



April 7, 2022

To: City of Culver City  
c/o Christine Byers, Cultural Affairs Manager

From: Sehnita Joshua Mattison, Vice-Chair, Culver City Arts Foundation

Subj: **Loan Reconciliation**

Dear Ms. Byers,

I am writing to you on behalf of the Culver City Arts Foundation to ask that the Council recognize that our \$35,000 loan from the City has been reconciled, with an almost double return on investment! Since we were founded in 2018, Culver City Arts Foundation has been proud to provide **\$67,600 in direct payments to the City of Culver City** for its Performing Arts Grant (\$50,000) and Artist Laureate program (\$17,600). These funds, paid at the request of the City, should be applied directly towards the repayment of our loan.

Although the Culver City Arts Foundation has come before the Council numerous times regarding this issue, as I know many of you are newer to the Council and may not have a clear understanding of the background, I am providing some history on this matter.

Culver City Arts Foundation was created as a separate entity from The City of Culver City's Arts and Cultural Affairs Foundation through the Commission. A separate entity allowed the organization to raise funds more effectively since Brown Act rules had hampered the ability of the Council's Foundation to reach full fundraising potential. Through the process to separate the Foundation from under the City, the Council rightly considered that there would be costs associated with starting any nonprofit endeavor and agreed to loan our nascent organization \$35,000, as seed money.

Culver City Arts Foundation wasted no time in establishing itself as an arts leader in the city. In less than two years, we raised almost \$100,000. So when the City came to us that first year and asked us to fund the Artist Laureate program, we said "Yes!", and provided \$13,600 in funds to the City. Then when the City came to us again to fund the Performing Arts Grant, we said "Yes!", and provided \$25,000! All told, Culver Arts paid the City \$38,600 in its first year, exceeding the initial \$35,000 investment! We also provided free administration of donations for the City's Summer Concert series.

We were grateful for the funding from the City to help launch the Foundation and extremely proud that we could return the funds so quickly. But we were a bit taken aback to hear from Council that despite providing \$38,600 in funds at the City's request, which we considered as payments towards the loan, our loan repayment was not considered fulfilled and we were expected to still pay an additional \$35,000.

Despite our repeated requests to have our payments to the City recognized and our loan repayment fulfilled, during our own fundraising challenges through the pandemic, we have still contributed to City programs. We did this in good faith and at the City's request because they align with our mission to help the arts thrive in Culver City. We provided funds to extend the Artist Laureate program for another year for Mr. Alexey Steel's considerable efforts during Covid (\$4000), and to support the Performing Arts Grant (\$15,000 in 2021 and \$10,000 in 2022), for an **additional \$29,000 from the Foundation to support City programs at the City's request.**

In the past, the Council has made two arguments as to why they wanted us to still pay the loan, which we would like to address directly.

1. This would set a bad precedent for other organizations that receive a loan from the City. They would assume they do not need to pay their loan back.
  - a. There is no other organization that has received funds from the City, that have in turn paid the City directly at their request in amounts that far exceed the initial loan.
2. The City could use the funds from the loan to pay for programs they choose, like the Performing Arts Grant.
  - a. We met with City staff to discuss The City of Culver City's Cultural Affairs Work Plan. The City chose the programs they wanted funded and directly requested the funds from Culver City Arts Foundation.
  - b. We have met with City staff on numerous occasions to determine how we can work in conjunction to meet City needs. We have delayed launching our own grant program so we can support the City in their efforts for the Performing Arts Grant and the Artist Laureate Program, the latter program which we learned was only made possible through funding from the Culver City Arts Foundation.

After we reconcile this loan, we plan to use these funds towards the third round of our Arts Resiliency Fund. To date, we have given over \$20,000 in grants of up to \$1000 to local artists who have struggled to pay their bills through the pandemic. Since the arts will be the last to recover from the financial chaos of the pandemic, we plan to use the loan funds towards providing \$5000 grants to local arts-based nonprofits. Additionally, we have also already secured funds to support the City's search for the next Artist Laureate, when the current term ends. Also, we were eager to answer the Mayor's request to serve as a financial intermediary for the upcoming Juneteenth event.

Culver Arts is committed to working in partnership with the City to support our vibrant arts community. We are a board of engaged **volunteers**, giving copious amounts of our time, efforts, and resources freely to raise funds for a common goal of supporting our creative community. We have limited overhead that only supports the Foundation. Our funds go directly to our thriving economy that helps Culver City as a sought after community.

To be clear, we fully appreciate the integrity of paying back an agreed upon loan and are not asking you to waive or forgive this loan. We ask the Council to recognize the **\$67,600** that the Culver City Arts Foundation has paid directly to the City of Culver City, at the City's request, as a full repayment, exceeding the initial \$35,000 loan to mark the loan as paid in full.

Sincerely,

*Sehnita Joshua Mattison*

Sehnita Joshua Mattison  
Vice-Chair

Copy to: Members of the City Council  
Shelly Wolfberg, Assistant to the City Manager  
Members of the Cultural Affairs Commission

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PO Box 4521  
Culver City, CA 90231  
[www.culverarts.org](http://www.culverarts.org)  
[culverarts@gmail.com](mailto:culverarts@gmail.com)