



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 22-1270, Version: 1

**Dept/Agency:** Recreation, Cultural Affairs and Senior Services

**Action:** ( ) Ratifying (X) Authorizing ( ) Amending

**Type of Service:** Sub-Recipient - Agreement

**Purpose:** To enter into an Agreement with Newark Arts Council, Incorporated, a non-profit corporation, to administer and disburse funds received by the City of Newark, from the U.S. Department of Treasury, in connection with the American Rescue Plan Act and Coronavirus State and Local Fiscal Recovery Funds, for the purpose of awarding grants to Newark-based non-profit arts and cultural organizations and Newark-based artists, affected by COVID-19.

**Entity Name:** Newark Arts Council, Incorporated

**Entity Address:** 17 Academy Street, Newark, New Jersey 07102

**Grant Amount:** \$750,000.00

**Funding Source:** American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds

**Contract Period:** Upon execution, until the completion of the grant distribution and reporting requirements, on or about June 30, 2023

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS  
( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ  
( ) Private Sale ( ) Grant ( ) Sub-recipient (X) n/a

**Additional Information:**

To enter into an Agreement with Newark Arts Council, Incorporated, the Sub-Recipient, to administer and disburse \$708,000.00 of \$750,000.00 in grant funds, to Newark-based non-profit arts and cultural organizations and Newark-based artists, as Beneficiaries, affected by COVID-19.

**WHEREAS**, on March 11, 2021, the American Rescue Plan Act (Public Law No: 117-2 (March 11, 2021) ("ARPA") was signed into law by President Biden. Section 9901 of ARPA amended Title VI of the Social Security Act to add Section 602, which established the Coronavirus State Fiscal Recovery Fund, and Section 603, which established the Coronavirus Local Fiscal Recovery Funds (together, the "Fiscal Recovery Funds"). The Coronavirus Local Fiscal Recovery Funds was established to provide support to local governments to respond to the impacts of COVID-19 on communities, residents, and businesses; and

**WHEREAS**, on or about May 19, 2021, the City of Newark (the "City") submitted an electronic portal application to the United States Department of Treasury for the American Rescue Plan Act of 2021 - Treasury's Coronavirus State and Local Fiscal Recovery Funds (the "ARPA -SLFRF Application") and was notified that the City was being awarded a total amount of One Hundred Seventy-Six Million Six Hundred Sixty-Seven Thousand Six Hundred Six Dollars and Zero Cents (\$176,667,606.00) (the "ARPA Award"); and

**WHEREAS**, on June 22, 2021, the Municipal Council adopted Resolution 7R1-a(S), authorizing the City's submission of the ARPA-SLFRF Application and the acceptance of the Award; and

**WHEREAS**, the ARPA Award has provided and will continue to provide the City with much needed monetary support in responding to and recovering from the unprecedented effect and impact that the COVID-19 pandemic has had on the City, its residents, communities and businesses; and

**WHEREAS**, ARPA and the Fiscal Recovery Funds authorize local government recipients to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities including, among others, private nonprofit organizations. Entities that receive funds from local governments or sub-recipients will receive a sub-award from a recipient to carry out a program or project on behalf of the recipient with the recipient's Federal award funding; and

**WHEREAS**, the City's Department of Recreation, Cultural Affairs and Senior Services, Division of Arts and Cultural Affairs (hereinafter the "Division"), supports equitable funding, inclusion, sustainability and growth of arts and culture in the City of Newark to harness positive social and economic outcomes; and

**WHEREAS**, the City wishes to utilize Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00), of the ARPA Award, identified as the Division's Creative Catalyst Fund, to award general operating support grants and artist fellowship grants to Newark-based non-profit arts and cultural organizations and Newark-based artists, as beneficiaries, affected by COVID-19; and

**WHEREAS**, pursuant to the Final Rule, the Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) of the ARPA Award, identified as the Division's Creative Catalyst Fund, (hereinafter the "Grant"), may be used to cover operating costs, including staff salaries and benefits, rent, program-specific expenses or costs incurred as a result of the COVID-19 crisis, as well as individual artists expenses related to their practice including workspace rent, supplies or equipment, or costs as a result of the COVID-19 crisis; and

**WHEREAS**, Newark Arts Council, Incorporated was created to advance and expand the resources and offerings of arts and cultural organizations and provides leadership, direction, and technical assistance, through partnerships with Newark's many artists, arts administrators, community organizations, community development corporations, planning groups, economic development agencies, and government agencies, as well as the general public and serves as the anchor and umbrella for the arts community providing programs, services, advocacy and outreach that supports over sixty (60) arts organizations throughout the City to improve the quality of life for Newark artists, arts organizations, and residents through sustainable initiatives that provide living wage jobs, improve education, and create greater civic engagement; and

**WHEREAS**, the City wishes to sub-contract and award Newark Arts Council, as a Sub-Recipient, (hereinafter "NAC" or the "Sub-Recipient") (Notice of Grant Award is attached hereto and incorporated herein) to assist in administering, utilizing and disbursing the Grant to competitively selected beneficiaries (hereinafter the "Beneficiaries"), who apply for and meet the Division's Creative Catalyst Fund Grant Program (the "Program") requirements, in compliance with all provisions of federal, state and local laws, rules and regulations (as they may be amended from time to time) applicable to NAC's performance under this Agreement, including, but not limited to, ARPA, the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") Final Rule, as amended from time to time (31 CFR Part 35), the Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds, as amended from time to time (Version 3.0 released by the U.S. Department of the Treasury on February 22, 2022), the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200), as amended from time to time, the SLFRF Final

Rule: Frequently Asked Questions, as updated from time to time (updated version released by the U.S. Department of the Treasury on April 27, 2022), the U.S. Department of the Treasury SLFRF Award Terms and Conditions applicable to the ARPA Funds, the reporting requirements set forth in Newark Municipal Code 2:3-1.13 and 2:4-19-3, the Local Public Contracts Law, (N.J.S.A. 40A:11-1 et seq.), and all applicable City and State of New Jersey laws, rules, ordinances and regulations (collectively, hereinafter referred to herein as “Applicable Laws and Guidance”); and

**WHEREAS**, NAC has represented that it has the necessary skills and experience to perform such administrative and management functions as necessary to provide for the effective and efficient administration, utilization and disbursement of the funds in compliance with all Applicable Laws and Guidance; and

**WHEREAS**, the City wishes to enter into a Sub-Recipient Agreement (hereinafter the “Agreement”) (attached hereto) with NAC in light of its extensive experience and expertise in supporting the arts community and organizations, to administer, utilize and disburse the Grant to the Division’s Beneficiaries, who meet the Division’s Program criteria; and

**WHEREAS**, the City desires to utilize the total Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) of Grant funds both to pay the Sub-Recipient, as well as for the Sub-Recipient to administer and disburse the remaining Grant funds to the Beneficiaries, who are selected for the Program; and

**WHEREAS**, Sub-Recipient will be paid from the Grant, in an amount not to exceed Forty-Two Thousand Dollars and Zero Cents (\$42,000.00), to administer and disburse the Grant; and

**WHEREAS**, Sub-Recipient will utilize the remaining Grant funds, in an amount not to exceed Seven Hundred Eight Thousand Dollars and Zero Cents (\$708,000.00), to disburse the monies to the Beneficiaries, pursuant to the terms of the Agreement, and in accordance with the Final Rule as it relates to use of the ARPA Award.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Mayor of the City of Newark and/or his designee, the Business Administrator or the Acting Director of the Department of Recreation, Cultural Affairs and Senior Services (hereinafter the “DRCASS”) are each hereby authorized to enter into and execute a Memorandum of Agreement (the “Agreement”), to authorize Newark Arts Council, Inc., the Sub-Recipient to accept grant funds in a total amount not to exceed Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00), to award grant funds to Newark-based non-profit arts, cultural organizations and Newark-based artists, as beneficiaries, to cover general operating support costs or costs as a result of the COVID-19 crisis. The first Forty-Two Thousand Dollars and Zero Cents (\$42,000.00) of the grant funds shall pay the Sub-Recipient to administer and disburse grant funds, and the remaining grant funds in the amount of Seven Hundred Eight Thousand Dollars and Zero Cents (\$708,000.00), the Sub-Recipient shall disperse to the City’s selected application beneficiaries (the “Beneficiaries”), pursuant to the terms of the Agreement (attached hereto), and in accordance with the Department of the Treasury, in its Final Rule adopted on January 27, 2022 Federal Register Vol. 87, No. 18, 31 CFR Part 35 (“Final Rule”) and the Uniform Grant Guidance, 2 CFR 200.332 et. al.

2. The grant funds will be from the American Rescue Plan Act of 2021 - Treasury's Coronavirus State and Local Fiscal Recovery Funds (the "ARPA Award"), which the City accepted and received pursuant to Resolution 7R1-a(s) adopted on June 22, 2021, and shall be the funding source for these funds.
3. The grant funds, stemming from the ARPA Award, will be identified and acknowledged as the "Creative Catalyst Fund Grant", pursuant to the terms of the Agreement.
4. The Acting Director of the DRCASS shall file a copy of the executed Agreement to have Newark Arts Council, Inc., serve as the City's Fiscal Agent in the Office of the City Clerk.
5. The City will disburse funds to the Sub-Recipient, pursuant to the terms and conditions of the Agreement. The Beneficiaries shall use the funds they receive from the City's ARPA Award in accordance with the terms and conditions of the Agreement.
6. The Sub-Recipient shall ensure the Beneficiaries expenditure of funds complies with all federal, state and local laws.
7. Attached hereto is the Certifications of Funds, from Account Line: Business Unit NW051, Account 71280, Fund Code 051, Department G22, Project ARP2G, Activity A, Budget Reference B2022, for a total amount not to exceed Seven Hundred Fifty Dollars and Zero Cents (\$750,000.00).
9. . The Acting Director of the DRCASS shall file the fully executed Agreement together with any and all documents relating to the Grant, including, but not limited to Grant Reporting documents in the Office of the City Clerk.

### **STATEMENT**

This Resolution authorizes the Mayor of the City of Newark and/or his designee, the Business Administrator or Acting Director of the Department of Recreation, Cultural Affairs and Senior Services to enter into and execute a Sub-Recipient Agreement with Newark Arts Council, Inc., 17 Academy Street, Newark, New Jersey 07102, to accept grant funds from the City of Newark in a total amount not to exceed \$750,000.00, to administer, utilize, and disburse grants to the City's selected Newark-based non-profit arts, cultural organizations and Newark-based artists, as beneficiaries, that have been adversely impacted by the COVID-19 pandemic. The funds shall come from the City's American Rescue Plan Act of 2021 and the beneficiaries shall use the funds to cover general operating support costs or costs, as a result of the COVID-19 crisis.