



Nonprofit Partnership Workplan: Phased Approach (continued)

March 11, 2025

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Policy & Services Recommendation

Review and recommend City Council approval of a phased approach to enhancing nonprofit partnerships, beginning with process improvements for nonprofit requests for funding through the FY 2026 City Budget process, **which fall outside a currently-established process.**

Nonprofit Partnership Workplan: Phased Approach

PURPOSE-

- Need a workplan that establishes clear framework that aligns nonprofit partnerships with Council priorities, ensures fairness and inclusion in resource allocation, strengthens accountability while maintaining the agility to evolving community needs.

FIRST PHASE-

- near-term goal of establishing an initial process improvement for nonprofit requests for funding in the FY 2026 budget process, **which currently fall outside currently established funding processes.**

SECOND PHASE-

- will include subsequent Committee and Council consideration of applicability of nonprofit principles to other grants, service and lease agreements.
- Implementation of any new policy adjustments and programs will happen over time.
- Work to begin in the summer

Nonprofit Workplan Phase 1 Summary

- Establish and implement a pilot grant program for nonprofit requests that fall outside of a currently established programs
- Recommend allocating \$185,000 in FY26 for one-time grant requests
- Open to all 504 (c)(3) nonprofits, both new and current recipients
- Scaled application and reporting requirements based on funding request
- If desired, staff support to provide initial application evaluation for P&S review
- Draft application and optional rubric included in report

Other Considerations:

- Use of Funds- Funds typically focused on programming
- Grants disbursement- City best practice is on reimbursement basis

Grant Implementation Timeframe Options

- Nonprofit feedback on timeframe preference was solicited via email and through a virtual drop-in meeting
- A total of six nonprofits expressed interest for Option 1 and one nonprofit voted for Option 2

Option 1.

Action	Date
P&S recommendation to proceed with NPW Phase 1	March 11
City Council approval to proceed with NPW Phase 1	March 24
City release of a Notice of Funding Availability to local Nonprofits	April 1
Proposals for funding due from Nonprofits	May 9
City Council approval of funding awards	June 2
City Council budget adoption includes funding appropriation and grantees	June 16

Option 2.

Action	Date
P&S recommendation to proceed with NPW Phase 1	March 11
City Council approval to proceed with NPW Phase 1	April 14
City release of a Notice of Funding Availability to local Nonprofits (90 days)	May 1
Budget adoption includes funding allocation for NPW Phase 1 implementation	June 16
Proposals for funding due from Nonprofits	July 30
City Council reviews and approves funding awards	August 25

Rubric and Application Feedback

Criterion	Description	Weight
1. Community Reach	Measures the number of Palo Alto residents served and the significance of the services.	30%
2. Equity Impact	Assesses whether the organization serves underserved or underrepresented groups.	30%
3. Alignment with Goals	Evaluates alignment with the Council's Priorities	20%
4. Program Sustainability	Assesses the nonprofit's capacity to deliver and sustain its programs effectively.	20%

Staff Recommendation

Recommend Council approve Phase 1 of the Nonprofit Workplan – establishing a process for nonprofit requests for funding through the FY 2026 City Budget process. This does not pertain to currently-established grant programs.



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March 11, 2025