



**Homes and
Community Renewal**

NYS Community Development Block Grant

**Business Expansion and
Start-up (BEST)**

NYS CDBG BEST Program Potential Community Development Activities

Drinking Water System Improvements

Clean Water System Improvements

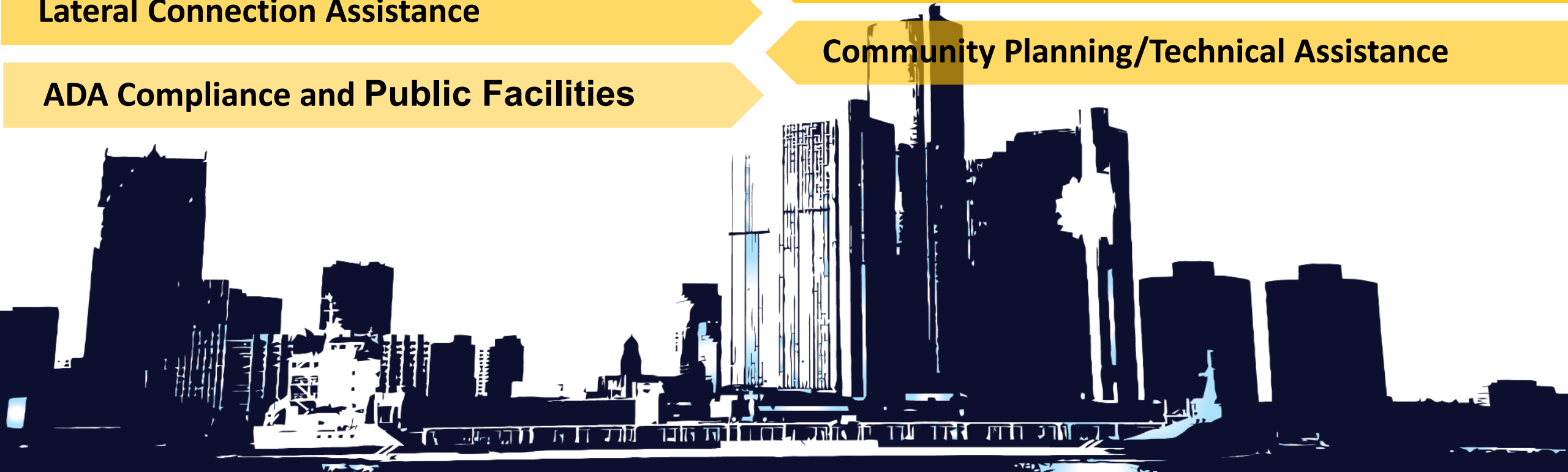
Lateral Connection Assistance

ADA Compliance and Public Facilities

Economic Development

Housing/Manufactured Housing

Community Planning/Technical Assistance



NYS CDBG BEST Program

Purpose

The NYS Office of Community Renewal (OCR) offers NYS CDBG funds to communities to assist for-profit businesses to create or retain jobs for low- and moderate-income persons.

Source

CDBG funds are federal dollars that are granted through the Department of Housing and Urban Development 'HUD' and administered by NYS Homes and Community Renewal's Office of Community Renewal (OCR)



NYS CDBG BEST Program

Eligibility

Non-entitlement units of general local government* (*communities that do not receive funds directly from HUD*).

- **Cities**
- **Towns**
- **Villages**
- **Counties**
-

Businesses, individuals, or non-profits are not eligible applicants

Please see a full list of eligible communities on the CDBG website here:

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

NYS CDBG BEST Program

Current Funding Limits

- Microenterprise: Up to \$300,000 (\$5,000 - \$35,000 per business)
- Stand-Alone Projects: Up to \$750,000 (minimum of \$100,000)
 - Small Business Incentive: Up to \$100,000 (minimum of \$25,000)



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Activity Types

Microenterprise 'ME'

- 5 or fewer employees, including owner(s) at time of award
- \$35,000/FTE job
- Minimum of 50% to start-ups
- 10% cash equity from business
- No loans
- Grants between \$5,000 and \$35,000
- \$300,000 program max
- Required local entrepreneurial training
- 20% cap on soft costs
- No retention



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Activity Types

Stand-Alone

- \$15,000/job
- Award amounts of \$100,000 to \$750,000
- Fund up to 40% of a total project cost not to exceed cap (up to 50% if the owner has at least 20% cash equity in the project)
- NYS CDBG funds must be used as gap funding to induce project completion.



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Activity Types

Stand-Alone Small Business Incentive

- 25 or fewer employees
- \$25,000/FTE job
- Award amounts of \$25,000 to \$100,000
- Fund up to 40% of a total project cost not to exceed cap (up to 50% if the owner has at least 20% cash equity in the project)



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Eligible and Ineligible Costs

Eligible

- Inventory
- Procurement of machinery, furniture, fixtures and equipment
- Operating capital
- Construction (Stand-Alone only)
- Reimbursement of the cost to attend the entrepreneurial training program (ME only)

Ineligible

- The repayment of existing debt
- Assistance to a non-profit
- Reimbursement of costs incurred prior to grant award
- Political or religious activities
- Lobbying any governmental entity



NYS CDBG BEST Program

National Objective

All CDBG Economic Development projects must meet a HUD “National Objective,” by creating or retaining jobs, or assisting low/moderate income owners:

Economic Development and Small Business

- LMJ (job creation/retention)
- Job creation is defined as:
‘Taken (held) By’ or ‘Made Available To’

Microenterprise

- LMJ (job creation)
- LMCMC (low-to-moderate income owner)



NYS CDBG BEST Program

Administration and Program Delivery

Economic Development (ED) and Small Business (SB)

- The total cost of program delivery and grant administration may not exceed \$16,000 of the total CDBG funds requested.

Microenterprise

- Total soft costs (program delivery and administration) may not exceed 20% of the award, with administration and program delivery no more than 10% each)

For a breakdown of *administrative* and *program delivery* costs, please see Chapter 3, Financial Management, of the NYS CDBG Grant Administration Manual:

<https://hcr.ny.gov/cdbg-grant-administration-manual-chapter-3-financial-management>



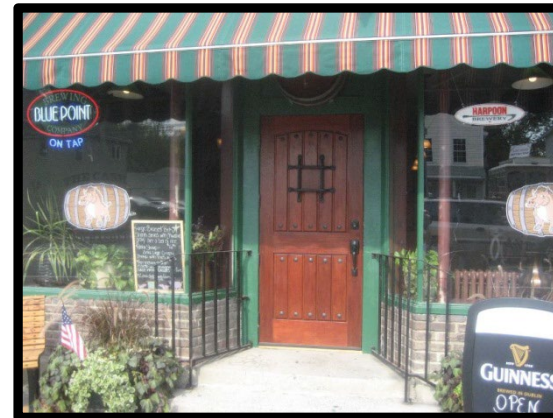
NYS CDBG BEST Program

Application Process

CDBG Economic Development, Small Business and Microenterprise Applications are available through a 2-step Open Round process in the Consolidated Funding Application (CFA) portal: <https://apps.cio.ny.gov/apps/cfa/>

These do not share the “competitive” CFA deadline and may be submitted throughout the year.

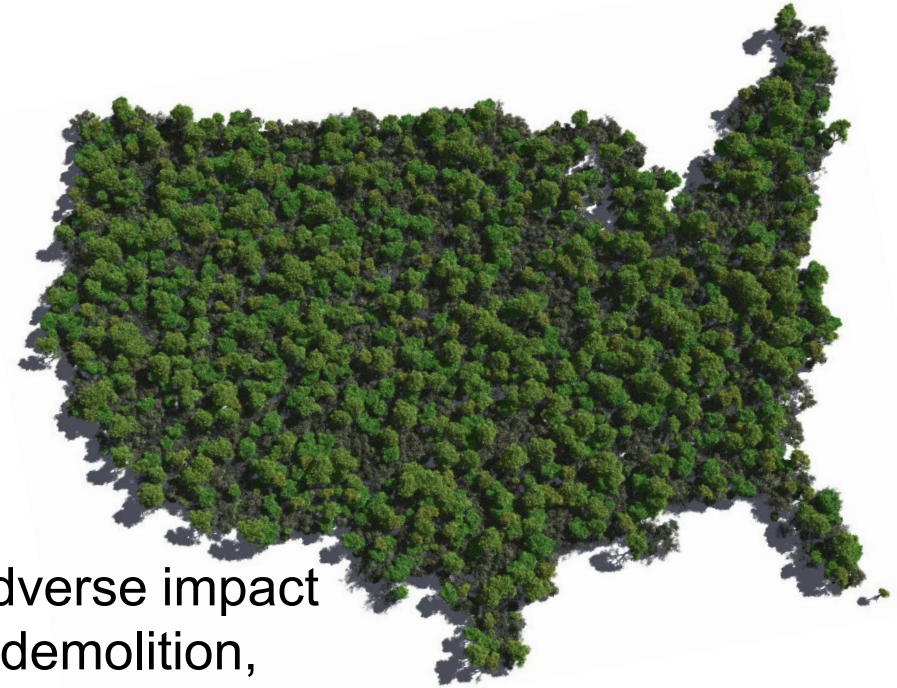
CFA resource guide: <http://regionalcouncils.ny.gov/>



NYS CDBG BEST Program

National Environmental Policy Act (NEPA)

- Critical to get right!
- What constitutes commitment of funds?
 - Execution of a purchase agreement
 - Spending CDBG funds
 - Use of non-CDBG funds on actions that may have an adverse impact
 - Choice-limiting actions - e.g., acquisition, rehabilitation, demolition, construction, etc.
- Plan ahead for the best time to bring in CDBG
- Once OCR has an application, the project is “Federalized” and subject to NEPA rules
- Before construction vs after construction – which is correct? No “bifurcation”
- Do you need to conduct a Tiered review (environmental assessment)?



NYS CDBG BEST Program

Program Design

Stand-Alone ED – HUD Underwriting

- Project costs are reasonable;
- All sources of project financing are committed;
- To the extent practicable,
- CDBG funds are not substituted for non-federal financial support;
- Project is financially feasible;
- To the extent practicable, the return of the owner's equity investment will not be unreasonably high; and
- To the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances committed to the project.

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Program Design

- Outreach and Planning
 - Holistic needs assessment
 - Disadvantaged groups
- Determine administrative structure
 - Who's going to steer this ship?
- Phasing – think back to the “timing NEPA” slide
- Business Comms
 - Who's talking to the business?
- Can this be underwritten?
- Agreements (at all levels)
- Cost Documentation
- Municipality first
 - The applicant is our first contact
- Monitoring and Reporting
- Press and Photos

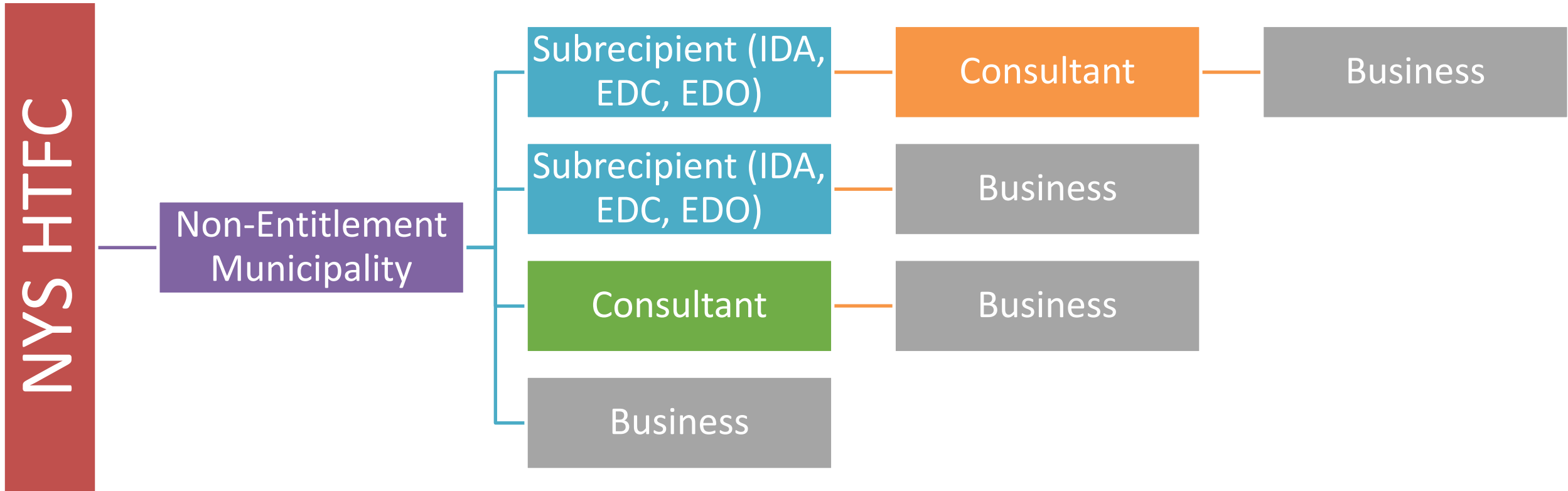
Microenterprise



- Program design and application process
- Constituting the selection committee
- Program marketing
- Training
- Focusing the program
- Establishing the pipeline
- Timing of local award vs cost incurred

NYS CDBG BEST Program

Administrative Strategies



NYS CDBG BEST Program

Economic Development Team

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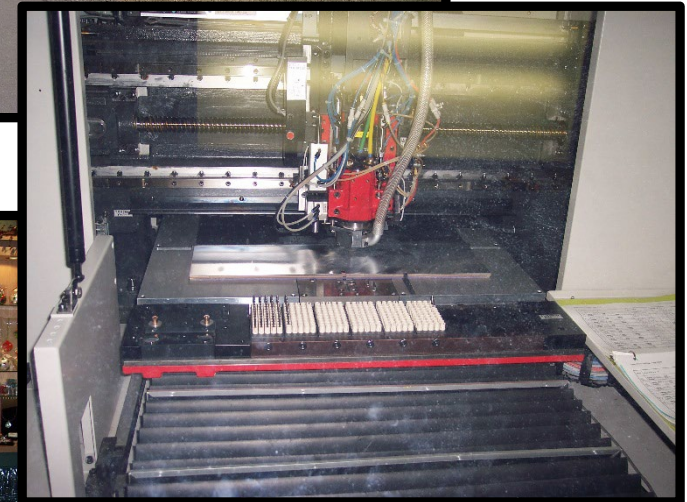
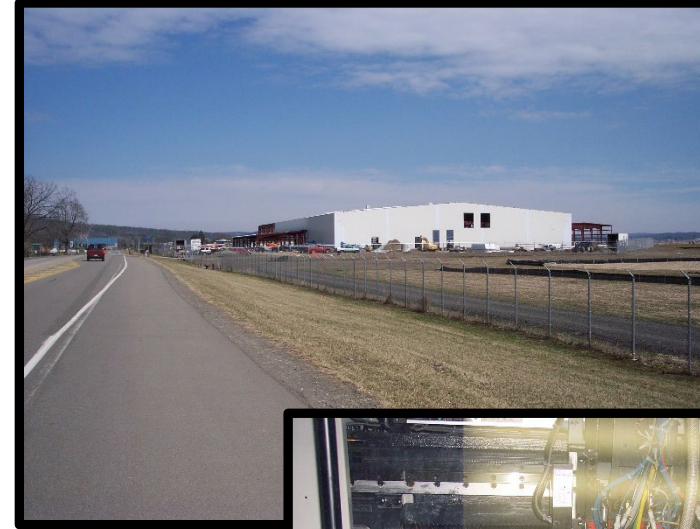
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NYS CDBG BEST Program

Questions?

NYS Homes and Community Renewal CDBG Economic
Development website:

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

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**Homes and
Community Renewal**