



## Recommendation for Action

**File #:** 21-3699, **Agenda Item #:** 6.

12/9/2021

### Posting Language

Ratify an amendment to the contract with the Better Business Bureau to provide additional grants to arts and culture non-profits that had previously applied to the Austin Arts & Culture Non-Profit Relief Grant program, in the amount of \$522,500 for a total contract amount not to exceed \$36,104,425; related to Item #7.

### Lead Department

Economic Development.

### Fiscal Note

Funding in the amount of \$500,000 is available from Fiscal Year 2021-2022 Cultural Arts Fund ending balance. Funding in the amount of \$22,500 is available from the U.S. Department of Treasury, American Rescue Plan.

### Prior Council Action:

May 7, 2020 - Approved Resolution No. 20200507-023 directing the City Manager to develop an initial program to help sustain small and local non-profit organizations and businesses using a portion of federal dollars designated for pandemic-related relief, and partner in the creation of a regional Economic Response Dashboard.

June 4, 2020 - Approved Resolution No. 20200604-040 adopting the COVID-19 proposed spending framework for the use of all available federal and local funding that leverages and maximizes the benefit of federal COVID-19 relief funding and local funding.

June 11, 2020 - Approved Resolution No. 20200611-103 authorizing ratification of a contract with Better Business Bureau to administer the Commercial Loans for Economic Assistance and Recovery (CLEAR) and Austin Nonprofit and Civic Health Organization Relief (ANCHOR) Fund grant program to disburse emergency funds to small businesses and non-profits in need of relief as a result of COVID-19 pandemic in amount not to exceed \$1,144,000 with an option to amend and extend the term and administrative fee should additional grant funds become available to administer.

October 1, 2020 - Approved Resolution No. 20201001-012 ratifying a contract amendment with the BBB to administer a total of \$25,890,750 in emergency funds through the Austin Small Business Relief Grant, the Austin Non-Profit Relief Grant, and the Austin Creative Worker Relief Grant programs, with an option to amend and extend the term and administrative fee should additional grant funds become available to administer.

January 27, 2021 - Approved Resolution No. 20210127-014 ratifying a contract amendment with the Better Business Bureau to provide additional grants to small businesses that had previously applied to the Austin Small Business Relief Grant program, in the amount of \$4,803,025, for a total contract amount not to exceed \$32,008,025.00. Strategic Outcome(s): Economic Opportunity and Affordability.

May 20, 2021 - Approve Resolution No. 20210520-060 directing the City Manager to explore funding in an amount not to exceed \$25 million from the American Rescue Plan, General Revenue, and other city, state, and federal funding sources, to stabilize the Austin cultural arts and music communities as they combat the economic effects of the COVID-19 pandemic and Winter Storm Uri.

June 10, 2021 - Approved Resolution No. 20210610-077 adopting the American Rescue Plan Act (ARPA) Spending Framework and authorizing the City Manager to make the necessary allocations.

June 10, 2021 - Approved Resolution No. 20210610-078 amending the Fiscal Year 2020-2021 Financial Services Department Operating Budget Special Revenue Fund (Ordinance No. 20200812-001) to appropriate an amount not to exceed \$49,400,000 from the U.S. Department of Treasury, available through ARPA, for municipal purposes related to the Coronavirus disease outbreak and recovery efforts.

June 10, 2021 - Approved Resolution No. 20210610-092 directing the City Manager to allocate \$2 million in ARPA funding to the Nonprofit Relief Grant Program for the purpose of supporting Austin's nonprofit organizations engaged in arts and culture.

August 11, 2021 - Staff provided an update on Resolution No. 20210520-060 <https://www.austintexas.gov/edims/document.cfm?id=367891> laying out Creative Industry Support Programs for FY22, including \$6 million for Arts from ARPA Funding.

August 12, 2021 - Requested the Arts Commission provide input on matters regarding funding for the arts through both the 2022 City Budget and the ARPA Funds. Approved a FY21-22 Budget Amendment <http://assets.austintexas.gov/austincouncilforum/28-20210811170010.pdf> adding \$1,000,000 to the Arts & Culture Non-Profit Relief Grant.

September 9, 2021- Approve Resolution #20210902-010 ratifying a contract amendment with the Better Business Bureau to administer emergency funds through the Austin Arts & Culture Non-Profit Relief Grant.

December 2, 2021 - Council will consider ratifying a contract amendment with the Better Business Bureau to provide additional grants to arts and culture non-profits that had previously applied to the Austin Arts & Culture Non-Profit Relief Grant program, in the amount of \$1,483,900 for a total contract amount not to exceed \$35,581,935.

### **For More Information:**

Sylvia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131

Laura Odegard, Program Manager III, Economic Development Department, 512-974-6345.

### **Council Committee, Boards and Commission Action:**

April 19, 2021 - Arts Commission formed an "Emergency Funding and Proactive Strategies for Future Funding Working Group" with Commissioners Barnes, Flores, Schmalbach, Van Dyke, and Zisman.

August 16, 2021 - Arts Commission Approved a motion to accept the \$500,000 from reserve funds from the Development Services Department to be used for the Austin Arts and Culture Non-Profit Relief Grant (approve 9-0-1). Arts Commission Approved a motion to use \$420,000 of the \$6 million ARPA arts money to fund the next 21 eligible applications after the first 100 top scoring applications in the Austin Arts and Culture Non-Profit Relief Grant (10-0-0).

August 19, 2021 - Arts Commission Recommendation 20210816.5.b.i-ii <http://www.austintexas.gov/edims/document.cfm?id=366087> (approved 9-0-1) to Council regarding FY 22 Budget Items relating to funding for the Arts and Culture expenditure of ARPA.

### **Additional Backup Information:**

On November 18, 2021, Council directed the City Manager to act with expediency to ensure Arts and Culture

---

Nonprofit Relief Grant recipients receive funds by December 31, 2021.

In response to the ongoing financial hardships caused by the COVID-19 pandemic, Council approved creation of the Austin Art and Culture Non-profit Relief Grant. Following the Council's direction, the Economic Development Department (EDD) sought a third-party non-profit to administer these relief programs.

EDD selected the Better Business Bureau (BBB) to administer this program. The BBB meets with EDD project management representatives regularly, as identified in the scope of work and deliverables. The BBB provides administrative oversight, facilitation, and holistic program delivery in issuing recovery grants to eligible grant applicants of Council-authorized programs.

This action to ratify a contract amendment with BBB adds \$500,000 to the existing contract for the purpose of making additional grant awards to art and cultural non-profit organizations. The sources of these additional funds are the American Rescue Plan Act funding and \$500,000 is available from Fiscal Year 2021-2022 Cultural Arts ending balance. The source of the BBB's administration fee of 4.5% (\$22,500) is American Rescue Plan Act funding.

This amendment brings the total value of BBB's contract to \$36,104,425 of which \$34,421,275 will have been disbursed in grants and \$1,683,150 will have been paid in administration costs.

This action implements some of the Arts Commission Recommendations regarding FY 22 allocation of ARPA for relief programs to the arts community.

This action is responsive to the first sub-bullet (of the second bullet) from Arts Commission Recommendation. The full breakdown of the \$6,000,000 in Arts ARPA funding, as recommended by the Arts Commission:

- \$420,000 for an additional 21 grants in Arts & Culture Non-Profit Relief
- \$86,400 for BBB to administer an additional \$1,920,000 in Arts & Culture Non-Profit Relief Grants
  - \$22,500 for BBB to administer an additional \$500,000, on November 18, 2021, Council directed the City Manager to fund from the Cultural Arts Funds transfer in from the budget stabilization reserve. Related to file #21-3715
- \$5,300,373 for Core and Cultural Heritage Contractors using Arts Commission Framework
  - Current cultural contractors in Core and Cultural Heritage Festivals who received less than \$10,000 in relief funding (through at least four sources -- Shuttered Venue Operators Grant, ARPA-funded Arts and Culture Nonprofit Relief, Creative Space Assistance Program, and CARES Act-funded Nonprofit Relief for arts organizations), will receive 100% of their FY21 contract amount. Total: \$1,861,125.
  - Current cultural contractors in Core and Cultural Heritage Festivals who received less than \$1,000,000 but more than \$10,000 in relief funding (through the same four sources listed in previous bullet), will receive 85% of their FY21 contract amount. Total: 3,439,348.
- \$193,227 in adjustments and other emergency funding programs that can serve other small organizations or individuals not covered to be determined by the Arts Commission and staff.

### **Strategic Outcome(s):**

Economic Opportunity and Affordability & Culture & Lifelong Learning.