



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2020-629, **Version:** 1

A resolution accepting the recommendations of the COVID-19 Financial Oversight Committee to distribute \$2,000,000.00 in CARES Act funds from the COVID-19 Pandemic Fund No. 30099 to provide grants to nonprofit arts organizations.

WHEREAS, on June 16, 2020, the Metropolitan Council passed Substitute Ordinance BL2020-286, the budget ordinance for the Metropolitan Government for Fiscal Year 2021, which was subsequently signed into law by Mayor John Cooper on June 17, 2020; and

WHEREAS, Substitute Ordinance BL2020-286 established a COVID-19 Financial Oversight Committee (“the Committee”) to collect, consider, and recommend appropriate uses of all federal and state funds provided to the Metropolitan Government specifically for COVID-19 relief and recovery, including but not limited to, federal CARES Act funds, and to submit its initial recommendations to the Mayor, the Director of Finance, and the Metropolitan Council not later than August 3, 2020; and

WHEREAS, there are federal requirements for use of CARES Act funds that require that these funds be used or distributed on or before December 30, 2020; and,

WHEREAS, Metro Council previously approved resolutions to designate use of federal CARES funds, including RS2020-478 to provide mortgage, rent, and utilities relief; RS2020-500 to provide food assistance; RS2020-515 to provide financial assistance to live music venues; and RS2020-516 to provide financial assistance and technical support to small businesses; and,

WHEREAS, the Committee recognizes that Nashville nonprofit arts organizations have been substantially impaired during the pandemic and that these organizations require funding to reestablish operations; and,

WHEREAS, the Committee recognizes that the continued operation of these organizations is immediate and critical, as arts organizations provide substantial employment and have a significant economic impact on the city of Nashville; and,

WHEREAS, the Committee has determined that \$2,000,000.00 in CARES funds should be distributed to nonprofit arts organizations in grants of up to \$100,000.00; and,

WHEREAS, the Committee has determined that the Metro Arts Commission should determine which nonprofit organizations should receive these grants; and,

WHEREAS, based on the urgency with which these funds must be distributed and the respective subject matter expertise of Pathway Lending, that this entity is an appropriate administrator of these funds, with oversight by the Metro Arts Commission; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this resolution be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council accepts this resolution as a recommendation of the COVID-19 Financial Oversight Committee.

Section 2. The Metropolitan Council requests the Mayor's Office and the Director of Finance to release \$2,000,000.00 in CARES Act funds to Pathway Lending as soon as possible to be administered in accordance with this Resolution.

Section 3. The Metropolitan Council directs that the Metro Arts Commission will determine which nonprofit organizations and programs receive grants from Pathway Lending, with the following criteria:

1. All eligible applicants must
 - a. produce, present or directly support artistic programs, projects or works;
 - b. be chartered in the state of Tennessee and tax-exempt under the IRS Code Section 501(c)(3);
 - c. have an IRS Letter of Determination with an effective date showing the applicant has been in business for a minimum of 12 months before the period ended February 29, 2020;
 - d. have a business address that is located in Davidson County and agrees to use funds exclusively for programs in Davidson County;
 - e. have evidence of non-discrimination employment and personnel practices in place; and
 - f. maintain a fully completed and accurate GivingMatters.com profile.
2. The following organizations and programs are ineligible for grants:
 - a. Arts organizations that focus on capacity building, technical assistance, or advocacy and do not offer direct artistic programming;
 - b. "Friends of..." organizations whose primary purpose is to support government agencies or initiatives;
 - c. Requests for capital improvements or to purchase property.
3. The Metro Arts Commission may establish additional criteria for organizations or programs that receive these grants, including allocation of funding as described in Exhibit A.

Section 4. The Metropolitan Council directs the COVID-19 Financial Oversight Committee and the Metro Arts Commission to oversee Pathway Lending's administration of these funds, to determine how the grants should be disbursed and allocated, with a 5% administrative fee, and to establish reporting requirements to ensure that these funds are distributed as required by this Resolution. These requirements include, but are not limited to:

1. Pathway Lending will collect demographic data on the ownership of each organization that receives grants from this Resolution.

2. Bi-weekly reporting from Pathway Lending to the Metro Arts Commission and the COVID-19 Oversight Committee is required. The required information includes but is not limited to the following:
 - a. Accounting of all grant funds, including identification of grant fund recipients
 - b. Balance of funds remaining from the \$2,000,000 allocation
 - c. Demographics of organizational ownership for any funds, including but not limited to Age, Race, Sex and Zip Code

Section 5. The Metropolitan Council directs that any funds that have not been disbursed by Pathway Lending by December 28, 2020, shall be immediately returned to Metro Finance to be used to offset CARES-reimbursable costs incurred by the Metropolitan Government, thereby ensuring that no funds are returned to the federal government.

Section 6. This resolution shall take effect from and after its final passage, the welfare of the public requiring it.