



**Empire State  
Development**



# Empire State Development

**Capital Improvement Grants for Pro-Housing Communities Program**

5/13/2024

# Capital Improvement Grants for Pro-Housing Communities Program

**\$40 Million in Capital Grant Funding to Support Pro-Housing Communities**

**Available in Round 14**

# Eligible Applicants

- Cities, towns, and villages;
  - Cities, towns, and villages must be certified by HCR as a pro-housing community prior to submitting a Consolidated Funding Application (CFA) to the Capital Improvement Grants for Pro-Housing Communities Program OR
  - Must apply to HCR to be a certified pro-housing community by July 31st, 2024, and approved for certification prior to award announcements.
    - While HCR accepts letters of intent, a full application submittal to the HCR Pro-Housing Communities Program is required to be submitted to HCR by July 31<sup>st</sup>, 2024
  - No awards will be made to municipalities that are not a pro-housing certified community at the time of award
  
- Not-for-profit corporations\* and counties whose projects are located within a certified pro-housing community
  - While the pro-housing communities program does not apply to not-for-profits and county applicants, projects will be considered for funding if the applicant's proposed project is located within a community that is either already certified by HCR as a pro-housing community or the community that the project is located in submits their application to become a pro-housing certified community to HCR by July 31st, 2024 and the community is approved for certification prior to award announcements

*\*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 Financial System (SFS).*



# Program Objectives and Requirements

- Capital grant funding is available to support capital improvement projects located within a pro-housing certified community that will lead to the increase of available housing, support blight removal, infrastructure improvements, and placemaking investments to create thriving and sustainable communities.
  - The Pro-Housing Certified Communities Program was created recognize and reward municipalities actively working to unlock their housing potential and encourage others to follow suit. Under the program, HCR will review and certify communities who successfully unlocked housing growth or committed to taking important steps to support housing, such as by streamlining permitting and adopting pro-housing policies, and that have applied and submitted critical housing and zoning data to the state. Once certified, localities will then be eligible to receive an award for the ESD Capital Improvement Grants for Pro-Housing Communities Program along with county applicants and not-for-profit organizations located within a pro-housing community.
- Only grant requests of \$100,000 or more will be considered for funding. The maximum award is \$3 million.
- Applicants will be considered for up to 50% of the financing for a project based on the eligible total project cost
- Funding is available through CFA Round 14 with a deadline for applications on July 31, 2024, by 4pm EST.
- Eligible projects will generally fall two categories.
  1. Infrastructure, Blight Removal, and Redevelopment Projects
  2. Placemaking Projects

# Program Objectives & Requirements

## Infrastructure, Blight Removal, and Redevelopment Projects

- Capital projects with a justified economic benefit will be considered for funding with the intent to award smaller-scale infrastructure projects. Eligible projects include but are not limited to:
  - New or reconstruction of infrastructure including but not limited to water, sewer, or other utilities that will support development projects with a justified economic benefit;
  - Site development and preparation including but not limited to blight removal, demolition, and environmental remediation; and
  - Construction, expansion, and/or rehabilitation of facilities or space leading to an increase in economic development;
  - Other capital projects that will result in a justified economic benefit as determined and considered by ESD.
  - *Applicants are encouraged to reach out to their ESD Regional Office to discuss their project prior to submitting an application.*

## Placemaking Projects

- Capital projects that invest in the creation of accessible job centers, sustainable infrastructure and vibrant, livable communities will be considered for funding. Examples of eligible projects include but are not limited to:
  - Creation of a center/facility located in an economically distressed downtown that will provide opportunities for pop-up businesses, programming, and events.
  - Expansion of an event center located in a downtown which would lead to an increase in economic activity within the surrounding area of the event center itself; and
  - Other capital projects that will result in a placemaking as determined and considered by ESD.
- Projects where people can gather and support an increase in economic activity within the area of the project will be looked upon more favorably.

**Municipal Applicants Only:** *Municipal support facilities which are not intended for public use such as municipal buildings for employees, city hall, emergency service buildings, etc. will not be considered for funding. Municipal applicants must own the site for where the project is occurring and will be required to incur the costs of the project to be eligible for reimbursement. In the event that the program is overprescribed with projects that may be awarded funding, municipal applicants will be limited to one award per municipality.*

# Eligible Project Costs

Grant Funds may be used for:

- Acquisition of land, buildings, machinery and/or equipment;
- Demolition and environmental remediation;
- New construction, renovation or leasehold improvements;
- Acquisition of furniture and fixtures;
- Commercial portion of mixed-use projects;
- Soft costs of up to twenty-five percent (25%) of total project costs; and
- Planning and feasibility studies related to a specific capital project or site.

# Ineligible Project Costs

## Ineligible Costs and Activities Include:

- Developer fees;
- Training;
- Residential only development projects, although program funds may be used for the commercial component of a mixed-use project;
- Medical / hospital development projects although medical research facility projects will be considered for funding;
- Retail development projects;
- Block grant projects or revolving loan funds;
- Home based service provider projects;
- In-kind costs;
- Overhead and indirect costs associated with the day-to-day operations of the eligible entity;
- Marketing or advertising media costs;
- Events;
- 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.

# Other Information

- A commitment to undertake the project should not be made, and expenses should not be incurred, prior to award announcement.
- 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. The likelihood of receiving an award improves as the percentage of ESD assistance is reduced and private investment or other sources are better leveraged. A strong emphasis will be placed on project readiness along with the applicant having the capacity to complete the project if awarded.
- ESD requires that the Applicant contribute a minimum of ten percent (10%) of the total project cost in the form of equity contributed after the Applicant's acceptance of ESD's incentive proposal.
  - 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 grants from a government source.



# Other Information

- The Applicant must always disclose whether it is pursuing or intends to pursue multiple ESD funding sources, including grants, loans and tax incentives.
- Notice of a funding award will be given initially in an award letter, which is followed by an incentive proposal outlining the terms of the award. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations.
- All Applicants will be requested to certify and agree that any decrease in the scope of work described in the Applicant's final CFA submission including, but not limited to, total project costs, jobs retained, and jobs created, may result in ESD's reduction of the award, in ESD's sole discretion, in an amount proportionate to any such decrease.
- All Applicants will be requested to certify and agree that any expansion of the scope of work described in the Applicant's final CFA submission including, but not limited to, total project costs, jobs retained, and jobs created, will not result in the increase of the award by ESD.
- Please note that awarded grants are transferable at the sole discretion of ESD.
- A \$250 application fee (due when incentive proposal is signed) and one percent (1%) commitment fee based on the grant amount awarded (due after ESD Directors' approval, which usually occurs at project completion) will be assessed to all awardees.

# Other Information

- Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed in arrears, as reimbursement for expenses undertaken.
- Please note that ESD's agency-wide MWBE utilization goal is 30%. Each project will be assigned an individual contract-specific goal, which may be higher or lower than 30%.
- 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>.
- A public hearing is required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property.
- The Awardee 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.

# Other Information

- Grant funds will be subject to pro rata recapture if property is sold within 5 years of disbursement of funds.
- Projects generally are presented to the ESD Directors once all project expenditures have been undertaken and disbursement of ESD assistance is sought.
- All required public approvals must be in place prior to the start of construction and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable.
- Projects having a hotel as a principal function will be required to demonstrate compliance with Section 2879-b of Public Authorities Law regarding labor peace if funding is awarded.
- For projects with job creation and/or retention, job numbers will be verified using the employer's NY-45 and NY-45 ATT and/or payroll reports prior to disbursement of funds and annually thereafter through the required reporting period.

# Capital Improvement Grants for Pro-Housing Communities Program

For more information, eligible Applicants should contact their local Empire State Development Regional Office.

A complete list of the ESD Regional Offices can be found at:

<http://esd.ny.gov/RegionalOverviews.html>