

FY10 NON-CITY CAPITAL PROJECTS

- Projects must be defined in detail in a Capital Funding Request Form for Not-for-Profit Organizations. The Organization may not change Projects to a different location or type of work without submission of a new Form and a re-appropriation of funds for the new purpose.
- Organization must be a not-for-profit.
- Organization must have a City operating contract. For construction Projects, the contract must be in the current fiscal year (i.e. fiscal year during which the Form is submitted) and prior two fiscal years and have a minimum annual dollar amount of \$50,000. For Moveable Property Projects, the contract must be in the current fiscal year and be in an amount of \$25,000. This requirement does not apply to equipment purchases for hospital/clinics. The City may waive this requirement in a limited number of cases in which a compelling City purpose is demonstrated. (This requirement does not apply to Cultural Projects.)
- Projects must be for a capital asset under GAAP and City rules.
- No funding may be made available for a Project expected to be used by the Organization for less than five years.
- Organization must agree to a lien (restrictive covenant or security agreement) in a senior position on the property for its entire useful life (i.e., all other lienholders must subordinate).
- Projects involving land or buildings must cost at least \$500,000.
- For Moveable Property Projects, each item must cost at least \$35,000, unless it is for Initial Outfitting of new space.
- For Projects involving Moveable Property that has a minor degree of attachment to real property, the Project cost must be at least \$250,000. (Does not apply to Cultural Projects.)
- City contribution may not exceed 90% of the portion of a real property Project up to \$2 million and 50% of the portion in excess thereof. (Does not apply to Cultural Projects.)
- Additional Project costs (non-City) must be fully funded with available cash; commitment letters from lenders willing to accept a subordinate position; and/or reasonable fundraising plans (with cash in hand before any City funds are distributed).
- The City may fund 100% of equipment projects.
- Property must be owned and used by Organization (i.e. not rented) except for;
 - Projects on real property rented from or to affiliates where there is no rent charged and the landlord and tenant are under common control
 - Governmental Property
 - For Senior Centers, this requirement may be waived where there is a compelling City purpose
- Project must be used for front-line services not administrative space, unless it is in an integrated building where administrative space is less than half of the total space. (Does not apply to Cultural Projects.)

- Organization must demonstrate an operating budget to support the Project on an ongoing basis.
- Organization must provide audited financials showing history of operations. (Does not apply to Cultural Projects)
- City funded costs will be subject to a 2.5% City administrative fee.
- Project costs must have a 15% contingency built in.
- No funding for private elementary or secondary schools, except where 100% of the students are students with disabilities whose tuition is covered by the City (may not be located in a building with another school)
- The City will not fund Organizations that have not complied with requirements of prior City agreements. Such non-compliance may be cured.
- Organization must demonstrate that all licensing, zoning and other legal requirements are met to run the Project.
- All appropriations must comply with all federal, State and local laws and rules.
- Funds will be made available only on a reimbursement basis.
- Organizations should not spend money until they have an executed funding agreement with the City.
- The City will only reimburse for costs incurred after the date of appropriation.
- Recipient may not repay allocation and remove restrictive covenant or lien on property.
- Additional City capital funds may be added to existing Projects that do not meet all requirements if a CP has been issued, the additional funds are for cost overruns and the project is viable as determined by the City.
- Grants for housing projects must be identified with a loan program of the Department of Housing Preservation and Development.

Note: These bullet points are only a summary and do not purport to be complete. Reference is made to the “Guidelines for Capital Funding Requests for Not-for-Profit Organizations” for more detailed information about City capital grants.