

STAFF REPORT

Date: October 25, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of Agreement with the Karma Box Project, a 501(c)(3) non-profit organization, to provide peer-to-peer outreach and community cleanup support in the amount of \$342,396. (American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds)

From: Cynthia Esparza, Chief Equity & Community Relations Officer

Department: City Manager's Office

Summary:

Council previously approved a \$1,000,000 allocation for distribution to non-profits from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) received by the City of Reno. An open application process was led by staff for non-profits to apply for funding. Applications were scored based on adherence to Federal compliance, Reno City Council priorities, and the efficacy of the project. The Karma Box Project was one of four non-profit projects approved for funding at the October 11, 2023 Council meeting in the amount of \$342,396. Staff is seeking approval of the Subrecipient Agreement with the Karma Box Project for peer-to-peer outreach and community cleanup support.

Alignment with Strategic Plan:

Fiscal Sustainability

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

October 11, 2023 – Council approved the recommended \$342,396 allocation for the Karma Box Project for community peer-to-peer outreach and community cleanup support.

January 26, 2022 – Council allocated \$24,499,998.50 to seven priority categories, including \$1,000,000 to non-profit community projects.

August 25, 2021 – Council accepted the SLFRF allocated through ARPA, allocated \$1,260,000 to urgent projects, and directed staff to begin a public engagement process to identify potential uses of remaining funds to support pandemic response and relief.

Background:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) establishing the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The SLFRF allocates funding to state, county, and local governments to support efforts to recover from the impacts of the COVID-19 pandemic. Council approved priority categories based on Treasury requirements, community input, City of Reno Strategic Plan, and Council priorities.

Community projects were included among the priorities and \$1,000,000 was allocated to be distributed to non-profits serving Reno.

After the SLFRF Final Rule was distributed on January 27, 2022, staff led an open application process for non-profits to apply for the funding. Non-profits had to meet the following requirements:

- Uniform Administrative Requirements: SLFRF are subject to the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards per 2 CFR 200 Uniform Guidance.
- SAM.gov Requirements: All eligible recipients are required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>). Please register for SAM and obtain a Unique Entity Identifier prior to applying to the grant program. Your organization must be actively registered on SAM.gov in order to be eligible for ARPA-SLFRF.
- Single-Audit Requirements: Recipients and subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Recipients and subrecipients may also refer to the Office of Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.

The application included:

- Non-profit organization information
- Project description
- Alignment with Treasury eligible use categories
- Alignment with City of Reno Council priorities
- Impact on community
- Project milestones
- Budget

Non-profit applications were scored based on:

- Nevada Nonprofit certificate 501(c)(3) or 501(c)(19) certification
- Ability to provide direct services to the Reno community
- Familiarity with 2 CFR 200 uniform guidance
- Subjectivity to single audit requirements
- Experience with federal award dollars
- Active SAM.gov registration and Unique Entity Identifier (UEI)
- Project Scalability
- Previous ARPA funding received by City of Reno or Washoe County
- Currently providing services to the City of Reno
- Community needs addressed through the project
- The project scope and execution
- Eligible use category fit
- City of Reno priority category fit
- Collaboration with community partners
- COVID-19 community recovery
- Individual/unit/household impact
- Project milestones/major expenditures
- Budget/budget narrative

Discussion:

In total, 18 non-profits submitted applications and after thorough review and scoring, the Karma Box Project was among the four non-profits recommended and approved for funding at the October 11, 2023 Council meeting.

The \$342,396 ARPA-SLFRF allocation for the Karma Box Project will provide continuity for ongoing unsheltered community outreach. The Karma Box Project takes a proactive approach to creating a safe environment around local businesses. The Street Outreach Program will engage unhoused people in cleaning up trash throughout the city while working with outreach providers. This acts as a vehicle to build rapport and eventually get them into housing, shelter, or programming. It will also provide the individuals with employment skills. Individuals will be selected from the unsheltered population and at the end of the workday will receive a \$50 gift card. They will also be entered into the homeless management information system (HMIS) and receive outreach services with the intention of getting the individual sustainably housed, into treatment or shelter.

Financial Implications:

The funds have been allocated from the City of Reno's ARPA-SLFRF and will follow standard

City purchasing and contracting policies and procedures. Approval of the \$342,396 Subrecipient Agreement has no impact on the General Fund.

Legal Implications:

Funds will be allocated and spent in compliance with the American Rescue Plan Act, Department of Treasury Final Rule, and City purchasing policies and procedures.

Recommendation:

Staff recommends Council approve the Subrecipient Agreement with the Karma Box Project in the amount of \$342,396 in State and Local Fiscal Relief Funds received through the American Rescue Plan Act.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

The Karma Box Project American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds Subrecipient Agreement