

GUIDE FOR NONPROFIT CAPITAL PROJECTS DURING COVID-19 PANDEMIC

THE CORONAVIRUS CRISIS HAS UNDERLINED THE CRITICAL IMPORTANCE OF CBOS: NONPROFITS ALL OVER THE CITY ARE PROVIDING ESSENTIAL HEALTH, HOUSING, ECONOMIC AND INFORMATION SERVICES TO NYC'S MOST VULNERABLE POPULATIONS.

On top of serving their communities in this time of crisis, nonprofits undertaking acquisition or construction projects are managing another layer of complexity. Capital projects are tough no matter what - the Coronavirus crisis has made everything more challenging. Below, find some information about how to manage the planning, design and construction of your capital project right now.

SAFETY

Click on links () for more info!

IF YOUR PROJECT IS CURRENTLY IN CONSTRUCTION, THE SAFETY OF THE WORKERS ON YOUR SITE IS TOP PRIORITY.

On March 27, New York State (NYS) updated an executive order effectively shutting down all non-essential construction. NYC Department of Buildings (DOB) issued a similar order on March 30. Both orders allow for emergency construction projects to continue - the map + list of qualified projects is available online.

If you believe your project qualifies as an essential construction project, fill out an application with DOB using the link below.

-  Executive order shutdown on non-essential construction
-  DOB order on non-essential construction
-  List of qualified emergency construction projects
-  Map of qualified NYC construction projects
-  Securing suspended construction sites
-  Preventing COVID-19 spread on construction sites
-  Laborers' International Union of North America (LIUNA) COVID-19 response plan
-  DOB application for essential construction projects

BUDGET + FUNDING

Many nonprofits have re-allocated resources from ongoing programs to ensure that NYC communities get through this crisis. Lenders, Council Members, Borough Presidents and City Agencies also have a role to play in supporting these efforts.

Reach out to your lenders for:

- Loan interest deferral
- 3-6 months interest forgiveness
- Reduced interest rate for remainder of project

Contact your Council Member and/or Borough President, and City Agency (EDC/DDC) to:

- Repurpose CapGrant monies for subsequent years (If you're currently in the NYC Capital Funding approval process and cannot proceed with construction)
- Inform your Project Manager about project impacts/changes

INSURANCE

NONPROFIT DEVELOPERS/OWNERS SHOULD NOT BE HELD RESPONSIBLE FOR ANY DELAYS CAUSED BY THE CRISIS – THIS IS AN OPPORTUNITY FOR ADVOCACY AND COLLECTIVE ACTION.

Our current understanding is that the insurance industry's position is that there is no coverage for COVID-19-related losses – including delay claims. That said, several jurisdictions have introduced legislation that would require insurance companies to cover COVID-19 losses, such as New York Assembly Bill 10226

 [New York Assembly Bill 10226](#)

- Review your insurance policy and GC contract with your attorney
- Contact your insurance company to understand their position on COVID-related coverage

ACQUISITION

These uncertain times may affect buyers and sellers differently, so it is important to understand how the crisis may impact your specific deal.

Contact your broker and property seller:

- If your organization is in the process of negotiating a property acquisition
- To share updates about any crisis-related impacts on your deal

Adjust to potential risk factors:

- Plan for delays to property closings due to brokers, owners and consultants working remotely
- Renegotiate closing terms (dates + timelines) with the seller

DESIGN + CONSTRUCTION

EMPLOYEE HEALTH + SAFETY, MATERIAL DELAYS, AND LEGAL + FINANCIAL RISK WILL BE AFFECTED BY COVID-19.

Contact your General Contractor, Owner's Rep and Architect to:

- Find out if your site is shut down or qualifies as emergency work
- Find out how your GC is protecting the workers on site (if work is continuing)
- Find out how your GC is securing your site (if it is shut down)
- Check for reductions in workforce
- Check for cost escalations in material procurement/delivery

We want to know how the Coronavirus crisis is impacting nonprofit capital projects so we can advocate for nonprofit owners/developers, and inform City agencies, lenders and contractors. **Please take the survey linked below.** For more info contact: devan@hesterstreet.org.

 **PLEASE TAKE A 5-MINUTE SURVEY**

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