



**Homes and  
Community Renewal**

## Office of Community Renewal

### CDBG Program: CARES Act *(Community Development Block Grant)*

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Monday, March 29, 2021

Good morning, this is Charlie Philion and Scott LaMountain, with the New York State Office of Community Renewal.

Today's webinar will cover NY State's Community Development Block Grant CARES Act funding and application.

## Overview

- Program Summary
- CARES Categories & Eligible Activities
- National Objectives
- Application Process
- Getting Ready to Apply
- Common Deficiencies
- Question & Answer



This presentation will be provided in seven sections. This includes the Program Summary, National Objectives, Eligible Activities, the Application Process, Common Deficiencies, and Getting Ready to Apply.

You'll notice that you cannot unmute yourself – this is to ensure that this presentation is informative and enjoyable for everyone. Throughout the webinar, questions can be submitted through the chat box. The chat box is in the bottom right corner. Please make sure that you are not messaging a presenter directly and that the 'to' line is set to 'everyone'. All questions will be addressed at the end of the presentation during our Question-and-Answer portion.

# Program Summary



Today's presentation will begin with the Program Summary.

## 2020 CARES Act

Funds to “prepare, prevent, and/or respond” to COVID-19  
in addition to normal HUD program requirements

- Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, CDBG-CV funds are open to both non-entitlement and entitlement communities
- Accepting applications for \$60 million statewide  
*Estimated*
  - \$30 million for “non-entitlement” units of local government
  - \$30 million for entitlement communities
  - Additional funding will be made available in future rounds



The NYS Office of Community Renewal receives CDBG funding to support communities throughout the state by providing funding for decent housing and suitable living environments for low- and moderate-income persons.

The 2020 Coronavirus Aid, Relief, and Economic Security Act, or commonly referred to as the CARES Act, allows CDBG funds to be used to prepare, prevent, and/or respond to the COVID-19 pandemic. COVID-19 has presented hardships all over the state. Unlike other CDBG funding rounds, CDBG-CV funds are open to both non-entitlement and entitlement communities. Entitlement communities are units of local government that receive an annual allocation of funds directly from U.S. Department of Housing and Urban Development or, HUD.

NYS OCR is currently accepting application for the currently available \$60 million. \$30 million of the total \$60 million is to be awarded specifically to non-entitlement communities. The remaining \$30 million is available to units of local government statewide. The current CDBG-CV grant funding round is \$60 million but, additional funding through the CARES Act will be made available in future rounds for municipalities.

As we will discuss throughout the presentation, the CDBG grant has Federal program guidelines and requirements that must be met by grantees.

## CDBG-CV Funds Program Guidelines

- 12 Month Contract, all funds must be expended by end of contract
- Must meet a National Objective
- Eligible applicants are towns, cities, villages or counties
- Project MUST be related to preparing, preventing, and/or responding to the COVID-19 global pandemic - "COVID-19 nexus"
- Applications will be accepted and rolling awards will be made until 4:00 pm Friday, August 27th, 2021 or until all funding has been exhausted



All proposed activities must meet critical thresholds that include but are not limited to; can be completed within 12 months of the award, compliance with HUD's National Objectives, are a unit of local government, and explicitly prevent, prepare for and respond to Coronavirus. Even if the proposed project includes a consultant or subrecipient, the applicant must be a unit of local government. A consultant or subrecipient cannot apply on the behalf of a municipality.

The CDBG CARES funds have strict expenditure deadlines that NYS must adhere to. For this reason, it is critical that applicants advance projects that can be completed within a short period of time.

The application period is now open. Applications will be accepted and rolling awards will be made until 4:00 pm Friday, August 27th, 2021 or until funding has been exhausted.

# Program Administration Requirements

- Duplication of Benefits
  - Grantees must have policies and procedures to prevent CDBG-CV funds for costs already fully covered by other sources
- Procurement
  - An applicant may choose a third-party consultant and/or non-profit subrecipient to help administer the project
  - For professional service contracts, federal procurement rules will apply
  - [Chapter 1](#) and [Chapter 4](#)
- Environmental Review
  - ALL CDBG projects are required to undergo a National Environmental Policy Act (NEPA) and State Environmental Quality Review Act (SEQRA) review
  - The length and time for the NEPA review depends on the type of activities that are undertaken
  - [Chapter 2](#)



Some critical administrative areas to consider are:

Duplication of Benefits – CDBG-CV grantees must have policies and procedures in place to prevent duplication of benefits with other state and federal. This means that grantees may not use CDBG-CV funds for costs already fully covered by other sources. This is a critically important step given the variety of different sources of funds made available throughout the year for COVID response. Make sure to attach the Duplication of Benefits form when submitting the application.

Next is Procurement - An applicant may choose to use a third-party consultant and/or non-profit subrecipient to help administer the project. For professional service contracts, federal procurement rules will apply. For more information on both procurement and subrecipient relationships, please see Chapters 1 and 4 of the NYS CDBG Grant Administration Manual, “Getting Started” and “Procurement Standards”, respectively.

Finally, the Environmental Review – All CDBG projects are required to undergo a National Environmental Policy Act (NEPA) and State Environmental Quality Review Act (SEQRA) review. The length of time for the NEPA review varies based on the type of activities that are undertaken. For more information, please see Chapter 2 of the NYS

CDBG Grant Administration Manual, “Environmental and Historic Review”. We strongly suggest starting the NEPA and SEQR process before submitting your application.

## Funding Limits

	<i>MINIMUM</i>	<i>MAXIMUM</i>
<i>Towns, Cities, and Villages</i>	\$100,000	\$500,000
<i>Counties and New York City</i>	\$100,000	\$1,000,000
<i>All Municipalities – Combined Activities</i>	\$100,000	\$2,000,000



The minimum request amount for all applicants is \$100,000.

Towns, cities, and villages may apply for up to \$500,000 independently. Counties and New York City may apply for up to \$1 million.

Municipalities that wish to apply for multiple activities are encouraged to submit a single application for multiple activities – these applications are limited to \$2 million.

These maximum award limits are not intended to serve as a target for funding requests. The amount of CDBG assistance must be based on the extent of need and cannot be used to reduce the amount of other financing for the project. Larger awards may be approved based on demonstrated need and capacity to complete proposed activities within 12-month term.

## Funding Limits cont.

- One application for all activities
- Any municipality (including towns and villages) can request the maximum \$2 million for combined activities
- Documentation of need and demand for funds must be provided
- Funding limits are per municipality



If a municipality is planning to apply for multiple activities and for the combined funding limit of \$2 million, submit all the project activities in one application. All municipalities, including towns and villages, are eligible to apply for the full \$2 million if two or more activities are proposed.

Again, the funding limits are not suggested targets for funding. Just because 2 million is the limit does not mean this is the amount you should be aiming to request. Be realistic about what is feasible for the municipality to accomplish and spend in the 12-month contract timeframe. Applicants will need to demonstrate how costs were determined and that demand exists for the funds as well as ability to complete the project in 12 months.

There may be some projects that can and will be completed well before 12 months. A municipality can submit more than one application for this funding round. A municipality can submit a second application only if the first awarded contract is fully committed and has substantial expenditures. OCR reserves the right to make exceptions based on need.

## What's Different About CV Funds?

If you previously applied or administered a CDBG grant, here's what's different/what you should know...

CDBG-CV Funds
COVID Connection Required
12 Month Contract
Consultation Form
Funds are available until Aug 27, 2021 or are exhausted
Funding Limits (differ)
Pre-award costs can be funded by CDBG
Categories of Need (Public Services & Special Projects)
Economic Development Public Benefit Test:
- Cost/ job does not exceed \$85,000



Whether this is your first time applying for CDBG funding or not, applicants should be aware that the CDBG-CV program has key differences for program requirements than non-CDBG-CV funding.

First and foremost, projects must demonstrate a connection to preventing, preparing, or responding to COVID-19. Due to the unprecedented circumstances surrounding the COVID-19 pandemic, unlike other funding rounds, CDBG-CV awards must demonstrate the connection to COVID-19.

Next, is the contract term. Traditionally, projects are to be completed in a 24-month timeframe. However, CDBG-CV projects must be completed within a shorter timeframe 12 months of award given HUD's strict expenditure deadlines. The 12 months begins when the grant executed.

Another thing different about this funding rounds is that before submitting a full application, a consultation form must be submitted to OCR. We will be discussing the consultation form in further detail later in the presentation. Even if you have applied for CDBG funding in the past, this required step will be new to you.

Traditionally, the CDBG funds are made available through open or annual competitive rounds. CDBG-CV applications will be accepted on a rolling basis until August 27, 2021. However, we do not recommend waiting until the last minute because unlike the traditional funding rounds, applications will not be accepted after the available funds are exhausted.

We previously discussed the funding limits for this round. Please note that these are different than other CDBG funding limits.

The general categories for CDBG-CV have been established to focus on activities related to preventing and preparing for the COVID-19 pandemic. We will discuss this further shortly in the program but, the CDBG-CV grant categories of need include public service and special projects.

Lastly, for economic development projects, public benefit standard (the award amount per job retained/created) will be based on need but will generally follow the requirements of the regular CDBG funding rounds.

# General Categories & Eligible Activities



In this section, we will discuss the categories and activities that are eligible for funding.

# CDBG CARES General Categories



**Small Business Assistance**



**Public Facilities/  
Infrastructure**



**Housing Improvements**



**Public Services**



**Special Projects**



The approved uses of CDBG CARES funding granted to New York by HUD fall under four general categories: Small Business Assistance, Public Facilities/Infrastructure, Housing Improvements, and Public Services. HCR is accepting applications for specific activities within these general categories. In a later slide we will discuss special projects which are activities that may not neatly fall under the listed categories.

## Small Business Assistance



- Available to:
  - Businesses with less than 25 employees
- Offered on a programmatic basis
- Used to address improvements that support customer/staff safety and improve business resiliency



The first category is small business assistance. Grant funds will be made available to support businesses with less than 25 employees. This includes microenterprises with fewer than 5 employees as well as small businesses with fewer than 25 employees that have been impacted by the pandemic and that have been unable to access other state and federal resources. While all CDBG-CV economic development activities can satisfy a national objective through the creation or retention of jobs held by or made available to low/mod income persons, microenterprise activities can also meet a national objective if the owner of the business is low/mod income themselves.

Assistance will be offered on a programmatic basis. For example, there may be a mix of microenterprise and small businesses that apply under the same application. They will operate under one program drawing from the same pool of resources to fund their activities.

Funds will be deployed to address improvements that support customer and staff safety and improve business resiliency related to future occurrences of the virus or other disasters.

## Small Business Assistance



- Businesses will be required to demonstrate:
  - Job Retention and/or Creation
    - A minimum of 51% of those jobs must be held by and/or made available to LMI households
  - How proposed funds will enable the business to respond to and prevent impacts of COVID-19.

### Program Administration and Delivery\*

- Business assistance programs: May request up to 15% of the request in soft costs, with administration not to exceed 5%
- Stand-alone Small Business projects: May request up to \$16,000 for administration and program delivery

\* Only applies to Economic Development Activities



Businesses will be required to demonstrate job retention or creation to access funds, as well as to demonstrate how proposed use of funds will enable the business to respond to and prevent impacts of COVID-19.

- A minimum of fifty-one percent (51%) of the jobs that are created or retained as a result of an economic development award must be either held by and/or made available to persons from low- and moderate-income (LMI) households. **Held by** means that at the time their employment starts, that person is a member of a family whose income falls at or below the applicable Section 8 Income Limits. A job is considered to be **made available to** a LMI persons if the position does not require special skills acquired from substantial training or work experience, and education beyond high school is not a prerequisite to employment.

There are some additional conditions for funding Economic Development projects specifically. For Microenterprise, (again, this is 5 employees or fewer, one of them is the owner), or Small Business Assistance projects, 15% of the funding cost can be used for soft costs and, grant administration cannot exceed 5%. For projects that assist standalone small businesses (or businesses with 25 or fewer employees), the application may request up to \$16,000 for administration and program delivery combined.

# Small Business Assistance



## Eligible Activities

- Supporting Small Business (includes but is not limited to):
  - New equipment or fixtures to guide social distancing
  - Technology to increase efficiency
  - Implement post-COVID business practices
  - Working capital to resume operations following the business closures



Uses may include those listed on the slide. Applicants are encouraged to prioritize businesses unable to access other state or federal resources for support and conduct a duplication of benefits review.

Some examples of eligible uses could include

- New point of sale equipment to allow social distancing
- Working capital to help market new digital offerings of a product or service
- Soft costs, such as rent and insurance to help stabilize the business
- Purchase of equipment and hiring employees to maintain new cleaning protocols

## Public Facilities/Infrastructure



- Buildings for the general conduct of government, such as City or Town Halls are NOT eligible

- **Eligible Activities**

- Improving Air Quality in Public Facilities

- Public facilities include, but are not limited to, nursing homes, homeless shelters, daycares, public housing developments, and other critical institutions
    - Reconfiguring and adjusting to comply with social distancing, reduced occupancy, and other requirements due to the COVID-19 pandemic

- Wi-Fi Connectivity for Underserved Communities

- Ensure families in underserved communities have Wi-Fi access for remote education and telehealth services through new and expanded broadband



Public facilities and infrastructure projects generally involve acquisition, construction, reconstruction, rehabilitation, or installation.

Funds may not be used to support general operation expenses for local governments or improvements to buildings used for the general conduct of government. Places like the City or Town hall where municipal government employees operate out of cannot be funded by CDBG.

However, grant funds will be available to assist municipal public facilities, nursing homes, libraries, homeless shelters, senior centers, supportive and public housing developments and other critical institutions with reconfiguration and physical adjustments to comply with social distancing, reduced occupancy and other requirements following the COVID pandemic. The improvements will increase environmental and structural safety in public facilities. Facilities that benefit the entire jurisdiction and do not have limited public access are eligible for public facilities and infrastructure projects; applicants who are unsure if a facility is eligible are encouraged to consult OCR.

Uses may include physical redesign of existing facilities to encourage reduced density,

redesign and improvement of air filtering or ventilation systems, acquisition/development of underutilized properties to expand public facilities and public space, redevelopment or design of a facility to serve a dual purpose such as a shelter for future disaster events.

Funds will be made available as an infrastructure activity to ensure that families in underserved communities have Wi-fi access for remote education and telehealth services through new and expanded broadband. Applicants must identify connectivity projects that can be completed within 12 months. CDBG grant funds can be provided to directly support the cost of delivering these critical programs to New York's most vulnerable populations at a local level.

# Housing Improvements



## Eligible Activities

- Environmental Improvements in Housing for Safe Shelter
  - Lead based paint remediation
  - Assisting rental and single-family homeowners with repairs or upgrades critical to improving the overall health and safety of the housing
  - Investments to configure and update living spaces and physical systems to safely shelter at home
  - Expected to prioritize assistance to vulnerable populations such as senior and families that lost income as a result of COVID
- Conversion of Underutilized Buildings for Affordable Housing
  - Repairing residential building stock or for the acquisition and conversion of other vacant public facilities to create new affordable housing

Applicants are expected to prioritize vulnerable populations



Increased time in the home is increasing risk of lead poisoning for families in NYS. The connection between health and quality housing is well established and addressing the safety and quality of NY's housing stock has never been more critical given the recent crisis requiring sheltering in place and reducing density in both public and private spaces.

Grant funds will be made available to assist rental and single-family homeowners with repairs or upgrades critical to improving the overall health and safety of the housing. In addition to lead remediation, funds may be used to address ventilation and HVAC improvements related to indoor air quality, reconfiguration of communal spaces, other repairs that address emergencies and allow families to safely shelter at home. This assistance will help to prepare for and prevent future occurrences of the virus by making investments to reconfigure and update living spaces and physical systems for low/moderate income families.

Additionally, the pandemic has both increased commercial vacancies and generated an increased need for affordable and supportive housing. CDBG funds can be a critical component for addressing the needs of families and individuals experiencing homelessness or housing challenges as a result of the COVID-19 pandemic.

HCR will therefore accept applications for the repair of residential building stock or for the acquisition and conversion of other vacant structures to create new opportunities for affordable housing or for the development of public facilities, e.g. shelters, senior centers, or recreation facilities.

Applicants are expected to prioritize assistance to vulnerable populations such as seniors, the severely disabled, and families that lost income as a result of COVID.

# Public Services



## Eligible Activities

- **Vaccine Outreach and Awareness**
  - Supporting community-based outreach in LMI areas or to HUD designated vulnerable or underserved populations to ensure they can locate and access the COVID-19 vaccines as they become available
  - Working with target populations to educate residents about vaccine safety and post vaccine federal guideline recommendations
- **Support for Mental Health Services**
  - Program costs related to domestic violence/abuse services, substance abuse treatment and recovery services, suicide prevention and other general mental health services
  - CANNOT support activities already funded by other parties
- **Wi-fi Connectivity for Underserved Communities**
  - Example: Costs to provide a mobile hotspot



A public service must be either a new service or a quantifiable increase in the level of the service.

Funds will be made available to support community-based outreach in low-and-moderate income areas or to HUD designated vulnerable or underserved populations to ensure they are able to locate and access the COVID-19 vaccines as they become available. HCR expects that this assistance is primarily coordinated through non-profit organizations that may provide services and programming to those communities. Uses may also include working with target populations to educate residents about vaccine safety and post vaccine federal guideline recommendations.

The need for mental health services has increased during the pandemic. Applicants may request CDBG funds to support new or expanded mental health services. Grant funds can cover program costs related to domestic violence/abuse services, substance abuse treatment and recovery services, suicide prevention and other general mental health services. HCR expects that this assistance is primarily coordinated through non-profit organizations that may provide services and programming to those populations. Consideration should be given to projects that utilize public service dollars to complement other activities undertaken using CDBG

CV funds. Note that the public service activity must be for a new or expanded service and cannot support activities already funded by other parties.

Funds will be made available to ensure that families in underserved communities have Wi-fi access through new and expanded broadband also as a public service activity. The connectivity projects must still be completed within 12 months. Public and community service providers expanded existing services and developed new programs to support increased and new community needs during the pandemic as a Public Service activity. This would be funding for the service and not for the installation, acquisition, or construction of the facility that would provide the service.

## Special Projects

- A critical need that falls outside of the activities mentioned, but are within the four categories approved by HUD
- MUST meet the HUD mandated nexus to COVID **AND** a CDBG National Objective
- Submit project consultation form to initiate conversation



NYS HCR intends to make CDBG CV funds available to best serve needs created by the COVID-19 pandemic. Applications that meet the HUD mandated nexus to COVID and a CDBG National Objective may be considered for funding. Applicants that identify a critical need that falls outside of the above activities, but which are within the four categories approved by HUD, should contact HCR to discuss the proposal. For Example, a standalone Business assistance project may be eligible but must demonstrate a significant need.

## Recovering Costs Prior to Application

- Costs must have tie-in to COVID-19
- NYS may only reimburse for costs incurred after 1/21/20
- This may include costs incurred prior to application and agreement with NYS or its subrecipients
- All projects still require environmental review (24 CFR Part 58) prior to reimbursement
  - By default, will limit to exempt or “convertible” costs under National Environmental Policy Act (NEPA), e.g., emergency measures, soft costs, non-duplicative rent payments, purchase of PPE, etc.
- Eligible costs are limited to those described in NYS Action Plan amendment
  - Housing, Public Infrastructure/facilities, Economic Development assistance, and Public Services
- The authority to reimburse for pre-agreement or pre-award costs will also extend to any entitlement communities assisted with NYS CDBG-CV funds
- [NYS CDBG Grant Administration Manual Chapter 2](#)



Traditionally, CDBG funding cannot be used for costs incurred before submitting the application. For CDBG-CV funding, certain pre-award costs may be eligible back to January 21, 2020. Applicants must demonstrate that the cost was associated with preventing, preparing, or responding to the COVID-19 pandemic. If a grantee cannot meet all the requirements at 24 CFR Part 58, as part of the National Environmental Policy Act review, and cannot demonstrate that there was no environmental harm committed, the pre-application costs cannot be reimbursed with HUD funds. Any entitlement communities receiving NYS CDBG CV funds will be bound to the above activities or will be subject to an amendment of the entitlement community’s action plan.

Please contact OCR to determine applicability. For more information, please see Chapter 2 of the NYS CDBG Grant Administration Manual, “Environmental and Historic Review”.

## Ineligible Activities

- No tie to COVID-19
- Cannot be completed within 12 months
- Projects that do not meet a National Objective
- Construction of new housing
- Activities caused by deferred maintenance
- Buildings for the general conduct of government
- General government expenses



Before we move on from eligible activities, we would like to discuss a few reasons why an activity may be ineligible. This is a general list of ineligible activities.

Activities for NYS CDBG-CV projects that do not have a connection to preparing, preventing, or responding to COVID-19 are not eligible. Additionally, projects that cannot be completed within 12 months will not be awarded.

Examples of projects that do not meet National Objective would be when the group of proposed beneficiaries are less than 51% low-and moderate-income persons or urgent need. We will be discussing National Objectives next.

When in doubt, contact [cdbgcars@nyshcr.org](mailto:cdbgcars@nyshcr.org) with inquiries.

# National Objectives

Next, we will cover National Objectives that all proposed activities will need to meet.

## National Objectives Overview

- HUD requires that CDBG-CV funds must meet a “National Objective”
  - Benefits to LMI Persons
  - Urgent Need
- If satisfactory demonstration of compliance with a National Objective is not provided, the proposed activity will be considered ineligible and will not be considered for funding.
- [CDBG Grant Administration Manual Chapter 5](#)
- [NYS CARES Request for Applications](#)



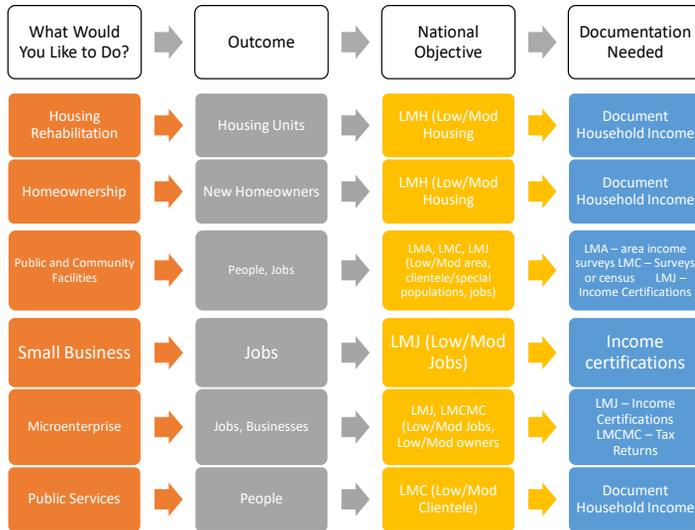
Each project proposed for CDBG assistance must meet a National Objective (NO) as defined by HUD.

- For most projects, this objective can be met by ensuring that at least 51% of the beneficiaries assisted are low-to-moderate income households and/or individuals.

- In addition, the National Objective can be met through Urgent Need. These projects are defined narrowly by HUD and generally cover certain emergency situations that present immediate public health threats, such as those that come about from natural disasters. OCR will strive in every case to qualify projects and their activities under the LMI National Objective before considering Urgent Need.

Please reference Chapter 5 in the Grant Administration Manual and the Request for Applications for more information about National Objectives. Direct links are embedded in the slide.

## National Objectives: Benefit to Low to Moderate (LMI) persons



Here is a general guide to meet National Objectives by activity type. Applicants are strongly encouraged to consult with OCR staff through [cdbgcares@nyshcr.org](mailto:cdbgcares@nyshcr.org) about these requirements. Applicants must describe how this standard will be met, and any relevant supporting information must be attached at the time of application.

## National Objectives: Benefit to LMI Persons

The National Objective can be met through the following:

**LMI Area Basis (LMA)** - Activity benefits a defined area in which at least 51% of residents are Low-Moderate Income (LMI)

**LMI Limited Clientele (LMC)** - Activity benefits a defined group that HUD presumes are LMI

- Presumed classes ("groups") = Senior citizens, migrant farmworkers, abused children, battered spouses, handicapped adults, homeless, illiterate adults, or persons with AIDS

**LMI Housing Benefit (LMH)** – Activity provides or improves residential structures that will be occupied by LMI households.

- For multi-unit households, at least 51% of the units must be occupied by LMI persons at the end of the project



Benefiting Low-moderate income (LMI) persons alone is NOT a National Objective, it must fit into one of the identified activities described.

**LMA** – Public or community facilities may meet a National Objective by demonstrating at the time of application that over 51% of the persons served are low/moderate income. This is most frequently done through neighborhood income surveys or through a survey of all users of the facility. Census data may be used only where it can be definitively shown that the service area of the facility perfectly coincides with the census block group or tract.

**LMC** - Activities in this category provide benefits to a specific group of persons rather than everyone in an area. This often can be used to meet a National Objective for Public Facility projects such as Senior Centers.

**LMH** - For all housing activities, the household occupying the assisted unit must be determined to be low/moderate income at the time of assistance. This is most frequently accomplished by gathering all income sources and projecting future income over the next year. For multi-family properties, a majority of the assisted units must be occupied by low/moderate income households. HUD provides an online

income calculator here: <https://www.hudexchange.info/incomecalculator/>.

## National Objectives: Benefit to LMI Persons (cont.)

**LMI Limited Clientele, Micro-enterprises (LMCMC)** – Activities that benefit micro-enterprise owners that are LMI

**LMI Job Creation or Retention\* (LMJ)** – 51% or more of the created or retained jobs must be either:

- Known to be held by LMI persons at the time CDBG assistance is provided and/or
- Jobs not known to be held by LMI persons, but which can be reasonably expected to “turn over” to LMI persons within two years.

\*Special Rules for Retained Jobs



LMCMC - For microenterprise projects, National Objective can be met if the owner of the business is determined to be from a low/moderate income household at the time of assistance. The most recent tax returns are required to document LMI status.

LMJ – is for Economic Development, Small Business, and Microenterprise activities and is based on full time equivalent jobs created or retained. 51% of all jobs created must benefit LMI persons by being ‘taken by’ or ‘made available to’ or both. Family Income forms, as provided by the OCR through a template, are required to document household income based on the current HUD income limits.

### \*Job Retention

In order to consider jobs retained as a result of CDBG assistance, there must be clear and objective evidence that permanent jobs will be lost without CDBG assistance, that is 1. Evidence that the business has issued a notice to affected employees or made a public announcement to that effect, or 2. Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

## National Objectives: Urgent Need

**Urgent Need (URG)** – The proposed activity is of recent origin or recently became urgent

- The existing conditions are of recent origin or recently became urgent (within 18 months)
- The nature and immediacy of conditions pose a serious threat to the health and or welfare of the community
- The Applicant is unable to finance the proposed activity on its own and other resources are not available to fund the proposed activity



Urgent Need projects are defined narrowly by HUD and generally cover certain emergency situations that present immediate public health threats, such as those that come about from natural disasters. As mentioned previously, OCR will strive in every case to qualify projects and their activities under the LMI National Objective before considering Urgent Need. Projects meeting the Urgent Need National Objective must demonstrate that:

- The condition resulting in the need for the proposed activity is of recent origin or recently became urgent (e.g. a condition that developed, or became critical, within 18 months of application).
- The nature and immediacy of conditions pose a serious threat to the health and or welfare of the community.
- The Applicant is unable to finance the proposed activity on its own and other resources are not available to fund the proposed activity.

# Application Process

## Application Process



Here we have an overview of how the application process will work. We will go into each step a bit further in the next slides as well.

Step 1 is to submit a project consultation form.

Step 2 involves an OCR staff review of the consultation form. Afterwards, OCR staff will share feedback with communities and may request additional documentation.

If the consultation form is approved, the applicant will move on to Step 3 and will receive an invitation to a full application

As communities are putting together pieces for a full application, Step 4 is to hold a public hearing before submission.

Step 5 is submitting the final application with all of the required documentation included.

# Step 1: Submit Project Consultation Form



**CDBG-CV Project Consultation Form  
CARES**

New York State Homes and Community Renewal (HCR) has announced the availability of Community Development Block Grant (CDBG) funding under the federal CARES Act to prevent, prepare for, and respond to Coronavirus. Please complete the following form to begin a 2-step process to be considered for funding. Send the completed form to [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org) and HCR staff will contact you to discuss the proposed project.

Date	
Applicant	
Applicant Type	Choose an item
CDBG Experience	Choose an item
*If federal coronavirus are units of local government that receive an annual allocation of funds directly from HUD? If you are unsure of your enrollment status, please indicate that in the project description, and program staff will provide assistance at the time of consultation.	
Address	
Project Address	
Project Type	Choose an item
CDBG-CV Request Amount	
Other Funds	
Total Project Cost	
Contact Name and Title	
Phone	
Email	
Provide a summary of the proposed project. Describe how it will prevent, prepare for, and respond to Coronavirus. Please identify any potential barriers to completing the project as proposed. Explain status of other financing.	

CDBG-CV Project Consultation Form

- The intention of the consultation stage is to make sure the narrative is complete, and that the project will comply with a National Objective and the COVID-19 nexus
- Submit proposals to [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)



A project consultation form must be submitted to confirm activity eligibility and for technical assistance prior to submitting a full application. The intention of the consultation stage is to ensure that the project is eligible for CDBG assistance, and the project will comply with a National Objective and the COVID-19 nexus. OCR staff will provide technical assistance at this stage based on information provided in the consultation form.

This Form is available with the funding round materials on HCR’s website and must be submitted to [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)

## Step 2: OCR Staff Review and Direct Consultation



- Upon review of a Project Consultation Form, OCR staff will contact the applicant to advise on:
  - Activity eligibility,
  - Request additional information, OR
  - Provide approval to proceed to submit a full application

## Step 3: If Approved, Invitation to Full Application



- Applicant **MUST** receive approval before submitting a full application



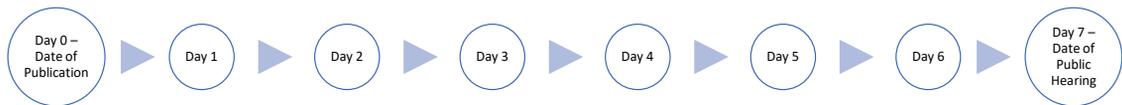
Step 2 - Upon review of a Project Consultation Form, OCR staff will contact the applicant to advise on activity eligibility, request additional information or provide approval to proceed to submit a full application.

Step 3 is an invitation to submit the full application, but only once OCR has given direct approval.

## Step 4: Public Hearing Pre-Application Requirement



- Must be conducted before a quorum of the legislative body
- Current guidance allows for virtual hearings
- Two (2) public hearings are required:
  - First hearing must happen between proposal and application
  - For those awarded, second hearing must be complete before submission of the request for closeout
- The municipality must provide a minimum seven (7) day period between the publication of the hearing notice and the hearing itself. Note that the date of publication is day "zero".



Applicant communities must conduct a public hearing before a quorum of the full legislative body (Not a division of local government) in compliance with NYS Citizen Participation requirements, prior to submitting a full application for funding. A public hearing template is available in the full application document and with the funding round materials on the website.

Virtual hearings are acceptable.

Two (2) public hearings are required:

First hearing must happen between proposal and application

For those awarded, second hearing must be complete before submission of the request for closeout

The municipality must provide a minimum seven (7) day period between the publication of the hearing notice and the hearing itself. Note that the date of publication is day "zero". See diagram included.

## Step 4: Public Hearing Pre-Application Requirement



- The hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing.
- Please include as attachments:
  - Affidavit of Publication as provided by the newspaper
  - A full, clearly legible copy of the legal notice as published
  - Copy of minutes from hearing
  - Copy of sign-in/attendance sheet
  - Clear, legible documentation of 72-hour attestation
    - Website Screenshot, Digital Photo w/ Date Stamp, Written Attestation, Other clear evidence documenting the above



The hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing.

Please include ALL of the following items on slide as attachments. If all of these documents are not included in your application, it will make your project ineligible.

## Step 5: Full Application Submission



- Once an applicant has received approval to submit a full application, applicants must submit an electronic copy of the application to OCR at:

[CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)

**Subject: Application – Town/Village/City/County Name**

- A copy of the application must be retained by the applicant.
- The application will be accepted through **4:00 pm Friday, August 27th, 2021 on a rolling basis** or until all funding has been exhausted.



Once an applicant has received approval to submit a full application, applicants must submit an electronic copy of the application to OCR using the information here.

Applicants, please keep a copy of the application and submitted attachments for your records

The application will be accepted through 4:00 pm Friday, August 27th, 2021 on a rolling basis or until funding has been exhausted

# Getting Ready to Apply



Now we will go over key information as communities get ready to apply once they receive full approval from OCR.



## Application Threshold Requirements

- Prevent, prepare for, and respond to Coronavirus
- Meet a CDBG National Objective
- Meet all Public Hearing Criteria
- Can be completed within 12 months of award



CDBG-CV applications must present project proposals that include all of the following pieces described in the next few slides. This captures everything we've discussed so far in one list.

- Prevent, prepare for, and respond to Coronavirus, Meet a CDBG National Objective, Meet all Public Hearing Criteria, Can be completed within 12 months of award.



## Application Threshold Requirements (cont.)

- Request funding within the limits previously outlined
- Applicants may generally request up to 18% of the CDBG award in program delivery, administration, and engineering costs combined.
  - Of the 18%, administration must not exceed more than 5% of the total CDBG award. Please note that these limits may vary by activity
- Do not request reimbursement of costs prior to January 21, 2020.



Continuing with application threshold requirements:

- Applicants must request funding within the limits previously outlined. Please look at these limits closely to determine how your community wants to strategically approach applying for multiple activities.
- Next, applicants may generally request up to 18% of the CDBG award in program delivery, administration, and engineering costs combined. Of the 18%, administration must not exceed more than 5% of the total CDBG award. Please note that these limits are different with economic development activities. In which case for Program Administration and Delivery:
  - Small business assistance programs: May request up to 15% of the request in soft costs, with administration not to exceed 5%
  - Stand-alone Small Business projects: May request up to \$16,000 for administration and program delivery
- Additionally, projects cannot request reimbursement of costs prior to January 21, 2020. If there were costs incurred after that date but prior to award they may considered eligible for CDBG CV funds.



## Application Threshold Requirements (cont.)

- Address one or more of the specified activities:
  - Supporting Small Business
  - Improving Air Quality in Public Facilities
  - Environmental Improvements for Housing in Safe Shelter
  - Conversion of Underutilized Buildings for Affordable Housing
  - Vaccine Outreach and Awareness
  - Wi-Fi Connectivity for Underserved Communities
  - Support for Mental Health Services
  - Special Projects



The project will also need to address one or more of the specified activities listed on the slide



## Application Review Criteria

- In addition to threshold requirements, applications will be evaluated and scored based on criteria
  - **Need (25%)** – Demonstrated need for the project, strength of connection to Coronavirus response, leverage of other sources;
    - Clear description of need, quantifiable information, supporting documentation, strong reasoning for funding
  - **Impact (25%)** – Measurable impact of proposed activities, relevance to demonstrated need;
    - Be specific and provide concrete examples of impact, describe project outlook and financial evaluation without awarded funds



In addition to threshold requirements, applications will be evaluated and scored based on criteria

For Need – we want to see a clear description of what the need is and how it is related to COVID 19 by including any quantifiable or concrete information (for example, the number of people or area affected) and is supported by additional documentation such as support letters, architectural/engineering reports, or market analysis. Applicants should also provide strong reasoning why CDBG CV is necessary to complete this project and that efforts to secure other funding have taken place.

Impact – applicants need to describe specific measurable impacts of the project (i.e. numbers of jobs, housing units, people assisted) and what the project outlook would mean without CDBG CV funding.



## Application Review Criteria (cont.)

- **Capacity (25%)** - Organizational capacity and project design that demonstrates ability to complete project within contract term, strong plan/strategy for administration
  - Include a clear timeline with supporting descriptions of meeting 12-month timeframe, describe administrative structure, detail procurement processes, applicant's prior performance will also be evaluated
- **Feasibility (25%)** – Clear budget, all sources identified, project financially viable
  - Description of budget, cost effective approaches, break down of administrative costs, status of secured funds



In terms of capacity, applications should provide a clear timeline of how the project will be completed within 12 months and provide supporting statement of how the project will be able to meet that timeframe. OCR will also look for descriptions of the administrative structure and breakdown of roles and responsibilities. Any procurement processes used should also be detailed.

-Applicant's prior Performance review includes:

- The number of project extensions requested and the reasons for extensions
- Unresolved monitoring findings and concerns and the timeframe in which they were resolved.
- Status of current grants (expenditure rate, suspension of funds, adherence to program schedules).
- A review of any grant administration issues, how they were resolved in a timely manner for all grants and Program Years.

Next, in terms of feasibility the applicant needs to demonstrate how the budget is enough to cover costs of the project, detailing how cost effective approaches will be used, breaking down administrative/soft costs, and describing status of securing current commitments.



## I'm Ready to Apply...What's the Next Step?

- First, communities must submit a project consultation form
- Once form is received and reviewed, a call with OCR may be scheduled to discuss more detailed project pieces
- Email [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)
- [Website link](#) for consultation form, RFA, application, etc.
  - <https://hcr.ny.gov/community-development-block-grant>



First and foremost, communities must submit a project consultation form to initiate this process. We want applicants to have some concrete plans or thoughts laid out before having more in depth conversations with OCR.

Once form is received and reviewed, a call with OCR may be scheduled to discuss more detailed project pieces

For any questions or inquiries, please email [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)

Embedded here is the website link to all of our CDBG CV materials. [Website link](#) for consultation form, RFA, application, etc.

# Application Tips & Common Deficiencies



Next, we will go over common deficiencies OCR typically finds in applications.

## Common Deficiencies

- Not establishing a connection to COVID-19
- Public Hearing
  - Missing affidavit of publication in newspaper of record
  - Not providing 7 full days from notice to hearing (date of publication day '0')
  - Missing proof of conspicuous posting 72 hours prior to hearing
  - Hearing not held by quorum of legislative body
- Lack of commitment of other funds – CDBG is last in
- Lack of effort to secure alternative funding form other sources
- Use the application checklist – make sure you submit all the required documents
- Application submitted by consultant or subrecipient instead of municipality



- We continue to emphasize this first point because a clear connection must be drawn to COVID 19 to be eligible for funds. Not establishing a clear connection will most likely make a project ineligible.
- Read all instructions related to the required public hearing carefully. If any of the required documents are missing, or if the hearing has not been properly noticed and posted, it will render the application ineligible, and the project will be delayed. Please note that the requirement to hold a public hearing and attach an affidavit of publication IS NOT the same thing as posting a copy of the notice at least 72 hours prior to the hearing. We need to see that both were done. The notice, in addition to the legal ad, can be posted either physically (think Town hall bulletin board) or on a website. Photographic evidence is fine. It is also important to note that the public hearing must be held by a legislative body – it cannot be a planning board, the Department of Public Works committee – again, it must be the municipality's official legislative body.
- Next, make sure your local or other funding is committed before you submit your application. Please make sure commitment is not pending or conditional and proof of commitment through letters are submitted as attachments. CDBG should be gap financing, that means last in a project, and the project must be completed in 12 months

- Please make sure you include a description of efforts taken to secure alternative or additional funds from other public and private sources. Communities should be exploring every resource accessible to them and those efforts need to be clearly stated when applying for CDBG CV funding. Rejection letters or supporting documentation should be included as part of your application.
- Use the application checklist – make sure you submit all the required documents.
- Applications cannot be submitted by a consultant or subrecipient, they need to be submitted directly by the municipality itself.

## Common Deficiencies (Cont.)

- Not demonstrating need for, or impact from, the project (provide details)
- Not demonstrating knowledge of NYS CDBG, State, and Federal requirements
- Not demonstrating labor compliance activities and costs related to these activities
- Not demonstrating National Objective compliance
- Inadequate description of the local capacity to administer the project
- No rationale for budget provided
- Not providing a description of administration or program delivery activities



- When developing an application, it's important to demonstrate and document the need for the project through letters of support, engineering reports, market analysis, etc.
- Similarly, be sure to describe the impact your project is going to have in terms of jobs created, housing units assisted, or facilities renovated.
- Your budget must be supported through cost estimates, quotes, or other third-party documentation. Costs must be shown to be reasonable and able to address the need identified in the application
- Be sure there is an understanding of the allowable admin and program delivery costs. There are different limits for economic development activities. OCR can assist with interpreting those differences
- Applicant must demonstrate they have the administrative capacity to successfully administer the project at the time funds are awarded
- The application must provide strong evidence of how they arrived at their proposed budget by listing sources, estimates, and detailing cost-effective approaches to address the need
- Be sure to describe the administration and program delivery activities and the costs associated with these activities. Even if you are not requesting CDBG-CV funds to cover these costs, it must be included in the application. Applicants need

to pay close attention to admin and program delivery funds limits for their proposed project, so they do not exceed that allowance

## Question and Answer



That concludes our presentation portion of the program. We have been monitoring your questions throughout the presentation- please enter questions in the Chat or Q&A windows.

Before we answer the questions, we would like to remind you all the resources available at [hcr.ny.gov](http://hcr.ny.gov). You can find the NYS CDBG-CV Request for Applications and the full CDBG Grant Administration Manual there. With that said, our first question is...

Thank you for attending!  
Submit all inquiries to [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org)



Thank you for attending today's webinar. Again, please submit any additional questions to [CDBGCARES@nyshcr.org](mailto:CDBGCARES@nyshcr.org).