



Napa County

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Legislation Text

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TO: Board of Supervisors
FROM: Minh C. Tran - County Executive Officer
REPORT BY: Jesus Tijero, BOS - Staff Assistant I
SUBJECT: Special Projects Fund - FY 2022-23 Arts & Culture Grant Awards - Arts & Culture Advisory Committee Recommendations

RECOMMENDATION

County Executive Officer, on behalf of the Napa County Arts & Culture Advisory Committee (ACAC), seeks discussion and possible action on the Committee's FY 2022-23 Special Projects Fund arts & culture grant award recommendations:

1. Awarding \$98,600 in available funds from the Tourism Arts & Culture Category; and
2. Awarding \$92,500 in available funds from the General Arts & Culture Category.

EXECUTIVE SUMMARY

At its regular meeting on April 25, 2022, the Napa County Arts & Culture Advisory Committee (ACAC) discussed and scored 17 arts & culture grant applications submitted for the FY 2022-23 grant cycle.

The ACAC voted to recommend 16 applications for funding that met the ACAC grant guidelines. The Committee did not recommend 1 application, ACAC members determined did not adhere to the grant guidelines. A detailed table with the Committee's grant recommendations is attached.

PROCEDURAL REQUIREMENTS:

1. Staff reports
2. Public comments

3. Motion, second, discussion and vote on the items.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Special Projects Fund
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Special Projects Fund and the funding of arts & culture grants are not required by law but have been identified as a priority by the Board. The award of these grants is in accordance with the Board's direction to staff relating to allocation of the Special Projects Fund. The total amount available in Fiscal Year 2022-2023 is \$220,861.
Is the general fund affected?	Yes
Future fiscal impact:	Funding is available through the Special Projects Fund and will be budgeted accordingly in future years and distributed based on the direction provided by the Board of Supervisors.
Consequences if not approved:	If these recommendations are not approved, the Board will need to determine alternative grant recipients or arts grant funding from the SPF will not be distributed for Fiscal Year 2022-2023.
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

SPF CREATION AND BACKGROUND

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, the first full year the additional 1.5% TOT rate was in effect, TOT revenue increased by \$930,000. Although the revenue generated by the additional 1.5% TOT 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. To that end, as part of the FY 2005-06 County budget process, the Board established the Special Projects Fund (SPF) and approved the transfer of \$650,000 from the General Fund to the SPF to finance programs or projects in two areas: (1) visitor management and (2) parks and open space.

CORE PRINCIPLES

On December 5, 2006, the Board adopted Core Principles for the SPF:

- Each year, except during times of fiscal distress, General Fund resources will be transferred to the SPF in an amount equal to 12.5% of the prior calendar year's actual TOT revenue received by the County;
- The primary focus of SPF expenditures will be on programs or services related to; (1) parks and open space; (2) visitor management; and (3) arts and culture.

Over the years, the Board of Supervisors extended these core principles.

SPF REAUTHORIZATION

On May 9, 2017, the Board of Supervisors discussed the SPF, including reauthorizing a new SPF funding cycle and amending the SPF allocation process. During the hearing, the Board discussed directing some SPF funding to increasing the stock of affordable housing in Napa County, one of the Board's top goals. The Board had identified hospitality workers as a segment of the economy that needs better opportunities for affordable housing.

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.

BOARD-APPROVED FY 2022-23 GRANT GUIDELINES

Main Category 1: Tourism Generating Arts and Culture Organization

This category is for organizations that earn at least 20 percent of their income or patronage from visitors and can submit data that demonstrates its impact/use by visitors from outside of Napa County. It includes the following sub-categories:

1. Capacity Building
2. Special Programs and Projects

3. Capital Improvement (technical equipment and facility maintenance or upgrades)
4. COVID-19 Relief & Re-opening Assistance

Main Category 2: General Arts and Culture Organization

This category is for organizations that do not receive 20 percent of their income or patronage from visitors outside of Napa County and primarily focus on arts and culture activities for residents of Napa County. It includes the following sub-categories:

1. Capacity Building
2. Special Programs and Projects
3. Capital Improvement (technical equipment and facility maintenance or upgrades)
4. COVID-19 Relief & Re-opening Assistance

Leadership and Professional Development

This subcategory is intended to provide support for nonprofit staff and boards in governance and management training, skills, development, and professional coaching. The maximum grant award is \$2,500.

Maximum Grant Requests

The maximum grant amounts are based on an organization's annual operating budget:

- Small operating budget: up to \$100,000 - \$7,500 maximum award amount
- Mid-sized operating budget: greater than \$100,000 but less than \$500,000 - \$12,500 maximum award amount
- Large operating budget: above \$500,000 - \$17,500 maximum award amount

The maximum grant award for Leadership & Professional Development grants is \$2,500, regardless of budget size. The award is not counted toward the above caps on awards.

RECOMMENDED GRANT AWARDS

The Arts and Culture Advisory Committee met on Monday, April 25, 2022, to review and score 17 grant applications. The details of the recommended awards are included in the attached spreadsheets. The Committee has recommended to award \$98,600, in the Tourism Generating Arts & Culture Category and \$92,500 in the General Arts & Culture Category.

If the grant recommendations are approved, a total of \$191,100 in grant funds will be awarded leaving a balance of \$29,761 for use in the FY 2023-24 grant cycle.