

January 17, 2022

**TO:** Members of the Budget and Finance Committee 202300318  
**FROM:** Sheryl M. M. Long, City Manager  
**SUBJECT:** Report – Updated Human Services Strategies and Priorities Plan

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REFERENCE DOCUMENT #202202006

The Climate, Environment & Infrastructure Committee adopted at its session on October 25, 2022, the following Motion:

WE MOVE that the City of Cincinnati amend Ord. 197-2020 and adopt an updated human services strategies and priorities plan (“Plan”) for allocations from the Human Services Fund (“HSF”). The Plan should: 1. Include a large-scale Impact Award to assist an innovative project to create real, lasting impact in the community. 2. Establish data-driven, evidence-based metrics for monitoring the success of organizations that receive allocations. 3. Structure the Request-for-Proposal process in such a way to increase the impact of the City’s funds.

Introduction to Leveraged Support

The City of Cincinnati provides financial support to specific programs or for the general operations of organizations that perform a service benefiting Cincinnati residents. To expand the impact of limited City funds, recipient organizations are expected to leverage funding provided by the City with additional financial resources – either raised from other governmental or private entities or as earned revenue from providing a service. The Approved FY 2023 Budget Update includes \$17.5 million in leveraged support funding to revitalize neighborhoods, bolster the local economy, provide human services, prevent violence, and more.

To create a more comprehensive and transparent leveraged support process, the Administration recommends clarifying eligibility parameters, identifying recipients under a new set of categories, creating an application process to receive funding, and establishing a procedure for selecting and reporting performance metrics.

Definition of “Leveraged Support”

Over time, the descriptor “leveraged support” has been attached to various organizations and programs that receive City financial support. Because an application process will be created, the Administration recommends the following definition of leveraged support to bring clarity to the type of programs and organizations that are considered “leveraged support”:

*Financial support from the City of Cincinnati to an external private organization (i) as general operating support to fund their work in the City or (ii) as funding for a specific program aimed at addressing a public need in the City.*

This definition does not include City funding of third parties to perform elements of City operations, such as managing City-owned assets or services provided for City-managed programs. It also does not include when the City provides a grant to a third-party to facilitate a competitive process for allocating funding through a City program.

The below table identifies FY 2023 leveraged support line items that will not be considered “leveraged support” moving forward or subject to the forthcoming leveraged support application process:

<b>City Operations Programmatic Support and Recipients</b>	<b>Approved FY 2023 Budget Update</b>
<b>City Administered Programs</b>	
Community Urban Agriculture	\$20,000
Green Cincinnati Fund	\$100,000
Needle Exchange Program	\$150,000
Neighborhood Business Districts	\$120,000
Neighborhood Community Councils	\$425,000
Summer Youth Jobs Initiative	\$1,250,000
<b>Total City Administered Programs</b>	<b>\$2,065,000</b>
<b>Contracts for City Assets &amp; Programs</b>	
3CDC (For Fountain Square)	\$200,000
3CDC (Operating Support for Washington Park and Ziegler Park)	\$375,000
Boots on the Ground Fund Pilot Program <sup>1</sup>	\$150,000
City Human Services Fund (administered by United Way)	\$7,976,930
Findlay Market Operating Budget Support <sup>2</sup>	\$366,610
The Port (formerly Greater Cincinnati Redevelopment Authority/Port Authority of Greater Cincinnati)	\$700,000
Women Helping Women Domestic Violence Enhanced Response Team (WHW DVERT)	\$250,000
<b>Total Contracts for City Assets &amp; Programs</b>	<b>\$10,018,540</b>
<b>Grand Total City Operations Programmatic Support and Recipients</b>	<b>\$12,083,540</b>

<sup>1</sup> Denotes one-time funding

<sup>2</sup> Findlay Market Operating Support was transferred from the Department of Public Services to the Department of Community and Economic Development in FY 2023. Findlay Market Operating Support does not represent new or increased funding.

Though the Administration does not recommend that the above identified items be considered “leveraged support,” the Administration will continue to be transparent by clearly identifying these items in the City’s budget. Therefore, for FY 2024, the Administration will update the presentation of expenditure information in the Operating Budget Update section of the City’s budget to clearly identify these expenditures, as well as expenditures on other strategic priorities.

### Recommended Leveraged Support Application Process

#### *Eligibility Criteria*

The City Administration recommends establishing minimum eligibility criteria and request parameters as follows:

1. **Existing Organization:** The applicant must be an existing organization that has at minimum three years of audited financial statements or federal tax returns and must not be debarred from contracting or subcontracting with the City. Start-up organizations are not eligible to apply and should instead apply under the City’s Boots on the Ground program, administered by the Greater Cincinnati Foundation. Applications requesting funding for new programs of existing organizations are acceptable.
2. **Amount:** Applicants should not request more than \$500,000 or less than \$50,000. Only in extraordinary circumstances will an award be granted in excess of \$500,000.
3. **Services:** Applicants must be offering a service that directly benefits City residents under one of the categories identified below.

#### *Categorization*

Given the breadth of the types of activities and organizations offered leveraged support, the City Administration recommends reorganizing the categories of identified leveraged support to help streamline the application process and provide public transparency on the types of organizations and programs receiving funding.

In previous fiscal years, the City grouped leveraged support recipients and programs under three primary categories: 1) Neighborhood Support, 2) Economic Development, and 3) Human Services and Violence Prevention. Starting with the Recommended FY 2024-2025 Biennial Budget, the Administration recommends the following seven categories be used to organize recipients. Each category is designed to show priorities

within the community and how the City is addressing these needs. The seven categories are defined below:

1. **Arts:** Organizations that support artistry, creativity, and culture within Cincinnati.
2. **Economic Development and Neighborhood Support:** Organizations that invest in communities or specific neighborhoods within Cincinnati to develop the local economy or increase neighborhood vitality.
3. **Environment:** Organizations dedicated to addressing climate change and improving the local ecosystems in Cincinnati.
4. **Equity and Inclusion:** Organizations focused on combatting institutional discrimination, bolstering diversity, and uplifting all genders, sexual orientations, and races in economic pursuits.
5. **Homelessness and Eviction Prevention:** Organizations aimed at combatting the affordable housing crisis, providing tenant protections, maintaining homeownership and quality rentals, and preventing homelessness.
6. **Human Services and Violence Prevention:** Organizations aimed at improving public health, legal representation, and safety among Cincinnati residents.
7. **Workforce Programming and Poverty Reduction:** Organizations that assist residents in finding and maintaining gainful employment and reducing poverty.

The following table organizes Approved FY 2023 Budget Update leveraged support recipients by the seven new categories:

External Leveraged Support Category and Recipients	Approved FY 2023 Budget Update
<b>Arts</b>	
Artswave Black and Brown Artists Fund <sup>1,2</sup>	\$25,000
ArtWorks (Walnut Hills Creative Campus) <sup>1</sup>	\$150,000
Film Commission	\$56,250
<b>Total Arts</b>	<b>\$231,250</b>
<b>Economic Development and Neighborhood Support</b>	
CincyTech	\$250,000
Cintrifuse	\$250,000
Cintrifuse Hackathon	\$20,000
Homebase Cincinnati (formerly CDC Association of Greater Cincinnati)	\$143,000
Invest in Neighborhoods	\$50,000
Keep Cincinnati Beautiful	\$475,000
Neighborhood Games	\$10,000
Regional Economic Development Initiative (REDI)	\$250,000
<b>Total Economic Development and Neighborhood Support</b>	<b>\$1,448,000</b>
<b>Environment</b>	
Green Umbrella (formerly Greater Cincinnati Energy Alliance)	\$87,000
<b>Total Environment</b>	<b>\$87,000</b>
<b>Equity and Inclusion</b>	
African American Chamber of Commerce <sup>2</sup>	\$350,000
Chamber of Commerce - Immigration Center Partnership (COMPASS)	\$50,000
Hillman Accelerator <sup>2</sup>	\$125,000
Immigrant and Refugee Law Center	\$50,000
MORTAR <sup>2</sup>	\$90,000
The Urban League <sup>1</sup>	\$100,000
<b>Total Equity and Inclusion</b>	<b>\$765,000</b>
<b>Homelessness and Eviction Prevention</b>	
Bethany House	\$100,000
Shelterhouse (formerly Strategies to End Homelessness (Winter Shelter))	\$305,000
St. Vincent de Paul Society - Eviction Prevention Initiatives	\$250,000
<b>Total Homelessness Prevention and Poverty Reduction</b>	<b>\$655,000</b>
<b>Human Services and Violence Prevention</b>	
Center for Addiction Treatment	\$87,500
Center for Closing the Health Gap	\$750,000
Childcare Pilot Program	\$1,000,000
The University of Cincinnati's Legal Access Program	\$50,000
<b>Total Human Services and Violence Prevention</b>	<b>\$1,887,500</b>
<b>Workforce Programming and Poverty Reduction</b>	
Cincinnati Works	\$250,000
GeneroCity 513	\$75,000
<b>Total Workforce Programming and Poverty Reduction</b>	<b>\$325,000</b>
<b>Grand Total External Leveraged Support</b>	<b>\$5,398,750</b>

<sup>1</sup> Denotes one-time funding

<sup>2</sup> Denotes partial one-time funding. African American Chamber of Commerce, ArtsWave Black and Brown Artists Fund, Hillman Accelerator, and MORTAR are each allocated \$25,000 in one-time funding.

## *Application Process*

The Administration recommends a new application process to increase transparency and performance among potential leveraged support partners. The application process will take place concurrently with the City's operating budget development process in the spring of each year with funding recommendations included in the City Manager's Recommended Budget.

Organizations can apply either on an organizational basis or for a specific program. Organizations will be asked to select one of the seven leveraged support categories that represents the best fit for their request as part of the application process.

Leveraged support applications will request the following information:

### **1. Organization Information**

- Organization Name and/or Program Name (if applicable)
- Organization Mailing Address
- Organization Email Address
- Tax Identification Number
- Organization Description and/or Program Description (if applicable)
- Most recent audited financial statements or federal tax return

### **2. Leveraged Support Funding Request**

- Leveraged support funding received in most recent fiscal year
- Leveraged support funding request for upcoming fiscal year

### **3. Revenue**

- Breakdown of amount and percentage of each revenue source to total revenue on a programmatic basis or organization-wide
- Total revenue received from the City organization-wide

### **4. Expenses**

- Total expenses on a programmatic or organization-wide basis—categorized as program service expenses and supporting service expenses
- Itemized budget of expenses for use of City funding

### **5. Performance Metrics**

- Output Metrics – Organizations must choose three output metrics on either a programmatic or organization-wide basis.

- History of Performance – Organizations must provide three years of past performance, based on the three selected output metrics to the extent available.
- Projected Performance with City Funds – Organizations must provide annual performance goals for the requested City funds, using the three output metrics previously selected.

### *Eligibility Criteria and Recommended Awards*

City Council appropriates all City funding; therefore, all leverage funding awards are subject to City Council approval. However, the City Administration will make recommendations of awards to City Council in the City Manager's Recommended Budget. The City Manager will evaluate recommendations based on the following criteria:

1. **Leverage** – The extent that the City's funds are being leveraged by other public or private sources generated by the applicant. The higher the amount of City funding requested, the higher the expectation will be for leveraging.
2. **Impact** – The historic and projected impact of the applicant's services, the applicant's demonstrated capacity to timely and effectively deliver the services, and the efficiency in use of funds to maximize funding committed to program delivery.
3. **Strategic Goal Alignment** – The extent that the applicant's provided services align with the strategic goals of the City Administration and Elected Officials in addressing identified public needs or other gaps in services needed by City residents.

More specific details of the application process and selection criteria are forthcoming. At this time, an online form-based application is being developed. The Administration intends to begin messaging about the application process in January 2023 with a goal of opening the application process in February 2023. The application process will close towards the end of March 2023 to provide ample time to review submissions.

To ensure adequate public engagement and feedback before finalizing for the FY 2024 cycle, the Administration intends to continue to engage the City Council and other stakeholders before finalizing the above recommended application structure.

cc: William "Billy" Weber, Assistant City Manager  
Virginia Tallent, Interim Assistant City Manager

Attachment