



MEMORANDUM

TO: Mayor and Council Members

FROM: Sylvania Holt Rabb, Acting Director, Economic Development *SHR*

DATE: April 17, 2020

SUBJECT: Update on Resolution No. 20200409-086 to fund the Austin Music Disaster Relief Fund

Mayor and Council approved Resolution No. 20200409-086, which directed the City Manager to establish an “Austin Music Disaster Relief Fund”. The intent of the fund is to support local musicians, live music venues, and professionals within commercial music-related industries. Further, the resolution directed the City Manager to work with certain stakeholder groups. The resolution set an expectation that if the Manager determined the only source of funding available is the existing Live Music Fund, then the Manager is to provide a plan to replenish the Live Music Fund.

The Resolution also directed that the Manager to first consider other funding available for this emergency, including but not limited to, federal disaster relief funds or other emergency assistance. In concert with the Budget Office, the Economic Development Department (EDD) explored the following funding sources:

Federal COVID-19 Stimulus Fund: EDD consulted with the Intergovernmental Relations Office, and due to the lack of regulatory guidance, cannot confirm that funds are available at this time. At this time, the federal rules to reimbursement local expenses are unknown. However, if expenses associated with the Austin Music Disaster Relief are eligible for reimbursement, then such a reimbursement will be pursued at that time.

Live Music Fund: If the Live Music Fund is utilized, the only funding source appropriate for replenishment—as required by the Council resolution—is the General Fund. The City already allocates the maximum HOT revenues allowable under State law to this use. Therefore, it is not possible to replenish the \$1.5 million using future HOT collections.

Relief in a State of Emergency (RISE) Fund: EDD and Budget Office staff do not believe that Council desired to reallocate a portion of the \$15 million toward the Austin Music Disaster Relief Fund but rather was seeking additional funding for this purpose.

In addition to the updated information above, the Live Music Fund Working Group, established by the Music Commission, recommended at their April 13th meeting that the Live Music Fund should remain intact to allow for long-term funding to sustain live music in Austin. The Working Group is continuing with meetings to determine draft guidelines and eligibility recommendations for the Music Commission. The Working Group also suggested that a third-party partner is preferred to facilitate the application and contracting processes to more quickly disperse grants from any disaster relief fund for music. It is

their intention that this partner would also leverage the City's dollars to raise additional funds from the community and other sources for disaster relief grants.

Considering the totality of the information above, EDD and the Budget Office are recommending the General Fund Emergency Reserve as the most appropriate source for the \$1.5 million of funding for the "Austin Music Disaster Relief Fund". EDD is also recommending that a third-party partner is considered for facilitating the grant program and raising additional dollars. EDD is working with the Budget Office to place an agenda item on the April 23rd Council agenda to consider amending the current year fiscal budget. EDD staff will also bring music community-informed program guidelines to Council for approval if the efforts for facilitating the funds for their intended use through a third party is not feasible.

Additionally, the EDD website includes a robust list of resources for all industries including economic relief for musicians. We will continue to disseminate this information amongst stakeholders: <http://www.austintexas.gov/small-business-resources>.

Should you have any questions or interest in discussing the recommendation, please contact myself at 512-974-3131 or sylnovia.holt-rabb@austintexas.org; or contact David Colligan at 512-974-6381 or david.colligan@austintexas.gov.

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