



Agenda Abstract

BOARD OF COMMISSIONERS

Meeting Date: Jan. 27, 2025
Department: Administrative Services
Agenda Section: Regular
Public hearing: No
Date of public hearing: N/A

PRESENTER/INFORMATION CONTACT

Administrative Services Director Jen Della Valle

ITEM TO BE CONSIDERED

Subject: Community Reinvestment Program Review

Attachments:

1. List of Board Feedback
2. Updated Draft Community Reinvestment Policy
3. Updated Program Application
4. Funding Information from December Meeting

Summary:

At the town board's December work session, the board discussed the Community Reinvestment Program. The feedback that the board shared with staff is reflected in the first attachment, with a note on whether a modification has been made or if it still needs to be researched/evaluated.

Staff recommends a phased approach to the continued evaluation of the nonprofit program as detailed below:

Phase 1 (Spring 2025)

- First round of updates to policy and application. Many of the modifications the town board proposed were able to be incorporated in this phase.
- Funding amount (TBD).

Phase 2 (Fall 2025) - There are some weightier topics that will need additional time to research, and staff propose that the following items be scheduled for review as part of phase 2, with an update to the board in the fall.

- Funding process for nonprofits – the board expressed interest in having a conversation at the January work session around which organizations would go through the budget request process, those that may be eligible for longer-term service contract and which would go through the annual application route. Staff recommends having all nonprofit organizations go through the application process as part of this FY26 budget process and after we get through this funding cycle, we evaluate and identify the conditions that would be needed for an organization to fall under a particular funding process. We do not feel we are ready to have that conversation until we have some of the controls refined, such as financial and reporting requirements.
- Audit/financial requirements – determine the audit/financial requirements for nonprofits that receive town funding. The board has discussed establishing tiers based on organization's budget size.
- Reporting requirements – determine what the reporting requirements will look like for nonprofit organizations that receive funding from the town.
- 501 nonprofit designation specification.

Phase 3 (Winter 2025)

- Reevaluate program based on FY26 process
- Establish rubric/guiding questions/framework

One of the questions that was brought to the board in December was regarding funding for chambers. The town currently has two chamber memberships, the Hillsborough/Orange County Chamber of Commerce (\$6,000) and the Chamber for a Greater Chapel Hill-Carrboro (\$1,400). Staff followed up with the other Orange County municipalities to understand how they are funding those organizations.

- Chapel Hill – membership agreement with chamber that is customized to focus on specific events and benefits that are relevant to Chapel Hill, but not a service contract.
- Carrboro – annual membership fee and not a formal contract or agreement.
- Orange County – annual dues to Hillsborough/Orange County Chamber of Commerce and the Chamber for a Greater Chapel Hill-Carrboro. Annual membership fee for Research Triangle Regional Partnership, a multi-county economic development marketing agency.

Staff still needs to do some additional research and can provide an update later in the budget process but wanted to share some initial findings.

Decision Points

- Provide feedback on the modifications that were made to the application and policy as part of Phase 1. The updated drafts reflect feedback the town board provided at the Dec. 9 board meeting. It is possible that there was feedback that was missed, so the board should not hesitate to add, clarify or modify anything on the feedback list.
- Provide feedback on Phase 2 and 3 items and timeline.
- Share any initial thoughts on chamber membership.

Financial impacts:

The financial impacts will depend on the allocation chosen by the town board.

Staff recommendation and comments:

Review updated materials and provide feedback/direction to staff on the Community Reinvestment Program.

Action requested:

Review updated materials and provide feedback/direction to staff. Approve policy.