



CITY OF HOUSTON

Sylvester Turner

Mayor

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May 11, 2020

Dear Speaker Pelosi, Leader McConnell, Leader Schumer and Leader McCarthy:

On behalf of our cities' arts and culture nonprofit sector, as well as the individual artists who dedicate their lives to serving communities, we are deeply grateful to you for your extraordinary leadership in protecting our cities and our country in this time of crisis.

The COVID-19 crisis shuttered arts and cultural events, resulting in catastrophic financial impact on individual artists and nonprofit arts organizations. Left without earned revenue, these artists and organizations are in free fall. The country is at grave risk of losing essential arts and cultural organizational partners that are critical to our national identity and will be essential to accelerate our regional recovery efforts. Despite this, the arts industry and cultural sector is innovating to provide online arts experiences and distance learning opportunities right now, preparing to serve audiences when quarantine orders are lifted. But for many, there is no recourse.

As you formulate plans for the next relief package, we hope we can impress upon you our great need to ensure relief for and the recovery of our arts and culture communities. This is about far more than the cancellation of performances and exhibitions. This is about individuals—artists and cultural workers alike—whose livelihoods are being threatened if not already irrevocably impacted. This is also about the soul of our communities: it is the arts that make each of our communities unique. And it is the arts that will help our communities survive and thrive economically.

Yet the arts will be among the last permitted to re-open their doors, and we must begin to face the reality that we could be dealing with this virus throughout the remainder of the year, and possibly longer. The damage, if not addressed, will run deep. We know from data and research that:

- The arts sector is an economic engine that directly employs more than 5 million workers. In March 2020, the Bureau of Economic Analysis reported that the arts

and culture workforce contributed \$877.8 billion, or 4.5 percent, to the nation's gross domestic product (GDP) in 2017.

- The current losses sustained by the arts and cultural sector throughout the nation have reached a staggering \$4.8 billion in just the first two months of this crisis.

Our arts and culture organizations connect people to each other and ensure that creativity thrives among a wide breadth of our communities, from seniors to children, and members of our society who are under-resourced, hard to count, and more vulnerable now than they have ever been. Without connection and creativity, we cannot heal, and we cannot move forward. The arts and culture sector will be an essential partner in jump-starting local, state, and national recovery efforts during and after COVID-19. We strongly call for the following specific relief efforts focused on the nonprofit arts and culture sector:

- Extend the duration of unemployment insurance for artists, arts professionals, and self-employed workers whose income has been negatively impacted by COVID-19.
- Adjust the Economic Stabilization Fund or other mechanisms to implement programs to support nonprofit employers with between 500 and 10,000 employees, including loan-forgiveness and other provisions. Provide clear guidance and maximum flexibility to private lenders to prioritize processing the applications of charitable nonprofits, including arts organizations.
- Extend SBA and Paycheck Protection Program assistance for artists and arts professionals, provide additional forgivable SBA loans to nonprofit arts and cultural organizations, self-employed workers, sole proprietors, small LLCs, and eliminate the 500-employee cap for 501(c)(3) nonprofit organizations. Further, flexibility should be provided regarding the percentage of loan forgiveness for payroll versus rent.
- Provide additional funding to the National Endowment for the Arts, National Endowment for the Humanities, and Institute of Museum and Library Services.
- Support policies that will ensure rapid processing of the artist visas and consular appointments that are essential to supporting international cultural activity. Without this, many arts organizations will be unable to produce the seasons they had planned when they can return to their venues.

- Expand the opportunity for non-itemizers to be incentivized to give more by removing the \$300 cap on charitable deductions for non-itemizers and allowing all taxpayers to claim the deduction on 2019, 2020, and future taxes. The significant unexpected loss of revenue and declines in charitable contributions are immediately impacting arts and cultural organizations.

As our communities begin to recover, we will assess the long-term needs of our arts and culture organizations. For example, many spaces that rely on crowds of people such as concerts and performances may see long-term challenges in generating the same revenue from ticket sales, as we strike a balance with keeping our communities healthy. As mayors, we are utilizing all policies in our toolkit to keep these communities thriving, and we will work with our federal partners to do the same, including various tax incentives, licensing, and other legislative needs.

Thank you again for all that you are doing and for considering the priorities of our communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Sylvester Turner". The signature is fluid and cursive, with a large initial "S" and "T".

Sylvester Turner
Mayor