



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 1/12/2021

Agenda Placement: 12B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Ben Guerrieri for Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Jesus Tijero, STAFF ASSISTANT I - BOS - 707-253-6170

SUBJECT: Amend Napa County Arts and Culture Advisory Committee Grant Guidelines

RECOMMENDATION

County Executive Officer requests approval of the Napa County Arts & Culture Advisory Committee (ACAC) amended grant guidelines for the FY 2021-22 grant award cycle.

EXECUTIVE SUMMARY

Grant funds for the Napa County Arts, Culture & Heritage Grant Program derive from the County's Transient Occupancy Tax (TOT) that is mostly tourism generated. Historically, the Board of Supervisors designates a percentage of the TOT for arts and culture. However, due to the impacts the pandemic and the recent Hennessey and Glass fires have had on tourism, staff is projecting a significant loss in TOT. This coupled with the uncertainty that arts and culture organizations are facing as a result of the pandemic, have led the Napa County Arts & Culture Advisory Committee (ACAC) to make improvements to the grant guidelines for the 2021-22 grant cycle in order to best support the survival, sustainability and recovery of local arts and culture organizations. The Committee met on several occasions in October and November of 2020 to discuss the guidelines and is now proposing the following changes which can be found under the *2021-2022 Grant Guidelines* document which is attached to this agenda item.

Major changes to the FY 2021-22 grant guidelines include:

- | New application deadline of March 12, 2021.
- | Due to the current uncertainty for many of the arts and culture organizations as a result of the pandemic, grants will only be offered for operational expenses with the goal of providing organizations with a path for survival, sustainability and recovery. Funding under the *Capital Improvement, Special Programs & Projects, Capacity Building* and *Leadership & Professional Development* subcategories will not be offered during this grant cycle.

- | The use of a fiscal sponsor, multiple grant requests and collaborative requests will not be offered due to limited funds compared to previous years and grants only being awarded for operational expenses.
- | Maximum grant requests will now be based on an average of the organization's most recent annual operating budget and the last two operating budgets prior to the pandemic. In addition, due to limited funds, the maximum request amount by budget category has been reduced. Now a small organization with a budget size up to \$100k may only apply for up to \$5,000 in funds while a mid-sized organization (budget size between \$100k - \$500k) may apply for up to \$10,000 and a large organization (budget size above \$500k) may apply for up to \$15,000.
- | Additional clarification was provided under *Evaluation Criteria* and the total possible points under *Impact & Use* and *Application Completeness* were adjusted.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?

No

County Strategic Plan pillar addressed: Collaborative and Engaged Community

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In November 2004, Napa County voters approved an increase in the Transient Occupancy Tax (TOT) rate charged to visitors renting hotel and motel rooms in the unincorporated area. The increase, from 10.5% to 12%, took effect on January 1, 2005, and was not dedicated to any specific purpose, thus requiring only a majority vote to pass. In FY 2005-06, although the revenue generated by the additional 1.5% TOT rate is fully discretionary, the Board determined that the receipt of additional discretionary revenue provided an opportunity to consider County investments in projects or programs that were a Board priority. This has become known as the Special Projects Fund (SPF).

On January 23, 2018, the Board reauthorized the SPF for another five-year cycle through FY 2022-23. The Board also amended the focus (core principles) of SPF expenditures and created a new SPF allocation formula:

- | 60% - Parks and Open Space
- | 20% - Affordable Housing Programs for hospitality workers
- | 20% - Arts and Culture Programs or Services

Of the 20% SPF arts and culture allocation, 20% of that amount is now annually allocated to Arts Council

Napa Valley for operating expenses, and the remaining 80% annually distributed through a competitive grant process to arts and culture organizations in Napa County. The County has authorized \$199,987.66 for the upcoming 2021-22 grant cycle.

Grant Guidelines

The Napa County Arts & Culture Advisory Committee (ACAC) is responsible for conducting and overseeing a grant program and making recommendations to the Board of Supervisors regarding grant awards to be made to non-profit art and cultural organizations in Napa County. Due to the impacts the pandemic and the recent Hennessey and Glass fires are having on TOT, which funds this grant program, along with the uncertainty that arts and culture organizations are facing because of the pandemic, the ACAC is proposing amendments to the grant guidelines for the FY 2021-22 grant award cycle. The Committee's goal with the proposed amendments is to support the survival, sustainability and recovery of local arts and culture organizations.

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SUPPORTING DOCUMENTS

A . 2021-22 - Grant Guidelines DRAFT (Tracked Changes)

B . 2021-22 - Grant Guidelines DRAFT (Clean)

CEO Recommendation: Approve

Reviewed By: Samuel Ross