

City of New York  
Department of Cultural Affairs

Community Arts Development Program  
**Building Sustainability proposal guidelines**

## Overview

*Building Sustainability* is an 18-month capacity-building program whose purpose is to strengthen cultural organizations with City funded capital projects and to prepare them for the challenges ahead. The program's objective is to strengthen these groups by preparing them to meet the operational and financial demands of project planning and implementation, as well as those generated after project completion. The initiative takes the position that investment in leadership and planning capacities, timed early in the capital process, can have positive long-term results.

For program applicants, building sustainability begins with an **in-depth capacity self-assessment** designed to apprise groups of their current capacity needs and to inform their grant application responses. Groups selected through a competitive process take on an intensive capacity-building project, working with a management consultant over an anticipated 6-12 month period. Participants may choose to focus on **board development, strategic planning, or business planning**, depending on the organization's priority issues. Additionally, participants convene for supplemental **workshops and peer exchanges** throughout the 18 month initiative to receive instruction and to share knowledge about group identified issues related to the capacity building experience.

## Eligibility – Legal and Programmatic Requirements

CADP regrants money the City receives through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. In order to meet the primary objective of the CDBG Program each applicant must comply with specific federal regulations. Additionally, federal grantees must meet any local requirements as well. Thus, each Building Sustainability applicant must meet the following minimum qualifications:

- Serves a community where at least 51% of the residents are low- or moderate-income persons;
- Has an allocation in the City's five year capital budget (FY09 – FY13);
- Has an operating budget of \$1MM or less in at least one of the last two completed fiscal years;
- Incorporated in New York State and compliant with annual State and Federal filing requirements for nonprofit organizations;
- Certified tax exempt under Internal Revenue Service Code Section 501(c)(3); and
- Senior staff and a majority of board members must make a commitment to participate in the capacity building project; the executive director and one board member must make a commitment to participate in all workshops.

## Program Design

All applicants must demonstrate a readiness and commitment to engage in the following elements of the *Building Sustainability* program:

1. **Organizational capacity assessment:** As part of the application process, groups will first complete an in-depth organizational capacity assessment. The assessment, formed from diverse stakeholder perspectives will provide a valuable and realistic analysis of the organization's existing capabilities as well as essential competency gaps. Ultimately, the assessment outcome will help form the basis of the group's proposed capacity-building project.
2. **Capacity-building project:** The central enterprise of the *Building Sustainability* program will be a capacity-building project proposed by the organization. Organizational leaders will work with selected management consultants to address specific board and planning issues identified by the group. Depending on the organization's priority needs, applicants may choose to focus on one of the following three areas: **board development, strategic planning, or business planning.**
3. **Workshops/peer learning exchanges:** Ongoing monitoring of the program will guide DCA in creating complementary workshops/peer learning exchanges in order to a) address any particular project implementation challenges facing the groups, b) provide groups with desired information, resources, and tools, and c) offer valuable opportunities for peer support and information sharing. Input from program participants will help determine workshop topics.
4. **Technical assistance:** DCA staff will help advance the overall program by providing a supportive environment for learning and improvement. Staff will also monitor the participants' progress and provide ongoing technical assistance.

## Grant Amounts and Matching Requirements

DCA estimates that each capacity-building project will cost between \$15,000 and \$35,000. DCA will make an allocation supporting each project with a cap of \$30,000. The grant recipient will be required to fund between \$2,000 and \$5,500 of the total cost. The group's contribution will be based on a sliding scale formula that takes into consideration the organization's annual operating budget as well as the total project cost. (See Page 12 to determine your organization's approximate share of the project cost.)

**Payment Structure:** Grantees will not receive funding directly. DCA staff will work with grantees to develop the organization's project scope and then solicit proposals from qualified management consultants. DCA and the grantee each will contract with and make payments to the consultant for its respective share of the project cost.

Applicants must demonstrate in the proposal either a cash commitment or letter of support from a sponsor.

DCA will provide all workshops free of charge to program participants.

All awards are contingent upon receipt of sufficient funds from the U.S. Department of Housing and Urban Development's Community Development Block Grant Program.

## Application Process

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| 1. Application Seminar, all applicants     | <b>November 25 OR December 2, 2008</b> |
| 2. Pre-Application, seminar attendees only | <b>Deadline: December 9, 2008</b>      |
| 3. Proposal, eligible applicants only.     | <b>Deadline: January 15, 2009</b>      |

### 1. Application Seminar

Organizations that want to apply for a Building Sustainability grant are required to attend one of two Application Seminars. Issues to be covered in detail include: eligibility, organization service area, matching requirements, selection of management consultant, program goals and reporting requirements. Additionally, DCA staff will answer questions about the application process.

### 2. Pre-Application – Eligibility Determination

Organizations that have attended one of the application seminars and want to apply for a *Building Sustainability* grant are required to submit a Pre-Application. Staff from both DCA and the City's Office of Management and Budget will review and act upon each Pre-Application on a rolling basis. Applicants will receive their eligibility determination within two weeks of submission. DCA will then invite full proposals only from applicants meeting program eligibility requirements. Organizations that do not qualify will not be considered further. **We strongly encourage you to submit your Pre-Application immediately following the workshop since a favorable notification enables you to proceed with your full application.**

### Understanding CDBG Eligibility Requirements

CADP's *Building Sustainability* is a regrant program of the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. The purpose of the Pre-Application guidelines is to define the criteria which must be met in order for an activity to have satisfied a national objective of the CDBG program. Please read the eligibility requirements carefully.

The CDBG Program rules state that in order for an organization to be eligible for technical assistance funding, its activities must **benefit low- and moderate-income persons (L/M) on an area basis**. In order to qualify as addressing the CDBG national objective of benefit to L/M income persons on an area basis, activities must be available to L/M income persons residing in an area where at least 51% of the residents are L/M income persons.

There are two fundamental concerns in determining CDBG eligibility. The first, defining the organization's service area, is the responsibility of the applicant. The second, determining the percentage of low- and moderate-income persons in the proposed service area, is DCA's responsibility.

**A) Defining the organization's Service Area** – The determination of the area served by an organization's activities is critical. The defined region should be broad enough to encompass the area where the majority of individuals served reside. If the applicant draws a predominance of its constituency from beyond the local community, as reasonably defined, the organization would not qualify as meeting an area benefit.

**B) Determining L/M percentage of a Service Area** – In compliance with CDBG requirements, DCA will analyze your service area against federal census data and determine whether your organization qualifies for support. Applicants will receive a copy of the complete analysis with their eligibility determination letter.

### 3. Proposal Submission

DCA will notify organizations that have demonstrated their eligibility in the pre-application process, and request the submission of proposals.

#### Review and Evaluation Procedures

DCA will convene a panel in late January. The panel will review each proposal and score it based on the Evaluation Criteria below. The total possible number of points is 100. The panel members' individual ratings will be averaged to determine a score for the proposal. Proposals must receive a minimum average score of 70 to be considered for funding. Following panel review, applicants will be notified in writing of the outcome.

#### Evaluation Criteria

The application asks a series of questions specifically designed to provide panelists with information that is pertinent to the established evaluation criteria. Thus, the overall proposal (including narrative answers, budget information, and printed support material) should effectively address the following:

**Understanding of capacity building need and its impact on the organization 20%**

- Organization has demonstrated the need and rationale for the proposed assistance and adequately described how its involvement in the program will enhance the organization's health, stability, and vitality.

**Project Leadership 20%**

- Board and staff leaders have designated a project steward to manage the project. He or she is known to other participants and has a solid knowledge of the organization.
- Board and staff members are open to in-depth organizational assessment.
- Board and staff leaders have a shared commitment to addressing governance and management deficiencies.

**Practical ability to participate and benefit 20%**

- Key Board and staff understand time commitment and have sufficient time available to devote to capacity building work.
- Organization has adequate financial and human resources as well as time to implement and sustain some of the capacity building strategies it identifies.

**Financial capacity and leadership 20%**

- Organization will make the commitment to provide required matching funds: e.g., has allocated cash in organization's budget toward project or provided letter of support from private donor.
- Board has at least a 50% participation rate in the capital campaign (established by cash contribution or letter of commitment).

**Public service commitment and community connectedness 20%**

- Organization demonstrates significant value to community; provides unique and important services.
- Organization provides opportunities for free or reduced admission, especially for persons of low- and moderate-income.
- Organization is engaged in its community and receives support through dedicated attendance, contributions, volunteers, collaborations, etc.
- Staff and Board reflect the diversity of the community they serve.

## Appeal Process

Any organization considered for CADP support is free to contact CADP staff for an explanation of how funding was awarded or to find out why a proposal was declined. If, thereafter, an organization believes it has been rejected unfairly, the organization is entitled to submit a written appeal no later than 21 days from the date of DCA's written notification. The organization's appeal must set forth reasons why the organization believes reconsideration is appropriate. Specific deadlines established for the appeals process will be adhered to, and failure to respond in accordance with those deadlines will invalidate the appeal. The grounds for reconsideration are either:

- Non presentation of information: Information available in the proposal prior to the panel review was not presented and might have altered the outcome of the decision; or
- Misrepresentation of information: Information known prior to the panel review was not appropriately interpreted and, if presented differently, might have altered the outcome of the decision.

Once an appeal is received, it will be reviewed by the Commissioner and sent on to DCA's Capital Unit's Assistant Commissioner and the Director of CADP for comments and recommended action. The Commissioner will consider these recommendations and render a final decision within 30 business days. The Commissioner's written determination is final and will be sent to the appellant.

Appeals are limited to CDBG eligible applicants, applications, and activities.

## Grant Administration and Legal Requirements

When an organization is allocated funds, DCA prepares a grant Agreement with the organization based on the proposed project submitted by the organization. A person with signatory authority then signs the grant Agreement. All groups receiving DCA support must comply with all pertinent City, State and Federal legal requirements. We will notify organizations separately of particular applicable regulations. Every applicant should be aware of the following:

CDBG reporting requirements: Every funded organization must provide the status of their project each January for insertion into the City's CDBG Annual Performance Report. In addition, groups must provide both six- and twelve-month follow-up reports after completion of their capacity-building project.

Acknowledgement of local and federal support: Proper public acknowledgement of DCA and HUD funds is essential in informing the community that public funds are used to support local cultural institutions. Therefore, it is required as part of the Grantee Award Agreement that grantees credit DCA and HUD in all printed matter and electronic media that describe the funded project (including press releases), as well as advertisements that acknowledge other funding sources. Suggested language: "(Project name) is made possible in part by public funds provided through the New York City Department of Cultural Affairs and the U.S. Department of Housing and Urban Development."

Where possible, the DCA logo is also required to appear on these materials. Groups will be informed about how to obtain the agency's logo upon notification of award. In addition to the logo and credit line stipulated, any printed list of contributors to a project funded by DCA, either alphabetical or by contributory category, is required to include the New York City Department of Cultural Affairs and the U.S. Department of Housing and Urban Development.

Challenge to Presumption of Eligibility – Federal regulations provide that "in any case where there is substantial evidence that an activity might not principally benefit L/M income persons, even though the activity conforms to a literal reading of the L/M Income Benefit criteria, the presumption that the

activity meets the national objective may be rebutted.” E.g., Reasonable fees may be charged for activities assisted with CDBG funds, but charges that have the effect of precluding L/M income persons from participating in activities (such as excessive tuition or admission fees ) are not permitted.

## Questions

For all inquiries regarding *Building Sustainability* contact:

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