



**Homes and
Community Renewal**

CDBG

Smart Management for Small Communities: Practical Resources for Governance

Minnowbrook Conference Center
Blue Mountain Lake, NY
April 25-27, 2017

Community Development Agencies

NYS Homes & Community Renewal:

- Affordable Housing Corporation (AHC)
- Division of Housing & Community Renewal (DHCR)
- Housing Finance Agency (HFA)
- State of New York Mortgage Agency (SONYMA)
- Housing Trust Fund Corporation (HTFC)

State Administration of CDBG

The Office of Community Renewal (OCR) exists under the Housing Trust Fund Corporation and administers the Community Development Block Grant (CDBG) Program and other State and Federal programs to empower local governments and not-for-profits to improve NY communities through housing, infrastructure and job creation



OCR Programs

Federal

- NYS Community Development Block Grant (CDBG)
- HOME - Local Programs
- New York State Disaster Recovery
- National Foreclosure Mitigation Counseling Program
- HUD Comprehensive Housing Counseling

OCR Programs

State

- Affordable Homeownership Development Program (AHODP)
- Main Street Program
- Buffalo Main Streets Initiative (BMSI)
- Urban Initiative (UI)
- Rural Area Revitalization (RARP) Programs
- Access to Home Programs
- RESTORE program
- Neighborhood & Rural Preservation Programs (NPP/RPP)

How Does CDBG Work?



NYS CDBG Program

OCR distributes approximately \$45 Million CDBG annually

CDBG is a federal block grant to states and communities to develop affordable housing, create suitable living environments and enhance economic opportunities for low and moderate income persons.

Direct allocations to cities & urban counties

NY receives an allocation to serve the balance of the State:

- Cities, Towns and Villages with populations under 50,000
- Counties with un-incorporated population under 200,000

CDBG National Objectives

- Benefit low- and moderate-income (LMI) persons/families
- Aid in the prevention or elimination of blight
- Meet an urgent community development need

At least 70% of funds must benefit LMI persons

- Direct benefit to LMI (housing, jobs, services)
- Benefit predominantly Low/Mod area (51%+ Low/Mod residents)

Eligible CDBG Activities

- Public Infrastructure
- Public Facilities
- Economic Development
- Small Business Assistance
- Microenterprise Development
- Housing Rehabilitation
- Homeownership
- Private Water/Wastewater Systems
- Community Planning
- Imminent Threat

Public Infrastructure

Improve infrastructure to low and moderate income areas

Typical activities:

- **Public Water Systems**
 - water source development, storage, and distribution
- **Public Sanitary Sewer Systems**
 - sanitary sewage collection and treatment
- **Storm Water Systems**
 - flood control and storm water drainage

Example: Public Infrastructure

Fort Edward: \$600,000 for water system improvements

Washington County: \$600,000 for sewer project

Inter-governmental partnership to benefit a low income neighborhood



Example: Public Infrastructure

Village of South Dayton, Cattaraugus County, new water tank



Public Facilities

Construction and improvement to facilities that serve low and moderate income areas or provide services

- Public works – construction, replace, repair expand streets, sidewalks, parking, open space, publicly owned utilities
- Construction or rehabilitation housing to serve special-needs populations, senior service facilities, child care centers, community center buildings with activities for low and moderate income residents

Public Facilities

- No CDBG for buildings primarily for the general conduct of government business (e.g., Town Halls)
 - Improvements for ADA compliance are eligible
 - If new construction, ADA compliance is not eligible
 - If proposing ADA compliance, must address REMOVAL of architectural barriers

Example: Public Facilities

City of North Tonawanda, Niagara County, Carnegie Arts Center



Economic Development

Economic Development activities to attract, expand, retain for profit businesses to create or retain jobs principally for Low and moderate income persons

- acquisition of real property
- financing of machinery, furniture, fixtures and equipment
- building construction (ED only) and renovation
- working capital & inventory
- employee training expenses

Funding: up to 40% of project up to \$750,000; 1 FTE per \$15,000 CDBG

Small Business Assistance

Activities to foster small business development

up to 40% of project up to \$100,000

- 1 FTE per \$25,000 CDBG
- 20% cash equity required from the business

Funding through an Open Round application

- Two steps:
 - Pre-Submission Form
 - followed by invitation to apply

Microenterprise Development

Businesses with 5 or fewer total employees

Funded in annual competitive CFA round.

- Maximum community award of \$200,000
 - up to \$35,000 per business
- At least 50% of funding to start-ups or in business less than six months
- Each business owner must be LMI **OR** 1 LMI FTE created
- Job retention is not permitted
- Business owner must complete an approved entrepreneurial training course and commit to a minimum 10% cash equity to the project
- Grant only to business, no loans

Examples: of Economic Development

- **Greene County** – micro-enterprise start-up Field Goods to deliver local produce
- **Town of Queensbury**- Davidson Brothers Brewing start-up
- **Montgomery County** – Amsterdam Print & Litho, retained and created
- **Genesee County** – 1366 Technologies, production of silicon wafers for solar cells.



fresh foods from
small farms™



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Examples: of Economic Development

Davidson Brothers Brewing



Examples: of Economic Development

Amsterdam Printing & Litho Co



Housing Activities

- Housing rehabilitation
- Manufactured housing replacement
- Homeownership
- Well and septic replacement
- Lateral connection assistance

Funding: \$500,000 Towns, Cities, Villages; \$850,000 Counties

Example of Housing Rehabilitation

- As part of a housing rehabilitation CDBG grant, a disabled veteran assisted to purchase a new, fully handicap accessible modular unit



Example of Housing Rehabilitation

- Before and after photos of a house that received housing rehabilitation assistance



Homeownership

Assistance to low/mod homebuyers

- Direct financial assistance (e.g., down payment assistance and closing costs)
- Counseling of prospective homeowners
- Minor rehabilitation of certain houses that are otherwise structurally sound

Analyze your market – demand and pricing

Private Water/Wastewater Systems

Eligible activities:

- Drilling new private wells for drinking water
- Construction of new or replacement of existing septic systems
- Install lateral connections to public water or sewer

Community Planning

Preliminary Engineering for Water or Sewer

Asset Management

Community Needs Assessments

Downtown Market Analysis

Housing Needs Assessments



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Example of Community Planning

Town of Jerusalem:

Drinking Water Study

Town of Schoharie:

Central Bridge Community Planning Project

Town of Glenville:

Economic Development Study

Imminent Threat

Any eligible CDBG activity can be considered under the imminent threat category.

These are typically disaster response type projects, for example, following Hurricanes Irene and Lee upstate in 2012.

Example of Imminent Threat

Keene Fire Department following Irene & Lee



Example of Imminent Threat

Keene Fire Department following reconstruction



Applying for CDBG Funding



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How to Apply for Funds

NYS Consolidated Funding Application (CFA)

- Public Infrastructure/Facilities (Annual)
- Microenterprise (Annual)
- Community Planning (Annual)
- Economic Development (Open Round)
- Small Business Assistance (Open Round)
- <http://regionalcouncils.ny.gov>

How to Apply for Funds

Housing activities - Community Development Online (CDOL)

- Housing rehabilitation
 - Single Unit/Multi Unit
- Homeownership
- Manufactured housing replacement
- Well & septic replacement, lateral connections
 - Can include eligible engineering costs

<http://www.nyshcr.org/AboutUs/Offices/CommunityRenewal/HousingResourcesFundingOpportunities.htm>



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Eligible Applicants

Eligible Applicants:

- Units of Local Government with populations of less than 50,000 and
- Counties with populations of less than 200,000

Refer to the list of eligible communities located at:

<http://www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunities.htm>



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Funding Limits - 2017

Public Infrastructure

- | | |
|---------------------------------------|-------------|
| ➤ Counties, Towns, Cities or Villages | \$750,000 |
| ➤ Shared Municipal Infrastructure | \$900,000 |
| ➤ With NYS Co-Funding Initiative | \$1,000,000 |

Public Facilities

- | | |
|---------------------------------------|-----------|
| ➤ Counties, Towns, Cities or Villages | \$300,000 |
|---------------------------------------|-----------|

Economic Development

- | | |
|-----------------------------|-----------|
| ➤ Economic Development | \$750,000 |
| ➤ Small Business Assistance | \$100,000 |
| ➤ Microenterprise | \$200,000 |

Funding Limits

Housing (all activities)

➤ Towns, Cities or Villages	\$500,000
➤ Counties	\$850,000

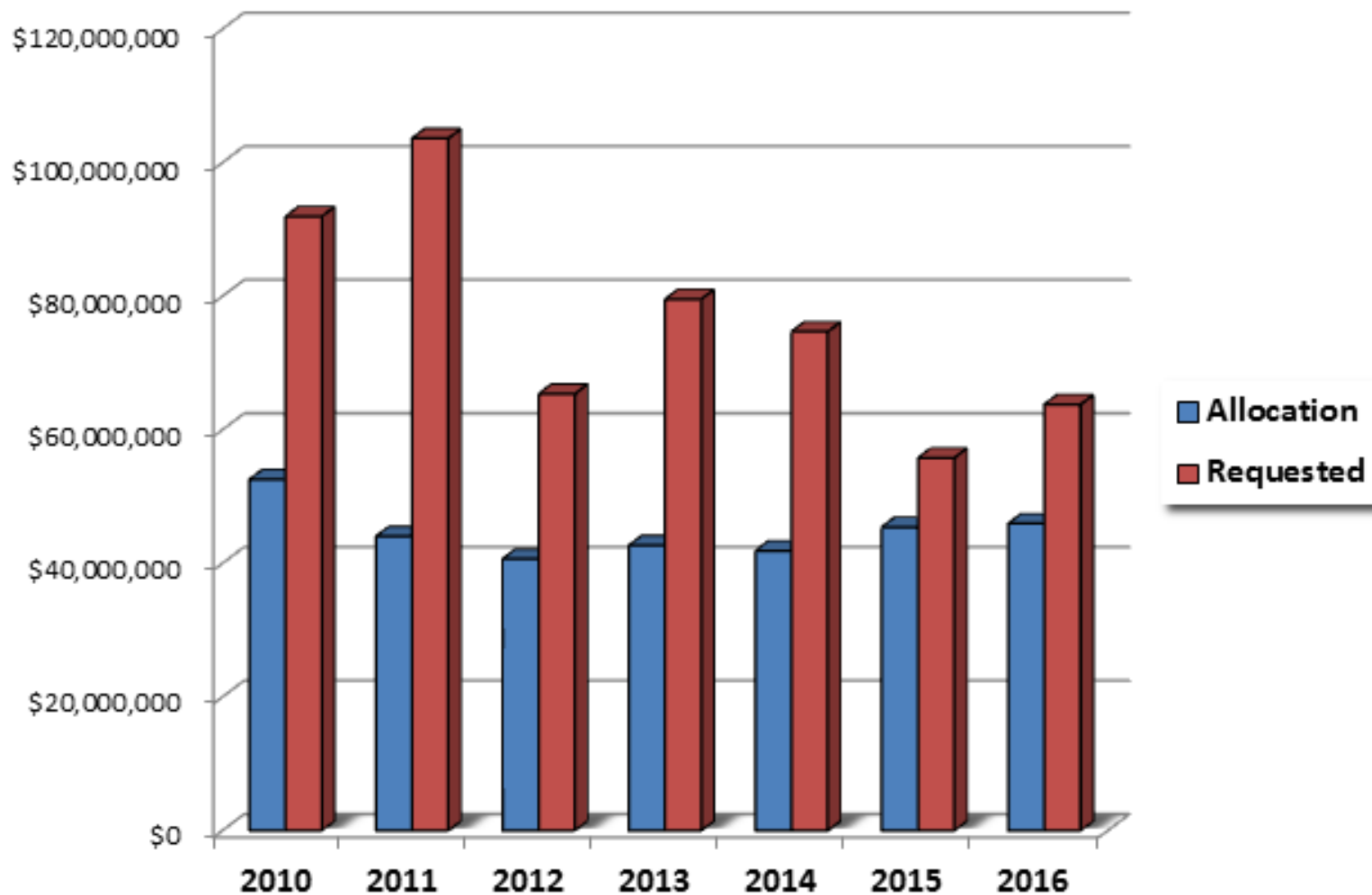
Community Planning

➤ Counties, Towns, Cities or Villages	\$50,000
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Administrative Funding Limits

- Public Infrastructure, Facilities and Housing for Administration, Program Delivery, Engineering and Architecture: 18% maximum of the CDBG requested funds
- Microenterprise: Up to 25% of CDBG award in program delivery, administration, and training
- Economic Development/Small Business: maximum \$16,000 of CDBG funds for Administration and Program Delivery.

Requests Exceed Funding



Scoring Criteria

Applications competitively rated and scored on:

- Complete description of activity
- Severity of need
- Impact of activity on identified need
- Administrative capacity
- Public benefit and support for the proposed activity
- Project feasibility & schedule
- Leveraging and availability of other resources
- Reasonableness of project costs, including program delivery & administration
- CDBG and administrative performance history, if any
- Extent activity complements other federal, state, & local programs

Getting Ready to Apply

1. Collect data and evaluate local conditions/needs
2. Determine local priorities, then choose projects, then determine funding to seek
3. Read the regulations & requirements
4. Evaluate local capacity to implement the project
5. Identify local partners
6. Identify available resources for project and complementary projects underway
7. Make sure current/previous funding is on schedule or closed satisfactorily

Application Tips

Only eligible units of general local government may apply for CDBG assistance

Tips:

- Use the correct application
- Use the submission checklist to ensure completeness
- Document citizen participation (public hearing)
- Key deficiencies: failing to show administrative capacity, adequate funding, budget inconsistencies, readiness
- Don't take choice limiting actions prior to award and clearance

Some Other CDBG Requirements

Public participation

Environmental clearance

Fair housing

Uniform administrative requirements

Labor & contracting standards

The local government recipient is responsible for the funds and meeting the requirements.

See the Grant Administration Manual:

<http://www.nyshcr.org/Programs/NYS-CDBG/GrantAdministration.htm>



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Additional Information

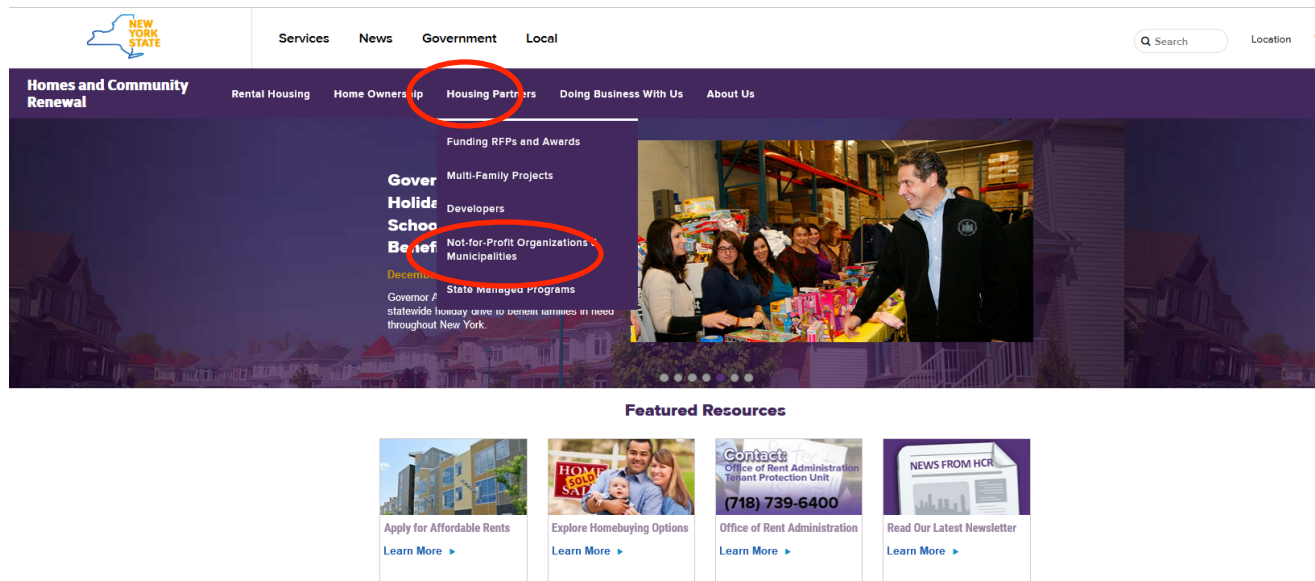


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OCR Web Site

www.nyshcr.org

- ✓ Select “Housing Partners”
- ✓ Scroll down to “Not for Profit Organizations & Municipalities”
- ✓ Click on “ NYS Community Development Block Grant”

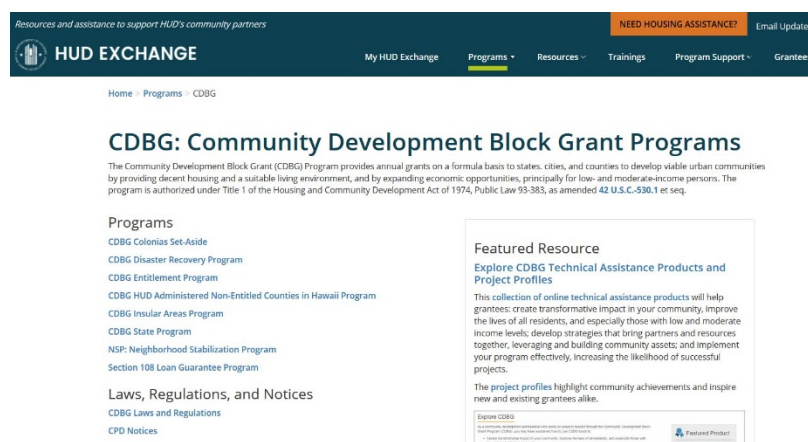


HUD Exchange

www.hudexchange.info/programs/cdbg/

Source for:

- CDBG Rule: 24 CFR Part 570
- CPD Notices
- Basically CDBG manual/slides
- Guide to National Objectives and Eligible Activities for the CDBG Program
- CPD income calculator
- Toolkits



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STATE OF
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ANY
QUESTIONS
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Questions

If you have any questions, please contact NYS OCR at
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