



Recommendation for Action

File #: 21-3765, **Agenda Item #:** 7.

1/27/2022

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 \$5,406,380 for a total contract amount not to exceed \$41,510,805.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$5,406,380 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 - Ratified a contract with Better Business Bureau (BBB) 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 - Ratified 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 - Ratified 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 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 the American Rescue Plan Act, 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 American Rescue Plan Act 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 American Rescue Plan 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-Ratified a contract amendment with the Better Business Bureau to administer emergency funds through the Austin Arts & Culture Non-Profit Relief Grant.

December 2, 2021 - Ratified 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.

December 9, 2021 - Ratified 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 \$522,500 for a total contract amount not to exceed \$36,104,425, related to Budget related Item 7.

For More Information:

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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) <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 American Rescue Plan Funds (ARPA).

Additional Backup Information:

In response to the ongoing financial hardships caused by the COVID-19 pandemic, Austin City Council approved creation of the Austin Art and Culture Non-profit Relief Grant. Following the City 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, ratified contract amendment with BBB would add \$5,406,380 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 \$5,300,373 and administration fee of 2% or \$106,007 is the American Rescue Plan Act funding.

This amendment will bring the total value of BBB's contract to \$41,510,805 of which \$39,721,648 will have been disbursed in grants and \$1,789,157 will have been paid in administration costs.

This action will implement some of the Arts Commission Recommendations regarding FY 22 allocation of American Rescue Plan Funds (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 Fund. Related to Budget Item 21-3715.
- \$106,007 for BBB to administer an additional \$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.
- \$87,220 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.

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.

Strategic Outcome(s):

Economic Opportunity and Affordability & Culture & Lifelong Learning.