



**Homes and  
Community Renewal**

**NYS-CDBG**

# **Funding Microenterprise & The Changing Economic Ecosystem**

**COSFDA**

**Program Manager's Training Conference**

**Washington, D.C.**

**March 21, 2023**

# NYS Homes & Community Renewal

Division of  
Housing &  
Community  
Renewal (DHCR)

Housing Trust  
Fund Corporation  
(HTFC)

Housing Finance  
Agency (HFA)

State of New York  
Mortgage Agency  
(SONYMA)

Affordable  
Housing  
Corporation  
(AHC)

## Development Offices:

### Office of Community Renewal (OCR)

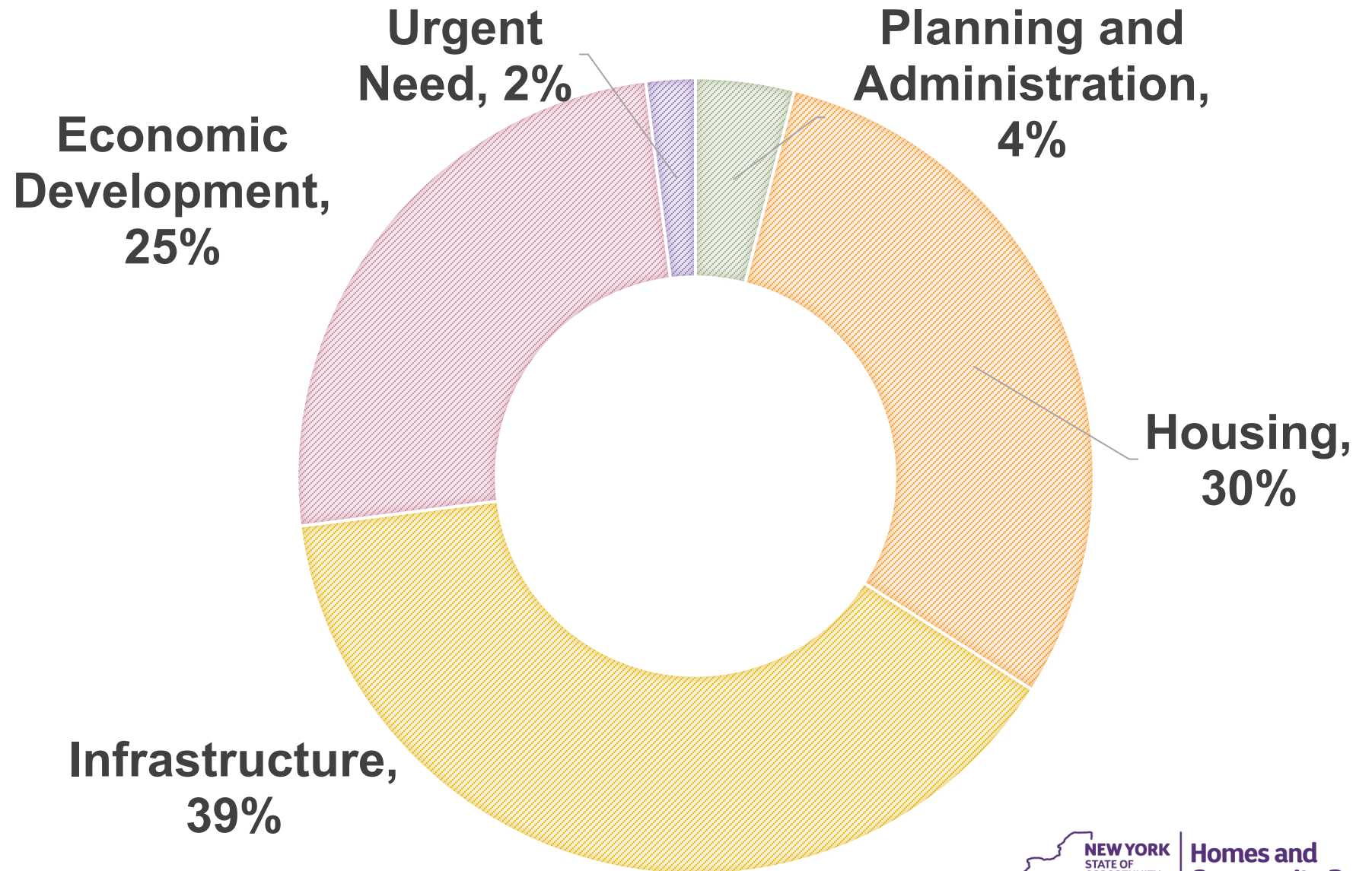
- **“Local” grant programs – awarded through municipalities & not-for-profit**
- *NYS Community Development Block Grant (CDBG), HOME Program, New York Main Street (NYMS), the Neighborhood and Rural Preservation programs, Access to Home, MMHR, RESTORE*

### Office of Finance and Development (F&D)

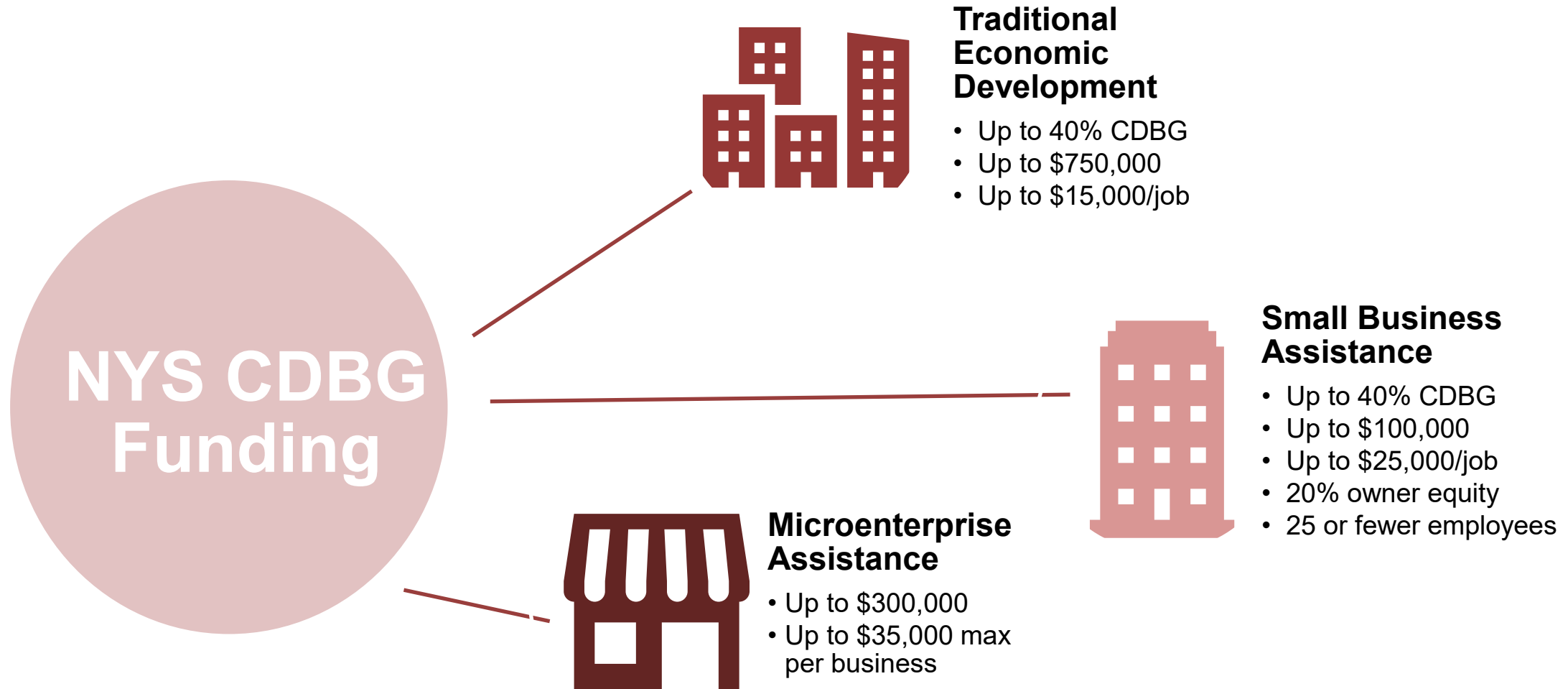
- **Multi-family development – direct award and oversight**
- *HOME Capital, Federal and State Low Income Housing Tax Credits, tax exempt bonds, and state sources include HTF and CIF.*

# NYS CDBG Program

**Annual Allocation:  
~ \$50 Million**



# NYS CDBG Economic Development Programs



# NYS CDBG Economic Development Programs



## Traditional Economic Development

- “One at a Time”
- HUD Underwriting required
- “Open Round” – rolling application deadlines
- Additional flexibility for businesses under 26 employees
- Average total annual award: ~ \$6 Million
- Average total jobs created/retained annually: 500

## Microenterprise

- “Program” of assistance
- Program design plan required at time of app
- “Open Round” – rolling application deadlines
- No retention allowed
- Entrepreneurial training required
- Average total annual award: ~ \$3.6 Million
- Average total jobs created/retained annually: 100



# NYS CDBG Economic Development Application Portal



[Services](#) [News](#) [Government](#) [COVID-19](#)

## CONSOLIDATED FUNDING APPLICATION

[AGENCY](#) [HELP](#) [PRINT](#) [LOG OUT](#)

Logged in as Agency (admin 15)

### WELCOME

As part of New York's efforts to improve the business climate and expand economic growth, the NYS Consolidated Funding Application (CFA) was created to support the Regional Economic Development Council (REDC) Initiative. The CFA has streamlined and expedited the grant application process marking a fundamental shift in the way state resources are allocated, ensuring less bureaucracy and greater efficiency to fulfill local needs. The CFA allows applicants to access multiple state funding sources through one application, making the process quicker, easier, and more productive.

As statewide programs and local needs have evolved, so has the CFA which is now host to a multitude of programs and initiatives. These programs change throughout the year so be sure to check back periodically to see what programs are available.

Additional information on CFA standalone programs can be found by going to [Available CFA Resources](#) | [Consolidated Funding Application \(ny.gov\)](#) and selecting Standalone Programs.

Additional information on the Regional Economic Development Council Programs can be found by going to [Available CFA Resources](#) | [Consolidated Funding Application \(ny.gov\)](#) and selecting Regional Economic Development Councils.

To proceed with your CFA, please use the [Start a New Application](#) button.

[Start New Application](#)

### Links



#### Available CFA Resources

Learn more about currently available CFA resources, including Round 12 of the REDC Initiative.



#### CFA Application Manual

A step by step guide for how to fill out a Consolidated Funding Application (CFA).



#### Regional Council Guidebook

Learn more about the twelfth round of the REDC initiative.



#### Program Recorded Webinars

An online recorded webinar applying through the Consolidated Funding Application (CFA).



#### Program Application Questions

A list of questions for the available programs in the Consolidated Funding Application (CFA).

# CDBG-CV CARES General Categories



**Supporting Small Business**



**Public Facilities**



**Housing for Safe Shelter**



**Public Services**



**Farmworker Housing**



**Special Projects**

# Supporting Small Business



- Offered on a programmatic basis and available to businesses with less than 25 employees
- CV funds can be used to help small businesses recover from the pandemic or increase resiliency from future emergencies
- Applicant must demonstrate there is pipeline of businesses ready to implement funding.
- There must be a clear connection on how proposed funds will enable the business to respond to and prevent impacts of COVID-19.



# Supporting Small Business



## Project Examples

- City requests \$1,000,000 in CDBG-CV funds to assist at least 40 businesses with reopening expenses such as marketing to announce reopening/new hours and increase in payroll to bring staff back or increase hours, and an increase in inventory. This will help improve business resiliency and create or retain 30 jobs.
- County requests \$350,000 in CDBG-CV funds to provide grants to assist 15 businesses with costs related to accessing the services of a consultant to establish a digital marketing strategy. This will help prepare businesses for new pandemic realities and help to retain 20 jobs.
- The Town requests \$500,000 in CDBG-CV funds to establish a Small Business Assistance Program to provide grants to eligible businesses to purchase point of sale equipment and provide on-line capability to decrease crowding, increase safety, and improve business efficiency.

# Emerging Trends

## Acceleration of Remote Work

- Home-based business
  - What are we paying for?
- Digital marketing/storefronts
- Web-based training for ME



## Resiliency – “Pandemic Effect”

- Mobile solutions, e.g. food trucks
- Bulk inventory, larger freezers
- Take-out counters – construction?



# Emerging Trends

## Digital Marketing - Schoharie County, NY


**Wood & Wool**  
December 16, 2022 · 🌐

The only thing more interesting than our wood and wool products, are the stories about them. Enjoy the first episode of our new podcast and learn more about the history of the company. Stay tuned for more stories in the days ahead.



### The Wood & Wool Podcast

with Ken VonThaden

Episode 1: The History of Wood and Wool



home shop about contact



Locally grown & lovingly prepared heritage grains and goods.

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HOP HOUSE FARM

EST. 2017

SCHOHARIE · NEW YORK

About Products Events Contact

[Find Our Honey!](#)

# Emerging Trends



## “Creative” Eligibility Questions

- Owner payroll
- What is construction-related?
- Short-term rentals
- Seasonal businesses, e.g. camps, ice-cream, etc.



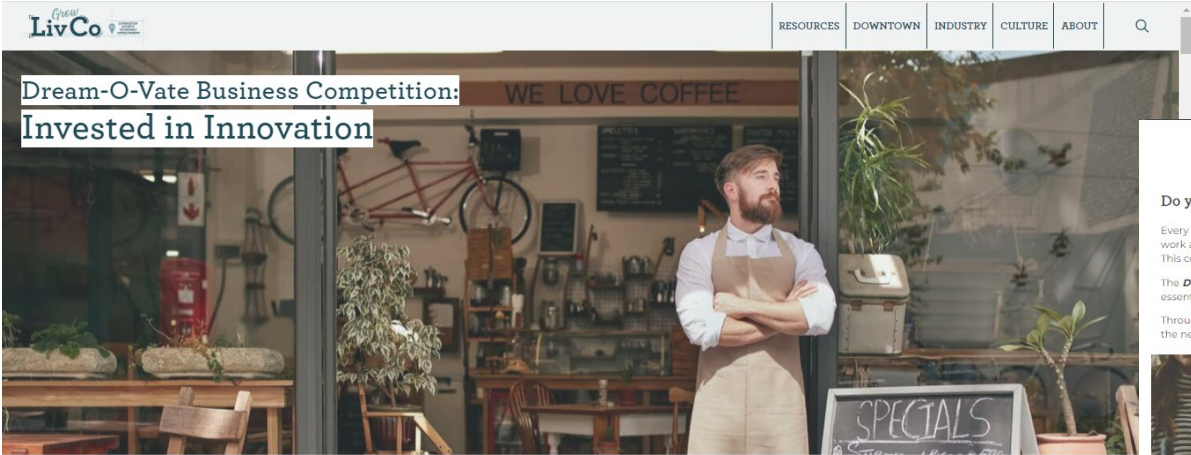
## Targeting

- Industry sectors
- Branding overlay



# Emerging Trends

## Industry Targeting – Livingston County, NY



OUR 2021 WINNERS      OUR 2019 WINNERS      GRANT RECIPIENT INFORMATION

OUR 2021 WINNERS      OUR 2019 WINNERS      GRANT RECIPIENT INFORMATION

Do you ever dream of opening your own business? Are you a small business owner looking to innovate?

Every entrepreneur starts with a dream and the desire to innovate in their field. Our goal to help entrepreneurs bring their dreams to reality led to the creation of the Dream-O-Vate Business Plan Competition. Starting a business is hard work and the first year can be the most difficult. Many startups struggle with finding the right location, accessing capital, managing overhead expenses, navigating the permitting processes, and the daily tasks of managing the business. This county-wide, highly competitive project aims to recruit new businesses to the area and enhance their chances of success with support and funding.

The **Dream-O-Vate Business Competition** is a game changer. **Dream-O-Vate** supports entrepreneurs to bring their dream of opening a business to reality. Our 2021 program will provide fifteen (15) winners with training, funding, and the essential resources and tools needed to successfully open their businesses.

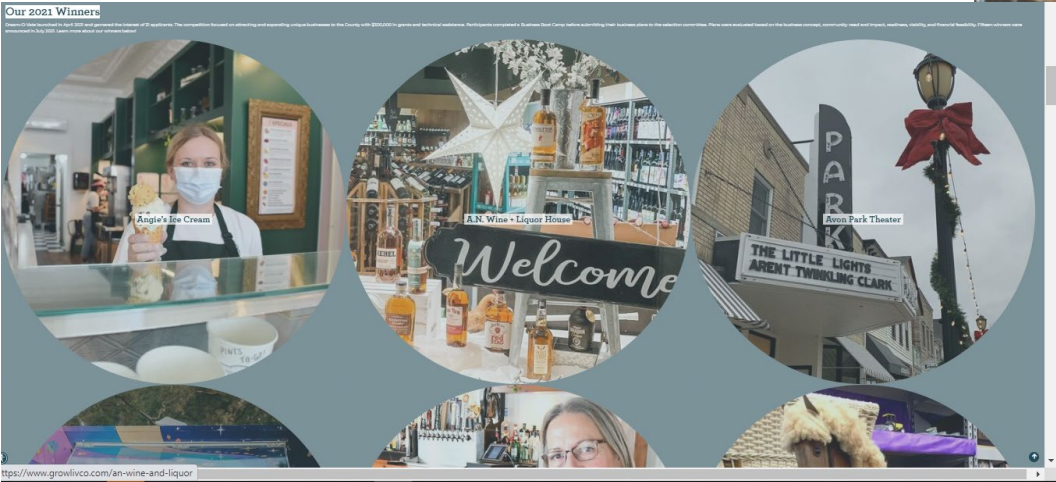
Through Dream-O-Vate, Livingston County is seeking makers, creators, movers, and shakers to open retail establishments that will enhance the visitor experience in and around our nine historic Main Street districts. We are looking for the next "best" business in Liv Co. You bring the innovation - we'll make the dream come true. The competition will focus on funding businesses in the following areas:

Food + Drink

Tourism

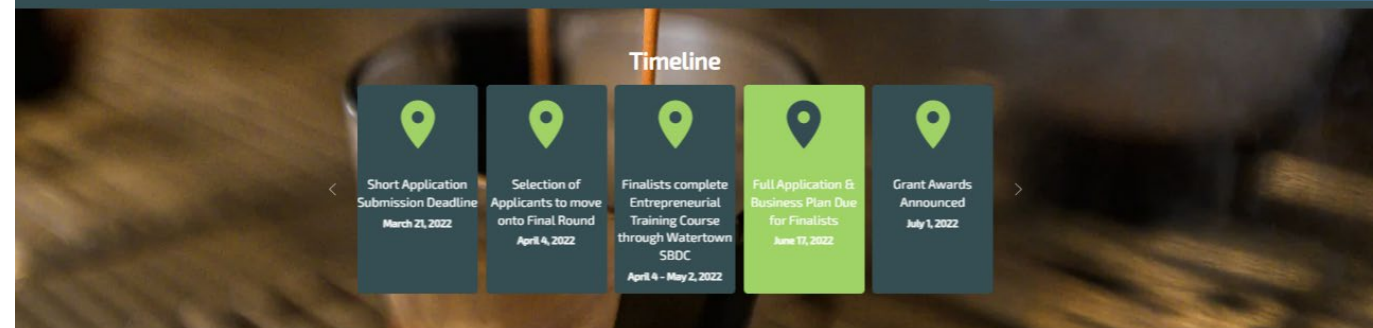
Specialty Retail

Entertainment



# Emerging Trends

## Industry Targeting and Branding Overlay – Lewis County, NY





# Opportunities Ahead

## Program Marketing – Fulton County, NY

### Bright Futures Through Micro-Grants

Dave Webber's Higher Ground Distilling Co. in Mayfield was a brand-new business when the COVID-19 pandemic hit. Just as he was working on growing the business, government regulations forced him to close his doors.

Undersandably, it was a struggle, exacerbated by the fact that Higher Ground Distilling did not qualify for COVID relief funds. "I was such a new business that I didn't qualify for the PPP, and there was another COVID relief grant that came out, but I didn't qualify because I was so new," Webber said.

**However, there was money available to help, and the Fulton County Center for Regional Growth (FCCRG) knew where to find it.**

It came in the form of the FCCRG's robust Community Development Block Grant (CDBG) Microenterprise Grant Program.

The money comes from the federal government to Fulton County through the New York State Homes and Community Renewal. The FCCRG administers the funds. The first three rounds of microenterprise grants were for \$200,000 each that the FCCRG distributed to businesspeople at a maximum of \$25,000 per business, depending on the number of jobs created. Given the success of the program, the county applied for \$300,000 for the next round. Since 2013, the FCCRG has helped 48 businesses in municipalities across the county with grants totaling \$900,000, creating 61 new jobs. Higher Ground Distilling was one of them at a critical time for the fledgling business.



### Micro-Grants

In addition, attendees finish the course with a host of resources to use when problems arise. "A small business is very difficult to run," Adamczyk said. "When a problem pops up, they have somebody they can go to rather than just being out there and going it alone."

He now teaches the classes to business owners in neighboring Montgomery County. "I've trained about 140 different business owners since August 2019," Adamczyk said.

In 2021, the grant program helped GrassRoots Lawn Specialists in Northville to purchase an aerator, highwall trailer, and ride-on spreader, all pieces of equipment that allowed the business to be much more efficient at the services it performs. This resulted in needing less labor in the field, so the company was able to reinvest some of its employees' time into other areas of the business. "We took one of our laborers and turned her into a full-time landscape designer, and she was able to grow that business a lot," said owner Darcy Morehouse. The business, founded in 2017, has five employees.

In addition to the Microenterprise Grant Program, the FCCRG administered the distribution of \$500,000 of federal



funds as part of the Community Development Block Grant CARES Act. Microenterprises, as well as small businesses of 25 or fewer employees, were eligible to apply. The FCCRG distributed grants of up to \$75,000 to 11 small businesses.

Not all counties take advantage of these funds, Adamczyk noted, adding that they see it as too much time and paperwork for too little money. But he knows the difference that the funds can make for a nascent business, and he operates the application and

administration of the grants as quickly as possible to provide more funds for more businesses.

Adamczyk cites the case of Bright Futures Learning Center in Mayfield. When director Cheryl Curtis first opened the business with three employees, she was awarded a \$25,000 microenterprise grant. "Now she is up to 21 employees and is growing again," he said. "That is the success of a microenterprise grant and what it can do."



While Webber could not use the microenterprise grant for payroll, he did use it for equipment. "It gave us an opportunity to purchase a lot of equipment to give us a leg up on the year, especially coming out of the pandemic when business was so affected. It gave me an opportunity to get further out ahead in production. It really helped out."

Grants are available only to microenterprises, defined as a commercial enterprise with five or fewer employees at the time of application. Grant funding must result in the creation of at least one full-time job. In the case of a low- to moderate-income business owner, the owner can qualify as the one full-time position created by owning the business.

The minimum grant for each business is \$5,000, plus \$10,000 additional for each full-time equivalent job created, up to a maximum of \$25,000. Grant recipients are required to invest 10 percent equity in their projects.

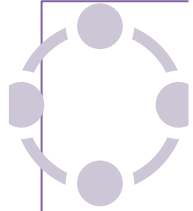
Grants can be used for capital assets such as real estate, buildings, machinery and equipment as well as working capital. It cannot be used for construction, building rehabilitation or renovation, or for passive investing.

The grant program is designed to set small business owners up for success, so it includes an entrepreneurial training requirement. In order to apply for a grant, a business owner is required to take a 12-hour course given in four modules. The course provides attendees with a comprehensive look at what it takes to run a small business profitably and effectively. The classes cover legal and employee issues, marketing, branding, e-commerce, social media, recordkeeping, finances, accounting, taxes, and how to develop a business plan. "We bring in specialists like lawyers, Department of Labor advisors, accountants, and business advisors," said Kenneth Adamczyk, Economic Development Specialist at the FCCRG. "The classes help them grow their business."



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# So What Have We Learned? (and what's next?)



Programmatic  
approach to Small  
Business



Packaging programs  
– toolkits



Digital marketing



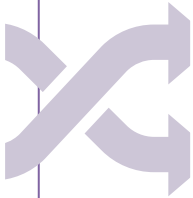
Document  
management – too  
much “paper”



Allow retention as of  
right



# So What Have We Learned? (and what's next?)

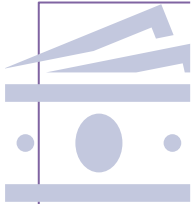


Integration of CDBG into existing programs

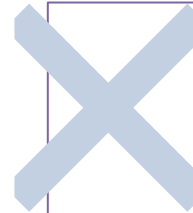


Marketing the program

- Over 1,200 eligible entities across Counties, Cities, Towns and Villages. CARES bumped that number to nearly 1,400



Initial cash flow needs



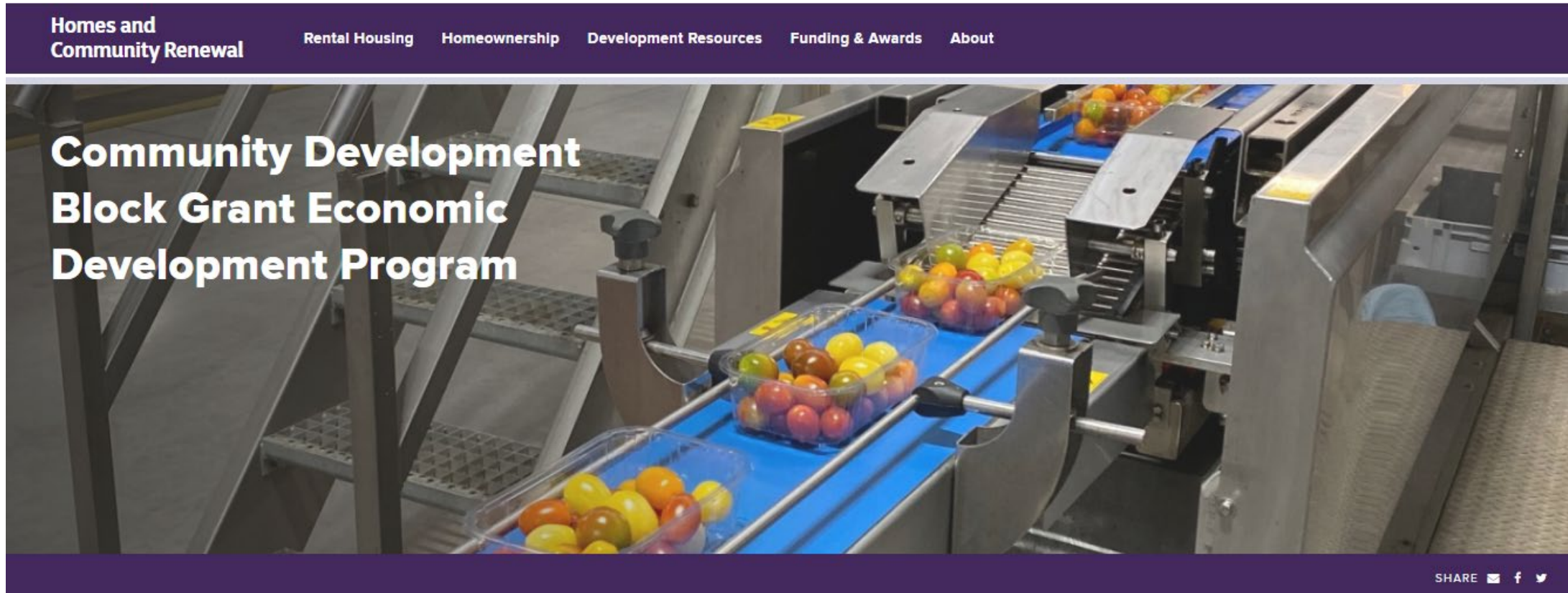
Ditching 50% start-up requirement



**Get rid of the baggage!**

# NYS CDBG Web Site

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



# Questions

If you have any questions, please contact NYS OCR at [OCRINFO@hcr.ny.gov](mailto:OCRINFO@hcr.ny.gov)

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