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To the Honorable, the City Council:

I am hereby submitting the proposed Community Benefits Ordinance (the "Ordinance") for your consideration. The purpose of this Ordinance is to establish a Community Benefits Advisory Committee (the "Committee") which would be charged with identifying community benefits needs of the residents of Cambridge based on the priorities established by the City Council and with soliciting and evaluating applications for the provision of said services by qualified applicants in order to make recommendations to the City Manager for the allocation of Community Benefits Funds pursuant to grant agreements or contracts for the provision of said services. The Ordinance proposes establishment of a process for the City Council to periodically assess the City's funding priorities based in part on a needs assessment submitted by the City Manager which will identify Cambridge's most pressing community benefits needs and to make appropriations to a Community Benefits Stabilization Fund based on recommendations by the City Manager. The Ordinance also sets forth provisions governing the Committee's powers and duties as well as those relating to the appointment of Committee members and their terms.

In addition to the Ordinance, I am also submitting to the Council a document outlining a proposed governance framework which provides additional detail regarding the anticipated approach to the administration of funds for community benefits purposes. In particular, the Governance Framework is meant to provide context to the process set forth in the Ordinance by describing 1) the needs assessment process, 2) the City Council's role in establishing funding priorities, and 3) the guiding principles for the allocation of funds.

Collaboration with the Cambridge Nonprofit Coalition

Throughout this process, the City has worked with the Cambridge Nonprofit Coalition, a group comprised of executive directors from a number of local nonprofit organizations. The Cambridge Nonprofit Coalition's stated mission is to develop a collective voice for the nonprofit organizations that serve Cambridge residents and to promote collaboration by and among these organizations to address the needs of and thereby improve the quality of life for the City's residents. The result of the City's discussions with the Nonprofit Coalition is the development of the proposed governance framework that is transparent, equitable, and grounded in robust community engagement.

Update on the Citywide Needs Assessment Process

Further, I am pleased to report progress on the communitywide needs assessment. After the City Council appropriated funds to conduct a communitywide needs assessment on June 1, 2015, I convened a Needs Assessment Advisory Committee to begin work with TDC, the City's third-party consultant, to identify the community's most pressing needs and service gaps. The needs assessment is the first step to assist the City Council regarding funding priorities, and the subsequent development of recommendations for the investment of funds tied to the City Council's priorities.

Proposed Next Steps

We expect TDC to complete its work in Spring 2016 at which point the results of the needs assessment will be forwarded by the City Manager to the City Council for its consideration in establishing funding goals for the Community Benefits Advisory Committee. I recommend that the City Council vote to refer the Ordinance to the Ordinance Committee for consideration.

Very truly yours,



Richard C. Rossi
City Manager

RCR/mec
Attachment

Community Benefits Plan Framework

This framework document describes the process for the establishment of a fund and ordinance for distributing funds earmarked for Community Benefits. This framework was developed by City staff in consultation with the Cambridge Nonprofit Coalition and describes the recommended approach for the administration of Community Benefits funds.

Comprehensive Needs Assessment

In order to develop a Community Benefits allocation plan, the first step in the process is to conduct a comprehensive Needs Assessment. The primary purpose of the proposed Needs Assessment is to gain an in-depth understanding of the community's most pressing needs and service gaps. The results of the Needs Assessment will be two-fold:

- Enable City Council to make informed decisions in establishing broad funding goals; and
- Inform the City Manager's proposed Advisory Committee to develop recommendations for the investment of mitigation funds tied to the City Council's broad funding goals.

It is anticipated that the Needs Assessment will identify the provision of human services as a primary need of the community. However, it is important that the assessment include discussion of other community priorities including services or programs that reinforce or support City policy and goals.

Needs Assessment Advisory Committee

In September 2015, the City Manager created the Needs Assessment Advisory Committee to support and guide a third-party consultant to conduct a comprehensive Needs Assessment. The role of the Committee is to help the consultant refine the research plan strategy and ensure an inclusive community engagement process. Support may include the sharing of existing data and research, knowledge of the Cambridge community, and access to key stakeholders such as residents, service providers, municipal staff, and other community members. The Committee is composed of City staff from multiple departments and representatives of both the Cambridge Community Foundation, and the local nonprofit community.

The Role of the City Council: Establishing Broad Funding Goals

- It is recommended that the City Council establish the top three to five (3-5) funding priorities based on the outcomes of the Needs Assessment.
- It is also advised that the broad funding goals either be reaffirmed or that new goals be set every 3 years to reflect the current needs of the community. In setting new goals or reaffirming the existing goals, it is recommended that the Council review data on the progress in meeting the existing goals and as well as data documenting the emergence of new needs.
- Once established, it is recommended that the City Council's funding priorities will be used until new ones are set or the existing ones reaffirmed.
- It is anticipated the City Manager will submit recommendations to City Council and request appropriation for funds to be allocated for community benefits purposes.

Governance Structure

This section outlines the recommended governance structure which the City might employ to manage the Community Benefits Fund. A proposed Community Benefits Ordinance would establish the duties and powers of an advisory committee.

Adoption of a New City Ordinance Establishing a Community Benefits Advisory Committee
The City Administration's recommended approach would be for City Council to adopt a new ordinance that would establish the formation of a Community Benefits Advisory Committee (the "Committee"), appointed by the City Manager, whose work would be to engage in a process on how to act on the funding priorities determined by City Council. The charge of this proposed Committee would be to develop Community Benefit funding allocation recommendations, which would then be submitted to the City Manager for approval. The Committee would suggest which services and/or programs are to be funded, as well as the specific dollar amount for each.

In consultation with City staff, the Committee would be responsible for establishing rules, regulations, and guidelines to provide for the proper administration and implementation, as approved by the City Manager. Responsibilities will include:

- Overseeing a process that is transparent and involves robust community input.
- Consulting with existing municipal boards, City departments, and community partners in order to leverage city resources and local expertise.
- Reviewing applications – a full review of all applicants including programmatic assessments and non-profit agency presentations.

Membership and Appointment Term

It is proposed that the City create an 11-person advisory committee appointed by the City Manager. The Committee would consist of three (3) not-for-profit representatives, at least two of which shall be appointed from a list of nominations made by the Nonprofit Coalition if such nominations are made, three (3) City staff designees, one (1) representative from the Cambridge Community Foundation, two (2) Cambridge residents, and two (2) other representatives from the business/development and institutional sectors with interest and subject matter expertise.

The Committee members would be appointed for terms of five (5) years. The City Manager or his or her designee would serve as the Chair of the Committee.

Guiding Principles for Funding

The main purpose of this process is to extend the reach of community benefits to Cambridge residents by entering into agreements with nonprofit organizations that serve unmet community needs.

The following are guiding principles for appropriating funds for community benefits purposes:

- Fund programs or services that directly benefit Cambridge residents.
- Emphasize funding priorities established by the City Council informed by the outcomes of the Needs Assessment.
- Consider neighborhood(s) impacted by development projects

- Consider other public resources allocated to a neighborhood in order to better understand unmet needs
- Prioritize funding for nonprofit applicants that promote collaboration, partnership and collective impact.
- Establish a transparent, inclusive, and collaborative process.
- Provide support and technical assistance to nonprofits in the application process to ensure equal opportunity and access.
- Provide opportunities for renewable grants to returning nonprofit providers that have an excellent performance evaluation record and programmatic success.

Constraints to Funding: Massachusetts Anti-Aid Amendment

Under the Anti-Aid Amendment to the Massachusetts Constitution, it is illegal to directly distribute public funds to nonprofits unless such funds are to be expended pursuant to a contract for the provision of goods or services. For example, if the City Council established a broad funding priority of alleviating poverty, funds could be appropriated to support contracts with non-profit agencies for the provision of services that would be directed to that priority.

2.127.010 – Established.

There is hereby established a Community Benefits Advisory Committee (the “Committee”) to accomplish the purposes set forth herein.

2.127.020 – Purpose.

The purpose of the Committee is to identify community benefits needs of the residents of Cambridge based on the priorities established by the City Council and to solicit and evaluate applications for the provision of said services by qualified applicants in order to make recommendations to the City Manager for the allocation of Community Benefits Funds for the award of grant agreements or contracts for the provision of said services.

2.127.030 – Definitions.

“Applicant” shall mean a Community Based Organization applying to the City to provide Community Benefits subject to a grant agreement or contract.

“Application” shall mean a proposal by an Applicant to enter into a grant agreement or contract to provide Community Benefits.

“Community Based Organization” shall mean a non-profit entity registered pursuant to 26 U.S.C. § 501(c) that provides Community Benefits.

“Community Benefits” shall mean the provision of programs or services that directly benefit Cambridge residents including but not limited to human services, the arts, cultural enrichment, sustainability measures, public health, housing, educational programs focused on science, technology, engineering, arts and mathematics (“STEAM”) and other areas of community enrichment provided by Community Based Organizations.

“Community Benefits Advisory Committee” or “Committee” shall mean the Committee established by this Chapter and appointed by the City Manager.

“Community Benefits Funds” or “Funds” shall mean any funds offered to and received by the City in connection with the enactment of an amendment to the City’s Zoning Ordinance or other agreements entered into with the City which provide funds to the City and are held by the City to be expended for Community Benefits or other related purposes.

“Community Benefits Stabilization Fund” or “Stabilization Fund” shall mean a stabilization fund established by the City to hold Community Benefits Funds.

“Funding Priorities” shall mean funding goals declared by the City Council for the expenditure of Community Benefits Funds in Cambridge.

2.127.040 –City Council Goalsetting -- Appropriations.

The City Council shall periodically assess the City's Funding Priorities based in part on a needs assessment submitted by the City Manager in order to identify Cambridge's most pressing community benefits needs. In his report, the City Manager shall make recommendations regarding the appropriation of funds to the Stabilization Fund. The City Council may make appropriations to the Stabilization Fund after it receives the City Manager's annual recommendation.

2.127.050 – Powers and duties of the Committee.

To carry out its responsibilities under this Chapter, the Committee shall:

- A. Make recommendations to the City Manager for the award of grant agreements or contracts for Community Benefits to be paid for from the Stabilization Fund consistent with the Funding Priorities.
- B. Establish rules, regulations and guidelines to provide for the proper administration and implementation of the Committee's responsibilities in consultation with City staff and as approved by the City Manager.

2.127.060 – Committee Process.

The Committee shall conduct a public annual meeting and additional meetings as needed to accomplish the following:

- A. Prioritize needs, possibilities and resources regarding Community Benefits based on the Funding Priorities.
- B. Develop requests for Applications to provide Community Benefits consistent with the Funding Priorities.
- C. Evaluate Applications for the provision of Community Benefits.
 - 1. The Committee shall not consider Applications requesting expenditures for an Applicant's capital or infrastructure projects or general operational expenses.
- D. Develop or establish recommendations to the City Manager for the award of a grant agreement or contract for the provision of Community Benefits.

2.127.070 – Membership—Appointment-Term.

- A. The Committee shall consist of eleven (11) members, including ex officio the City Manager or his or her designee who shall serve as the Chair. Those members not sitting in an ex officio capacity shall be appointed by the City Manager.
- B. The members shall be appointed for terms of five years. Initial terms shall be staggered so that two members' terms expire two years from the date of initial appointment, three

members' terms expire three years from the date of initial appointment, three members' terms expire four years from the date of initial appointment, and three members' terms expire five years from the date of initial appointment and thereafter, all appointments for five years. The term of the City Manager ex officio or that of his or her designee and any City staff designees shall not expire.

C. The Committee shall be comprised of the following representatives—three (3) members shall be representatives of non-profit organizations that provide services to Cambridge residents; three (3) members shall be City staff designees including the City Manager ex officio or his or her designee; two (2) members shall be Cambridge residents, who shall be residents of the City at the time of appointment; one (1) member shall be a representative of the Cambridge Community Foundation; one (1) member shall be a representative of the City's business or property development community; and one (1) member shall be a representative from one of the City's universities or colleges. At least two (2) of the non-profit representatives shall be appointed from a list of at least four (4) nominees provided by the Cambridge Nonprofit Coalition so long as that organization submits said list in a timely fashion.

D. If any appointed Committee member misses half of the scheduled meetings of the Committee during any calendar year, the absences of the Committee member shall be reviewed by the Chair and the Chair may recommend dismissal and replacement of such member to the City Manager.

2.127.080 – Officers-Quorum—Rules and Regulations—Committees.

A. In the event the Chair is unavailable, the Chair shall appoint a member of the Committee to chair a meeting or meetings in the Chair's absence.

B. Six members shall constitute a quorum for the purpose of convening a meeting and of conducting the business of the Committee. The Committee shall approve its actions by majority vote.

C. All records of the Committee shall be public except as provided by State law.

D. Committee members shall serve without compensation.

E. Committee members shall be classified as special municipal employees for the purpose of Chapter 268A of the Massachusetts General Laws.

2.127.090 – Effective Date.

This Chapter shall take effect upon its passage.