

Attachment B to Agenda Memo – Legal basis and rationale for the establishment of new grant programs

A robust competitive grant process can help maintain and grow Bellevue's arts and culture community within the landscape of increasing costs of acquiring, constructing, maintaining and expanding facilities. To that end, legislative bodies such as city councils have the authority to award grants. When councils receive multiple requests from many organizations, they typically establish ongoing grant programs by ordinance(s). The council-approved ordinances establish, define, and authorize each program's scope, parameters, and eligibility standards. The goal of creating a formal, ongoing program is to establish a uniform process that provides a level playing field for eligible applicants to learn of funding opportunities and be able to refer to pre-established evaluation criteria when competing for funding.

By being clear about scope, parameters, and standards, the City makes funding opportunities more accessible for applicants and equitable in how funds are distributed. Making it an ongoing program provides predictability, especially for organizations applying to state, national, and private philanthropy programs to complete their funding stack. Establishing grant programs through ordinance also allows Council to delegate certain tasks and responsibilities while retaining final decision-making authority to approve grant awards for specific projects. For example, the work of evaluating and recommending projects for funding could be done by the Arts Commission if the ordinance establishing the Arts Commission's duties and responsibilities were amended to address new grant programs.

One consideration pertinent to maintenance grant programs: To avoid gift of public funds, it would be important to establish parameters to ensure the maintenance grant program is not used to benefit third parties. For example, repair, replacement or maintenance of HVAC, sprinklers and elevators are costs that owners of buildings incur. Landlords undertake maintenance projects for a building's common areas, systems, and landscaping and typically pass on those costs to multiple tenants through leases. If the nonprofit organization owns the building, these types of maintenance projects are allowable.