

City of Sacramento

Legislation Text

File #: 2020-00774, Version: 1

Title:

CARES Act Relief Fund Framework for Creative Economy Recovery Program (COVID-19)

File ID: 2020-00774

Location: Citywide

Recommendation:

1) Review, discuss, and take action regarding the Coronavirus Aid, Relief and Economic Security (CARES) Act Creative Economy Recovery Program; and 2) pass a Motion: a) authorizing the City Manager, City Attorney, City Auditor, City Treasurer, and City Clerk to take all actions necessary to implement the Creative Economy Recovery Program; and b) authorizing the City Manager to modify the terms of the Creative Economy Recovery Program as long as the modifications do not increase the total program funding amount of \$5 million dollars.

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Attachments:

- 1-Description/Analysis
- 2-Creative Economy CARES Act Framework
- 3-Coronavirus Relief Fund Programs

Description/Analysis

Issue Detail: On March 13, 2020, the City declared a local emergency in response to the spread of the COVID-19 pandemic. Several actions were taken by the City to provide immediate economic relief to city businesses and residents. In addition to actions taken by the City to assist the local economy to help local businesses some industries such as the arts, creative economy, and tourism still require relief due to the devastating impact state and local orders have had to such activities. The following summarizes the award of funding from the federal government and the City's response.

- On April 20, 2020, the City received \$89.6 million in Coronavirus Relief Funds (CRF) from the passage of the federal government’s CARES Act.
- On May 26, 2020 Council committed \$28 million in CRF to support immediate local economic relief services and programs for residents and businesses.
- \$5 million of CRF fund was allocated to the arts, the creative economy and tourism to bolster the City’s battered creative economy as well as assist iconic institutions including the Sacramento Zoo and Fairytale Town.

Framework and Funding Priorities: On June 22, 2020, The Sacramento Arts, Culture, and Creative Economy (ACCE) Commission unanimously approved the recommendation for the following CARES Act Relief Framework, which aligns to the City’s Creative Edge Cultural Plan, for granting the \$5 million to the creative community:

• City Cultural Assets	\$1,000,000
• Emergency General Operating Support	\$800,000
• Cultural Equity Investment	\$1,100,000
• Arts Education	\$500,000
• Arts and Cultural Equipment	\$600,000
• Creative Economy	<u>\$1,000,000</u>
o Total	<u>\$5,000,000</u>

Upon approval, the Sacramento Office of Arts and Culture will begin a grant review process, utilizing the ACCE Commissioners as grant panelists. In addition to the federal government’s CARES Act Relief Fund eligibility criteria, each grant will include measures that aligns with the ACCE-adopted diversity statement to ensure equity among grant awards. Organizations seeking funding will need to demonstrate economic hardship sustained due to COVID-19 health crisis, funds were previously not budgeted for the expense, and all funds must be expenses no later than December 30, 2020.

Policy Considerations: The City has been impacted by a global pandemic. Establishing grant programs to help the creative community using CARES Act funding is consistent with City Council action relative to state and federal grant awards.

Economic Impacts: CARES Act funds will provide financial and technical assistance directly to support the arts, tourism, and creative economy that have been impacted and suffered economic hardship as a result of the current health crisis created by COVID-19.

Environmental Considerations:

California Environmental Quality Act (CEQA); National Environmental Policy Act (NEPA): The proposed action is not a project under CEQA because it relates to government fiscal activities that do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment. (Cal. Code Regs., Title 14, §§15060(c)(3), 15378(b)(4)). The proposed action involves activities that are exempt from NEPA under title 24, section 58.34, of the Code of Federal Regulations.

Sustainability: None

Commission/Committee Action: On June 22, 2020, CARES Act Relief Fund Framework for the Creative Economy was approved for recommendation to City Council by the Sacramento Arts, Culture, and Creative Economy Commission.

Rationale for Recommendation: Accepting the proposed framework will allow the City to provide economic relief to its residents and businesses that have been impacted by COVID-19. The framework was developed in alignment with the Creative Edge Cultural Plan and discussions with the Mayor's office, members of City Council, multiple community meetings with the creative sector and national peer cities. Council approval of the ACCE Commission's recommended CARES Act Relief Fund Framework for the Creative Economy will allow for the grant review process to begin in order to allocate the \$5 million dollars to organizations and individuals demonstrating eligibility requirements for disbursement of available funds.

Financial Considerations: Funding of \$5 million dollars from the Coronavirus Relief Fund (Fund 2704) for the Arts, Creative Economy and Tourism was allocated to the Creative Economy Program (G02610113) as part of the Coronavirus Relief Program (G02610100) approved at the May 26, 2020 Council meeting (see attachment 3).

Local Business Enterprise (LBE): None