



STAFF REPORT – CITY COUNCIL MEETING

November 15, 2023

TO: Honorable Mayor and City Council Members

FROM: Emily Sinkhorn, Director of Environmental Services

PREPARER: Brigitte Price, Administrative Specialist

DATE: November 07, 2023

TITLE: **Approve a Memorandum of Understanding between Playhouse Arts and City of Arcata to Continue a Partnership Conducting Valley West Community Engagement; and Authorize the City Manager to Execute All Applicable Documents.**

RECOMMENDATION:

It is recommended that the Council Approve a Memorandum of Understanding between Playhouse Arts and the City of Arcata to continue a Partnership conducting Valley West Community Engagement; and Authorize the City Manager to Execute All Applicable Documents.

INTRODUCTION:

A Memorandum of Understanding (“MOU”) for community engagement in the Valley West neighborhood by the Comunidad Unida del Norte de Arcata (“CUNA”) program was originally developed with the non-profit Cooperation Humboldt in December of 2021 for effective coordination and implementation of beautification projects and the fostering of community connections between residents and local businesses in the Valley West area. This program was implemented to combat the COVID-19 pandemic’s negative economic impacts to households, small businesses, and nonprofits in the Valley West neighborhood, and to aid the impacted tourism, travel, and hospitality industries that are prominently located in that neighborhood.

When the original MOU was due to expire, the CUNA program found a new home at Playhouse Arts, a non-profit organization which seeks to build community through the arts. The City executed an MOU with Playhouse Arts that took effect on December 1, 2022. The City has been happy with the results of the partnership with Playhouse Arts in fostering community and helping sustain recovery from the Covid-19 Pandemic in the Valley West community.

BACKGROUND:

In fiscal year 2021/2022 the City Council allocated American Rescue Plan Act (ARPA) funds for three years of support to expand on the grass roots work of CUNA. CUNA is currently in its second year of implementation of an MOU with the City for its work in Valley West/North Arcata.

City Council member Kimberley White, who came into office after the 2022 MOU took effect, is currently employed by Playhouse Arts as a co-coordinator of the CUNA program. Councilmember White has been advised that she should not participate in discussions on whether to renew the Agreement, in order to avoid violating the Political Reform Act and Government Code Section 1090 provisions on conflicts of interest. Provided these limitations are followed, the City Council is free to vote on whether to renew the Agreement without the City Council or Councilmember White incurring any civil or criminal liability for violating conflict of interest laws.

The previous MOU with Playhouse Arts expires on November 30, 2023. The City Council must approve a new MOU in order for the CUNA program to continue to receive funding.

DISCUSSION:

The City and Playhouse Arts, through the CUNA program, have been focusing on building a better represented community in Valley West through greater community engagement and implementation of community-identified projects to beautify North Arcata and foster more connections among neighbors. The City and Playhouse Arts has been successful in achieving the shared goals of the MOU throughout the course of the past year.

Playhouse Arts and the City desire to expand community networks within Valley West and identify community needs and priorities in order to create services, outlets and employment for community members who are in need of support. If the MOU is renewed, Playhouse Arts will continue its work fostering community connections between residents and local businesses in order to identify what resources and services are necessary to support community members in need, and its work providing services that support community members' physical and mental health and well-being, assist households, and support local businesses.

A city council generally may not contract with a city council member's employer.¹ In Councilmember White's case, this legal requirement is modified because her employer is a 501(c)(3) non-profit.² The City Council can legally continue to fund CUNA if Councilmember White recuses herself from any discussions or votes surrounding the MOU. Staff has modified the MOU to provide Playhouse Arts more discretion in its activities supporting the Valley West community in order to allow Playhouse Arts to proceed more efficiently with its important work, and to clarify that the City is not directing the employment activities of Councilmember White nor her coworkers.

Through this MOU, Playhouse Arts would continue its CUNA program outreach and community development efforts, assist the City in work and research on specific projects as requested by the City, and provide quarterly summaries of milestones and work products to the City Manager. The contract period is recommended to be for one year and start at the conclusion of the current MOU with Playhouse Arts which ends November 30, 2023.

CUNA has initiated a participatory budgeting process to directly involve residents in how the remaining ARPA-allocated funds for Valley West should be spent on the ground. CUNA has held six participatory budgeting brainstorming events and plans to complete four and then shifting to a proposal development phase with a community steering committee. CUNA anticipates concluding the community engagement process in late winter/early spring 2024 in order to recommend to Council priority projects to be funded with the remaining ARPA funds.

¹ See, e.g., *City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191.

² See Gov. Code § 1091.

POLICY IMPLICATIONS:

This amended MOU is consistent with Council's identified 2023/24 Priority Projects and goal of Resident and Community Health.

BUDGET/FISCAL IMPACT:

Costs for implementing this MOU are fully covered through the Council's allocation of American Rescue Plan Act funding (Fund 224).

ATTACHMENTS:

A. MOU_CUNA_Arcata_Playhouse_10_25_22_final (PDF)