



CITY OF

NEWPORT BEACH

City Council Staff Report

June 23, 2020
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Community Programs and Special Event Grant Recommendations
for Fiscal Year 2020-21

ABSTRACT:

Pursuant to Council Policy A-12, the City of Newport Beach (City) annually awards a number of Community Programs Grants to local organizations that serve Newport Beach residents and Special Event Grants to provide financial assistance to Newport Beach based community events, deeming these grants to be beneficial to residents' quality of life.

Staff is submitting FY 2020-21 Community Programs Grant and Special Event Grant recommendations for the City Council's consideration and approval. The community programs and special event grants are managed by the City Manager's Office and the Recreation & Senior Services Department, respectively.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Pursuant to City Council Policy A-12, find that the organizations listed below provide community services or programs that serve residents and are beneficial to residents' quality of life and authorize the allocation of \$54,000 of the Community Programs Grants in the following manner:

<u>Community Programs Grants Applicant</u>	<u>Recommendation</u>
Advocate for Grandparent Grandchild Connection	\$ 3,000
Balboa Island Museum and Historical Society	\$10,000
Helping Hands, Our Lady Queen of Angels	\$12,500
Newport Bay Conservancy	\$1,000
Newport Beach Historical Society	\$5,000
Newport Beach Sister Cities Association	\$2,000
Newport-Mesa Family YMCA of Orange County	\$3,000
Second Chance Orange County	\$5,000
Someone Cares Soup Kitchen	\$7,500
Youth Employment Services	\$5,000
Total	<u>\$54,000</u>

- c) Approve a fee waiver for the cost of renting the Community Room for the recurring community programs provided by the San Diego Blood Bank (\$5,793) and Speak Up Newport (\$7,500) (total \$13,293);
- d) Waiver of Council Policy A-12 regarding \$75,000 to be expended each fiscal year for the Community Programs Grants, in favor of a reduction to \$60,000 due to current budget concerns and the adopted FY 2020-21 budget; and
- e) Pursuant to City Council Policy A-12, find that the special events listed below are meritorious community, social or athletic events that provide beneficial to residents' quality of life, and authorize the allocation of \$294,800 of the Special Event Grants in the following manner:

<u>Community & Charitable Events</u>	<u>Recommendation</u>
Annual Corona del Mar Christmas Walk	\$5,000
Annual Corona del Mar Scenic 5K	\$12,750
Annual Newport Classic Surf Contest	\$1,500
Balboa Island Carnival & Taste of Balboa	\$2,700
Balboa Island Parade	\$9,300
Balboa Island Tree Lighting and Snow Day	\$1,100
Corona del Mar Sand Castle Contest	\$650
Field of Honor	\$2,800
Gourmet by the Bay, Back Bay Bash 2020	\$1,000
Lobsterfest at Newport Beach	\$2,000
Newport Beach Garden Tour	\$500
Wooden Boat Festival	\$500
Total	<u>\$39,800</u>

<u>Signature Events</u>	<u>Recommendation</u>
Hoag Classic	\$15,000
Komen Orange County More than Pink Walk	\$10,000
Newport Beach Christmas Boat Parade	\$50,000
Newport Beach Film Festival	\$150,000
Newport Beach Restaurant Week Winter Event	\$9,000
Newport-Mesa Spirit Run	\$21,000
Total	<u>\$255,000</u>

FUNDING REQUIREMENTS:

The FY 2020-21 approved budget includes \$60,000 for the Community Programs Grants, which will be expensed to the City Council's City Grants budget, Account 01005005-821006. Grant recommendations for the Community Programs Grants totals \$54,000.

The City Council adopted the FY 2020-21 budget on June 9, 2020. As part of the budget adoption, the City Council approved the funding reduction from \$75,000 to \$60,000 for this program due to budget concerns related to the COVID-19 pandemic.

The proposed fee waivers of \$13,293 will be revenue that will not be received for the rental of the Community Room.

The FY 2020-21 approved budget also includes \$300,000 for the Special Event Grants, allocated as \$45,000 in the City Council's Special Event Support budget, Account 01005005-821016 and as \$255,000 in the City Manager's Office's Signature Event budget, Account 01020202-821017. Grant recommendations for Community & Charitable Events total \$39,800 to be expensed to the City Council account. Grant recommendation for Signature Events total \$255,000 to be expensed to the City Manager's Office account.

DISCUSSION:

City Council Policy A-12 Discretionary Grants (Attachment A) provides:

Community Programs Grants shall be expended from the General Fund in the amount of \$75,000 each fiscal year. The City Manager's Office shall review all requests for Community Programs Grants and shall forward recommendations for funding to the City Council for final approval. At the time of the City Manager's presentation of any Community Programs Grant award proposals to the City Council, the City Manager shall show which entities, if any, have received funds from either the CDBG Social Services Fund or the District Discretionary Grant Account during the same fiscal year.

The City Manager shall follow these priorities when recommending Community Programs Grants:

- A. Local groups located within the City and offering programs to City residents;*
- B. Regional groups located in Orange County and offering programs to City residents; and*
- C. Groups located in California and offering programs to City residents.*

Groups not offering programs or services to local residents shall not be eligible for support from the City.

Special Events Grants are intended to allow meritorious community, social or athletic events to offset some or all of their City fees for their event. Doing so should decrease costs to the event organizer so that beneficiaries can see even greater benefit from any fundraising associated with the events. The City Manager or designee shall, in consultation with the City Council, establish a threshold amount for the proposed City budget that reflects adequate support for these events. The City Manager shall establish an administrative policy for these grants. The City Manager may divide the funding into more than one category to ensure that different types of events are fairly measured with peer events. The City Council shall consider and approve the Special Event Grant allocations by recipient.

The City reserves the right to audit the expenditure of these funds within a year of receipt.

In May of 2020, a press release was sent out to the community and the media notifying organizations of the City Council's intent to award Community Programs Grants and Special Event Grants for Fiscal Year 2020-2021. In addition, an email was sent out to interested parties and information was posted on the City's website and social media channels. The Community Programs Grant received sixteen (16) applications, and the Special Events Grant received twelve (12) community and charitable event applications and seven (7) signature event applications. The Christmas Boat Parade and Film festival are currently in multi- year agreements with the City.

The applications are available for the City Council's and the public's review per request at the City Clerk's Office at Newport Beach City Hall, 100 Civic Center Drive, Bay 2E.

Community Programs Grant

A staff committee comprised of Assistant City Manager Carol Jacobs, Library Services Director Tim Hetherton, Recreation Supervisors Jennifer Sisoiev, Susie DiGiovanna and Cody Huson, and Homeless Coordinator Natalie Basmacian reviewed and evaluated each of the applications. The applications were evaluated based upon how well each fit the priorities referenced above. The committee recommends awarding ten (10) of the applicants with grant funding for a total of \$54,000.

This year the City received two unique applications for fee waivers for use of the City's Community Room. The San Diego Blood Bank has requested the Community Room for three full days and Speak Up Newport is requesting 10 room rentals. Since these programs support the community, but are not annual and on a regular basis, the request does not fall neatly into either the Community Programs Grants or the Community and

Charitable Events Grants. The committee recommends providing fee waivers for the cost of renting the Community Room to the San Diego Blood Bank and Speak Up Newport for their recurring programs. They would receive a waiver of \$5,793 and \$7,500, respectively, totaling an approximate value of \$13,293.

A brief summary of each grant application, including each organization's client base, the intended uses for the grants, the amount requested by the applicants, and the staff funding recommendations are included in Attachment B.

In addition, staff is requesting a waiver of Council Policy A-12 regarding the expenditure of \$75,000 towards the Community Programs Grant each fiscal year. Due to current budget concerns, staff recommends an expenditure reduction to \$60,000 towards the Community Programs Grant, with the current allocation proposal totaling \$54,000.

Special Events Grant

The City's Special Event Support Program provides grants in two categories:

1. Community and Charitable Events – Events that serve or benefit locally based organizations and causes and/or provide recreational, cultural, social benefits to Newport Beach Residents as one-time yearly events. Newport Beach or Orange County based non-profit organizations and events that serve the Newport Beach community specifically, receive priority in funding. Grants are in the form of a credit toward City fees. If an awardee incurs costs (fees) higher than the grant award, they owe the City the difference. If the awardee's costs are lower than was projected during the grant award process, the City keeps the difference.
2. Signature Events – Large-scale events, based in Newport Beach that promote Newport Beach regionally, attract visitors and provide measurable, economic benefits to the City of Newport Beach. Signature event grant recipients are required to enter into a City Agreement and agree with the City's terms and conditions. All agreements include right to audit language and include measurable objectives and performance measures for evaluating the event's marketing and economic impact.

A staff committee comprised of Recreation Supervisor Brian Cordeiro, Recreation Manager Jonathon Harmon and Budget Analyst Matt Chong from the Recreation & Senior Services Department reviewed and evaluated the applications received. The applications were evaluated based upon how well each fit the program's eligibility, qualification and evaluation criteria. The following applications were not awarded funding:

The Hyatt Newport Beach Jazz Festival was denied grant funding due to not meeting necessary criteria related to non-profit status stated in the Special Event Grant Guidelines (attachment D). For profit enterprises are not eligible for financial support.

The Newport Beach Restaurant Week Summer Event was denied funds, as this event will be funded by COVID-19 Economic Relief Funds.

The Newport to Ensenada Yacht Race did not receive allocation for FY 2020-21. Their FY2019-20 event was cancelled, so they will use the \$10,000 allocated last year in this upcoming fiscal year.

A summary of the grant applications, the amount allocated last fiscal year and the staff funding recommendations are included in Attachment C.

Community and Charitable event grants are awarded at set, not-to-exceed levels that correlate to the amount of City fees the applicant is expected to pay. To determine funding recommendations, staff used historical data from previous years' events to determine what an event would pay in City fees. The committee incorporated the information from the application evaluation and assigned funding recommendations accordingly. The FY 2020-21 recommendations for Community and Charitable events are based solely on the waiver of city fees. All applicants met the program's criteria and are recommended for funding.

Signature event grants are awarded at set, not-to-exceed levels based upon an evaluation of the event budget, an estimate of related City fees and the estimated economic benefits to the City of having the event based in Newport Beach. Staff considered these elements and assigned funding recommendations that will provide cash grants to offset event expenditures, which may include City fees.

The City has traditionally entered into multi-year agreements in support of the Newport Beach Christmas Boat Parade and the Newport Beach Film Festival. The Christmas Boat Parade is entering year four of a four-year agreement, receiving \$50,000 annually. The Film Festival is entering year two of a three-year agreement, receiving \$150,000 annually.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – City Council Policy A-12

Attachment B – FY 2020-21 Community Grants Recommended Funding

Attachment C – FY 2020-21 Special Events Grants Recommended Funding

Attachment D – Grant Guidelines