



**Homes and
Community Renewal**

Office of Community Renewal

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

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Tuesday, May 18, 2021

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Overview

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



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



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

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](#)

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

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



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:
- <i>Cost/job does not exceed \$85,000</i>



General Categories & Eligible Activities

CDBG CARES General Categories



Small Business Assistance



**Public Facilities/
Infrastructure**



Housing Improvements



Public Services



Special Projects



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

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

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

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

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



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

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



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 CBDG-CV funds
- [NYS CDBG Grant Administration Manual Chapter 2](#)

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





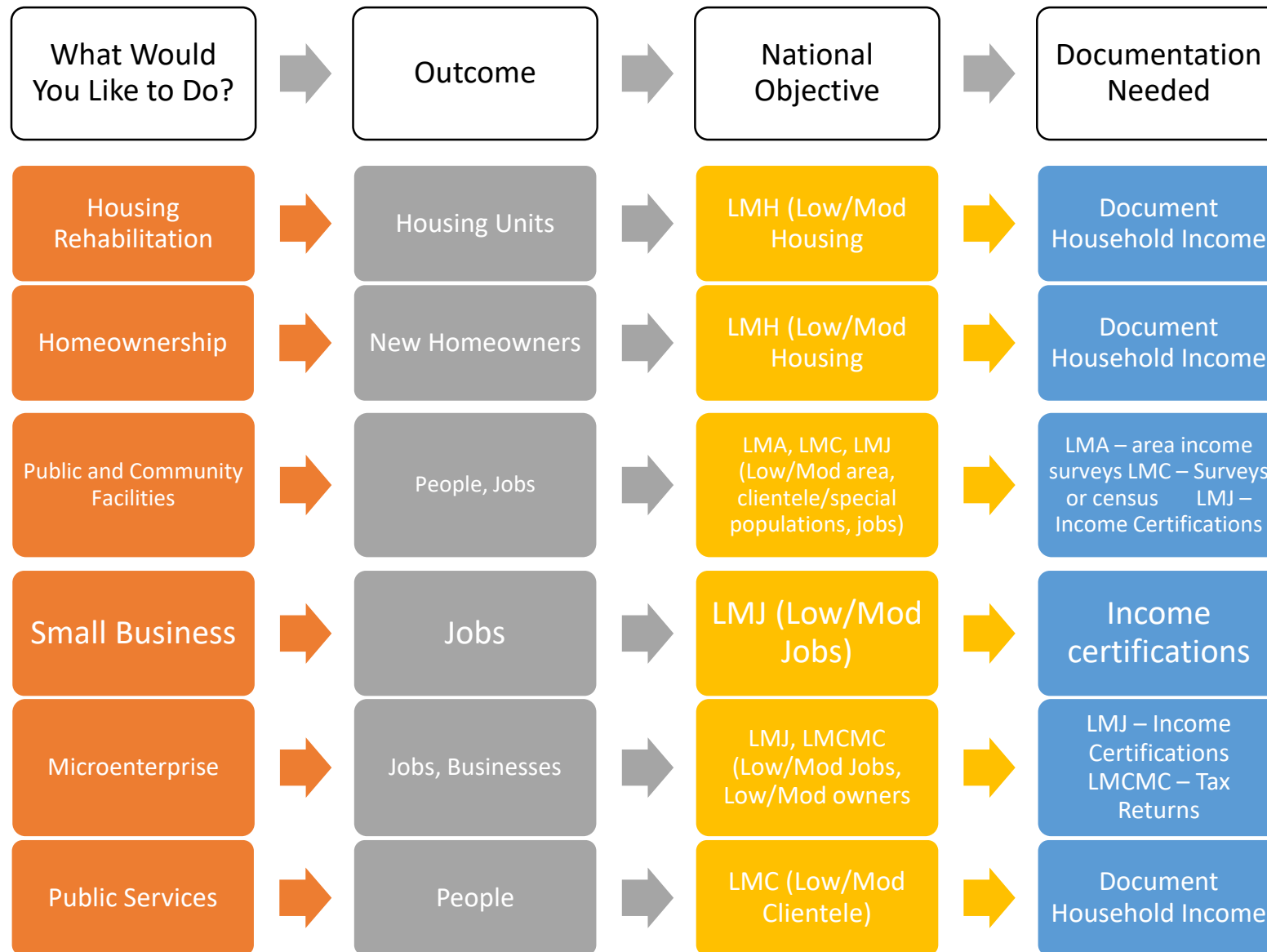
National Objectives



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](#)

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



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

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



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

Application Process

Application Process



May Require Additional Documentation

Step 1: Submit 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 CDBG CARES@nyshcr.org

CDBG-CV Project Consultation Form CARES	
<p>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 forms to CDBG CARES@nyshcr.org and HCR staff will contact you to discuss the proposed project.</p>	
Date	
Applicant	
Applicant Type	Choose an Item
*CDBG Entitlement	Choose an Item
<small>*Entitlement communities are units of local government that receive an annual allocation of funds directly from HUD. If you are unsure of your entitlement status, please indicate that in the project description, and program staff will provide assistance at the time of consultation.</small>	
Applicant Address	
Project Address	
Project Type	Choose an Item
CDBG-CV Request Amount	
Other Funds	
Total Project Cost	
Contact Name and Title	
Phone	
Email	
<p>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.</p>	
<div style="background-color: #e0e0ff; height: 150px;"></div>	

CDBG-CV Project Consultation Form

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

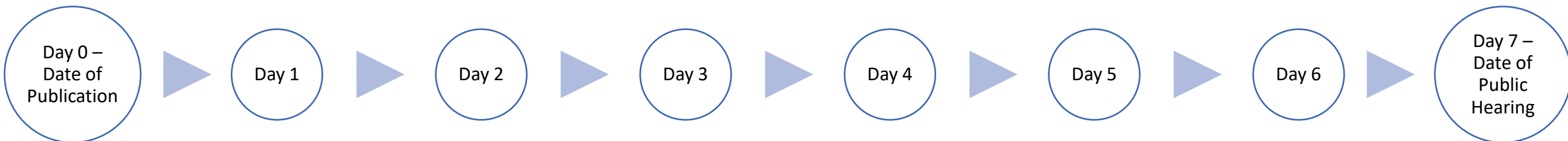
- Applicant **MUST** receive approval before submitting a full application



Step 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".



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

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

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.





Getting Ready to Apply



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



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.



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



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



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



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
- [Website link](#) for consultation form, RFA, application, etc.
 - <https://hcr.ny.gov/community-development-block-grant>



Application Tips & Common Deficiencies

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 from other sources
- Use the application checklist – make sure you submit all the required documents
- Application submitted by consultant or subrecipient instead of municipality



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



Question and Answer





Thank you for attending!
Submit all inquiries to CDBGCARES@nyshcr.org

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