



**Economic
Development**
CITY OF AUSTIN

Austin Creative Space Disaster Relief Program Guidelines

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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. The economic effects of the COVID-19 outbreak created additional pressures in the creative industry. The Austin City Council approved [Resolution No. 20200423-040](#) on April 23, 2020 to provide \$1 million for the Austin Creative Space Disaster Relief Program. This grant will provide direct support to for-profit live music venues, performance spaces, art galleries, arts-focused nonprofits and individual artists facing temporary or permanent displacement.

2020 Creative Space Relief Program 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. As with the 2019 program, the Creative Space Relief Program will include both arts nonprofits and for-profit organizations as defined on page 2 of the guidelines. The Austin Creative Space Disaster Relief Program will also include relief options for Austin creative businesses and individual artists impacted by pressures of affordability as well as those that have suffered sudden and catastrophic losses due to COVID-19.

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.

Funding in the amount of \$1,000,000 is available in the FY 2019-2020 current budget appropriation, \$500,000 from the Economic Incentive Reserve Special Revenue Fund and \$500,000 from the Economic Development Operating Fund. Based on recent real estate trends, the amount of funding requested by applicants in previous years, and the economic impact of the COVID-19 outbreak, EDD anticipates overwhelming demand. Grants will be awarded in amounts up to \$50,000, with the option of pro-rating awards.

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, including those organizations and individual artists facing extreme hardship due to the COVID-19 pandemic 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 or 2019 Creative Space Assistance Program 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.

Creative Space Relief Program 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.

Creative Space Relief Program 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.
- Individual Artists: Artists located in the City of Austin.
- 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 may be an individual artist leasing space and can demonstrate an urgent need for rental assistance due to having been adversely impacted by the COVID-19 pandemic or
- 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 may include 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.

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 an organization and is requesting rent stipend to cover unpaid rent due to catastrophic revenue loss resulting from the COVID-19 pandemic, the applicant must demonstrate rent was paid on a regular basis for at least 6 months until March 1, 2020.
 - If an applicant is requesting funds in the form of rent stipend due to rental increases, 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.
- 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:

- Nonprofit Applicants Provide 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).

For-Profit Applicants: Provide 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.

Operating Cushion: Best practices dictate businesses should have at least 6 months operating capital set aside for sustainable operations. To build towards this goal, preference will be given to applicants who can show any leveraging of existing or new assets (such as City and non-City disaster relief grants and loans, if applicable).

- 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: www.austintexas.gov/departments/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 for a total possible score of 115:

- **COMPELLING PROJECT NEED – 20 POINTS:** The applicant demonstrates the extent to which the funding will address a compelling organizational need.
- **URGENCY – 25 POINTS:** 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 – 25 POINTS, or
 - The applicant demonstrates the level of need from sudden and catastrophic loss due to COVID-19:
 - Loss in revenue of 70% or more – 25 POINTS
 - Loss in revenue of 60% to 69% – 20 POINTS
 - Loss in revenue of 50% to 59% – 15 POINTS, or
 - 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 – 15 POINTS:** 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.
- **ORGANIZATIONAL STABILITY/PROJECT READINESS – 15 POINTS:**
 - 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 Creative Space Relief Program funding would contribute to increased financial stability for the organization over the grant period. The applicant should demonstrate leveraging of other funds that it is seeking, or has received, financing in the form of a loan, line of credit, or grant within the month prior to submission. Through staff analysis of the applicant’s financial statements, the applicant demonstrates sufficient liquidity to further operate in the near-term.
 - 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

- **EQUITY – 25 POINTS:** The applicant demonstrates that it is committed to equity and to serving historically underrepresented communities in the City of Austin.
- **EVENT HISTORY AND/OR ARTISTIC PROGRAMMING/ADVANCEMENT – 5 POINTS:** The applicant demonstrates the quality of its event history and/or artistic programming/services, and advancement of the organization over time.
- **NEW RECIPIENT – 10 POINT BONUS:** The applicant has not received any previous ASAP or CSAP funding.

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: May 27, 2020

Information Meeting: June 5, 2020, 3:00 - 4:00 p.m. CST

Application Deadline: June 17, 2020, 5:00 p.m. CST

Awards Announced: Week of June 29, 2020

Contracts Executed: Week of June 29, 2020

First Disbursement of Funds: Week of June 6, 2020

Definitions and Supplemental Information

Sole Proprietorships and Individuals as Applicants – A single individual engaged in business activity may file with the Texas Secretary of State as a sole proprietorship, or may not have any formal organization. Sole proprietorships and individuals may be considered for a grant.

One grant per project/organization – Applicants in which a principal is in partnership with multiple applications may not be considered for more than one grant per grant cycle. Such applications may be disqualified.

Technical Assistance – Technical assistance refers to learning opportunities designed to enhance business management knowledge. Workshops or classes including business development, financial planning, board development, marketing and cash flow management are examples of acceptable technical assistance. More information about opportunities offered through the City of Austin Small Business Program can be found online at www.SmallBizAustin.org. Applicants will also be notified about opportunities offered through the City.

Professional Development – Professional Development refers to learning opportunities related to the practice of a profession or occupancy. Workshops in sharpening supervisory and leadership skills, industry-related speaker series and panel discussions, and training opportunities are considered examples of professional development. Some professional development opportunities can be found online at www.SmallBizAustin.org.

Capital Campaigns – Capital campaigns are fundraising campaigns undertaken by a nonprofit to raise money for building acquisition or renovation. Applications requesting assistance for capital campaigns will not be considered.

Gap Financing – Gap financing refers to a small amount of money needed to complete an acquisition. If the property acquisition has been completed, and the gap amount requested has already been paid, the applicant should explicitly state that information in the application. Funds may be used to pay up to \$50,000 towards the purchase of a property. Gap financing will only be considered for a location that is being or has been acquired.

Rent Stipend – Rent stipend may only be considered for a location for which the applicant has a current lease or pending lease offer.

Private Residence Spaces – Funds will not be considered for private residences, such as home or garage studio spaces.