



MEMORANDUM

TO: Mayor and Council

FROM: Kevin Johns, Director 
Economic Development Department

DATE: May 18, 2017

SUBJECT: Arts Space Assistance Program (ASAP)

City Council Resolution No. 2017-0126-040, directed the City Manager to move forward with implementation of the Music and Creative Ecosystem Stabilization recommendations funded by City Council during the FY 2017 budget adoption process.

\$200,000 was approved for transitional funding for performing arts and creative affordable space needs. Economic Development Department (EDD) has researched various options to best deploy this funding. Although the resolution called for a loan program we are recommending an Arts Spaces Assistance Program (ASAP) grant program. This recommendation is informed by input received from two focus groups composed of representatives from arts organizations, the Arts Commission, and the local development community. It also supports an Arts Commission's resolution passed on February 2, 2016 encouraging the City Council "to support, through any and all resources available, the development and maintenance of affordable creative live/work/studio/rehearsal/performance space" through a variety of means including allocation of City funds.

EDD held its first focus group meeting on January 12, 2017 and second meeting on March 8, 2017 to solicit suggestions from affected art groups regarding community need and the most effective way to use the funds.

The group expressed major concerns regarding rent hikes, facility improvements, difficulty in loan repayment, the need for assistance in navigating the code process, and understanding code violations.

In addition to anecdotal research with the community, staff also conducted financial and revenue analysis on three of the larger non-profits in attendance facing creative space challenges. After review of Federal Form 990 data from the past two years from three key organizations, it was determined that local arts nonprofit organizations did not have the ability to qualify for traditional loan program offerings to assist with these challenges. Staff continued to research best practices around the country to find alternatives that other cities had implemented with success in similar situations and found a model in San Francisco. Austin's grant program was based largely on the San Francisco [Nonprofit Space Stabilization Program](#), which provides relief to San Francisco's creative community facing similar (if not more dire) space and affordability issues. Austin's version of the grant program allows for organizations with at least a 3-year lease term to apply for financial assistance up to \$50,000 for tenant improvements or up to \$35,000 for rent stipend. Tenant improvement grants will require a 50% match. The Guidelines contain detailed provisions relating to eligibility criteria and evaluation. Staff provided an update on progress of the guidelines at the Joint Arts and Music Commission meeting held on March 30, 2017.

Due to recent real estate trends and the nature of arts community need expressed through a variety of channels, we anticipate overwhelming demand for the funds that will exceed this year's allocation and hope that future funding for the program can be secured.

If you have any questions or concern, please contact Sylnovia Holt Rabb, Assistant Director at 512-974-3131 or Meghan Wells, Cultural Arts Division Manager at 512-974-9314.

xc: Greg Canally, Interim Chief Financial Officer