




MEMORANDUM

TO: Mayor and City Council

FROM: Veronica Briseño, Chief Economic Recovery Officer, City of Austin 

DATE: June 30, 2021

SUBJECT: Update on Resolution No. 20210610-092

Council adopted [Resolution No. 20210610-092](#), which directed staff to do the following:

- Allocate no less than \$2 million to the Nonprofit Relief Grant Program that was previously activated for the support of arts-related nonprofit organizations through [Resolution No. 20200507-023](#), which created the Austin Nonprofit and Civic Health Organizations Relief (ANCHOR) Fund;
- Fund this allocation through Austin's allocation from the American Rescue Plan Act (ARPA) to provide relief for nonprofit organizations engaged in arts and culture;
- Execute funding using baseline criteria used in Phase II of [the Austin Non-Profit Relief Grant](#) and incorporate additional points for qualifying organizations that meet one or more of the following criteria:
 1. Have not received funding from earlier City relief programs aimed at nonprofits and businesses;
 2. Operates a creative space and provides co-location opportunities for other arts organizations or for individual artists; and
 3. Employs five or more people;
- Identify organizations that receive funding from the federal Shuttered Venue Operators Grant program and prioritize those that do not receive funding from that source; and
- Consider updating the Nonprofit Relief Grant program guidelines to allow for reimbursement for loss of sales, revenue, and donations.

Progress

The Economic Development Department (EDD) is leading program development and implementation for this grant, which is called the Arts and Culture Non-Profit Relief Grant. The grant application will open in mid-July and remain open for three weeks. The program will distribute one-time unrestricted \$20,000 grants to 100 art and culture non-profit organizations. All applications will be scored against a matrix, and all grant awards will be based on applicants' scores. There will not be a lottery, as was the case in the previous relief grant rounds. Applicants will be notified of their award status within 10 days of the application period closing, and funding will be distributed by the end of August 2021.

EDD staff revised last year's Austin Non-Profit Relief Grant program guidelines to ensure this new program accommodates more arts and culture nonprofit organizations. To the greatest extent possible, EDD staff is prioritizing equity, need, and urgency to deliver this critical assistance during this unprecedented time.

City staff completed several mission-critical milestones to prepare the grant program for launch in mid-July. These include: drafting program guidelines, application materials, and a scoring matrix; receiving Law Department and Equity Office review and approval of program guidelines, application materials, and scoring matrix; finalizing scopes of work for the third-party program administrator and two community champion organizations; finalizing a marketing and communications plan; and establishing a framework for collecting and reporting metrics and data.

City staff incorporated many of Council's recommendations from Resolution No. 20210610-092:

- The application and scoring matrix include questions and points for organizations who operate a creative space/venue, as well as for organizations that did not receive funding from earlier City relief programs or the federal Shuttered Venue Operators Grant program.
- Instead of being reimbursement driven, the flat grant award amount will expedite the application review and scoring process by not requiring receipts at the time of application. This change also allows for reimbursement of sales, revenue, and donations.

EDD staff did not incorporate Council's recommendation to award higher points for organizations with more than five employees. Based on conversations with the Equity Office, non-profit sector research, and previous grant data, EDD staff concluded that many local arts and culture non-profit organizations have extremely small staff sizes. Organizations with more employees are more likely to have the capacity for more fundraising activities. Therefore, the scoring matrix allocated more points for organizations with fewer staff because the need is greater for those organizations. Please note that, unlike previous non-profit relief grant rounds, organizations with staff of any size can apply for funding.

City staff amended the existing Austin Non-Profit Relief Grant contract with the Austin Better Business Bureau (BBB) to serve as the third-party administrator with a reduced fee of 4.5% (\$90,000). As proven, BBB has the technical capacity, dedicated staff, and ability to deploy the program, review applications, and distribute funds quickly. EDD is also renewing partnerships with the two local "Community Champions" used during previous non-profit relief grants (Austin Revitalization Authority and Mission Capital). These partners will help promote the grant and provide dedicated technical assistance with applications. The administrative fees for these contracts will be paid from the Business Preservation Fund, leaving the full \$2 million from ARPA to be awarded directly as grants for arts and culture non-profits.

EDD staff is working to ensure this program effectively and equitably addresses the needs of arts and culture non-profit organizations impacted by the global COVID-19 pandemic. Please contact me at Veronica.Briseno@austintexas.gov if you have questions regarding this update.

cc: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manager
Sylvia Holt-Rabb, Acting Director, Economic Development Department
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