

## FY11 NON-CITY CAPITAL PROJECTS

*Please 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 Fiscal Year 2011" for more detailed information about City capital grants.*

- A Capital Funding Request Form for not-for-profit organizations must be submitted for projects that are (i) on property that is not owned or leased by the City or (ii) owned by the City but are leased to the not-for-profit seeking to enter into a funding agreement or any other contract with the City to receive funds to improve the property (in which case, approval from the City agency that acts as landlord is required and all improvements must comply with the terms of the City lease).
- The recipient 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.
- The recipient organization must be a not-for-profit.
- The recipient organization must have a City operating contract. For construction Projects, the contract must be in the City fiscal years 2010, 2009 and 2008, and have a minimum annual dollar amount of \$50,000. 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.)
- For Moveable Property Projects, the recipient must have a City operating contract in the City fiscal year 2010 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 recipient for less than five years.
- The recipient 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 have a minimum City contribution of 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 must have a minimum City contribution of at least \$250,000.
- The 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. Furthermore, the City may pay a maximum of 50% of real property Project costs once City appropriations at the same address for the same organization in fiscal years 2009, 2010 and 2011 exceed \$2 million in aggregate. (Does not apply to Cultural Projects.)

- The lesser of 50% or \$1 million of the non-City funds for the project must be in hand at the time of the application for City funding from cash; pledged funds or commitment letters from lenders willing to accept a subordinate position (with cash in hand before any City funds are distributed). (Does not apply to Cultural Projects.)
- The City may fund 100% of equipment projects.
- Except for Cultural Projects, the real property must be used and owned by the recipient organization (i.e. not rented) except for:
  - Property rented from an affiliate of the recipient organization provided that either the two entities are under common corporate control or no rent is paid by the Organization
  - Governmental Property
  - For Senior Centers, this requirement may be waived when certain criteria described in the Guidelines is met.
- No organization may receive a City rent subsidy for space that has been acquired or improved with City capital funds.
- City capital funds may not be used for administrative use (e.g., back office, executive or support service space or use), unless the funds are for an integrated building used both for Front Line Services and administrative uses. City capital funds may only be applied to buildings (or condominium units) in which a majority of space used by the funding recipient is for Front Line Services for a majority of the time that such space is used. Therefore, the City may pay for any acquisition, construction, reconstruction or equipment in a building that is used primarily for Front Line Services, even if the capital work being carried out, or the equipment being purchased, is in a portion of the building that is not in itself dedicated to Front Line Services. Front Line Services are services that are rendered directly to the public through physical public access or through telephonic communication (such as a hotline). (Does not apply to Cultural Projects or electronic medical records projects.)
- The recipient organization must demonstrate an operating budget to support the Project on an ongoing basis.
- The recipient organization must have current, paid full-time staff.
- The recipient organization must provide three years of audited financials.
- City funded costs will be subject to a 2.5% City administrative fee.
- Real property 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 recipient organizations that have not complied with requirements of prior City agreements. Such non-compliance may be cured.

- The recipient must demonstrate that all licensing, zoning and other legal requirements are met to run the Project.
- All Projects must comply with all federal, State and local laws and rules.
- The City will only reimburse for costs incurred after the date of appropriation.
- Funds will be made available only on a reimbursement basis.
- Although an organizations may spend its own funds prior to the execution and registration of a Funding Agreement (provided such spending is after the date of appropriation), any such prior expenditure is at the organization's sole risk and may not ultimately be reimbursed.
- The recipient may not repay the City's funding in order to remove the restrictive covenant or lien on property.
- Additional City capital funds may be added to existing Projects that do not meet all requirements if a Certificate to Proceed 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.
- The City will not fund software (or equipment embedded with such software), unless such software license(s) are transferrable to the City and/or the City's designee.