

RESOLUTION NO. 20190822-020

WHEREAS, City Council adopted Resolution 20170608-008, approving the Art Space Assistance Program Guidelines on June 8, 2017;

WHEREAS, the City's Economic Development Department has updated the Art Space Assistance Program to the Creative Space Assistance Program (CSAP) to provide direct support to qualifying creative organizations facing temporary or permanent displacement or organizations previously displaced;

WHEREAS, the Economic Development Department has developed CSAP guidelines that define eligible applicants, eligible uses for the funds, and the application evaluation process; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

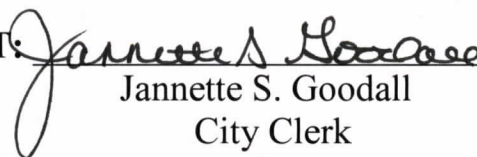
The modified Creative Space Assistance Program is approved.

BE IT FURTHER RESOLVED:

The Creative Space Assistance Program Guidelines, attached as Exhibit A, are approved as a Chapter 380, Local Government Code, program.

ADOPTED: August 22, 2019

ATTEST:


Jannette S. Goodall
City Clerk

CREATIVE SPACE ASSISTANCE PROGRAM (CSAP) GUIDELINES, FY19

INTRODUCTION

The Economic Development Department's (EDD) June 2016 Response to the Music and Creative Ecosystem Omnibus Resolution (Resolution No. 20160303-019) identified affordable space for artists and musicians as a priority concern area. Preserving and increasing the supply of available and affordable space for the creative community involves the public and private sector working collaboratively to assess existing space needs, anticipate future demand, and find ways to efficiently bring forward that supply of space. The public sector plays a role in facilitating a variety of interventions to provide relief to those in need; this Program is one of those interventions.

2019 CSAP OVERVIEW

The purpose of this Program is to provide direct support to qualifying creative organizations facing temporary or permanent displacement, or to those previously displaced. To build on the success of the 2018 Pilot—the Arts Space Assistance Program (ASAP), which exclusively benefited arts nonprofits—2019's Creative Space Assistance Program (CSAP) will provide grants to qualifying for-profit live music venues, performance spaces, and art galleries, in addition to arts-focused nonprofits.

Nonprofits composed of and/or serving historically underrepresented communities, such as ALAANA (African American, Latino, Asian American, Arab American, and Native American) communities, individuals with disabilities, and LGBTQIA are encouraged to apply.

This Program is able to distribute up to \$750,000 in funding for FY19. Based on recent real estate trends and the amount of funding requested by applicants in the pilot year, EDD anticipates overwhelming demand. Grants will be awarded in amounts up to \$50,000, with the option of pro-rating awards. Organizations with at least a 3-year lease term may apply for financial assistance; applicants with less than a 3-year lease may also apply, but must submit a 3-year business plan and narrative illustrating how CSAP will benefit.

Financial assistance may be used to defray rent hikes, property acquisition costs, or other compelling space-related needs identified by applicants. Only one financial assistance grant may be awarded per project/organization per grant period, which will extend one year from contract execution. Only organizations that have been displaced and relocated (or facing threat of such) after June 1, 2016 are eligible for financial assistance.

Grants will be made on a competitive basis and determined by established criteria. Priority will be given to organizations confronting immediate and critical needs, and bonus points will be given to those who did not receive 2018 ASAP funding. After applications are initially reviewed by City Staff to meet Program eligibility, a five-member Grant Review Committee comprised of representatives from the arts, music, finance, and/or real estate communities will evaluate and score the applications and make final recommendations to EDD.

CSAP Contract Commitments: Grant recipients must comply with the following commitments.

- Technical Assistance – Agree to participate in technical assistance or other capacity building support provided by the City of Austin (for example, workshops related to business development, financial planning, etc.); AND
- Job Retention – Agree to commit to maintain current employment levels; AND
- Professional Development – Agree to participate in or host one professional development opportunity for the community (speaker, workshop, webinar, panel, etc.), in partnership with EDD; OR
- Career Development – Agree to engage in career development opportunities with the Austin Independent School District, other school districts operating in Austin, or other entities that provide information about

career options for students K-12.

CSAP Eligibility Requirements: An applicant must meet the following minimum eligibility criteria:

- Nonprofit Applicants: The applicant must be designated as a 501(c)(3) per the Internal Revenue Code or State of Texas arts nonprofit organization in good standing.
- For-Profit Applicants: The applicant must meet EDD's definition of either a "Live Music Venue", "Performance Venue / Theater", or "Museum / Art Gallery":
 - **Live Music Venue:** An establishment where live music programming is the principal function of the business and/or the business is a live music destination, and where the venue clearly establishes the ability of an artist to receive payment for work by percentage of sales, guarantee or other mutually beneficial formal agreement for every performance. A live music venue is a destination for live music consumers, and/or its music programming and is the primary driver of its business as indicated by the presence of at least five (5) of the following:
 - a) Defined performance and audience space;
 - b) Mixing desk, PA system, and lighting rig;
 - c) Back line;
 - d) At least two of the following: (i) sound engineer, (ii) booker, (iii) promoter, (iv) stage manager, or (v) security personnel;
 - e) Charges cover charge to some music performance through ticketing or front door entrance fee;
 - f) Markets specific acts through show listings in printed and electronic publications;
 - g) Hours of operation coincide with performance times; or
 - h) Programs live music at least five nights a week.
 - **Performance Venue / Theater:** An establishment whose principal function and mission is to present live performances, plays, live music, film screenings, or other performances of artistic work produced by an artist, or arts and culture organization, accessible by public audiences.
 - **Museum / Art Gallery:** Facility whose principal function and mission is to exhibit, present, and/or sell artistic work in a variety of media produced by an artist, artist collective, or arts and culture organization, accessible by public audiences. (For the purposes of this program's eligibility, this will not include City-run/owned, State-run/owned, or Federally-run/owned facilities.)

The receipt of grant funds by for-profit businesses may result in a significant tax liability in the year of benefit. It is the responsibility of the recipient to consult with his/her tax advisor to understand how he/she may be impacted based on his/her individual tax situation.

- The applicant can demonstrate an urgent need for assistance due to having been adversely impacted by the real estate market after June 1, 2016 as follows:
 - It has been displaced and relocated, forced to close, OR
 - It faces the imminent threat of displacement and relocation, OR
 - It has renewed a lease at substantially higher rates ("substantially higher rate" is defined as at least 25% higher than current lease amount) , OR
 - It faces a pending lease renewal at substantially higher rates
- The applicant can provide evidence of site control, which includes one of the following:
 - An existing, fully executed lease or lease offer at a significantly higher rate than the previous or current rate, OR

- An existing, fully executed lease or lease/purchase offer for a facility in need of City Code-related improvements
- An existing, fully executed lease or lease/purchase offer for a facility in need of revenue-generating improvements
- The applicant can demonstrate the leased property or property to be acquired is located in the City of Austin incorporated city limits or extraterritorial jurisdiction.
- The applicant must show the appropriate zoning assigned to the leased property or property to be acquired.

Eligible Request Categories (maximum award of up to \$50,000 in each category; applicants must select one category in their application):

- **Rent Stipend:** If an applicant is requesting funds in the form of rent stipend, the applicant must have signed a new lease or renewed their lease after June 1, 2016 at a significantly higher rate. Applicants may apply for up to twelve (12) months of a rent stipend to pay the difference between the prior rent and the current rent. The applicant must provide a three-year financial plan indicating how the stipend will enable them to pay this higher rent into the future. The financial plan should demonstrate a plan for achieving or increasing operating feasibility or stability over the three-year period.
- **Gap Financing for Property Acquisition:** If an applicant is requesting funds in the form of down payment assistance or gap financing, the applicant must demonstrate a high degree of project readiness, including detailed deal structure (including proof of financing that will make up the remaining amount of funds needed for the purchase), acquisition process/timeline, detailed cost estimates for the acquisition or renovation (if applicable), and property/facility specifications. A one-page summary of the organization's business plan is also required.
- **Other Space-Related Needs, such as facility improvements or displacement-related expenditures:**
 - If an applicant is requesting funds to make physical and/or acoustical improvements to the facility being leased or purchased, the applicant must demonstrate a high degree of project readiness, including secured funding source(s), a detailed site development/construction budget, an identified project team/contractors, timeline, and a proposed operating/maintenance budget for the facility. The applicant must demonstrate how the proposed project will comply with the City Code and how the proposed project improves the financial and programmatic performance for the organization. Grant funding awarded will be reimbursed upon proof of a secured permit to remedy City Code violations or to execute facility improvements. A one-page summary of the organization's business plan is required for space-related needs.
 - A grant of up to \$5,000 may be awarded for the creation of a Predevelopment Plan by a licensed architect or engineer. In order to request funds to implement the plan, the applicant may submit another grant application in a subsequent and eligible funding cycle.
 - If an applicant is requesting financial relief to offset or defray displacement-related expenditures (production-specific facility rental, equipment rental/acquisition, transportation or moving costs, etc.), the applicant must be able to produce receipts/proof of payment for these specific expenditures. The receipts/proof of payments cannot be dated prior to June 1, 2016.

Application Information: For all requests, applicants must demonstrate all of the following:

- **Narrative Description (Nonprofit Applicants):** Provide narrative information that describes organizational history/context, including how the organizational mission and programs benefit the community, who

participates in artistic production/performance, and who is served (audiences and/or public participants).

Narrative Description (For-Profit Applicants): Provide narrative information explaining community and economic benefits such as increased payroll for musicians and music industry workers, increased load cards, new revenue streams, energy efficiency, job retention, job expansion, safety / City Code compliance, sound complaint reduction, preservation of locally owned music venues and theaters, increasing performance opportunities for local musicians and artists, and fostering genre diversity.

- If the applicant intends to offer co-location opportunities (access to the space by individual creatives or creative-based organizations), the applicant must demonstrate the extent to which this co-location serves or advances organizational mission or cultural use, increases access to long-term affordable space for other creatives, and/or improves programmatic efficiencies/collaboration.
- **Financials (Nonprofits):** Financial responsibility by submitting the organization's IRS Form 990 for the most recent three years (if unavailable, balance sheet and income statement), budget for the current year, and year-to-date income statement and balance sheet.

Financials (For-Profit): Most recent three years of the for-profit's tax returns (if unavailable, balance sheet and income statement) and current profit & loss report demonstrating Cultural Use business model

- A commitment to equity through mission focus, event schedule, board or staff representation, outreach marketing, and/or working with, presenting to and/or offering programs to members of historically underrepresented communities in the City of Austin. (The Cultural Arts Division currently applies the following definition of "cultural equity": *Cultural equity embodies the values, policies, and practices that ensure that all people—including but not limited to those who have been historically underrepresented based on race/ethnicity, age, disability, sexual orientation, gender, gender identity, socioeconomic status, geography, citizenship status, or religion—are represented in the development of arts policy; the support of artists; the nurturing of accessible, thriving venues for expression; and the fair distribution of programmatic, financial, and informational resources.* For further information provided by the City of Austin's Equity Office, please visit: <http://www.austintexas.gov/department/equity>).
- Evidence of the quality of its event schedule or artistic programming/services and advancement of the organization over time.

Evaluation Criteria and Scoring: Applications will be evaluated by a Grant Review Committee and scored as follows:

- **COMPELLING PROJECT NEED:** The applicant demonstrates the extent to which the funding will address a compelling organizational need - 20 POINTS
- **URGENCY:** The applicant demonstrates the level of urgency of need:
 - **Most Urgent:** The applicant has already been displaced or needs to immediately relocate, renew a lease, or renovate to avoid displacement that is expected to take place within 6 months of application submission – 15 POINTS
 - **Urgent:** The applicant has not been displaced yet, but needs to relocate soon, renew a lease, or renovate to avoid displacement that is expected to take place within 7-13 months of application submission – 10 POINTS
 - **Important but Less Urgent:** The applicant has not been displaced yet, but needs to relocate soon, renew a lease, or renovate to avoid displacement that is expected to take place within 14-20 months of application submission – 5 POINTS

- **CO-LOCATION:** The applicant demonstrates the extent of co-location opportunities for other creatives or creative-based organizations that this funding would support and how any co-locating/sub-leasing opportunities it intends to offer will help it meet or advance its own mission or improve programmatic collaboration. The applicant should include number and types of creatives or creative-based organizations served and in what capacity, and the qualitative and quantitative measurement for this co-location or shared space to increase capacity, efficiency, or effectiveness of both: (1) the “host” organization and (2) “hosted” creatives or “hosted” creative-based organizations, as the case may be – 20 POINTS
- **ORGANIZATIONAL STABILITY/PROJECT READINESS:** The applicant demonstrates that it is facing significant financial constraints, but has evidence of planning to identify and mitigate financial risk or has pursued or secured other sources of public support, philanthropic, investment, and/or earned revenue, and the extent to which CSAP funding would contribute to increased financial stability for the organization over the grant period. If requesting funds for relocation or renovation, the organization demonstrates a high degree of financial and project readiness, and ability to complete such relocation or renovation in a timely and fiscally responsible manner – 20 POINTS
- **EQUITY:** The applicant demonstrates that it is committed to equity and to serving historically underrepresented communities in the City of Austin – 15 POINTS
- **EVENT HISTORY AND/OR ARTISTIC PROGRAMMING/ADVANCEMENT:** The applicant demonstrates the quality of its event history and/or artistic programming/services, and advancement of the organization over time – 10 POINTS
- **NEW RECIPIENT:** The applicant has not received any previous CSAP funding – 10 POINT BONUS

The City of Austin and the Grant Review Committee reserves the right to conduct finalist interviews or request additional information before funding recommendations are made. Failure to provide the additional information within the requested timeframe may result in a denial of the application.

Grant Fund Policies: Any grant funding awarded will be disbursed through a performance-based agreement between the City and the grant recipient.

The City of Austin reserves the right to grant requests in part or in whole. Grant funds may not duplicate contracted work for which City of Austin funding is already being received. Grant Commitment(s) must be met and the grant must be closed and expended by the agreed terms prior to approval of a subsequent and similar grant for additional funds. Grantees may apply for an extension if conditions cannot be met within the agreed term.

Grant funds will be disbursed on a reimbursement basis. Grantees must provide receipts/paid invoices to request grant fund disbursements. Grantees receiving rental subsidies should request disbursement on a monthly basis. Grantees receiving funds for other purposes may request reimbursements based on a schedule submitted as part of the contract and agreed upon by the City of Austin.

Other grant terms and conditions will be determined on a case-by-case basis by the Grant Review Committee or City staff.

In the event of non-compliance, penalties include, but are not limited to, the following:

- Termination of the grant
- Repayment of funds received by the grantee
- Possible debarment from City of Austin funding programs

Timeline (subject to change):

Application Opens	March 4, 2019
Information Meeting	March 19, 2019, City Hall Boards and Commissions Room 1101 2:00-3:30pm
Eligibility requirements due	March 29, 2019
Application Deadline	April 30, 2019, 5pm CST
Awards Announced	Week of May 20, 2019
Contracts Executed	Week of June 3, 2019
First Disbursement of Funds	Week of July 1, 2019