

City of New York Department Of Cultural Affairs

Community Arts Development Program Small Capital Improvements Grant

Program Overview

The purpose of the Community Arts Development Program (CADP) Small Capital Improvements Grant is to preserve community-based arts organizations serving the City's low- and moderate-income communities as well as those addressing conditions detrimental to public safety.

CADP regrants money the City receives through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program. The primary objective of the CDBG Program is the development of viable urban communities principally for persons of low- and moderate-income. The Program also seeks to address blighting conditions with regard to health and safety issues as well as historic preservation. Accordingly, certain and specific requirements must be met by each applicant.

Beyond the CDBG eligibility requirements, DCA has an interest in the mission and principal activities of the applicant organization, the exact plan for how the City's money (and its requisite match) shall be utilized in the proposed project, and the applicant's ability and readiness to administer the process. Additionally the organization's commitment to its community is especially of significant interest.

There are two challenges each applicant must meet. *First*, the applicant organization must be eligible to apply. A Pre-Application is required to determine if your organization meets CDBG eligibility requirements. The Pre-Application form will be reviewed for these requirements only. If your organization is determined to be eligible, you will be invited to submit a full Proposal. *Second*, the applicant's full Proposal must achieve minimum evaluation scores by a grant review panel before it can be considered for funding. See Evaluation Criteria, page 4.

Applicant Eligibility Criteria

Applicants must be located in one of New York City's five boroughs and meet the following minimum qualification requirements:

- Mission and programs must substantially focus on the arts and cultural activities,
- Projects must principally benefit persons of low- and moderate-income OR prevent or eliminate blighting conditions (read thoroughly "*Understanding CDBG Eligibility Requirements*", pages 6-7),
- Be a nonprofit corporation, established as a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code ,
- Site control of the proposed project facility is required either through ownership or a leasehold with an unexpired period of at least six years at the time of application, and
- Facility ownership is required for exterior renovation projects.

Organizations Ineligible for funding:

- Organizations who have received City Capital funds for a current project,
- Organizations with operating budgets greater than \$2MM in the most recently completed fiscal year,
- Organizations who have not completed previously CADD funded projects before panel,
- Public agencies, departments, authorities,
- Schools, colleges, universities, and libraries,
- Organizations whose proposed spaces are not used wholly for the delivery of arts programs,
- Organizations not identified as neighborhood facilities,
- Organizations having fees, admissions, memberships or tuitions that would exclude persons of low- and moderate-income,
- Religious institutions, or
- Arts groups requesting funds for a facility they share with a religious institution. (*Arts groups leasing space from a religious institution may be eligible if they have sole use of their leased space.*)

Types of Capital Improvements Funded

The following are examples of eligible projects and by no means represent the entire range of possible small capital improvements. Proposed projects must be completed during the 12-month award period.

- Improvements
HVAC systems, disabled access improvements, sprung flooring, lighting grids/catwalks
- Rehabilitations
Roof renovations, electrical wiring upgrades, façade restorations
- Capital Fixtures
Installation of theatrical seating, wheelchair lifts, lighting dimmer systems, rack sound systems, and assistive listening systems

Types of activities not eligible for funding

- Capital fixtures not directly associated with the delivery of a cultural service,
- Spaces not directly associated with the delivery of a cultural service (including office space),
- Architectural, engineering, and other professional design or consultant fees,
- Space search or feasibility studies,
- Reimbursement for projects already completed,
- Projects whose function is dependent on a larger capital project for which funding is not in place,
- Structural renovation, asbestos and lead removal, or
- Maintenance.

Grant Amounts and Matching Requirements

Grant requests may range from \$7,500 to \$25,000. All awards require a minimum match. Projects that provide benefit to low- and moderate-income populations may request up to 75% of the total project cost. Projects that address conditions detrimental to the public's health and safety may request up to 50% of the total project cost. Keep in mind that requests may not be funded in full, and that you must be prepared to provide the funding balance.

Maximum total available funding for all Small Capital Improvements Grants is an estimated \$250,000. 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

Two Step Process

1. Pre-Application, all applicants. **Deadline: August 24, 2006**
2. Proposal, eligible applicants only. **Deadline: September 12, 2006**

All submissions must be complete. DCA will not accept late, hand written, faxed or emailed applications.

1. Pre-Application – Eligibility Determination

Organizations who want to apply for a Small Capital Improvements Grant are first required to submit a Pre-Application. Staff from both DCA and the City's Office of Management and Budget Community Development Office will review and act upon each Pre-Application within 10 days of receipt. DCA will then invite full proposals from applicants meeting CADP eligibility requirements. You are strongly encouraged to submit your Pre-Application as soon as possible since a favorable notification enables you to proceed with your full application. If your organization is ruled ineligible, your executive director may contact DCA at 212-643-7720 to discuss the grounds for such determination.

Understanding CDBG Eligibility Requirements

As described in the Introduction Section, CADP 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 describe 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 very carefully. It is important that you understand if and how your organization and project qualifies.

The CDBG Program rules state that in order to be eligible for funding, each activity must meet specific requirements for either:

- A) **Benefiting low- and moderate-income persons (L/M), OR**
- B) **Preventing or eliminating blighting conditions on a spot basis**

A) Benefiting low- and moderate-income persons

The criteria for how an activity may qualify under this objective are divided into two subcategories:

- A-1) Those based on **area benefit**, and
- A-2) Those serving a **limited clientele**.

A-1) An *area benefit activity* is an activity which is available to benefit all the residents of an area which is primarily residential. In order to qualify as addressing the national objective of benefit to L/M income persons on an area basis, an activity must meet the identified needs of L/M income persons residing in an area where at least 51% of the residents are L/M income persons. The benefits of this type of activity must be available to all residents in the area regardless of income.

Defining a Service Area – As is probably evident, the determination of the area served by an activity is critical to this subcategory. DCA will generally accept an applicant's service area description unless the nature of the organization's activity, outreach or location raises doubts about the area claimed. It is critical that the service area determined by the applicant be the entire area served by the activity. Thus, if the applicant draws a majority of persons from beyond the local community, as reasonably defined, then, the activity would not qualify as meeting an area benefit.

Determining L/M percentage of a Service Area – The principal responsibility for determining whether the area served by an activity qualifies rests with the City. Therefore, it is necessary for staff from both DCA and the NYC Office of Management and Budget's Community Development Office to analyze and approve the service area before CDBG assistance may be considered. Because the regulations require

that U.S. census data be used to the maximum extent feasible for determining the income of persons residing in service areas, the boundaries of the service area determined by the applicant for the activity need to be compared with the boundaries of census tracts. Therefore the census tracts that best fall within the service area shall be used for defining the service area for purposes of calculating the percentage of L/M income persons residing in the area.

A-2) A *limited clientele activity* is an activity which provides benefits to a specific group of persons rather than everyone in an area. It may benefit particular persons without regard to the area in which they reside, or it may be an activity which provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be L/M income persons. To qualify under this subcategory, a limited clientele activity must meet one of the following requirements:

- a) Exclusively benefit clientele composed of one or more of the following groups: abused children, elderly persons, battered spouses, homeless persons, adults meeting the Bureau of Census' definition of "severely disabled", illiterate adults, persons living with AIDS, and migrant farm workers.; or
- b) Be an activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," provided it is restricted to the extent practicable, to the removal of such barriers assisting the reconstruction of a public facility or improvement, or portion thereof, that does not qualify under the L/M income area benefit criteria.

Challenge to Presumption of Eligibility – The 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 with 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 the use of the facilities assisted with CDBG funds, but charges, such as excessive tuition or admission fees, which have the effect of precluding L/M income persons from using the facilities, are not permitted.

B) Preventing or eliminating blighting conditions on a spot basis

To comply with this objective, the activity must be limited to one of the following:

1. Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety; or
2. Historic Preservation; projects are usually confined to the exterior of the facility.

Examples

- Elimination of faulty wiring, falling plaster or other similar conditions. Documentation is required to establish the nature and extent of such conditions.
- Historic preservation of a blighted public facility.

Considerations

- To be regarded as detrimental to public health and safety, a condition must pose a threat to the *public in general*.
- Activities that qualify under this objective are strictly limited to eliminating specific instances of blight.
- A recognized authority must substantiate the need to address blighting conditions before CADP funds shall be awarded.
- Applicants that qualify by addressing blighting conditions should substantiate significant service to persons of L/M income.

2. Proposal Submission

Please be aware that DCA will consider full proposals only from organizations that are invited to submit based on our review of the Pre-Application Forms.

Review and Evaluation Procedures

CADP staff will assess and compile proposals received before deadline and prepare them for panel review. Subsequently, they will conduct a site visit with each applicant between mid September and mid November. During the visit staff will meet with applicants to clarify or augment information provided in the application as well as inspect the area of the proposed project.

A peer review panel will be convened to evaluate and rank Proposals based on the review criteria below. Panels comprise a diverse group of people with experience in arts management and a wide range of arts disciplines, as well as nonprofit administrators who have guided capital projects. Panels will convene in early December.

The panel will review each request (including Proposal materials, staff reviews, and project cost estimates) and evaluate it according to the given competitive criteria. Weights have been assigned to each criterion indicating its relative importance in the evaluation process. 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

Your proposal (including narrative answers, budget information, and printed support material) should demonstrate how your project effectively addresses the following criteria:

Capacity: Artistic, Administrative, and Financial	20%
<ul style="list-style-type: none"> • Strength and quality of core programs and services • Financial strength and administrative competence • Ability of the organization to operate and maintain the facility 	
Cost/Benefit Analysis of Project Proposal	25%
<ul style="list-style-type: none"> • Evidence of need or rationale for the proposed project • Enhancement of organization's health, stability and vitality • Longevity of the project's benefits • Value for money - budget is reasonable in relation to the objectives • Realistic budget - clear and detailed • Impact on community through increased level or quality of service 	
Conditions for Successful Implementation	20%
<ul style="list-style-type: none"> • Financial resources in hand or a fundraising plan adequate to support the project • Project managed by capable individuals with relevant experience • Realistic timeline; ability to complete project within a reasonable timeframe 	
Community Support, Representation, and Benefit	30%
<ul style="list-style-type: none"> • Institutional commitment for ongoing inclusion of local community, particularly attempts to broaden and diversify audience • Community support in the form of participation, donations, volunteers, etc. • Staff and board reflect the diversity and breadth of the community • Collaborates with other community groups, businesses, institutions, etc. • Length of time in the community • Operates in a community underserved by the arts and cultural services 	
Overall Presentation	5%
<ul style="list-style-type: none"> • Proposal presents a clear, accurate and complete picture of the project and organization 	

Appeal Process

Any organization considered for CADP support is free to contact CADP staff for an explanation of funding awarded or to find out why the 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.

Post Award Information

Grant Preparation and Legal Requirements

Grant recipients shall enter into a contractual grant award agreement with the City that specifies the organization's responsibilities. All groups receiving City support through DCA must comply with all pertinent legal and administrative requirements. We will notify organizations separately of particular applicable regulations. Every applicant should be aware of the following:

Insurance:

- a. The Grantee shall furnish DCA with Certificate of General Liability, Employee Liability, Property damage insurance including additional theft/fire insurance affecting coverage. A certificate of insurance when submitted by the Grantee constitutes a warranty by the Grantee that the insurance coverage described is in effect for the policy terms shown. Additionally, if the site is within a federally designated floodplain, the Owner of the property shall be required to purchase flood insurance equal to or exceeding the amount of the renovation.
- b. Upon the commencement of and during the term of the small capital improvements contract, the appropriate insurance under New York City regulations shall be obtained by the Contractor referred to in the purchase order.
- c. The Commissioner of the Department of Cultural Affairs reserves the right at his or her discretion to require additional coverage. The insurance obtained under Paragraph a & b shall name the City of New York and its officers, agents and employees as additionally insured.
- d. Upon written agreement, the Grantee shall be responsible for obtaining the insurance required in Paragraph b. should the Contractor and any sub-contractor be unable to obtain said insurance.
- e. The above mentioned insurance policies shall be provided only by insurance companies authorized to do business in the State of New York and only in such form as is acceptable to the Commissioner of DCA and the Comptroller of City of New York. If the policy is cancelled or coverage is substantially reduced, Grantee/Contractor shall promptly notify DCA of this fact in every case no later than 48 hours. In such an event, DCA shall not disburse any more funds to the Grantee/Contractor until it has received assurance that adequate coverage has substantially been obtained.

Permits and Approvals: Prior to the commencement of any work set forth in the specifications the Grantee, shall obtain at its own expense, all necessary permits, consents, certificates, approvals and licenses from all governmental agencies and municipal departments having jurisdiction, (and where applicable, from landlord and prime tenant) required for the lawful commencement of such improvements and/or installation of the improvements and/or purchases, and provide copies thereof to DCA.

Americans with Disabilities Act Compliance: Every funded organization is expected to comply with the American with Disabilities Act (ADA), passed in 1990.

CDBG reporting requirements: Every funded organization must provide the following information during the January subsequent to the completion of their project: total project cost, project benefits and impact, information on people served including total number and race/ethnicity breakdown.

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.

Project Implementation

After the contract is signed and before CDBG funds can be obligated, the grantee must obtain project approval from the City's Landmarks Preservation Commission. Additionally, some projects must be further reviewed by the New York State Historic Preservation Office.

Grantees will not receive funding directly, but will be required to develop plans and specifications to enable DCA to solicit bids utilizing a qualified vendor/contractor list. DCA will select the lowest bidder, and make payment directly to the vendor/contractor. The Grantee shall be responsible for hiring and paying a licensed architect to develop the plans and specifications for the bidding process. In addition the Grantee shall be responsible for paying the required project match as well as any project expenses above the CADP grant amount.