

**Meeting Date:** 7/21/2015

**Report Type:** Staff/Discussion

**Report ID:** 2015-00426

**Title:** Arts and Culture Fund Policy

**Location:** Citywide

**Recommendation:** Pass a Resolution: 1) approving the Arts and Culture Fund Policy (Policy) containing policies and guidelines for awarding funds under the Cultural Equity Grant Program (Exhibit A); 2) authorizing the City Manager or his designee to execute and administer grant agreements, in a form approved by the City Attorney, with grantees of the program, consistent with the Policy; and 3) authorizing the City Manager to establish a multi-year operating project as I17000500 with an expenditure budget of \$500,000 from the Arts and Culture Fund (Fund 2610) for the Cultural Equity Grant Program.

**Contact:** Shelly Willis, Executive Director, (916) 808-3971, Sacramento Metro Arts Commission; Jody Ulich, Director, (916) 808-5105, Convention and Cultural Services

**Presenter:** Shelly Willis, Executive Director, (916) 808-3971, Sacramento Metro Arts Commission

**Department:** Convention & Cultural Services

**Division:** Metro Arts-Prog Contrib

**Dept ID:** 17001831

**Attachments:**

1-Description/Analysis

2-Resolution

3-Exhibit A

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**City Attorney Review**

Approved as to Form

Kourtney Burdick

7/2/2015 5:24:03 PM

**Approvals/Acknowledgements**

Department Director or Designee: Jody Ulich - 5/8/2015 11:14:03 AM

## **Description/Analysis**

**Issue Detail:** Staff is recommending that the City Council: 1) approve the Arts and Culture Fund Policy (Policy) containing policies and guidelines for awarding funds under the Cultural Equity Grant Program (Exhibit A); 2) authorize the City Manager or his designee to execute and administer grant agreements, in a form approved by the City Attorney, with grantees of the program consistent with the Policy; and 3) authorize the City Manager to establish a multi-year operating project as I17000500 with an expenditure budget of \$500,000 from the Arts and Culture Fund (Fund 2610) for the Cultural Equity Grant Program.

**Policy Considerations:** Per Ordinance 2.84.080, the Sacramento Metropolitan Arts Commission (SMAC) is charged with advising the City Council on the allocation of funds in support of the arts and establishing firm and equitable standards for such allocations. Resolution 2015-0169, Section 13.2 states Council approval is required for the establishment of multi-year operating projects.

**Economic Impacts:** Not applicable.

**Environmental Considerations: California Environmental Quality Act (CEQA):** Under the CEQA guidelines, Title 14, Section 15378(b), continuing administrative activities do not constitute a project and are therefore exempt from CEQA review.

**Sustainability:** Not applicable.

**Commission/Committee Action:** At its regularly scheduled meeting on April 13, 2015, SMAC unanimously approved the Cultural Equity Grant program. On June 2, 2015, the Budget and Audit Committee reviewed the Arts and Culture Fund Policy and passed a motion moving it forward to City Council for adoption.

**Rationale for Recommendation:** On February 10, 2015, the City Council approved establishing the Arts and Culture Fund to provide grants to arts organizations (Resolution 2015-0038). The Council directed staff to recommend a grant policy and guideline parameters for disbursing the funds. Staff has worked with SMAC and is now proposing the policy and guideline parameters listed in Exhibit A be approved by the Council for disbursing the grant funds. SMAC unanimously approved these policy and guideline parameters on April 13, 2015. The grant funds will help strengthen the programming and infrastructure of the applicant organizations so that they may better contribute to the cultural life of the City's diverse, vibrant, and arts-underserved neighborhoods.

It is anticipated that the grant funds will last three years.

**Financial Considerations:** An Arts and Culture Fund was established on February 10, 2015, through Resolution 2015-0038. The one-time funding source of \$500,000 was from the City's sale of property at the southwest corner of Fair Oaks Boulevard and Howe Avenue. Based on the fund policy, it is an appropriate use of the Arts and Culture funds for the Cultural Equity Grant Program.

**Local Business Enterprise (LBE):** Not applicable.

## **RESOLUTION NO. 2015-**

Adopted by the Sacramento City Council

### **CULTURAL EQUITY GRANT PROGRAM**

#### **BACKGROUND**

- A. On February 10, 2015, the Sacramento City Council adopted Resolution 2015-0038, which established an Arts and Culture Fund to provide \$500,000 in one-time funding for arts and cultural programming and capital projects. As part of this resolution, the City Council directed staff to come back with policy and guideline parameters for disbursing the grant funds.
- B. Staff, in conjunction with the Sacramento Metropolitan Arts Commission (SMAC), has drafted the attached the Arts and Culture Fund Policy (Policy) (Exhibit A) to distribute the grant funds. The grant funds will strengthen the programming and infrastructure of the applicant organizations so that they may better contribute to the cultural life of the City's diverse, vibrant, and arts-underserved neighborhoods.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Art and Culture Fund Policy (Exhibit A) is approved.
- Section 2. The City Manager or his designee is authorized to establish the Cultural Equity Grant Program multi-year operating project (I17000500) and appropriate \$500,000 from the Arts and Culture Fund (Fund 2610) to the expenditure budget for I17000500.
- Section 3. The City Manager or his designee is authorized to execute and administer grant agreements, in a form approved by the City Attorney, with grantees of the program, consistent with the Policy.

## **Arts and Culture Fund Policy**

### **I. PURPOSE**

The purpose of the Arts and Culture Fund (Fund 2610) is to strengthen the offerings of arts and cultural organizations so that they may better contribute to the cultural life of Sacramento's diverse, vibrant and arts underserved neighborhoods. It will provide funding for project support and capacity building grants through a new Cultural Equity Grant program.

### **2. BACKGROUND**

This fund was established pursuant to City Council Resolution 2015-0038, dated March 10, 2015. The initial transfer of \$500,000 became available from the City's sale of property at the southwest corner of Fair Oaks Boulevard and Howe Avenue. Resources in this fund will be utilized for arts organizations with small budgets in the form of stabilization grants through the Cultural Equity Grant Program. The guidelines for distribution of these funds were approved by the Sacramento Metropolitan Arts Commission ("SMAC") on April 13, 2015.

### **3. POLICY**

The Arts and Culture Fund shall be established as set forth below and any changes to the policy must be approved by the City Council.

- (a) All funded activities must occur within the city limits.
- (b) Applicants must provide evidence of tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code or be fiscally-sponsored by a tax-exempt 501(c)(3) organization.

A fiscally-sponsored organization is one that will receive tax-deductible contributions and agrees to accept, and be responsible for, charitable gifts or grants on behalf of a project or organization that does not have its own tax exemption.

- (c) Eligible organizations must be tax-exempt nonprofit arts organizations with annual operating budgets of \$500,000 or less. The organization's mission must support the development, production, or presentation of arts activities and disciplines. Art disciplines include dance, theater, visual, literary, media/film, music and traditional arts.
- (d) An applicant must have been in existence and be able to provide budget and program information for at least three years.
- (e) The maximum grant request is \$20,000.

- (f) Specific projects, programs, or activities already funded by SMAC-sponsored grants are not eligible; however, current or prior SMAC grantees may apply for funding under this grant program for new projects, programs, or activities.
- (g) Grants will be awarded annually; applicants must apply each year to be considered for funding in that fiscal year.
- (h) Applicants must have the capacity to implement the funded activities.

#### **4. PROJECTS ELIGIBLE FOR FUNDING**

Organizations may request funding from one of two categories listed below.

- a) **Capacity Building:** The applicant must have an office in the city or provide evidence that 75% of its/their audience/participants live in or programs occur within the city limits.
- b) **Project Support:** The applicant must provide evidence that the project is in a designated low-to-moderate income community within the city, identified on the attached map as “CDBG Priority Areas” and “LowMod Census Tract,” as amended from time to time, and any other future Council-adopted priority areas.

SMAC will identify eligible applicants through a standardized process and make funding recommendations to the City Manager or his designee based on the applicant’s ability to meet the goals of the grant program: to strengthen the offerings of arts and cultural organizations so that they may better contribute to the cultural life of Sacramento’s diverse, vibrant and arts underserved neighborhoods.

