



**Homes and
Community Renewal**

CDBG

Partnering with Local Governments to Build Strong Communities

April 2-3, 2019

2019 Local Leaders Conference
Environmental Finance Center
Holiday Valley Resort & Conference Center

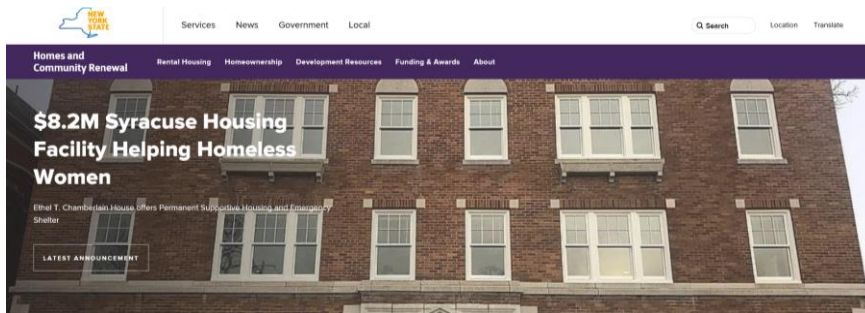
New York State Homes and Community Renewal (HCR) consists of all the State's major housing and community renewal agencies, including The Affordable Housing Corporation, The Division of Housing and Community Renewal, Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others.

As an office within the Division of Housing and Community Renewal, the Office of Community Renewal (OCR) administers the State CDBG Program, along with a variety of state and federal resources to empower local governments and not-for-profit organizations to build on the unique and historic character of New York's communities through housing, infrastructure, and job creation activities.

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)

OCR - CDBG New Web Page!




Go to <https://hcr.ny.gov/>

Select Development Resources

Then click on Community Renewal & Economic Development



OCR - CDBG New Web Page!



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Homes and
Community Renewal

Rental Housing Homeownership Development Resources Funding & Awards About


Community Renewal Strengthening communities throughout New York State

STRENGTHENING NEIGHBORHOODS AND DOWNTOWNS




Affordable Housing Corporation

Creating homeownership opportunities for low- and moderate-income families



Neighborhood and Rural Preservation Programs

Promoting and preserving housing opportunities, and strengthening neighborhoods and communities across New York




Community Development Block Grant

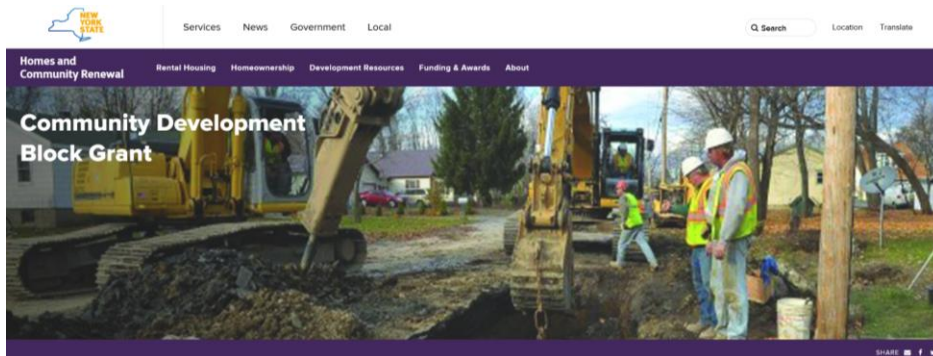
Partnering with local governments to build stronger communities and increase access to affordable housing

<https://hcr.ny.gov/community-renewal>

Select Community Development Block Grant

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OCR - CDBG New Web Page!



<https://hcr.ny.gov/community-development-block-grant>

All new Grant Administration Manual is now available

OCR - CDBG New Web Page!

All new Grant Administration Manual is now available

TOP

Community Development Block Grant

SECTIONS

Overview

Forms and Documents

Program Guidelines

Grant Administration Manual

Funding Round Materials

Grant Administration Manual

The Grant Administration Manual outlines some of the key tasks that should be conducted when administering a Community Development Block Grant, and provides useful information regarding program requirements, regulations, policies and procedures. It contains exhibits and forms to be referenced or used during the implementation of the CDBG program or project.

	Announcement of Changes to Grant Administration Manual Announcement of Changes to Grant Administration Manual	DOWNLOAD
	CDBG Grant Administration Manual Chapter 1: Getting Started CDBG Grant Administration Manual Chapter 1: Getting Started	DOWNLOAD
	CDBG Grant Administration Manual Chapter 2: Environmental and Historic Review CDBG Grant Administration Manual Chapter 2: Environmental and Historic Review	DOWNLOAD
	CDBG Grant Administration Manual Chapter 3: Financial Management CDBG Grant Administration Manual Chapter 3: Financial Management	DOWNLOAD

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.



New York State Homes and Community Renewal (HCR) consists of all the State's major housing and community renewal agencies, including The Affordable Housing Corporation, The Division of Housing and Community Renewal, Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others.

OCR Programs

Federal

- NYS Community Development Block Grant (CDBG)
- HOME - Local Programs
- New York State Disaster Recovery
- Project Reinvest Financial Capability
- HUD Comprehensive Housing Counseling



OCR administers a number of federally-funded and state-funded programs.

In addition to the NYS CDBG Program that is the focus of this presentation, OCR administers the following federal funds from HUD:

- HUD HOME investment Partnerships Program – housing programs administered by local program administrators
- New York State Disaster Recovery
- Project Reinvest Financial Capability provides grant funding through Neighbor Works America intended to assist individuals to stabilize their finances, rebuild credit, and establish savings.
- HUD Comprehensive Housing Counseling Program

OCR Programs

State

- Affordable Homeownership Development Program (AHODP)
- Main Street Program
- Buffalo Main Streets Initiative (BMSI)
- Access to Home Programs
- RESTORE program
- Neighborhood & Rural Preservation Programs (NPP/RPP)
- Manufactured Mobile Housing Replacement Program (MMHR)



OCR administers the following state programs:

- Affordable Homeownership Development Program (AHODP)
- New York Main Street Program and the Buffalo Main Streets Initiative (BMSI)
- Urban Initiative Program (UI) and Rural Area Revitalization Program (RARP)
- Access to Home Programs to address accessibility needs, including programs for Medicaid recipients and Veterans
- RESTORE program providing housing repairs for the elderly
- Neighborhood and Rural Preservation Program (NPP/RPP) to support not-for-profits
- MMHR is a State funded manufactured housing replacement program.

Collectively, the programs address a range of housing and non-housing needs of low-income New Yorkers and their communities.

How Does CDBG Work?



CDBG is a federally funded program that provides funding to develop affordable housing, create suitable living environments and enhance economic opportunities for low and moderate income persons. By “low and moderate income”, I mean a household that earns less than 80% of the area median income, adjusted for family size, as calculated by HUD – the Department of Housing and Urban Development.

Larger cities and urban counties receive direct allocations each year from HUD. The State of New York receives CDBG funds to address needs in the balance of the State not covered by direct entitlement communities.

OCR administers the States CDBG Program, and sub-allocates the funding to eligible non-entitlement Cities, Towns and Villages with a population under 50,000, and counties with an un-incorporated population under 200,000. The funds are allocated through an application process that I will describe in a bit.

Recently, the State has been receiving approximately \$45 million annually, although this amount depends upon Congressional appropriations. NYS receives CDBG funding to offer grants to non-entitlement communities

throughout the state to meet a variety of goals that includes providing decent housing and suitable living environments for low and moderate income persons.

Every activity must be an eligible activity permitted by the statute and regulations, **and** meet one of three national objectives – benefiting low and moderate income families, aiding in the prevention or elimination of slums or blight, or meeting an urgent community development need.

The state must ensure that no less than 70% of its CDBG funds are used for activities that benefit low- and moderate-income persons. This primary program objective achieved by using program funds predominantly to support activities or projects that: benefit low- and moderate-income families; create job opportunities for low- and moderate-income persons; prevent or eliminate slums and blight; or address a community development need that poses a serious and imminent threat to the community's health or welfare.

For communities claiming the low/mod national objective for an activity, at least 51% of those benefitting from the activity must be low/mod income, except for certain imminent threat projects.

Eligible CDBG Activities

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



As I mentioned, CDBG can fund a wide range of activities to benefit low and moderate income households and communities. Some of the most common activities are:

- Public Infrastructure: drinking water, sanitary sewer, storm water projects; private systems
- Public Facilities: senior center, health care center, day care center, ADA compliance
- Economic Development: larger business concerns
- Small Business Assistance: smaller business concerns, 25 or fewer employees
- Microenterprise Development: business with five (5) or fewer employees, including the owner(s)
- Housing Rehabilitation: address health and safety, manufactured housing
- Homeownership: down payment, mortgage subsidy, closing costs
- Private Water/Wastewater Systems: wells, septic's, laterals
- Community Planning: cannot fund comprehensive, strategic or master plans

This is a broad range of eligible activities, so let me tell you a bit more about these activities – public improvements first, then economic development activities, and then finally housing activities.

In 2018 Under Governor Cuomo's Leadership the NYS CDBG Awarded Nearly \$39 Million to Improve Communities and Create Opportunities

\$15.6 million in housing awards to benefit 582 low-and moderate income households

\$19 million in public infrastructure and public facilities awards to benefit nearly 100,000 people

\$1.9 million in microenterprise awards to assist 76 businesses and create over 100 new jobs.

\$9.5 million in economic development through the Open Round CFA, awards to 31 businesses with up to 1250 jobs resulting from the investment



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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



Let's start with public improvement projects. In general, public projects fall into two categories: public infrastructure and public service facilities.

Public Infrastructure activities include, but are not limited to, water source development, water treatment; storage, and distribution; sanitary sewage collection and treatment; flood control and storm water drainage.

Public infrastructure may also include publicly owned utilities. This requires consultation with OCR.

Eligible projects may include the repair or replacement of existing systems, construction of new systems in developed areas, or expansion of existing systems into areas previously unserved that are in compliance with the NYS Smart Growth Public Infrastructure Act (Chapter 433 of the Laws of 2010).

City/Village vs Water/Sewer District

Target Area

Private systems within MH parks

At least 51% of the persons benefiting from these activities must qualify as low- and moderate-income, as determined by the U.S. Census or an income survey.

Example Public Infrastructure

Village of Stamford, Delaware County

- \$4,934,000 Total Project Cost
 - \$ 500,000 NYS CDBG
 - \$ 150,000 Local
 - \$4,284,000 USDA RD



The Village of Stamford will use \$500,000 in NYS CDBG funds to construct a new 750,000 gallon water storage tank and replace 11,000 linear feet of water main. The total project cost of \$4,934,000 and includes \$4,284,000 in USDA Rural Development funds and \$150,000 in local funds. . The proposed improvements will benefit the 1,270 Village residents, 735 or 57.8% of who are low-and-moderate income.

Example Public Infrastructure

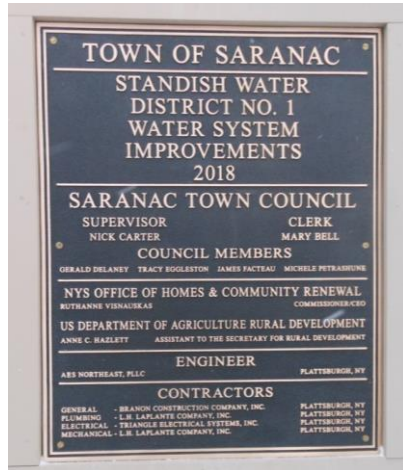
Village of Stamford, Delaware County



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Example Public Infrastructure

Town of Saranac, Essex County, Standish Water District



Example Public Infrastructure

Town of Saranac, Essex County, Standish Water District



Example Public Infrastructure

Village of Carthage-West Carthage Waste Water Treatment Jefferson County



The Villages of Carthage and West Carthage were awarded \$900,000 in NYS CDBG to make comprehensive upgrades to the Water Pollution Control Facility (WPCF). Improvements include the reconstruction of the facility. Total project costs are estimated at \$8.8 million and include \$5 million from Environmental Facilities Corporation (EFC) Clean Water State Revolving Loan Fund (CWSRF) and \$2.9 million from Empire State Development (ESD). A total of 5,647 persons, 3,061 or 54.2% of whom are low-and moderate income will benefit from the improvements. In addition, the improvements will allow Carthage Specialty Paperboard to make a \$3.8 million investment in the production facility adding 15 jobs to the local economy.

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 spaces, publicly owned utilities
- Construction or rehabilitation of housing to serve special-needs populations, senior service facilities, child care centers, and community center buildings with activities for low and moderate income residents



Public facilities cover a broad range of facilities that serve Low/Mod areas – meaning 51% Low/Mod residents or provide services to predominantly Low/Mod clientele.

- Grant funds may be used for standalone public works activities such as sidewalks, streets, and parking. Eligible projects may include the repair or replacement of existing systems, construction of new systems, or expansion of existing systems into areas previously unserved that are in compliance with the NYS Smart Growth Public Infrastructure Act (Chapter 433 of the Laws of 2010).
- Grant funds may be also used for structures to house or serve special-needs populations; senior services; child care centers; removal of architectural barriers for the disabled (installing lifts, automatic doors, ramps, etc.); and multi-purpose buildings housing several qualifying activities for low- and moderate-income persons. NYS CDBG funds can be used for construction or renovation of facilities, but CDBG but cannot be used to cover the day-to-day operational costs.
 - Any public facility funded with NYS CDBG funds must be maintained in the same capacity as funded for a period of five (5) years after the project is formally closed out by OCR. OCR reserves the right to inspect such facilities during the five (5) year period to substantiate compliance.

CDBG funds cannot be used for buildings that are primarily for the general conduct of government business (such as town halls).

Public Facilities

- Buildings primarily for the general conduct of government business are not eligible for CDBG assistance (e.g., Town Halls), other than:
 - Improvements for ADA compliance are eligible
 - If new construction, ADA compliance is not eligible
 - If proposing ADA compliance, must address **REMOVAL** of architectural barriers



CDBG funds cannot be used for buildings that are primarily for the general conduct of government business (such as town halls).

Projects funded through CDBG that are addressing ADA compliance will meet National Objective Compliance through LMC or limited clientele, this is a presumption of benefit classification. HUD presumes that the beneficiaries of ADA compliance are eligible.

If for example, an addition is required to accommodate an elevator shaft, then it is OK.

New construction generally means from the ground up. Since new construction code requires compliance with ADA, it is not eligible.

Economic Development

Economic Development activities designed to attract, expand, and 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
(Use of CDBG funds towards construction is subject to Davis-Bacon)
- Working capital & inventory
- Employee training expenses

Funding: up to 40% of project cost up to \$750,000;

One (1) FTE job per \$15,000 CDBG



The Office of Community Renewal recognizes that New York's smaller communities must have an economy that encourages business development and promotes jobs for low- and moderate-income persons. Through the Economic Development Program, the Office of Community Renewal provides grants to communities that wish to sponsor economic development activities that create or retain jobs for low- and moderate-income persons.

For details on the economic development activities, see the guidelines at the web site in the slide.

Economic development funds are flexible and can be used for most legitimate business purposes. Eligible uses include, but are not limited to:

- acquisition of real property;
- financing of machinery, furniture, fixtures and equipment;
- building construction and renovation – note that while most of these uses are permissible either under Economic Development and Small Business Assistance, new construction of buildings is only permissible under Economic Development);
- working capital;
- inventory; and

- employee training expenses.

For Economic Development projects, the maximum award amount is \$750,000 (minimum is \$100,000), and CDBG can fund up to 40% of a total project cost. Projects must result in the creation or retention of at least one permanent FTE job for every \$15,000 of NYS CDBG funds awarded.

Projects that are claiming job retention must receive prior approval from OCR.

Small Business Assistance

Activities to foster small business development

Funding:

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
 - Full application



Funding can also be provided to foster small business development and growth. For the purposes of the Small Business Assistance program, a small business is defined as a commercial enterprise with twenty five (25) or fewer full-time equivalent employees (or FTEs) at the time of application.

Small Business award amounts up to \$100,000 are available for assistance to individual business. NYS CDBG can fund up to 40% of a total project cost.

A minimum of 20% owner equity contribution to the project is required, equity investment prior to the award is not eligible.

The projects must result in the creation or retention of at least one FTE job per \$25,000 of CDBG funds provided. The projects must result in the creation or retention of permanent jobs, at least 51% of which must benefit LMI persons.

Both Economic Development and Small Business Assistance Applications for CDBG are accepted through an Open Round process in the Consolidated Funding Application (CFA) portal using a two-step process – a pre-submission form, that if approved, serves as an invitation for the community to continue to support a full application through the

CFA portal.

Applicants must be a local unit of government.

Businesses and not-for-profits are not eligible to submit an application.

Microenterprise Development

Businesses with 5 or fewer total employees, including the owner

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 job created
- Business owner must commit to a minimum 10% cash equity to the project
- Grant only to business, no loans



Microenterprise activities achieve the National Objective by providing funding to businesses to undertake activities that create jobs and economic opportunities for LMI persons.

Microenterprises are defined as having 5 or fewer employees –by that I mean employee headcount, not FTEs.

Unlike the ED & SBA activities, the CDBG Microenterprise program is available in the annual competitive Consolidated Funding Application (or CFA) round operated by OCR.

The maximum CDBG funding is \$200,000. A minimum of 50% of the award (less grant administration costs) must be awarded to start-up businesses that have been in operation less than six (6) months from the time of application. Grant assistance to an individual microenterprise must be between \$5,000 and \$35,000.

Owner equity of 10% is required. Equity investment prior to award is not eligible.

To meet national objective *51% of the owners must be LMI* or at least 1 permanent FTE for LMI persons must be created. If more than one job is created, at least 51% must

benefit low-and moderate income persons.

Note that job retention does not count in this category.

Examples of Economic Development

- **Niagara County, Town of Cambria**
 - BorderWork Logistics
 - \$266,000 Economic Development Funds
 - 20 new FTE jobs
- **Sullivan County**
 - Catskill Mountain Dairies, LLC
 - \$100,000 Small Business Assistance
 - 10 new FTE jobs
- **City of Geneva**
 - FLX Table and Lake Drum Brewing
 - \$25,000 Microenterprise Assistance (each)
 - 2 new FTE jobs



Private Water/Wastewater Systems

Eligible activities:

- Drilling new private wells for drinking water
- Construction of new/replacement of existing septic systems
- Install lateral connections to public water or sewer
- Work inside a manufactured housing park may be eligible



Direct assistance activities can include drilling of private wells, construction or rehabilitation of septic systems, and installation of lateral connections to low- and moderate-income households from the public water/sewer mains.

- Private water/wastewater system assistance through wells and septic replacement
 - Can include any engineering costs
 - Any required internal plumbing modifications
- Lateral connections to public water and sewer systems.
 - Can include required internal plumbing modifications
 - If currently on private system and connecting to public system
 - Includes decommissioning of existing system

Funding of lateral connections can be stand-alone projects or can be part of a larger public infrastructure project, but the homeowners receiving laterals funded with CDBG must be low- or moderate-income

In some instances, the “system” owns the laterals up to the house. In those cases, consult with OCR for further guidance.

Community Planning

- Preliminary Engineering for Water or Sewer
- Asset Management
- Community Needs Assessments
- Downtown Market Analysis
- Housing Needs Assessments



Finally, CDBG funds may be requested as community planning grants, or technical assistance grants.

Any planning project requires a minimum 5% cash equity. Donated services and in-kind services are not considered eligible towards the match requirement.

These funds can be used to facilitate the retention of outside experts as consultants to a participating community's planning committee identify vulnerabilities and damaged assets, assess needs of community

Retain consultants and complete studies to identify vulnerabilities and damaged assets, assess needs of community, and develop strategies

The purpose behind this activity is to allow a community to begin the long-term process of implementing community development, it is anticipated that this preliminary step will result in a full CDBG application for infrastructure, economic development or housing.

The community does not need to be 51% low-and moderate income, but the final

report, upon implementation, will benefit a low-and moderate income population.

Example of Community Planning

Town of Newfield:

Water District Source of Supply Investigation

Town of Great Valley:

Wastewater Engineering Planning Grant



The Town of Danby will use \$28,500 in NYS CDBG funds to complete a Housing Needs Assessment of the Town's housing conditions. The total project cost will be \$30,000, with \$1,500 in local cash match. The project proposes to benefit low-and moderate-income persons.

The Town of Newfield will use \$50,000 in NYS CDBG funds to complete a Preliminary Engineering Report of its water district infrastructure. The total project cost will be \$60,000, with \$2,500 in local cash match. The project proposes to benefit low-and moderate-income persons.

The Town of Great Valley will use \$50,000 in NYS CDBG funds to complete a Preliminary Engineering Study of its Drinking water and Storm water Infrastructure. The total project cost will be \$52,500, with \$2,500 in local cash match. The project proposes to benefit low-and moderate-income persons.

Imminent Threat

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

See Chapter 5 Eligible Activities of the OCR GAM for further guidance.



Application for assistance under the Imminent Threat category requires consultation with OCR prior to starting an application.

Typically, there is a local state of emergency or State or Federal disaster declaration.

These are generally associated with natural disasters, but can also include downtown fires, building collapse or a catastrophic infrastructure failure.

Housing Rehabilitation Activities

- Housing rehabilitation
 - 1-4 Unit
 - 5 or more units
- Manufactured housing replacement

Funding: \$500,000 Towns, Cities, Village
\$1,000,000 Counties



Now let's shift the focus to the third major category of CDBG activities – housing activities to assist LMI persons.

There are five general types of housing projects eligible for NYS CDBG funding:

- housing rehabilitation of either owner or rental units in single unit or multi-unit structures
 - This can include activities to address health and safety issues, code violations
 - All rehabilitation must address lead based paint compliance
- manufactured housing replacement as a separate rehab program activity
 - Generally speaking, OCR discourages rehabilitation of any manufactured housing over 10 years old

Eligible Towns, Cities and Villages are able to apply for up to \$500,000, and beginning in 2018, eligible Counties for up to \$1,000,000 for housing activities.

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



- direct homeownership assistance, and
 - This provides mortgage subsidies, down payment assistance, closing costs
 - Can include rehabilitation as an ancillary activity

Applying for CDBG Funding

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 CDBG Funds

Essentially there are two key funding channels for awarding State CDBG funds. You would apply through the channel applicable to your planned activity.

First, OCR participates with the Regional Economic Development Councils in the NYS Consolidated Funding Application (CFA), which combines the funding of various state economic development agencies. Communities can apply for CDBG funding for:

- Economic Development activities
- Small Business and Microenterprise
- Public Facilities &
- Public Infrastructure

Access the application and instructions for applying at <http://regionalcouncils.ny.gov/>. Please note that there is an annual funding round, but that CDBG economic development and small business activities have an open window.

Second, OCR operates an Annual Funding Round for housing activities through HCR's Community Development Online (CDOL) system. Housing Activities include housing

rehabilitation, mobile home replacement, wells and septic replacement, lateral connection assistance, and homeownership. The application and instructions for these activities can be accessed at the link on the screen.

How to Apply for Funds

Housing activities - Community Development Online (CDOL)

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

<https://hcr.ny.gov/community-development-online>



The OCR operates an Annual Funding Round for housing activities through HCR's Community Development Online (CDOL) system.

For 2018, this is anticipated to include CDBG housing, HOME, Access, RESTORE and the MMHR Program.

Housing Activities include housing rehabilitation, mobile home replacement, wells and septic replacement, lateral connection assistance, and homeownership.

The application and instructions for these activities can be accessed at the link on the screen.

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:

<https://hcr.ny.gov/community-development-block-grant>, go the Program Guidelines tab



Eligible Counties, Cities, Towns and Villages may apply for NYS CDBG funding assistance. That would include:

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

Local governments and counties that exceed these thresholds are eligible for direct allocations of CDBG funds through HUD's CDBG "Entitlement" Program and therefore are ineligible for the State Program.

Please refer to the list of eligible communities located at the web page link in the slide to determine if your community is eligible.

Direct assistance is not provided by the OCR to:

- Any business
- Any not-for-profit
- Any individual

Funding Limits - 2019

Public Infrastructure

- Counties, Towns, Cities or Villages \$750,000
- Shared Municipal Infrastructure \$900,000
- Shared Municipal Infrastructure with
NYS Co-Funding Initiative \$1,250,000
- 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



These are funding limits for infrastructure and facility projects.

Please note the increased funding cap for “co-funded” projects, or those projects that come in with other funding firmly in hand. OCR will consider funding commitments from EFC, USDA-RD, DOS, and other sources on a case-by-case basis. Our application kit describes what constitutes evidence of a funding commitment.

Starting in 2017, OCR will also allow pre-development from up to 12 months prior to award as part of the CDBG budget submitted. These costs are expressly purposed for water and sewer environmental review costs, or costs incurred in order to achieve release of funds under NEPA. This may include some preliminary design work required to navigate SEQR, NEPA, and other federal and state agency consultations. Federal procurement must still be followed for these costs to remain eligible. Please contact OCR if you intend to take advantage of pre-development cost eligibility.

Funding Limits

Housing (all activities)

- | | |
|-----------------------------|-------------|
| ➤ Towns, Cities or Villages | \$ 500,000 |
| ➤ Counties | \$1,000,000 |

Community Planning

- | | |
|---------------------------------------|----------|
| ➤ Counties, Towns, Cities or Villages | \$50,000 |
|---------------------------------------|----------|



These are funding caps for housing, for County projects, the access to the funds must be open to all County residents that reside in non-entitlement areas.

Keep in mind that with Community Planning, this is the maximum amount and planning requires a 5% cash match.

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.



There is an 18% cap of the total CDBG requested amount on soft costs, which includes a 5% maximum for administration.

Scoring Criteria

Applications competitively rated and scored on:

- Project feasibility, all financing in place
- Ability to implement immediately
- Ability to complete in 24-months
- Administrative capacity
- CDBG and administrative performance history, if any
- Severity of need, and impact on identified need
- A complete description of activity
- Public benefit and support for the proposed activity
- Reasonableness of project costs, including program delivery & administration

Getting Ready to Apply

1. Collect data and evaluate local conditions/needs
2. Determine local priorities, 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



As a first step, evaluate and document the need in the community. Depending on the project or activity, that might include looking at housing or building conditions, evidence of blight, demographic data, and other indicators of need in the community. Do you have any waiting lists or other evidence of demand for the project?

Determine what the local priorities are. These priorities should be used to choose projects.

Then focus on funding sources. Read the regulations. Make sure your project can be structured to be eligible and meet all requirements

Next, evaluate your capacity to administer the project. Identify staff assigned to work on the proposed program, their specific roles, and any relevant training or experience that they have.

If you are going to need partners – such as subrecipients, consultants or contractors – identify them and their capacity as well. Build partnership with local entities, such as chambers of commerce and other organizations.

Also, identify any locally available resources that can be committed to the project to leverage the requested funding. Remember to consider if your county can offer capacity and resources. And be sure to identify local projects or activities that support the objectives of your project.

Also, make sure current or previous funding is on schedule or closed satisfactorily. Address any open HCR contracts and rectify administrative issues identified in prior grant administration. If multiple contracts will be open at once, address the capacity to administer simultaneously.

Application Tips and Other Requirements

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



Only eligible units of general local government may apply for CDBG assistance; subrecipients and businesses may not apply directly for NYS CDBG funds.

Some tips on applying:

- Make sure you use the correct application – as we mentioned, there are multiple application pipelines for CDBG, so you want to get the one corresponding to your proposed activity.
- Use the submission checklist to ensure completeness; incomplete applications will be rejected in a competitive process.
- Document citizen participation – A public hearing is required prior to application. This must be a public hearing held by the local legislative body with a quorum present. Public meetings are not public hearings. A second public hearing must be held during the administration of the project once it is awarded.
- Some of the key deficiencies that have prevented us from funding projects include:
 - failing to demonstrate administrative capacity,

- adequate funding & budget – Identify each of the estimated costs, the source of the funds and proposed uses, including program delivery and administration, any engineering or architecture costs. For each source identified, indicate whether the source is formally committed or pending approval. If a source is identified as committed, the applicable commitment documentation must be attached where requested in the application. We see is that budget narratives do not match budget tables, and the budget presented is not feasible. Present a feasible, well planned budget. Make sure funding amounts proposed are within eligible limits. The budget narrative should match the budget table.
- Readiness - program readiness is not evident, including community interest, eligible projects, and funding commitments. Just as it has been indicated in earlier slides, the municipality needs to provide information showing that they are ready to implement a public infrastructure or public facility project.
- Remember that these funds are subject to environmental clearance that must be approved by the State. Don't take choice limiting actions prior to award and clearance – what is known as the release of funds. Choice limiting actions would include physical actions on the site or entering into contracts to purchase, demolish, construction or rehab. Only planning activities can be undertaken prior to clearance.

Let me note a few other requirements that you need to be aware of if you choose to apply for federal funds:

- Public participation – The CDBG program has public participation requirements, including a public hearing before you apply and another hearing after you are awarded.
- Environmental clearance – All HUD-funded activities are subject to HUD environmental clearance requirements. The local government applicant assumes the role of Responsible Entity in conducting the environmental review, and the State serves as the review authority. It is important to keep in mind that you cannot commit or expend funds on the project until clearance is achieved.
- Fair housing – CDBG recipients are subject to the statutory requirement to “affirmatively further fair housing.” You will be required in the application and in your administration to demonstrate affirmative measures.
- Uniform administrative requirements – As an administrator of federal funds, your local jurisdiction becomes responsible for adhering to all federal funds administrative requirements, not just the CDBG regulations. You will be required to have financial management procedures and controls in place, follow procurement guidelines, and meet other administrative obligations. In addition, these funds will count toward the threshold for triggering federal audit requirements.
- Labor standards – And, to the extent you let contracts for construction, the federal

labor and contracting standards can be triggered, including Davis-Bacon and related acts, as well as requirements for Section 3, MWBE and equal opportunity. There will be reporting associated with these requirements.

And let me stress at this point: even if you choose to use partners such as consultants or subrecipients, you remain responsible for the funds and for ensuring compliance with all requirements.

If you want to review these requirements further, see the Grant Administration Manual at the link in the slide.

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>

Additional Information

www.hudexchange.info/programs/cdbg/

- 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



The HUD Exchange is a resource for:

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qualify activities as eligible and meeting the national objectives, both of which must be documented to prove compliance. Use it to identify the options and requirements for your activity.

- CPD income calculator – This optional online calculator can be used to calculate and document income eligibility.
- Toolkits – There are a variety of toolkits – for example, on economic development and cross-cutting federal requirements – that provide additional background to help you comply.

You are encouraged to explore the resources available at the HUD Exchange. There may be samples and tools that help you achieve full compliance. And, remember that you are responsible for compliance with CDBG regulations.

Questions

If you have any questions, please contact NYS OCR at
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