



# City of Stockton

## Legislation Text

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**File #:** 22-0662, **Version:** 1

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### **APPROVE MOTION TO ENTER INTO A CONTRACT WITH THE UNITED WAY OF SAN JOAQUIN COUNTY TO BUILD CAPACITY FOR NONPROFITS IN STOCKTON**

#### RECOMMENDATION

It is recommended that the City Council approve a motion to:

1. Approve and authorize the City to enter into a contract with the United Way of San Joaquin County in the amount of \$727,000 for the purposes of providing capacity building programming to Stockton's nonprofit community; and
2. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this motion.

#### Summary

The City of Stockton, like most communities throughout the country, was negatively impacted by the COVID-19 public health emergency. Nonprofits were called upon to serve those most in need. Several organizations that the City worked with were able to nimbly expand capacity and respond while others struggled. Having a stronger, healthier nonprofit ecosystem will help the City be better prepared to continue responding to the pandemic and be positioned for any future crisis. The City issued a Notice of Funding Available (NOFA) offering a one-time grant to an organization who best demonstrated the ability to provide capacity building programming. The United Way of San Joaquin County (UWSJC) was selected. The contract with UWSJC will support nonprofit capacity building for three years, with the goal of becoming self-sustaining.

#### DISCUSSION

##### Background

On September 14, 2021, Council approved by motion 2021-09-14-1501, the City of Stockton's American Rescue Plan Act (ARPA) funding distribution. This approval included \$8.87 million for Small Business Support/Economic Recovery, under which \$765,000 was approved for Nonprofit Support. During the pandemic the City of Stockton was able to partner with nonprofits that had the ability to rapidly increase capacity, respond to needs, be creative, problem solve and be nimble. To be better prepared to address future crisis and current community need the City will financially support an umbrella organization that can build additional capacity within the City of Stockton nonprofit community.

## Present Situation

The recently published *2021 Economic Impact of San Joaquin County's Nonprofits* reports there are 2,585 nonprofits in the County. More than 70% had an annual revenue of less than \$50,000. Their overall impact is substantial; however, there is significant room to grow. The City has a vested interest in supporting the development of the network of nonprofits that serve a diverse group of needs. Nonprofits add to the quality of life, cultivate and activate an army of volunteers, serve hard-to-reach populations, and contribute to the economic health of the overall community.

The NOFA was issued on April 28, 2022. Five applications were received. Four were reviewed and scored. The fifth was disqualified as incomplete. The UWSJC proposal ranked the highest.

United Way has a deep connection to the nonprofit community in Stockton and a vested interest in seeing it succeed. Their ramp-up to launch is short and they can have immediate impact given their infrastructure and commitment.

The following is a description of the Nonprofit Enterprise Support Team (NEST) from the application (Exhibit 1):

“Project Vision: UWSJC created the NEST as a vehicle to support our continued efforts to help Stockton-area nonprofits enhance the capacity necessary to affect change in San Joaquin County. The NEST model is a "one-stop-shopping" approach to providing education and training programs that help nonprofits build common approaches to capacity escalation. The 2,000- square-foot space opened in April is located adjacent to the administrative offices of UWSJC. It offers dedicated workspaces for one-on-one educational guidance, group education, retreats, and flex space for the purposes of providing an academic setting for nonprofit employees, leaders, and their Boards.

Our vision at UWSJC is to build programs that equip nonprofits for action; preparing them for success by rapidly increasing their capacity to respond to emerging needs; provide leadership training to enhance skills as creative problem solvers; and offer resources to build healthy organizational structures that are more effective and efficient in addressing future crises.”

During the three-year contract, the UWSJC will be able to substantially support 60 nonprofits in building capacity to better serve the community. In addition, many more nonprofits will have access to educational material and leadership development opportunities.

## FINANCIAL SUMMARY

There is no financial impact to the City's General Fund or any other unrestricted fund as a result of this action. This contract will be funded with ARPA funds. Sufficient funds are available in the Special Grant Fund, General Admin Division, Covid-19 Program, under Project #EARP208, to support this effort.

Attachment A - United Way Proposal