only approach?).

#### *Other Factors*

- Similar to the NRP “Early Access” policy, treat the \$200,000 transition fund as part of the total program allocation. In an effort to keep the allocations fair, total neighborhood allocation amounts for the next program will be reduced by any Transition Fund allotment - in essence, borrowing from future allocations. (Option: do not deduct Transition Fund allocations from future program allocations).
- Transition Funds and Review Committee decisions shall be informed by existing NRP policies, where applicable.
- Keep Transition Fund pool open until the funds are fully disbursed.
- Requests for Letters of Interest will occur quarterly until the funds have been disbursed.
- A neighborhood may request more that one allocation in 2010.
- No qualitative review of past financial or program activities.
- Not intended to create precedent for future programming. These are one time funds intended to position neighborhoods for the next long term program.

#### *Next Steps:*

- Get input and feedback from the NCEC at their October 27<sup>th</sup> meeting.
- Task Force to meet again and incorporate feedback.
- Final program details back to the NCEC for their November 17<sup>th</sup> meeting.
- If funding is approved, inform neighborhoods second week in December