



Neighborhood Organization Grant Program

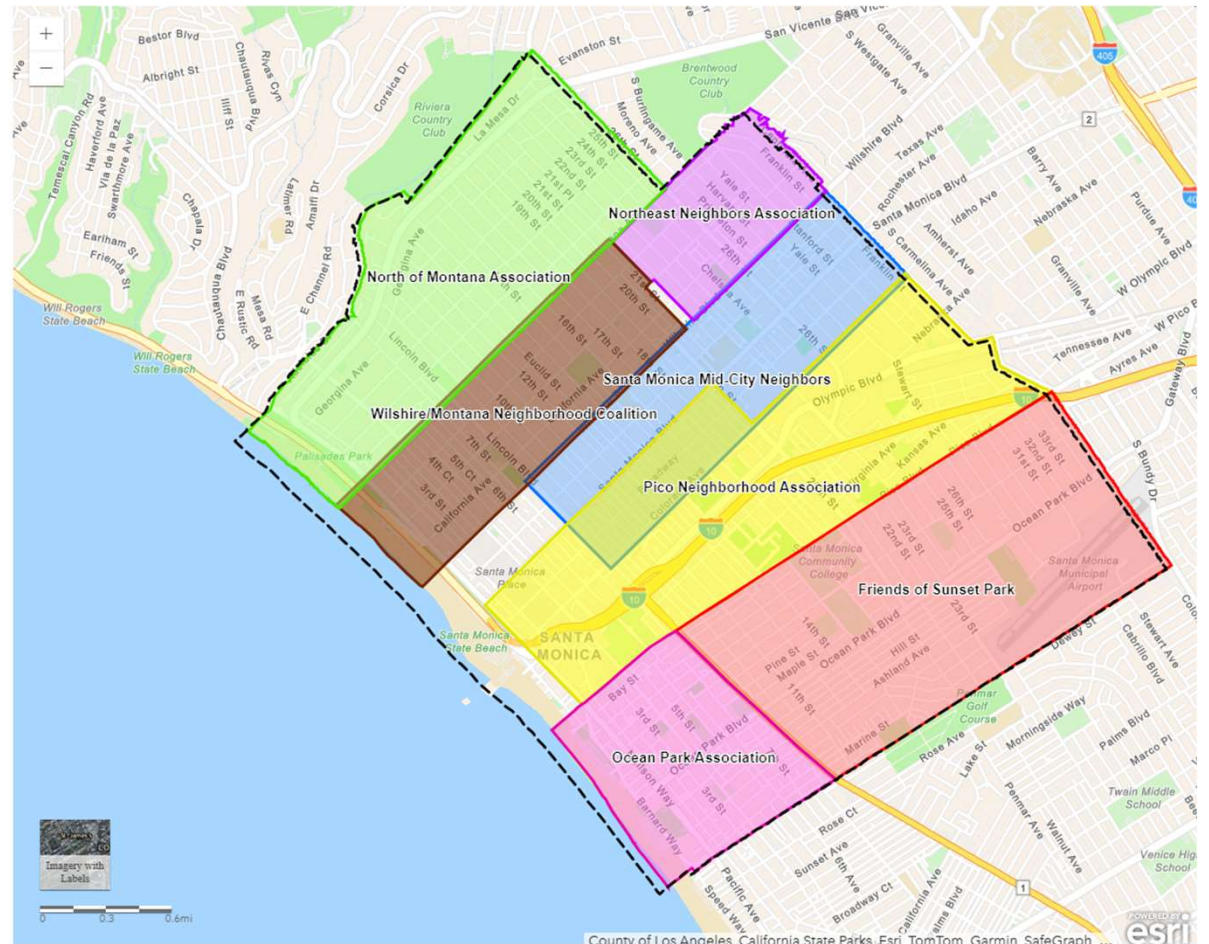
September 30, 2025

Background

- **City has a long history of supporting neighborhood organizations, which is currently being coordinated through our Neighborhood Organization Grant Program**
- **Groups that apply for and qualify are recognized as an official City Neighborhood Organization**
 - Groups are provided with funding on an annual basis to promote civic engagement, community building, and communication
 - Neighborhood Organizations also help to organize forums for resident dialogue related to a variety of civic issues

Current Program Details

- **Qualifying groups are allocated up to \$7,000 / year in grant funds**
 - Funding can be used for a variety of civic activities
 - However, funds cannot be used directly for political activity
- **To qualify, a Neighborhood Organization must:**
 - Represent a commonly recognized neighborhood within Santa Monica
 - Possess tax-exempt status as a 501(c)(3) or 501(c)(4) organization
 - Have public bylaws and open meetings
 - Hold at least one general membership meeting annually
 - Meet membership thresholds (50 active members or 10% percent of eligible households)



Program Assessment Conducted

- **On July 8, staff was directed to review the City's existing Neighborhood Organization Grants Program**
 - Concerns were raised about political endorsements made by at least two neighborhood organizations during recent elections
 - While political endorsements are permissible activities for some nonprofit entities, policy questions were raised regarding the propriety of directly allocating City resources to groups engaged in explicit political activity
- **During the past few months, staff has engaged an assessment of the current Neighborhood Organization Grant Program for possible modifications, focused on achieving the following objectives**
 - Ensure residents have equitable access to information
 - Provide fair and transparent use of taxpayer funds
 - Support inclusive community engagement efforts while complying with legal standards
 - Clarify the boundaries between civic participation and political activity

Options Identified

- **Based on the analysis engaged by staff, we have identified a series of options that can be considered to address the issues raised**
 - Option 1 – Provide Participating Groups w/ Enhanced Communications Support
 - Option 2 – Modernize Neighborhood Organization Program
 - Option 3 – Consider In-Kind Support & Civic Engagement Enhancements

Option 1: Enhanced Comms Support

- **One grant program modification that has been identified involves the provision of enhanced communications support, which could include:**
 - The reinstatement of *Seascope* magazine as a City-managed publication, with dedicated space for Neighborhood Organization content
 - This is estimated to cost ~\$200,000 / year
 - Alternatively, or in combination, consider providing each recognized Neighborhood Organization with one annual City-funded postcard mailer
 - This is estimated to cost ~\$50,000 / year
 - For those Neighborhood Organization who operate in compliance with grant program terms, include those entities as City-recognized groups that are included on relevant City outreach / communication platforms

Option 2: Institute Program Modernizations

- **Several measures to modernize the Neighborhood Organization Grant Program have been identified, including:**
 - Maintain modest grant funding for each recognized group, but consider whether to distribute that funding equitably scaled by households, or as a standardized flat amount per entity
 - Require formal participation agreements with all official Neighborhood Organizations
 - Continue to limit grant fund uses to neutral civic activities (e.g., mailings, clean-up events, community activities)
 - Through the participation agreements, consider establishing clear civic engagement guardrails for any group that chooses to apply to become a formal City-recognized Neighborhood Organization
 - Consider explicit prohibitions on political endorsements and / or political activity
 - For any group that engages in prohibited activity, enforce a five-year ineligibility period that would prohibit the group from participating in the Neighborhood Organization Grant Program

Exhibit – Grant Funding Formula Options

Neighborhood Org.	# of Households	Flat Grant (Amount TBD)	\$.50 / Household	\$.75 / Household	\$1.00 / Household
Friends of Sunset Park	7,193	\$5,000	\$3,597	\$5,395	\$7,193
North of Montana Assn	5,084	\$5,000	\$2,542	\$3,813	\$5,084
Ocean Park Assn	8,033	\$5,000	\$4,017	\$6,025	\$8,033
Pico Neighborhood Assn	7,476	\$5,000	\$3,738	\$5,607	\$7,476
Mid-City Neighbors	7,972	\$5,000	\$3,986	\$5,979	\$7,972
Northeast Neighbors	1,622	\$5,000	\$811	\$1,217	\$1,622
Wilshire Montana	12,560	\$5,000	\$6,280	\$9,420	\$12,560
Total	49,940	\$35,000	\$24,971	\$31,431	\$49,940

Option 3: In-Kind & Civic Engagement Support

- **Additional grant program adjustments considered relate to the following in-kind support and civic engagement enhancement options:**
 - Replace and / or supplement direct funding with in-kind support, including fee waivers for community events
 - As part of this option, consider having the City serve as a co-sponsor of certain eligible neighborhood events
 - To address local political engagement considerations, City-hosted election forums could be reinstated
 - This option would serve to create a neutral access platform for the community to meet candidates in an effort to establish a more inclusive voter engagement process

Next Steps

- **Staff recommends that the City Council review and comment on the identified Neighborhood Organization Grant Program adjustment options**
 - The identified options can be considered individually or in combination as the City Council considers adjustments to our Neighborhood Organization Grant Program
 - Pending City Council direction, staff will work to develop implementation plans tailored to the selected option(s)