To: Honorable Mayor and Members of the City Council  
From: Councilmember Kriss Worthington and Susan Wengraf  
Subject: Budget Referral: Increase Berkeley Civic Arts Program Annual Grant by $140,000 and create a Civic Arts Special Fund

**RECOMMENDATION:**  
That the City Council refer to the budget process a $140,000 increase to the annual budget for the Civic Arts Program, as well as creating a special fund dedicated to capital improvements and capacity building.

**BACKGROUND:**  
The City of Berkeley Civic Art Grant Program encourages cultural enrichment programs, makes city resources available to cultural groups, and coordinates and strengthens existing organizations in the arts. The Berkeley Cultural Trust has requested that the city of Berkeley increase the Civic Art Grant by $140,000 to reach a total of $500,000 per year. They have also requested that a special fund be created that allows non-profit art groups to apply for needed funds to carry out building projects, make repairs, and purchase equipment.

There are multiple potential revenue streams that Berkeley should consider in order to meet these increased funding needs. A select few of these potential sources include: implementing the current Art and Cultural Plan proposal to increase Public Percent for Art from 1.5% to 2%; creating a policy dedicating a specified significant percentage of the TOT to be permanently committed to the Arts; implementing an increase in the Transient Occupancy Tax, and dedicating that revenue to Arts. Councilmember Hahn has advocated for additional funds for arts in the “Significant Community Benefits” packages, provided by developers in exchange for an exception to zoning standards (i.e. additional height) and beyond the established requirements of municipal code. Additionally, Councilmember Wengraf has recommended using tax revenue from short term rentals, parking, hotels, and marijuana dispensaries to establish a sustainable revenue stream for the arts.

**FINANCIAL IMPLICATIONS:** $140,000 increase to Berkeley Civic Arts Program.  

**ENVIRONMENTAL SUSTAINABILITY:**  
Consistent with Berkeley’s Environmental Sustainability Goals.

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