

N O R T H E R N
C A L I F O R N I A



**NONPROFIT SPACE CAPITAL FUND
PERFORMING ARTS PROGRAM GUIDELINES
January 2006**

THE WILLIAM AND FLORA
HEWLETT
FOUNDATION

The NSCF Performing Arts Program is supported by a leadership grant from The William and Flora Hewlett Foundation.

NCCLF is pleased to announce the availability of grant funds from its Nonprofit Space Capital Fund (NSCF) for nonprofit performing arts organizations. Grant funding will support projects which create (through development or acquisition) or improve venues primarily for live performances. These projects may include additional space for administrative offices, rehearsal, community arts education and/or artist housing. ***The deadline for submitting Letters of Inquiry for this funding round is Friday, February 24, 2006.*** (Please see page 5 for details on how to apply.)

Please note that this final grant funding round is likely to be extremely competitive, due to limited funding. (As of this notice, approximately \$450,000 remains in NCCLF's Performing Arts Program grant fund). Therefore, organizations are advised to carefully review these Guidelines, to determine whether their project and organization fit with the Grant Fund Policies and meet the Eligibility and Preferential Review Criteria. These Guidelines have been revised for this final round to prioritize proposals that meet one or more of the following preferences (see "Preferential Review Criteria" section, below, for more information):

- 1. Project located in Marin, Monterey, Napa, San Mateo, Santa Clara, or Santa Cruz county;**
- 2. Capital grant request;**
- 3. Creation of new performing arts space and/or increased seating capacity;**
- 4. Project that features co-location with other performing arts organizations;**
- 5. Project/organization that has previously received a planning grant from the NSCF Performing Arts Program.**

Grant Fund Policies:

- 1) The maximum planning grant award amount is \$50,000.
- 2) The maximum capital grant award amount is the lesser of \$400,000 or:
 - a) 5% of the total project costs for project budgets of \$20.0 million or more;

- b) 10% of the total project costs for project budgets of \$10.0 to \$19.9 million; or
 - c) 25% of the total project costs for project budgets less than \$10.0 million
- 3) No organization will be awarded more than one planning grant and one capital grant per project.
- 4) Grant funds may not be used for any of the following:
- a) payment of back taxes;
 - b) payment of penalties, late charges or interest on any late payments;
 - c) to support individual artists, elementary and secondary schools, basic research, endowment, debt reduction, operations or annual fundraising campaigns;
 - d) to support candidates for political office, to influence legislation, or to support sectarian or religious purposes; or
 - e) other expenses as determined by NSCF.
- 5) Grantees will be expected to comply with the grant terms throughout the life of the grant (minimum of 20 years). *Compliance will be determined by NCCLF, at our discretion. Remedies for non-compliance will be determined by NCCLF with the understanding that recovery of the grant is a potential remedy.*
- 6) Once a grant commitment is made, all grant conditions must be met and grant should be closed and funded within twelve months. *Grant terms will be determined on a case-by-case basis but, in all cases, grant funds may only be used for purposes approved by NCCLF.*

Eligibility Criteria:

- 1) In order to be eligible to receive grant funds, an applicant must meet all of the following criteria:
- a) The organization is primarily a dance, music, opera or theater performing company or presenting organization. However, proposals will be considered, on a case-by-case basis, from arts service organizations, arts councils, or training and participation programs. *Regardless of the primary focus of the sponsoring organization's programs, the proposed project must create new space (through development or acquisition) or improve existing space primarily for live performances of dance, music, opera and/or theater;*
 - b) Be incorporated and in good standing as a Section 501(c)(3) nonprofit corporation;
 - c) Be located in and substantially serve artists, audiences and/or citizens of San Francisco, Alameda, Marin, Sonoma, Contra Costa, San Mateo, Santa Clara, Solano, Napa, Monterey and/or Santa Cruz counties;

- d) Demonstrate a recent history of financial stability as reflected by the absence of any significant unplanned operating deficit, and a positive fund balance and/or a meaningful cash reserve; and
 - e) Demonstrate the technical capacity and experience to plan, develop and operate the proposed project.
- 2) In order to be eligible to receive funds, proposed projects must meet all of the following criteria at the time of application and will be expected to comply with these criteria throughout the lifetime of the project:
- a) The project's proposed development and operating budget must conform to real estate industry standards for acquisition and development costs per square feet and cash flow projections that include reserves sufficient to ensure the long-term viability of the project;
 - b) The project must provide affordable nonprofit space for live performances and related administrative and program activity for at least twenty years. *Most projects funded by the NSCF are expected to be ownership projects. However, if funds are used for capital improvements to leased space, the length of the lease will be considered in determining the competitiveness of the proposal;* and
 - c) The Grantee must guarantee compliance with any NSCF grant terms and conditions with a subordinated deed of trust or other security instrument recorded as a lien on the property (for NSCF Capital grants only).

Preferential Review Criteria:

- 1) For this final grant funding round, grant requests that meet the following criteria will be given special preference:
- a) The project is located in Marin, Monterey, Napa, San Mateo, Santa Clara, or Santa Cruz County;
 - b) The request is for capital expenditures (not planning);
 - c) The project will significantly increase (as measured by total square feet) the availability of suitable and affordable performance space to house nonprofit live arts programming and related administrative offices and/or will increase seating capacity. *Preference will be given to projects which create mid-sized live performance venues with seating capacity of 250 – 800;*
 - d) The sponsoring organization will offer co-location opportunities that increase access to affordable space for other arts organizations. *Projects that have co-location as a goal should have one or more of the partners/stakeholders identified at time of application;* or,
 - e) The project has received a planning grant from the NSCF Performing Arts Program.
- 2) As in previous funding rounds, grant requests will be given preferential consideration to the extent that:

- a) The project will provide affordable space beyond 20 years, with a greater preference for projects that provide affordability for 99 years or in perpetuity;
 - b) The sponsoring organization has a solid record of artistic achievement, administrative capacity, audience support, and has a realistic plan for project development;
 - c) The organization is a mid-size organization with an annual program budget of \$750,000 to \$5.0 million;
 - d) The project will enhance community participation and connection with the sponsoring organization's programs and performances from a wide variety of Bay Area residents; and/or,
 - e) The project will create a performing arts facility that will serve as a catalyst for economic activity in the surrounding neighborhoods.
- 3) NCCLF will assess the following areas when reviewing LOIs, meeting with the sponsoring organization and underwriting the grant request (proposal):
- a) *Artistic merit/program strength.* Are the artistic programs of consistent merit and of significance in the cultural marketplace? What is the organization's capacity for self-evaluation of its artistic strengths and weaknesses, and the reasonableness of its plans for artistic improvement? What is its quality on a regional standard measured against similar organizations?
 - b) *Community participation and impact.* To what degree is this organization grounded in and informed by the community as evidenced by attendance, participation, volunteer support, donor base, and/or oversight, as appropriate to the nature of the enterprise? To what degree does the organization serve low- and very-low- income communities through its programs and/or the proposed project? Are there economic or social benefits which have or can be quantified and are relevant to the lives of low- and very- low- income individuals? Given the diversity of the San Francisco Bay Area, is the organization committed to diversity in its management, operations and programming?
 - c) *Governance and managerial capacity.* What is the current capacity of staff and volunteer leadership to guide the organization in the future? Are the critical decision-makers in place to run the organization?
 - d) *Ability to plan.* Does the organization have a long-range strategic plan currently in place? Does the organization know where it is going and how to get there? What is its capacity to plan its business, to implement its plans, to track performance against plan, and to make appropriate course corrections as circumstances change?
 - e) *Fiscal health.* What is the capacity of the organization for integrity, fiscal responsibility, critical self-review, honest representation, discipline, and adaptability to make decisions necessary to live within the limits of its available resources? Is there evidence of contingency planning? What does the organization's budget and audited financial statements tell us about its financial health and capacity? *Sponsoring organizations will be required to submit (i) a current fiscal year budget and year-to-date financial statements, including statement of activity and statement of financial*

position; (ii) audited or reviewed annual financial statements, preferably for the three previous fiscal years. Grant requests will not be considered if audited or reviewed financial statements are not available for the most recent fiscal year.

- f) **Project Financing.** Is the project financially feasible, as evidenced by cash flow projections during the term of the NSCF grant period (20 years)? Are there credible sources for project financing, in addition to the requested grant? Does the organization demonstrate the administrative and development capacity to finance the project as outlined in their development plan? Does the organization demonstrate the ability to leverage NSCF’s financial contribution significantly by obtaining additional support and/or financing? Will the project be affordable for the sponsoring organization to acquire and operate on a long term basis?

How To Apply:

- 1) **If you believe that your project fits within these guidelines, please contact the staff member (listed below) to discuss your project.**
- 2) If staff believes your project is eligible, please submit a Letter of Inquiry (“LOI”) for initial review (using the attached LOI Cover Sheet).
- 3) After your LOI is received, NSCF program staff will present your LOI to the Grant Review Committee.
- 4) Based on Review Committee input, you will receive a letter describing the status of your LOI. In this letter you may be: (i) invited to submit a full proposal, (ii) asked to provide additional information, or (iii) discouraged from submitting a proposal. ***Please do not submit a proposal until you are invited to do so. If you are not invited to submit a proposal, NCCLF staff will contact you to discuss the basis for this decision.***
- 5) Deadlines for Letters of Inquiry and Proposals are as follows:

<u>Deadline for Letter of Inquiry*</u>	<u>Deadline for Proposal</u>	<u>Review Committee Meeting</u>
February 24, 2006	May, 2006 (date TBD)	June, 2006 (date TBD)

* Letters of Inquiry must be **received** at the NCCLF office by 5pm on February 24, 2006.

For additional program information, or to submit a Letter of Inquiry, please contact:

Sarah Abbe Taylor, Associate
 Consulting and Grant Programs
 Northern California Community Loan Fund
 870 Market Street, Suite 677
 San Francisco, California 94102
 (415) 392-8215, Ext. 303
 sabbetaylor@ncclf.org

**NORTHERN CALIFORNIA COMMUNITY LOAN FUND
 NONPROFIT SPACE CAPITAL FUND
 PERFORMING ARTS PROGRAM
 Letter of Inquiry Cover Sheet
 January, 2006**

GENERAL INFORMATION

Date		Contact Person	
Organization		Title	
Address		Phone Number	
City		Fax Number	
State	Zip	E-mail	

ORGANIZATION

Executive Director		Date of Incorporation	
Chief Financial Officer		Number of Board Members	
		Number of Volunteers	No. of Paid Staff

Please provide a brief description or answer for each of the following questions on a separate sheet. Please do not exceed 2 pages:

- Your organization’s mission, history, current audience demographics or target population, primary geographic service area, recent achievements and current programming.
- Proposed project including location of project; whether a feasibility study (project or capital campaign) has been prepared for this project; how the proposed project will benefit your organization and community and specifics about your proposed development process (including anticipated timeline).
- If the project is a multi-tenant center, who are the other participants? Please indicate the level of commitment of the proposed participants.
- What is your organization’s annual operating budget? What is the project’s budget?
- Anticipated type (planning or capital) and amount of grant request. What/who are the other anticipated sources of funding for the project?

Please attach the following:

- (1) Audited, reviewed or un-audited financial statements for the previous 3 fiscal years (audited statements are preferred for all 3 years, and audited or reviewed financial statements are required for the most recent fiscal year), and (2) current year-to-date financial statements. *Note:* For planning grants, financial statements may be reviewed (although audited are preferred.)
- Five organizational references (must include at least two current funders). List each name, organization, and contact information.

For more information or to submit a Letter of Inquiry, please contact:

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