NYS CDBG-CV Funding
Frequently Asked Questions

Eligible Applicants/Subrecipients

Q1. Who is eligible to apply for CDBG CV Funds?

A1. All NYS units of local government, including Counties, Cities, Towns, and Villages are eligible to apply for CDBG-CV funds. NYS is obligated to reserve an amount equal to the first round of CDBG-CV funding (approximately $30 Million) to non-entitlement communities, i.e. those communities that do not otherwise receive annual funds directly from HUD.

Q2. Our village is within a county consortium, is the village eligible to apply as a standalone applicant? Likewise, is the county consortium eligible to apply?

A2. Yes, all NYS units of local government, including Counties, Cities, Towns, and Villages are eligible to apply to NYS HCR for CDBG-CV funds.

Q3. Can land banks/municipal department/non-profits/IDAs apply for assistance directly?

A3. No. Applicants must be units of local government. Municipal applicants may choose to work with not-for-profit or non-governmental partners to administer projects as a subrecipient, or to benefit facilities owned by those partners.

Timeliness

Q4. How is the start date for the project determined?

A4. The project start date will be the date of award by the NYS Homes & Community Renewal and the Housing Trust Fund Corporation. Projects must be completed, i.e. funds expended, and accomplishments made within 12 months of award.

Q5. What is the timing from application to approval?

A5. The Office of Community Renewal (OCR) will accept application forms, conduct initial consultation calls as needed, and invite the submission of full applications as quickly as possible. Applicants that fill out all application forms completely and that provide any additional requested information quickly will have the best chance to move projects along in a timely manner. Applications recommended for award will be advanced for board approval at the next scheduled meeting following submittal of all required documents.

Q6. Is a project or activity eligible if it cannot be completed within 12 months?

A6. Due to the nature of the funding, response to COVID-19, HUD is allowing NYS less time to commit and expend CDBG-CV funds than under "normal" CDBG funding rounds. While OCR reserves to right to provide some flexibility in extraordinary circumstances, the urgency to complete a project is directly related to its connection to COVID-19. Applicants should not present projects that cannot be initiated and completed quickly.

Duplication of Benefits

Q7. Is an organization eligible to receive NYS CDBG-CV if it received other funding through the CARES Act in 2020?

A7. Yes, if an organization has COVID related expenses that have not already been covered by other sources, it may be eligible for NYS CDBG-CV support. Applicants and participants will be required to submit a duplication of benefits worksheets to show any other relevant local, state of federal sources that may be used toward the project. Additionally, CDBG-CV cannot be used to replace other committed sources of funding

Labor/Davis Bacon

Q8. How does Davis Bacon apply to building conversion for affordable housing, or in a project to improve air quality in a homeless shelter?

A8. Davis Bacon is applicable to all construction contracts awarded by recipients or sub-recipients over $2,000 and funded through CDBG-CV. Residential properties of less than 8 units are exempt from these requirements.

Q9. Will assistance to a small business for physical changes to improve customer safety trigger Davis Bacon?

A9. If CDBG-CV is used to fund a construction contract over $2,000, Davis Bacon will apply. The same requirements do not generally apply the purchase and installation of furniture, fixtures, and equipment.

Funding Limits

Q10. If a municipal applicant intends to work with a not-for-profit that serves multiple counties, can the application request additional funds?

A10. Applications must be submitted by a single municipality. Applications may include multiple activities and can request funds up to the limits described in the Request for Applications. While OCR encourages intermunicipal cooperation, there is not a separate funding category for joint or shared applications. If needed, applicants may re-apply for the same or different activities once funds are fully committed and substantially expended.

Q11. Is there a required match?

A11. In keeping with the critical nature of CDBG-CV funding, OCR will not, at this time, require a local match. Communities may choose to be more restrictive and require a match as a condition of assistance, provided the project can still be completed in 12 months of award.

Eligible Activities

Q12. Can CDBG-CV funds be used to make safety upgrades to a municipal building?

A12. CDBG-CV funds cannot be used to improve buildings used for the general conduct of local government. However, fire stations, police stations, emergency medical facilities, and prisons may be eligible for assistance provided the project can demonstrate compliance with once of HUD's National Objectives. In cases where municipal buildings house a combination of the above activities, CDBG-CV may be used to assist with a pro-ration of costs to make eligible improvements. For specific questions, please email CDBGCARES@nyshcr.org.

Q13. Is improving air quality or upgrading air filtration systems in an eligible public facility (e.g. library, hospital) eligible for CDBG CV funds?

A13. Yes, provided the project can demonstrate compliance with once of HUD's National Objectives. In most cases, applicants will be required to demonstrate that the service area of the facility primarily benefits low-and-moderate-income persons.

Q14. For programmatic small business assistance, will specific businesses need to be identified prior to submittal?

A14. No, but applicants must provide documentation of need for the proposed assistance in the proposed service area. Applicants are advised to demonstrate a strong understanding of the market conditions and needs of local businesses. Applicants may propose a program designed to support certain business types affected by COVID.

Q15. If a small business received PPP funding, is it eligible for CDBG-CV funding?

A15. If the small business has expenses that have not been covered by other sources, included PPP, it may be eligible to receive CDBG-CV if it is able to meet the National Objective.

Q16. Are not-for-profit organizations eligible to receive business assistance through CDBG CV Funding?

A16. No, not-for-profit organizations are not eligible to participate in the business assistance activity. Please consider the COVID related needs of the not-for-profit organization and evaluate if it fits into a different CDBG-CV eligible activity.

Q17. Are retail and hospitality businesses, e.g. dining, hotel, etc., eligible for CDBG-CV funding?

A17. Yes. For-profit businesses are eligible to receive assistance provided they can meet the threshold requirements described in the Request for Applications, but the application to NYS must be from an eligible unit of local government.

Q18. Can small business programs use a portion of the CDBG-CV funds to issue loans

A18. While recipients are not prohibited from issuing loans to businesses, OCR strongly recommends offering assistance as a grant. Loan repayments made back to the unit of government or its subrecipient may be considered "Program Income" under CDBG rules and subject to recapture and reporting by NYS HCR. For specific questions, please email CDBGCARES@nyshcr.org.

Q19. Would the cost to purchase a business bankrupted due to COVID-19 be an eligible expense?

A19. Acquisition costs may be an eligible small business expense when combined with other related activities. However, applicants must be able to demonstrate that the project, however defined, has a clear connection to COVID-19 and will meet one of HUD's National Objectives. For specific questions, please email CDBGCARES@nyshcr.org.

Q20. "Regular" CDBG Microenterprise programs require that 50% of funds are awarded to new business? Does this requirement also apply to CDBG-CV?

A20. No. Small business assistance programs may provide assistance to new or existing business as local demand and need dictates

Q21. Are customer safety/physical improvements to a small business space eligible?

A21. Physical changes to a space are eligible costs under CDBG-CV. However, If CDBG-CV is used to fund a construction contract over $2,000, Davis Bacon will apply. The same requirements do not generally apply the purchase and installation of furniture, fixtures, and equipment that could provide similar benefits.

Q22. Are start-up businesses eligible for funding? Are there any restrictions on the types of businesses that can be awarded?

A.22 The intention of the Small Business Assistance program is to assist businesses with 25 or fewer employees. Applicants may choose to extend assistance to start-up or existing businesses as dictated by need but must make a strong connection to COVID-19 in either case. Larger businesses or stand-alone economic development projects may be considered if determined by the OCR to be critical to the applicant's approach to preparing for, responding to, and preventing COVID-19 or similar.

Q.23 Would a local program modeled on the Restaurant Revitalization Fund be eligible?

A.23 Municipal applicants may choose to extend CDBG assistance to restaurants or other businesses within the hospitality sector as determined by need. While many similarities between the two programs exist, OCR encourages all applicants to contact CDBG staff prior to and during program design to ensure that all activities are eligible and that the program structure will meet all federal and state requirements. In addition, be aware of the need to prevent duplication of benefits of state and/or federal assistance. Be sure to prepare a duplication of benefits worksheet for each assisted business.

Public Facilities/Infrastructure

Q22. Is the acquisition of a motel for conversion to emergency homeless shelter and Single Room Occupancies (SROs) for formerly homeless persons eligible?

A22. The acquisition of a motel for conversion to Emergency homeless shelter and Single Room Occupancies (SROs) for formerly homeless persons could be eligible, provided that the nexus to COVID-19 is met and a National Objective Compliance is met. Overall, the acquisition, renovation and availability for occupancy must be completed within 12 months of the date of award. Contact CDBGCARES@nyshcr.org to discuss project timelines for this type of project.

Q23. Would the renovation of restroom and locker rooms in a Village-owned recreation facility to reduce density and increase social distancing be eligible?

A23. The renovation of restroom and locker rooms in a Village-owned recreation facility to reduce density and increase social distancing could be eligible if the COVID-19 nexus is met, and again, a National Objective must be met.

Q24. Are municipal buildings, such as social services, local courts, DMV, or general offices eligible for an Air Quality improvement project?

A24. Any municipal building that is for the general conduct of government is not eligible for CDBG-CV Act funding.

Q25. Would the construction of a disaster relief center attached to an existing community center be fundable?

A25. Yes, construction of a disaster relief center, the purchase and installation of emergency generators for warming centers and similar emergency response facilities could be eligible for funding, provided that the nexus to COVID is clear and a National Objective can be met.

Q26. Could the CDBG-CV funding be used as part of a traditional low-income housing tax credit project involving rehab of vacant buildings? Or must the project contain a preference for COVID-affected populations (seniors, disabled, or COVID income loss)?

A26. CDBG-CV can be utilized in conjunction with a low-income housing tax credit project. The project would need to meet the critical nexus of COVID-19 and the project must be completed with the 12-month term of the contract. For housing related project, completed projects are defined as all units available and occupied. Contact CDBGCARES@nyshcr.org to discuss project timeline for proposed projects in this category.

Q27. Would a service provider be eligible to apply for funding under the public facilities/infrastructure category if funding is needed to upgrade technological infrastructure to facilitate telehealth services in relation to COVID-19?

A27. The activity, to upgrade technological infrastructure to facilitate telehealth services in relation to COVID-19, could be an eligible activity. The applicant must be an eligible unit of local government.

Housing Improvements

Q28. Can our Town use CDBG-CV funding to purchase tiny homes that would be used for transitional housing?

A28. The use of tiny homes for transitional housing is eligible, provided that the nexus with COVID-19 is clearly established and the units are available for occupancy within 12 months of award.

Q29. **Are underutilized buildings, such as schools and dormitories for disabled persons or for new affordable housing be eligible under the housing improvement category?**

A29. Yes, the proposed activity of renovations to underutilized buildings for housing is eligible. The connection to COVID-19 must be made and the units must be available for occupancy within 12 months of the date of award.

Q30. For conversion of underutilized buildings for affordable housing, would the acquisition, full conversion, and occupancy need to happen within the 12 months?

A30. Yes, given the purpose of the funds, COVID-19 response, proposed projects must be implemented and completed quickly. Activities funded under CDBG-CV approved for funding must be completed within 12 months of the date of award. Contact CDBGCARES@nyshcr.org to discuss project timeline for this category of project.

Q31. Are homeowner rehabilitation activities limited to just HVAC?

A31. Applicants are encouraged to provide a justification for how the proposed activity is related to the COVID-19 pandemic. For example, environmental improvements that would enable occupants to shelter safely in place, such as lead based paint remediation.

Wi-Fi

Q32. How would a Wi-Fi or broadband project work under CDBG-CV?

A32. Proposals to address Wi-Fi need to demonstrate that the area to be served lacks readily available service. Lack of access can be addressed either as a public facility activity, through the actual installation of broadband infrastructure, or as a public service activity. Examples of eligible public facility costs include extension of utilities, the purchase and installation of equipment or installation of wi-fi in public housing or public libraries. Examples of eligible public service costs include the provision of mobile hot spots, or the cost to provide the actual service to the household or facility. The direct connection to COVID-19 must be established and the project must meet a National Objective. Equipment must be installed and/or service must be available within 12 months of award. For projects proposing to provide the cost of service, this can be covered for up to a 12-month period.

National Objectives

Q33. Can we use free and reduced lunch data to document low/moderate income status to meet HUD's National Objective?

A33. No. Low- to moderate-income status must be determined either by gathering household income information or through census data, depending on the activity. For housing, businesses assistance, public service, and some public facility activities, information must be obtained from each individual household to determine low/moderate income status. For certain public infrastructure and public service projects that propose area-wide benefit, applicants may be able to use census information. In order to determine area-wide status, HUD provides a helpful low/mod eligibility tool here: https://hud.maps.arcgis.com/apps/webappviewer/index.html?id=ffd0597e8af24f88b501b7e7f326bedd. For specific questions, please email CDBGCARES@nyshcr.org.

Application Process

Q34. If a community has a pending CDBG application in the regular funding round, can it submit for the same project under CDBG-CV as an "insurance policy" in case the regular funding round application is unsuccessful?

A34. Projects considered for CDBG-CV funding must meet all threshold requirements, including an explicit connection to COVID-19. Conversely, projects submitted through "regular" funding round may have different threshold requirements and review criteria. Applications for different sources will be evaluated separately. OCR advises against viewing CDBG-CV funding as a "back-up plan" for any projects under consideration through concurrent funding rounds.

Q35. What documentation is needed to demonstrate a connection to COVID-19?

A35. Documentation will vary by project scope, but each proposed activity will be evaluated on the degree to which it will prevent, prepare for, and respond to COVID-19. For some activities, this connection may be implicit in the proposal, such as efforts to improve air quality in public facilities or purchase equipment to improve customer safety for small businesses. For other activities, such as expanding wi-fi access, it will be important to characterize the impacts of COVID-19 on residents and attach data or supporting information showing how the project meets the identified need. However, in all cases, applicants must provide a detailed explanation as to how the proposed activities make a connection to COVID-19.

Q36. Can a municipality apply for multiple activities in one application, or must they submit three separate applications?

A36. Applicants may request funds to address two or more activities in a single application. OCR intends to administer only one contract per eligible community at one time. If funds are completely committed and significantly expended, communities may apply for additional funds as funding allows.

Q37. How will communities know when finds are exhausted?

A37. At the project level, OCR will provide notification at certain time and/or expenditure milestones. At the overall state/program level, the application will remain open and application materials made available until funds are exhausted. Information on the availability of funds will be made available through the OCR website Additional funding rounds are anticipated.

Q38. Can an entitlement community and non-entitlement community jointly apply for assistance?

A38. Applications must be submitted by a single municipality. Applications may include multiple activities and can request funds up to the limits described in the Request for Applications. While OCR encourages intermunicipal cooperation, there is not a separate funding category for joint or shared applications, entitlement or otherwise.

Public Hearing

Q39. What are some of the requirements to hold a public hearing prior to application?

A39. A detailed description of requirements are provided in the Request for Applications, and a template for applicant use is provided in the CDBG-CV application itself, both on the OCR website. The hearing notice must specifically identify the CDBG-CV funding as the source of funds. The hearing must be held in the calendar year in which the application is submitted. Oher hearings held in the current year will be considered to have met this requirement only if they identified the CDBG-CV source of funding correctly.

Q40. Can a single application propose assistance that will serve multiple communities? Must all affected communities hold public hearings?

A40. A single application serving multiple communities may require individual public hearings and/or intermunicipal agreements. For specific questions, please email CDBGCARES@nyshcr.org.