

Homes and Community Renewal

NYS Community Development Block Grant Program

Q1. Where can we get more information about HCR's programs? If we have questions, who should we contact?

A1. Please send an email to HCR_CFA@nyshcr.org and your question will be directed to the appropriate program staff. Additional guidance and instructions are available on HCR's website, here: <http://www.nyshcr.org/Funding/>.

Q2. Does HCR have other funds available for rehabilitating homes?

A2. Yes, HCR has a variety of housing preservation/rehabilitation and development programs available, with varying availability of funding based on the specific program. For more info on HCR programs, please visit: <http://www.nyshcr.org/Programs>. For more info on HCR funding opportunities, please visit: <http://www.nyshcr.org/Funding>.

Q3. Can an administrative government building be renovated with HCR's CFA funds if it is a historic building that needs new windows, heating system, elevators, etc.?

A3. No, HCR cannot fund renovations for buildings used for government administration. However, we may consider projects that involve areas of the building that are designated for at least 51% low-moderate income people, or special projects such as wheelchair accessibility. Services based on income thresholds could be funded pro-rata; i.e., a portion of the cost of the renovated heating system might be covered if it can be shown that the heat is used in part for individuals falling into that low-mod income bracket.

Q4. What kinds of projects can HCR's CFA programs provide funding to?

A4. HCR can fund commercial and residential building rehabilitation, sewer and storm water, public facilities, handicap accessibility improvements, community planning proposals and projects to attract, expand, or retain businesses.

Q5. How do I know if my project will be eligible for HCR program funding?

A5. Applicants must answer each of the "Yes or No" threshold questions posed for NYS Community Development Block Grant (CDBG) Economic Development, CDBG Small Business, CDBG Microenterprise, CDBG Public Facility, CDBG Public Infrastructure, CDBG Community Planning, or New York Main Street (NYMS) accurately to proceed with an application. Once an applicant advances and begins the application, standard questions will provide fields for narrative responses to provide information to support the threshold question responses. Each program application requires attachments, and some of the attachments are required to provide formal documentation to support the response to the threshold questions. Applicants that do not accurately fulfill the threshold requirements or provide the required narrative responses and attachments will be considered ineligible and excluded from further review. Please contact HCR with eligibility questions prior to submitting an application: HCR_CFA@nyshcr.org.

All Economic Development and Small Business Applications will continue to be available through an Open Round process and completed through the CFA portal. The Open Round applications require the completion of a Pre-Submission Form. The Pre-Submission Form will be reviewed by The Office of Community Renewal and if accepted, the applicant will receive an invitation to apply and will have 60 days to complete a full application within the CFA portal. The CDBG Economic Development and Small Business applications are not subject to the CFA deadline. These open round applications may be submitted at any

time. Please note, an applicant must submit a standalone CDBG Economic Development or Small Business application. The application cannot request other CFA resources in the same project application. More information is available online, here: <http://www.nyshcr.org/Funding/>.

Q6. How can we find out if we are eligible for NYS CDBG funding?

A6. Eligible applicants are non-entitlement units of general local government (Villages, Cities, Towns or Counties), excluding metropolitan cities, urban counties and Indian Tribes that are designated entitlement communities. Non-entitlement areas are defined as Cities, Towns and Villages with populations of less than 50,000, except those designated principal cities of Metropolitan Statistical Areas, and Counties with populations of less than 200,000. The NYS CDBG program does not provide direct financial assistance to businesses. For a list of eligible communities, please visit: <http://www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunities.htm>.

Q7. Can we apply for NYS CDBG for multiple projects or should the application propose a single project?

A7. Applications may consist of more than one activity if one of the activities is incidental to or in support of the primary activity. For a project consisting of more than one activity, the activity that directly addresses the primary need must represent the majority of the funds requested. For example, an application for a public water or sewer activity includes an activity that provides lateral connection assistance that clearly supports the public water or sewer activity and represents a relatively small percentage of the funds in comparison to the primary public water or sewer activity. The lateral connection activity must clearly be in support of the public water or sewer project as well as demonstrate compliance with a National Objective and the NYS Smart Growth Public Infrastructure Act (Chapter 433 of the Laws of 2010). NYS CDBG funds should not be requested for more than one activity in a single application if the additional activities are not incidental to, or in support of, a principal activity.

The CDBG Economic Development and Small Business applications are not subject to the CFA deadline. These open round applications may be submitted at any time. Please note, an applicant must submit a standalone CDBG Economic Development or Small Business application. The application cannot request other CFA resources in the same project application. More information is available online, here: <http://www.nyshcr.org/Funding/>.

Q8. We have a project that could use NYS CDBG Planning funds and NYS CDBG Public Infrastructure funds. Can we submit an application for both?

A8. No. NYS CDBG Planning proposals are intended to provide plans for future NYS CDBG funding opportunities and projects, or applications through other State and Federal sources that will result in a benefit to low- and moderate income-persons. Given the fourteen (14) month contract term for CDBG Planning, it is not feasible for a community to complete both the planning activity and the public infrastructure project within their respective contract terms. However, if the activities are separate and in no way related to the same project, applicants may submit an application for a CDBG Planning proposal and an application for one or more of the other CDBG funding categories simultaneously.

Q9. We are planning to apply for both NYS CDBG Public Infrastructure and Economic Development funds; do we need two separate public hearings?

A9. A single public hearing is acceptable when the notice clearly states both the CDBG PY that funds are being applied for and the activities that the municipality may apply for, such as Economic Development, Small Business Assistance, Microenterprise, Public Infrastructure/Facility, and/or Planning.

Q10. Regarding project funding limits: if a municipality applies for more than one project, is the maximum dollar amount per project, or per community that is applying?

A10. A community can apply for NYS CDBG assistance up to the maximum amount available per eligible activity.

Q11. Is my project subject to environmental review?

A11. Yes, all projects funded with NYS CDBG funds are subject to environmental review. CDBG funds are Federal funds and are subject to the requirements of the National Environmental Protection Act (NEPA). The project is also subject to the State Environmental Quality Review Act (SEQRA). Collectively, the NEPA review and SEQRA review is referred to as the Environmental Review Record (ERR) which must be completed and submitted to the Office of Community Renewal (OCR) for approval prior to incurring any project costs. If a project is receiving funds from multiple sources, the ERR must be completed for all sources. An approval for the release of funds must be issued by OCR prior to incurring any non-exempt project costs. Any non-exempt project costs incurred prior to OCR's approval for release of funds will be ineligible for NYS CDBG reimbursement. A complete description of the environmental review process is available on the OCR website at: <http://www.nyshcr.org/Forms/NYS-CDBG/GAMChapter2.pdf>.

Q12. Are there additional requirements placed on recipients that receive NYS CDBG funds?

A12. Upon award, all CDBG recipients will be required to comply with all Federal, State, and Local regulations and statutes as outlined in the certifications required by Title I of the Housing and Community Development Act (HCDA) of 1974, as amended, including, but not limited to compliance with Title VI of the Civil Rights Act, the Fair Housing Act, and compliance with Section 3 of the HCDA. Recipients must ensure compliance with other statutory, regulatory, and program requirements including, but not limited to Labor Standards, as applicable, annual reporting, conflict of interest, procurement, A-133 Audit, Civil Rights, and other requirements as outlined in the Office of Community Renewal Grant Administration Manual available at: <http://www.nyshcr.org/Programs/NYS-CDBG/GrantAdministration.htm>.

Q13. Under the CDBG Economic Development program is there funding available for micro-enterprises?

A13. Yes, for the CFA, NYS CDBG program funds are available for microenterprise programs.

Q14. Is it acceptable to submit a microenterprise application without the businesses to be assisted identified?

A14. Yes, as long as the program is fully designed and the applicant demonstrates the capacity to implement the program immediately upon award, applications can be submitted without microenterprises identified. Applications for microenterprise assistance that include an identified list of businesses that have expressed an interest in participating will be viewed more competitively.

Q15. What are the criteria for infrastructure funding for non-entitlement areas and public water and sewer and storm water projects?

A15. Public water and sewer and storm water projects are eligible CDBG activities. These activities must benefit a predominantly low- and moderate-income area, which means that at least 51% of the persons benefitting from the improvements are low- and moderate-income individuals. Applications for NYS CDBG assistance through the CFA must be made by the Town, Village or City where the improvements are proposed. The application may need income survey or census data to demonstrate that at least 51% of the persons benefitting are low and moderate income.

Q16: Can we use NYS CDBG funds to tear down a vacant building?

A16: Yes, NYS CDBG funds can be used for demolition. The project must meet a National Objective, that is, the community is more than 51% low-and moderate income and the narrative description demonstrates why this is necessary. The activity can also meet eligibility through slums and blight area (SBA) or spot basis (SBS). This requires additional documentation, which may include compliance with a slums and blight determination. The activity may be subject to prevailing wage rates. If the site will be redeveloped with a new structure, prevailing wages will apply. If the space is to remain 'green space' in perpetuity, then wages will not apply. Documentation of post demolition intention must be included within the application.

Q17. Are matching funds required for NYS CDBG?

A17. The required leverage depends on the NYS CDBG program for which you are applying. A NYS CDBG Economic Development request may not exceed 40% of the total project cost and can fund up to a maximum award of \$750,000. Additionally, projects must result in the creation or retention of one full-time equivalent (FTE) job for every \$15,000 of CDBG funds awarded. The NYS CDBG Small Business request may not exceed 40% of the total project cost and can fund up to a maximum award of \$100,000. Additionally, projects must result in the creation or retention of one FTE job for every \$25,000 of CDBG funds awarded. The NYS CDBG Small Business program also requires at least 20% owner equity. Please contact OCR prior to considering projects which will result in the retention of jobs to ensure eligibility. The NYS CDBG Microenterprise program may not exceed 90% of the total project cost. The NYS CDBG Microenterprise program also requires that Microenterprise grantees contribute at least 10% owner equity to the total project.

Leveraged funds must fill in any gaps between the NYS CDBG maximum funding amounts and the total project costs. Please also note that applicants documenting high percentages of committed matching and leveraged funds will receive the highest scores. For NYS CDBG Public Infrastructure and Public Facility projects, a match is not required; however bringing leveraged funds to a project may make it more competitive. Planning requires a minimum 5% cash match in non-CDBG sources. In-kind services, force account labor, and volunteer services cannot be used as demonstration of match.

Q18. Are costs incurred prior to award eligible for reimbursement or as match?

A18. Typically, costs incurred prior to award are **not** eligible for reimbursement or as match. Certain eligible costs for **water, sewer, or storm water projects only**, may include pre-development costs necessary to complete the environmental review process required for all CDBG projects. Please contact OCR prior to considering incorporating pre-award costs into the project budget to ensure those costs are eligible.

Q19: Are in-kind labor and donated materials eligible as leverage for NYS CDBG?

A19: Leverage for NYS CDBG projects cannot be in-kind services or materials for Economic Development, Small Business Assistance, Microenterprise and Planning projects. In-kind

labor and donated materials for Public Infrastructure and Public Facility projects may be eligible with proper documentation.

Q20. Can tax credits be used as leverage?

A20. Tax credits are not eligible as leverage for the NYS CDBG program for Economic Development, Small Business Assistance and Microenterprise activities. While leverage is not required for Public Infrastructure or Public Facilities projects, tax credits may be eligible for funding in certain instances as it applies to infrastructure. Check with OCR prior to submitting the CDBG application.

Q21. Are financial commitment letters for other funding sources required?

A21. Applications demonstrating formally committed funds will score more competitively than those without funds committed. Examples may include a commitment from a private bank, or a commitment of funding from another agency such as Empire State Development Corporation, NYSERDA, EFC or USDA.

Q22. How much time will we have to complete a NYS CDBG project?

A22. NYS CDBG Economic Development, Small Business, Microenterprise, Public Facility, and Public Infrastructure projects must be completed and all accomplishments reported within 24 months of award. NYS CDBG Planning activities must be completed and the final plan submitted to the OCR within 14 months.

Q23. What do you mean by ready-to-go projects?

A23. A ready to go project will have all required non-CDBG funding and local approvals in place, and experience no difficulty in completing the project in a 24-month timeframe. Please note however, the project must not commence prior to award. Projects that begin prior to award, contract execution, and environmental review may not be eligible for reimbursement.

Q24. Can someone apply that applied last year and was not awarded?

A24. Yes, any eligible applicant may apply for NYS CDBG funds regardless of prior assistance or prior applications.

Q25. Regarding the Public Facilities Program, if local municipalities are upgrading existing structures (i.e.: fire stations and municipal buildings), are there restrictions on ownership of the building for who can apply?

A25. Buildings for the general conduct of government, for example, Town Halls, City Halls, and Village Halls are not eligible for CDBG assistance. Facilities such as emergency response centers for fire stations may be eligible for CDBG assistance.

Q26. What does a “shovel ready” timeline mean?

A26. HCR generally considers shovel ready to be a project that is fully funded at the time of application and can complete the release of funds process upon award.

Q27. If we opt out of a consortium, do we need to clear it with the agency?

A27. When a municipality is part of a local HUD Entitlement Jurisdiction, and decides to opt out of the Consortium, the OCR is not involved in the separation process. The OCR will be notified by HUD when the separation is finalized and if the local municipality becomes eligible for State CDBG funding assistance.