

Empire State Development

Not-for-Profit Capital Grant Program

Funding Available: Up to \$5 Million

Description:

Empire State Development (“ESD”) has up to \$5 million of funding available for the State’s Not-for-Profit Capital Grant Program (the “Program”). The Program will support not-for-profit organizations who provide economic support in their region by providing matching funds for capital improvements. The Not-for-Profit Capital Grant program and each funded proposal will work to support the Regional Economic Development Councils’ long term strategic plans for economic growth in their regions.

Funding will be awarded by the New York State Urban Development Corporation (d/b/a Empire State Development) at its discretion. If awarded, the grantee will be required to enter in to a contract with ESD, and ESD will pay the grantee on a reimbursement basis, up to the total award amount, and paid at project completion. No progress payments will be made and applicants will need to plan their project accordingly to cover project costs given ESD funds will be disbursed once the project is complete. Grantees will have 2 years from date of award letter to produce necessary paperwork indicating that materials have been purchased and installed and that the project is complete.

Eligible Entities:

501c3 Not-for-profit organizations whose mission is to provide an economic and community benefit to the area the organization serves. Associations, professional service organizations and fiscal sponsors will not be considered for funding. If awarded funding, prior to ESD Directors’ approval and execution of a contract with ESD, a not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General’s Charities Bureau and the New York State Office of the State Comptroller’s VendRep System and must be prequalified in the New York State Grants Gateway.

Funding availability:

- A total of \$5,000,000 will be made available;
- The Minimum award is \$25,000;
- The Maximum award is \$100,000; and
- Payment of awarded funds will be made in one lump sum payment as a reimbursement once the project is complete as no progress payments will be made.

Matching Equity Requirement:

The Program grant is a 50/50 matching grant. For example, a \$100,000 investment could receive up to a \$50,000 matching grant from ESD.

The Applicant will be required to contribute ten percent (10%) of the total project cost in the form of equity. Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through Applicant’s financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source. In-Kind donations will not be considered an acceptable form of equity.

Application Process:

- Applications must be submitted during designated open application periods throughout the year; and
- Applicants must complete and submit a Consolidated Funding Application (CFA; available at <https://apps.cio.ny.gov/apps/cfa/>) for review by ESD; and
- Eligible Applicants must provide evidence, acceptable to New York State that the Eligible Applicant is operational and meets the Program requirements; and
- As part of the application each business shall provide sufficient documentation in a manner prescribed by Empire State Development (“ESD”) to demonstrate Program qualification, and mitigate fraud, waste, and abuse. Only one grant per business EIN is allowed; and
- Due to a limited amount of funding and the high volume of requests expected, community benefit, capacity to complete the project, geography and populations served will factor into the review process to receive a grant as outlined in the selection criteria.

Eligible Projects:

Eligible projects include capital projects undertaken by not-for-profit organizations whose capital project will provide a community benefit to the area the organization serves. Examples of capital projects include expansion and/or upgrades to the organizations’ facility, purchase of new equipment, capital improvements, etc.

Applicants should clearly and concisely describe their organizations’ mission and what purpose their organization serves to their local community. A project that is located in (or locating to) a downtown area will be looked upon more favorably than a project not located in a downtown area and encouraging sprawl development.

Applicants should demonstrate the need for services in the area their project will serve and how their project will add and/or retain existing services they offer. Applicants should provide information about their project that bolsters the need for funding in addition to metrics that will result from the project, including but not limited to the anticipated community benefit as a result of the project, the populations that will benefit from the project, a demonstrated need for the services being proposed by the project and/or the organization itself, community support for the project, and any additional economic benefits that will occur from the project.

Projects will be reviewed and awards will be determined based on how the project will benefit not only the organization but rather the impacts the project will have for the populations and entities the organization serves / provides services to. A strong emphasis will be placed on project readiness along with the applicant having the capacity to complete the project if awarded.

Applicants should apply for the necessary amount of funding needed to incentivize the project to occur and request the amount of funding needed to complete their project vs. the maximum amount they may be eligible for.

Eligible Costs for ESD Funds:

Eligible costs must be directly related to an eligible project and examples of eligible costs include but are not limited to:

- Acquisition of land, buildings, furniture, fixtures, machinery and/or equipment;
- New construction, renovation or leasehold improvements;
- Infrastructure improvements to the facility;
- Compliance with Americans with Disabilities Act accessibility requirements; or

- Other capital costs / expenditures deemed eligible by ESD.

Ineligible Costs for ESD Funds:

- Overhead and indirect costs associated with the day-to-day operation of the eligible entity, including but not limited to:
 - Salaries and wages;
 - Fringe benefits;
 - Rent/lease costs;
 - Website maintenance;
 - App maintenance;
 - Communication;
- Marketing or advertising media costs;
- Events;
- Training;
- Residential development;
- Travel costs;
- Sales and/or excise taxes;
- Support of religious worship or activities
- Costs associated with completing an application;
- Costs incurred prior to the submission and award of a grant, actual or anticipated; and
- Other costs / expenditures deemed ineligible by ESD.

Eligible Matching Equity Funds:

Eligible match must be directly related to an eligible project.

- Cash Equity;
- Purchase of Materials and/or Equipment for the eligible project.

Ineligible Matching Equity Funds:

- New York State funds;
- Cash or in-kind salary, wages, or services expended prior to the award of a project;
- Ongoing or current operation costs; and
- Any funds not directly related to the eligible project.

Selection Criteria:

Awards will be made to eligible entities meeting the required eligibility criteria and awarded using the selection criteria below. ESD shall have discretion to consider additional factors in determining the relative merits of projects. Applicants that do not provide sufficient information needed to complete a thorough review may need to re-submit a new application to be considered for funding. Applicants applying for funding should clearly describe the scope and budget for the project for which funds are being requested.

Vision and Regional Economic Development Strategies:

- The overall economic impact that the project identified in the application will have on a region, including, but not limited to, the amount of capital investment and the level of increased economic activity from the proposed capital investment;
- The economic and community benefit to the viability of the area in which the project is located in;
- The existing impact the organization has within the community;

- Projects that create and/or retain any direct or indirect jobs will be looked upon favorably; and
- Any other economic benefits that can be demonstrated as a result of the project occurring.

Community Benefits & Impacts:

- The mission and general purpose for the services offered by the organization;
- How the project will address a demonstrated need for the services being proposed by the project;
- The impact and benefit of new, expansion and/or retainage of services;
- How the project will benefit not only the organization but rather the impact the project will have for populations and entities the organizations serves / provides services to;
- The project location, particularly if located within a downtown area, in relation to where the services are offered; and
- All other expected results and benefits from the project occurring.

Public/Stakeholders:

- Whether the project will have a significant regional impact or is likely to increase the subject community's economic and social viability and vitality; and
- The degree of economic distress in the area where the Applicant will locate the project identified in its application, including downtown revitalization and brownfield areas; and
- Whether the project has demonstrated support from local government and private sector leaders in the locality and the region where the project will be located.

Implementation:

- The degree of project readiness and likelihood of completion;
- The capacity of the applicant to be able to complete the project; and
- The degree of the Applicant's financial viability and strength of financials/operating history/ESD credit score.

Leveraged Resources:

- The amount of private financing leveraged; and
- The amount of public financing leveraged.

Performance Measures:

- The estimated return on investment that the project identified in the application will provide to New York State;
- Direct and ancillary benefits that will result from the project occurring;
- For downtown areas, whether or not the project concerns the preservation of the architectural character of a building or neighborhood;
- The degree to which the project supports the principals of smart growth, energy-efficiency (including but not limited to, the reduction of greenhouse gas and emissions and the

Leadership in Energy and Environmental Design [LEED] green building rating system for the project identified in its application), and sustainable development; and

- The degree to which the project identified in the application supports New York State minority- and women-owned business enterprises

Successful Applicant Requirements:

Because awards are offered as an incentive to undertake a project, the project cannot begin, and expenses cannot be incurred, before funding awards have been announced.

ESD requires that the Applicant to demonstrate their financial capacity to start and complete the project. This can be demonstrated through a Letter of Intent or Commitment Letter from a fiscal sponsor or partner. Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through the Applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or from a State of New York funding/grant source.

Applicants must be in substantial compliance with applicable federal, state and local laws, regulations, codes and requirements. Applicants must not owe any federal, state or local taxes, or have an approved repayment, deferral plan, or agreement with appropriate federal, state, and local taxing authorities;

Reimbursement:

The grantee will be required to enter in to a contract with ESD, and ESD will pay the grantee on a reimbursement basis, up to the total award amount, and paid at project completion. No progress payments will be made and applicants will need to plan their project accordingly to cover project costs given ESD funds will be disbursed once the project is complete.

Grantees will have 2 years (730 days) from date of award letter to produce necessary paperwork indicating that materials have been purchased and installed and that upgrades have been completed. If a project is not complete along with the necessary paperwork within 2 years from the date of the award letter, it is at ESD's sole discretion whether to allow for reimbursement given the project was not completed within two years.

Fees:

A \$250 Application Fee, payable when funding is documented in an Incentive Proposal, and a one percent (1%) non-reimbursable commitment fee based on the grant amount awarded will be assessed to all awardees. The commitment fee will be due when the Applicant executes documents required for processing the award, after approval by the ESD Directors. The Applicant will be obligated to pay for out-of-pocket expenses incurred by ESD in connection with the project, including, but not limited to, expenses related to attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, public hearing expenses and other requirements deemed appropriate by ESD.

Reporting:

Progress reports may be requested on a periodic basis or once the project is complete which will be outlined in the grant disbursement agreement with successful awardees. Applicants will be encouraged to track and report job creation and total number of employees, but job creation will not be a requirement of this grant.

Reimbursements will be initiated after the successful grantee has a signed/approved grant disbursement agreement (GDA).

Award Criteria Details:

- Grant funds will be awarded to eligible applicants for eligible projects upon review and approval of and ESD review. Awards will only be made to the organization that will administer the project versus a fiscal sponsor. Funds will be awarded on a first come first serve basis until such time that the total funding made available has been expended;
- Notice of a funding award will be given in the form of an award letter followed by an incentive proposal outlining the terms of the proposed assistance. The award is subject to approval and compliance with applicable laws and regulations. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project; and
- The essential terms for the disbursement of assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed in arrears, as reimbursement for eligible project expenditures.
- In 2014, the Service-Disabled Veteran-Owned Business Act was signed into law. The new law created the Division of Service-Disabled Veterans' Business Development in Office of General Services to certify, promote and encourage economic development among disabled veterans throughout the state. Project Applicants are urged to work with Service-Disabled Veteran-Owned Businesses (SDVOBs) and a directory can be found at <https://ogs.ny.gov/Veterans>.

ESD's Non-Discrimination & Contractor and Supplier Diversity Policies

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority and women-owned business enterprises (MWBEs) in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. No specific MWBE participation goals shall be required of this project, however, the grantee shall adhere to ESD's Non-Discrimination and Equal Employment Opportunity ("EEO") policy.