

# Kinderhook Small Project Fund

## Frequently Asked Questions

### 1. What are examples of eligible uses of funds?

- a) Building Renovations: façade/storefront renovations, permanently affixed signage and awnings, interior fit-out, HVAC, mechanical, electrical and plumbing and energy system upgrades.  
*Note: Renovations must meet local design guidelines and standards, the NYS Building Code and NYS historic preservation standards.*
- b) Business Assistance: Purchases of permanent commercial machinery and equipment that is integral to the business that is not a replacement of existing equipment unless it allows for more/new products to be offered.
- c) Soft Costs: Architectural and design, engineering, and environmental testing (not to exceed 18% of project costs)

### 2. What are examples of ineligible uses of funds?

- a) Acquisition costs
- b) New construction
- c) Demolition
- d) Improvements to structures owned by religious or private membership-based organizations
- e) Improvements to municipally-owned buildings used for municipal purposes
- f) Non-permanent fixtures, furnishings, appliances, electronics, security systems and business equipment
- g) Site work or ancillary activities including septic systems or laterals, grading, parking lots, sidewalks, landscaping, fences, free standing signs
- h) Inventory, rent or lease expenses, working capital
- i) General maintenance
- j) Reimbursement of cash payments
- k) Funds cannot be used for participant, participant's family or participant's staff labor. In-kind labor and the reimbursement for materials only is also not eligible

### 3. A written Scope of Work is required for all projects. The scope of work is a write-up that will address:

- a) Immediate health and safety concerns;
- b) The correction of code violations;
- c) Environmental hazards such as lead-based paint and/or radon that may exist in buildings that contain residential units;
- d) Installation of energy conservation measures;
- e) Consistency with any other local program design guidelines; and
- f) Preservation of historical elements of the building.
- g) Accessibility for persons with disabilities

#### **4. Is there a range of available funding?**

- a) Building Renovation: \$25,000 - \$100,000 per building, not to exceed 75% of the total eligible project cost. Building renovation funds may be used to renovate facades, storefronts and commercial interiors, with an additional \$25,000 per residential unit up to a per building maximum of \$150,000, not to exceed 75% of the total project cost. Funds should produce a finished commercial or residential space, ready for occupancy, within the contract term. *Note: Residential units that become vacant during the regulatory period must be marketed and made available to persons of low income. Annual rent limits are prepared by NYS HCR.*
  - b) Minor Exterior Projects: \$10,000 - \$25,000 per project, not to exceed 75% of the total eligible project cost and not to exceed \$100,000 in Program funds. Activities may include signage, awning, and painting.
  - c) Small Business Assistance: \$10,000 - \$50,000 per project, not to exceed 75% of the total eligible project cost. Small Business Assistance funds may be used for permanent machinery and equipment. Business owner must show at least 5 years remaining on a commercial lease.
- The minimum match requirement is 25% of the total project cost.
  - Match requirements must be realized on a building-by-building basis and are calculated using the total project cost.
  - In-kind match is not eligible.
  - Costs incurred prior to the effective date of the grant agreement are not eligible for reimbursement and not eligible as a match.
  - Soft Costs: Eligible soft costs include architecture, engineering, and environmental testing expenses. Soft costs must be included within per building activity funding limits identified above and may not exceed 18% of the awarded funds. Soft costs require matching funds, and in-kind match is not eligible. Soft costs incurred for work on buildings that eventually prove infeasible and do not receive other investments will not be reimbursed with Program funds. Therefore, reimbursements for soft costs may not be requested as part of a partial payment prior to project completion.

#### **5. What is proof of available financing?**

Property owners are responsible for the total cost of the project. Grants will reimburse property owners at the conclusion of the project after all costs are paid. Proof of available financing through cash in bank, secured loan commitments, and/or lines of credit is required.

#### **6. How are projects scored?**

- a) Readiness: projects that provide proof of overall feasibility and readiness such as proof of ownership, documentation that 100% of the financing for the project is in place, reasonable construction timeline.
- b) Physical Impact: projects that are visually prominent downtown, have historic value, are in danger of being lost, bring existing properties into compliance with design guidelines that are transformative beyond normal maintenance.

- c) Economic Impact: projects leveraging grant funds with private investment that with the assistance of grant funds, will reduce blight and vacancies, contribute to the economic recovery of the target area, or realize a stabilization or expansion of downtown tax base, businesses and/or jobs.
- d) Goals Achieved: projects that advance the goals and priorities of the community's Strategic Investment Plan.

**7. Who decides if a project is selected for a grant?**

Projects will be reviewed locally and submitted to Housing Trust Fund Corporation (HTFC) for final approval.

**8. If awarded a grant, what happens next?**

CEDC, acting as LPA, will enter into a Grant Agreement with the grantee to provide the program financial assistance. The Grant Agreement will outline the roles and responsibilities for both CEDC and the participating property or business owner.

**9. What will be in in the grant agreement?**

At a minimum, the grant agreement will specify:

- Agreed upon Scope of Work
- Projected amount of financial assistance awarded
- Estimated project timeline
- Requirement to insure the premises for the full (100%) replacement value, obtain fire insurance and other appropriate insurance depending on makeup of building, and to obtain flood insurance coverage if the premises is in a special flood hazard area
- Regulatory term or repayment provisions
- Requirement to sign a photo release form permitting the HTFC to use photographs of the assisted business or property
- Requirement to engage a contractor and begin activities within 30 days of formal approval
- Payment structure, timing
- The grantor has the right to inspect work at any time
- Disbursement documentation requirements
- The grantor may terminate the award and cancel the grant agreement should the work or purchases be inconsistent with the program rules outlined, agreed upon scope of work or project design, stated timeline or if insurance is not maintained by the participating contractor.

## **10. What happens if I sell my building during the compliance period?**

All assistance is in the form of a reimbursable grant with a five (5)-year compliance period. Property owners will be required to execute a Declaration document committing to this compliance period. Should the property owner sell the property within the five (5)-year timeframe, they will be responsible for repaying a portion of the grant funding received. A Declaration Form will be filed with the County Clerk to secure this obligation and the following repayment schedule will apply:

*Months 0-12: 100% repayment due*

*Months 13-24: 80% repayment due*

*Months 25-36: 60% repayment due*

*Months 37-48: 40% repayment due*

*Months 49-60: 20% repayment due*

*Months 60 and beyond: 0% repayment due*

## **11. What happens if I sell my permanent machinery and equipment during the compliance period?**

In the event the owner is required to sell the equipment during the compliance period, they will be responsible for repaying the grant funding received. Additionally, a control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft. A physical inventory of equipment will be taken annually.

## **12. Contactor Bids**

A clear, write-up for the project as outlined in Scope of Work must be the basis for the bids or proposals. All bidders must have equal access to relevant information, including information on the property itself. The bids or proposals for all activities must be submitted directly to CEDC by the contractor. CEDC will advise the property owner of acceptability of bids/proposed cost. CEDC shall select the lowest responsible bidder. If the property owner chooses other than the lowest bidder, reimbursement will be based on the amount of the lowest responsible bid. All contractors must supply references and proof of proper insurance.