

City of Sacramento

Legislation Details (With Text)

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Title:	City Council COVID-19 Framework and Funding Priorities: CARES Act Creative Economy Recovery Program Cultural Asset Grant Award Supplemental Agreements				
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Title:

City Council COVID-19 Framework and Funding Priorities: CARES Act Creative Economy Recovery Program Cultural Asset Grant Award Supplemental Agreements

File ID: 2020-01257

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or the City Manager's designee to execute Creative Economy Recovery Program Cultural Asset Grant Supplemental Agreements with the following organizations: 1) Supplement No. 1 to Agreement No. 2020-1584 with Broadway Sacramento in the amount of \$253,959 for a total not-to-exceed amount of \$434,714; 2) Supplement No. 1 to Agreement No. 2020-1644 with the Crocker Art Museum in the amount of \$260,599 for a total not-to-exceed amount of \$510,598; 3) Supplement No. 1 to Agreement No. 2020-1586 with Fairytale Town in the amount of \$105,550 for a total not-to-exceed amount of \$219,844; 4) Supplement No. 1 to Agreement No. 2020-1563 with the Latino Center of Arts and Culture in the amount of \$2,869 for a total not-to-exceed amount of \$5,727; 5) Supplement No. 1 to Agreement No. 2020-1583 with the Powerhouse Science Center in the amount of \$169,104 for a total not-to-exceed amount of \$337,858; 6) Supplement No. 1 to Agreement No. 2020-1587 with the Sacramento Ballet in the amount of \$102,495 for a total not-to-exceed amount of \$204,990; 7) Supplement No. 1 to Agreement No. 2020-1643 with the Sacramento Zoological Society in the amount of \$378,666 for a total not-to-exceed amount of \$628,665; and 8) Supplement No. 2 to Agreement No. 2020-1585 with Theatre for Children (formerly The Sofia, Home of B Street Theater) in the amount of \$94,745 for a total not-to-exceed amount of \$209,917.

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Presenter: None

Attachments:

01-Description/Analysis
02-Coronavirus Relief Fund Programs
03-Cultural Assets Grant Award Summary Table
04-2020-1584-1 Broadway Sacramento CARES Cultural Assets Grant Supplement
05-2020-1644-1 Crocker CARES Cultural Assets Grant Supplement
06-2020-1586-1 Fairytale Town CARES Cultural Assets Grant Supplement
07-2020-1563-1 Latino Center CARES Cultural Assets Grant Supplement
08-2020-1583-1 Powerhouse CARES Cultural Assets Grant Supplement
09-2020-1587-1 Sacramento Ballet CARES Cultural Assets Grant Supplement
10-2020-1643-1 Sacramento Zoo CARES Cultural Assets Grant Supplement
11-2020-1585-2 Theatre for Children CARES Cultural Assets Grant Supplement

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, some industries such as the arts, creative economy and tourism still require relief due to the devastating impact state and local orders have had on such activities. The following summarizes the 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 CARES Act.
- On May 26, 2020, City Council committed \$28 million from CRF to support immediate local economic relief services and programs for residents and businesses.
- \$5 million from CRF was allocated to the arts, creative economy and tourism to bolster the City's battered creative economy as well as assist iconic institutions, such as the Sacramento Zoo and Fairytale Town.
- On June 22, 2020, the Sacramento Arts, Culture and Creative Economy (ACCE) Commission unanimously recommended the CARES Act Relief Framework for granting the \$5 million to the creative community, in alignment with the City's Creative Edge Cultural Plan. City Council approved the CARES Act Relief Framework at the June 30, 2020 Council meeting and

formally adopted Resolution 2020-0265 on August 18, 2020, which increased the total available funding for the Creative Economy Program by \$2.5 million for a total of \$7.5 million.

- On July 21, 2020, the ACCE Commission recommended the awarding of \$2,219,892 in grants to the City Cultural Assets and Current Grantee categories.
- On August 19, 2020, the ACCE Commission recommended an additional award of \$5,040,717 spread among the Arts Education, Creative Business, Cultural Equity Investment, Equipment, and Collective/Collaborative Program grant categories.
- On September 1, 2020, City Council adopted Resolution 2020-0293 which increased the total available funding for the Creative Economy Program by \$6.9 million for a total of \$14.4 million.

From the available funding, a second round of grants were awarded in the Cultural Assets grant category. Of the fifteen grantees in the first round, Cultural Assets grants were awarded to fourteen organizations in the second round (one chose not to reapply). Supplemental agreements with eight of the grantees require Council approval because approval of the attached agreements will result in the organizations' receiving overall grant funding in excess of the City Manager's approved contract signing authority. (See Attachment 3-Cultural Assets Grant Award Summary Table)

Organizations that qualify for Cultural Assets grants are those that manage City-owned or invested properties and seek reimbursement for emergency general operating expenses due to mandated closures caused by the coronavirus, or for costs incurred to meet COVID-19 reopening requirements such as personal protective equipment and extra security, cleaning services or staffing. Expenses must have been incurred between March 1 and September 15, 2020.

Policy Considerations: The City has been impacted by a global pandemic. Establishing grant programs to help the entire 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. Additionally, CARES Act spending will support and advance inclusive economic growth, improve the health of neighborhoods and support people, places and activities that promote overall economic recovery.

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 will not result in potentially significant physical impacts to 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: Not Applicable

Commission/Committee Action: On July 21, 2020, the ACCE Commission recommended fifteen Creative Economy Recovery Program Grants in the Cultural Assets category. This report recommends approval of a second round of grant funding to the same organizations in the Cultural Assets category.

Rationale for Recommendation: Each of the organizations presented in this report has gone through the CARES Act Creative Economy Recovery Grant Program. The listed organizations applied for multiple grant categories within the overall program. Each grant submitted to the Office of Arts and Culture went through a competitive grant panel process and was recommended for funding by the ACCE Commission. Sacramento City Code section 3.04.020 states that expenditures of \$250,000 or more in cultural grant awards require Council approval. Several organizations received more than \$250,000 in just the Cultural Assets category. While some organizations also received additional grant funding from another grant category that is distinct from the Cultural Assets category, each organization is collectively receiving more than \$250,000 in total grant awards. When all of the recommended grant awards are combined, the total amount for each of these organizations exceeds the City Manager's contract signing authority.

Financial Considerations: On April 21, 2020, the City received \$89.6 million from CRF to address impacts related to the COVID-19 pandemic. On May 26, 2020, City Council approved \$5 million in CRF for the Creative Economy Recovery Program (G02610100). On June 30, 2020, City Council approved an additional \$2.5 million in CRF (Resolution 2020-0265) and on August 18, 2020, City Council approved an additional \$6.9 million (Resolution 2020-0293) for a total of \$14.4 million for the Creative Economy Recovery Program (G02610100). This report recommends approval of eight supplemental agreements for grants in the Creative Economy Recovery Program Cultural Assets category. The CARES Act Creative Economy Recovery Program contains sufficient funding for these supplemental agreements.

Local Business Enterprise (LBE): Not Applicable