

General Questions

Deadline

Is the application deadline flexible?

The Better Buffalo Fund application deadline has been extended to December 10, 2014 at 4 p.m. due to the unprecedented weather impact on the Buffalo area. We will not accept applications received after the deadline.

Project budget

Can funding be used toward project costs that were incurred before the grant/loan was awarded?

Project funding may only be used for expenses incurred after the date that notice of the funding award is given. You can include project costs incurred prior to award (i.e. building renovation, acquisition) as part of the total project cost, but expenses incurred prior to award will not be eligible for grant/loan funding.

Can in-kind donations be included as part of the matching fund?

No. In-kind donations cannot be used toward your match and should not be included in your project budget. Evidence of in-kind donations such as staff time can be outlined in the application narrative to support the applicant's administrative capacity and demonstrate local support for the project.

If a project is receiving state funds through another program, would it preclude the project from seeking funding through the BBF?

No. There are no restrictions on projects receiving other state funds, and other state funds can be used to meet the matching requirements; however projects will be evaluated on how much private funding the project will leverage. In addition BBF funds are intended to fill gaps in project budget, and not replace private or public funds already committed.

Awards

When will awards be announced?

We anticipate making award announcements in early 2015.

How will the \$30 million be distributed between TOD and Buffalo Main Streets Initiative projects?

There is no set allocation for each program. The pool of applicants will drive the amount designated for each program.

Will the grant and or loan value requested be awarded on an all or nothing basis?

ESD sometimes awards less than is requested. This is a competitive application process and one review criterion is the amount the applicant has requested as part of the total project cost (the

more private sector leverage, the better), so applicants should only request what is really needed to complete the project.

Future rounds

Will there be future rounds of funding?

Future rounds will be determined after conclusion of first round of applications.

Our project is in a preliminary phase. Should we proceed with an application or wait for future rounds of funding?

All applications will be assessed for “project readiness.” Future rounds will be determined after conclusion of first round of applications. Applying to the BBF this year will not preclude you from applying in future rounds, nor will it affect the outcome of your application in future rounds.

If an organization is awarded funding in this round would they be eligible to reapply in a later round?

Nothing prohibits an organization from applying in subsequent rounds if they get an award in round one; however, progress on implementing their first award will be heavily weighed into future potential awards.

Accessing application

Is the Better Buffalo Fund an online application like the state’s Consolidated Funding Application (CFA)?

The Better Buffalo Fund isn’t part of an online application like the state’s CFA. The application is a fillable PDF form that you can find within the guidelines beginning on page 17.

<http://esd.ny.gov/BusinessPrograms/BetterBuffaloFund.html>

Application fees

As a nonprofit, would we qualify to have the application fee waived?

The \$250 Application Fee and the one percent (1%) non-reimbursable commitment fee based on the grant amount will be assessed to all awardees. But, the fees are assessed only if and after an award has been made, not at the time you submit your application. We will consider waiver requests from nonprofits once awards have been announced.

Prevailing wage

Will awardees be subject to prevailing wage rate?

The Better Buffalo Fund does not use federal funds and prevailing wage and Davis Bacon generally will not apply. Projects involving work on public property may be impacted by NYS labor laws, and it will be the local program administrator’s responsibility to comply with all state labor laws.

MWBE utilization

What are project MWBE utilization goals based upon?

When awards are made, MWBE goals will be set for each project. The goal applies to the amount of the award. Overall, Empire State Development has a goal of at least 23%, but many projects often carry higher goals.

Local support

What do you mean by “local support” for a project?

We are looking for information that would show your project is consistent with local development plans, zoning and other projects in the area.

Are resolutions or support letters required as application attachments?

No.

Environmental Review

Is environmental review from the City of Buffalo required of projects funded through the Better Buffalo Fund?

No; however all required state approvals must be in place prior to the start of construction and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable.

Funding Tracks

Could an organization submit two different applications for two different projects– one for TOD and one for the Buffalo Main Streets Initiative?

Yes.

Application Checklist

Some of our attachments are very lengthy. Do you want 6 complete copies of large attachments such as the Phase I Environmental, architect drawings, market studies and appraisals?

The 6 hard copies of these documents can be abbreviated and submitted in 8 ½ x11 format; but a complete copy of all exhibits must be submitted electronically. The best way to submit the electronic copy is CD-ROM or flash drive.

The Application Checklist asks for a “signed certification.” Where do I find that?

For the Better Buffalo Fund, there is no certification that needs to be signed.

Transit Oriented Development

Are loans for permanent financing only? What are the terms?

Yes, loans are for permanent financing only. The terms are up to 10 years for machinery and equipment; and up to 20 years for real estate.

Will ESD consider an application that requests a combination of grant and loan funding for the same project?

Yes, however, preference is given to loan applications.

Minimum awards are \$250,000 for loans and \$100,000 for grants not to exceed 20% of the overall project. Is the program geared to \$1,000,000+ projects?

For the TOD track, we are generally looking for projects that are at least \$500,000 total project cost on a grant, or \$1,000,000 on a loan. For the Main Street track, projects can be smaller—awards range from \$50,000 - \$500,000 not to exceed 50%-75% of the total project cost (depending on the project activities).

Can a project that is beyond a 1/4 mile radius from a transit station on the designated streets be eligible to apply to the TOD track?

For the TOD track, funding is available for projects which promote dense development (housing, employment, and retail) within ¼ mile walking distance of transit stops on the designated streets, although projects that fall within ½ mile walking distance of transit stops will be considered if they build upon existing infrastructure and assets; and encourage the use of multi-modal transportation, and stimulate pedestrian activity through retail and neighborhood-oriented businesses and services, quality public spaces, and accessible walkways. Projects which are beyond ½ mile from a designated transit stop, will not be considered for funding.

Will the TOD geography be extended in future rounds?

The TOD streets were chosen based on high NFTA ridership along these corridors. Any determinations for future rounds will be made after conclusion of first round of applications.

Under the Buffalo Main Streets Initiative, there is a minimum of two bids for contractors and professional services. Does this pertain to TOD also?

No. That is not a requirement for TOD.

If 20% of the project can be from the BBF and there must be at least 10% equity, can the remaining 70% of the project can be loan funds.

Yes.

Can a building that has previously been purchased be used as equity?

If the building has already been purchased, it cannot be used as equity.

Can you explain how the non-reimbursable commitment fee works?

For TOD, upon award, ESD will issue an Incentive Proposal outlining ESD award, terms and conditions. When that is accepted by awardee, awardee will provide a \$250 Application Fee, due when the Incentive Proposal is returned/with the completed ESD Universal Application. The recipient will provide a 1% commitment fee due after ESD Directors' approval at the time a Grant Disbursement Agreement is executed (after project is completed). For example, if you are awarded \$100,000, you are responsible for paying \$1000 that cannot be reimbursed with BBF funds.

Would geothermal and solar panels be eligible expenses for a renovation project?

Yes

Our property is within ½ mile of a transit stop on one of the TOD corridors but it is located outside of the City of Buffalo. Is this property eligible for funding under the TOD track?

No. Only properties located in the City of Buffalo are eligible for funding under the Better Buffalo Fund.

Buffalo Main Streets Initiative

Are projects located outside of the designated Buffalo Main Streets commercial districts eligible?

Projects that are not directly on one of the identified Main Street corridors are ineligible to apply.

Do business associations need to be 501c3s to be eligible to apply?

They do not have to be 501c3s, but they do need to be representing several property owners in the targeted area and willing to comply with all program rules and demonstrate capacity and experience to successfully implement the program (note: they can/may want to secure partners with demonstrated experience if they lack it).

Can you explain the matching requirements for Target Area Building Renovations?

Matching funds are required for building renovation projects on a per building basis. Grant funds per building can not to exceed 75% of project cost/building or \$150,000/building, whichever is less. Streetscape projects and administrative costs do not require matching funds. Applications are more competitive, however, when they demonstrate higher levels of matching and leveraged funds.

Our project seems to meet all of the criteria, but it would be under the minimum grant of \$50,000. Are we eligible to apply?

Single building requests under the identified minimum request amount of \$50,000 will not be accepted. The applicant could consider a program approach instead to assist a group of buildings in a target area.

Do commercial properties have to be identified at time of application or should the business association notify commercial property owners within the target area of the matching grant opportunity after receiving the grant?

Applicants for funds under the Infill Construction and Downtown Anchor activities must identify the property and other sources of financing at the time of application. Applicants for the Target Area Building Renovation activity may apply with a designated target area – but without commercial properties identified. We do recommend, however, that an applicant complete a marketing effort to confirm that area property owners are interested in a matching, reimbursement grant program. Letters of interest and commitment letters from potential participants will strengthen an application. Applications with properties identified demonstrate readiness to complete projects in a shorter term and typically receive priority consideration.

For the Buffalo Main Streets Initiative, can a non-profit apply to renovate one building?

An application may be submitted under the Downtown Anchor Activity if the request is between \$100,000 and \$500,000 and the applicant can submit the required business plan, market analysis and funding commitments. Projects should be renovation and construction only. Site work and landscaping are not eligible expenses.

If the request amount is lower, the application could be submitted as a Target Area Building Renovation program. In that case, the application should indicate whether additional buildings will also be included and assisted as part of the grant program. Even if the Target Area Building Renovation program funds will be allocated to a property owned by the grant administrator we require the grant administrator to document all administrative procedures described in the Main Street Administrative Plan including the project selection process. This is to help document the need for public investment, and ensure that the grant administrator has evaluated the best use of the resources. The Main Street Grant Agreement will include a required Administrative Plan. It will be similar to the New York Main Street program Administrative Plan available online, here: <http://www.nyshcr.org/Forms/NYMainStreet/AdminPlanTemplate.pdf>

Can funding through the Better Buffalo Fund be used for a microloan program?

At this time, funding awarded through the Better Buffalo Fund cannot be used for a microloan or construction loan program. Applicants may request between \$50,000 and \$500,000 for matching grants to district building owners of up to \$50,000/building, plus an additional \$25,000 toward each residential unit renovated, not to exceed 75% of Total project Cost or \$150,000/building, whichever is less.

Our project is located on Main Street in downtown Buffalo, are we eligible to apply to the BBF under the Main Street program track?

Properties on Main Street in downtown Buffalo are eligible for the TOD track but not the Main Street program track. However, there are other resources available to support Main Street redevelopment including NYS HCR's regular Main Street program through the annual CFA process (application opening next spring) <https://apps.cio.ny.gov/apps/cfa/>.

Can we use funds to add an addition to a building?

Target Area Building Renovation funds cannot be used for new construction. The Infill Construction activity does allow for new construction projects.

If my application is funded, how do I access the awarded Main Street money?

Before Main Street funds can be drawn down, awardees must execute the New York Main Street grant agreement and designate a bank account to receive Main Street funds in the form of a direct deposit. Main Street is a reimbursement program, therefore, individual projects must be complete and paid for before funds will be disbursed. Main Street funds may be requested on a per building/project basis.

Do specific buildings need to be identified in the application and are financial commitment letters required for those projects?

A Target Area Building Renovation application that identifies specific buildings proposed to be assisted is generally more competitive because project readiness is demonstrated. Applications demonstrating formally committed funds will also score more competitively than those without

funds committed. Downtown Anchor Project and Infill Construction applications must identify the specific project and identify funding commitments and construction financing since this project activity is for “shovel ready” projects only.

Property owners in our community are not currently interested in completing building renovation projects, but we would like to install benches, garbage cans and bike racks. Can we apply for Streetscape funds to purchase and install these fixtures?

Streetscape funds may not be requested as a standalone activity. Streetscape funds must be ancillary to a multi-project building renovation program.

Can a for-profit business or property owner apply directly to the Better Buffalo Fund for the Buffalo Main Streets Initiative track?

Eligible applicants under the Main Street track are only organizations incorporated under the NYS Not-for-Profit Corporation Law or community based business associations. Not-for-profit recipients then provide grants to local building owners. We will not contract directly with property owners.

Are restrictions placed on buildings that receive Main Street funds?

Property owners participating in the Main Street Program must sign a Property Maintenance Declaration. The Property Maintenance Declaration states that the property owner will maintain all Main Street assisted improvements in good condition for a five year term. This Declaration document must be filed with the County to secure the investment.

For the Buffalo Main Streets Initiative, is an empty lot eligible for assistance?

New construction on an empty lot is eligible for assistance under the Infill Construction activity. An applicant may request up to \$500,000 per building, not to exceed 50% of the total project costs. New construction is not eligible under the Target Area Building Renovation activity.

Can funds be used to improve a building's parking lot?

No. Main Street funds cannot be used for site work such as parking lots, driveways, sidewalks or general landscaping.

Does the non-profit applicant need to own or have site control of the building (s)?

For Target Area Building Renovations, not-for-profit organizations generally request funds to provide matching grants to a group of private property owners. If awarded a Main Street grant, the organization may award matching grants to district building owners of up to \$50,000/building, plus an additional \$25,000 toward each residential unit renovated, not to exceed 75% of Total Project Cost or \$150,000/building, whichever is less.

For Infill Construction and Downtown Anchors an applicant may apply for funds (up to \$500,000 per building, not to exceed 50% of the total project cost) to assist a property owned by the not-for-profit organization, or apply on behalf of the property owner.

If two different organizations want to apply for Target Area Building Renovation funding for the same corridor, would they be eligible to do so?

Yes; however the Better Buffalo Fund seeks to promote cooperation and coordination in the implementation of economic development programs to maximize efficiencies and leverage high

impact results. In addition, planning and marketing to confirm that property owners in each target area are interested in the grant program is strongly recommended.

We are a citywide organization and wish to apply for multiple Main Street corridors. Should we submit multiple applications or just one?

An application must have a single applicant organization that will enter into a grant agreement for the project. An applicant may apply for more than one target area in a single application, but the maximum request amount remains at \$500,000. It is important to present sufficient capacity to administer the program, and especially important if an applicant plans to work in more than one target area. Be sure to do planning and marketing to confirm that property owners in each target area are interested in the grant program. It is recommended that you prioritize the street/target area that is ready to begin construction in spring of 2015.

For Target Area Building Renovation grants, how does reimbursement work?

Organizations awarded Main Street Target Area Building grants enter into a grant agreement with Housing Trust Fund Corporation, followed by an environmental review process. Once the project is approved to proceed, the organization will follow rules outlined in the grant agreement and administrative plan to award Main Street grants to individual property owners. Funds can be disbursed at the completion of *each* building renovation project. For example, if an organization applies for \$300,000 to assist ten buildings, HTFC will issue up to ten reimbursement payments.

Which attachments are required for a Buffalo Main Streets Initiative application?

- Signed certification and completed application
- Appendix B – Sources & Uses Table
- Exhibit 2: Phase 1 Environmental Site Assessment - Required for Downtown Anchor and Infill Construction projects
- Exhibit 3: Cost Estimates - Required for Downtown Anchor and Infill Construction projects
- Exhibit 4: Development Team
- Exhibit 5: Organizational Chart
- Exhibit 6: Non-Profit Financial Information
- Exhibit 9: Commitment Letters/Term Sheets - Required for Downtown Anchor and Infill Construction projects
- Exhibit 11: Business Plan and Market Analysis - Required for Downtown Anchor and Infill Construction projects
- Exhibit 12: Suitability Explanation - If applicable based on questions on application page 42.
- Exhibit 14: Project Map, Photos & Drawings

What qualifies as a business plan and market analysis?

The Downtown Anchor activity allows for an investment in a single building that is much larger than our typical target area building renovation projects. To provide these larger grants (\$100,000 to \$500,000 for a building), we must confirm that the investment is secure and will be maintained. The business plan and market analysis are intended to provide a clear demonstration of need for the commercial, residential or civic use in the project area. Additionally, the business plan provides evidence that the organization is sustainable.

Please note, the Target Area Building Renovation activity does not require these documents. If you intend to apply under the Downtown Anchor activity and do not have a business plan and market analysis, we recommend writing a document to address the issues identified above, and providing evidence of financial stability that would be expected in a business plan. The following is what we usually look for:

a. General Requirements

A Business Plan should demonstrate the following:

- that the proposed enterprise will meet an identified need in the general area and can be readily absorbed;
- that there is market support for the anchor;
- that projected income and revenue are attainable;
- that estimated project income is sufficient to pay the estimated operating expenses (including any debt service contained in the financing plan);
- that the operating and development budgets are reasonable;
- If the anchor involves the provision of a public service, the applicant should also discuss the need for the service in the area, and the likelihood of any additional public operating or capital revenue;
- identify the sources of statistics used in the analyses and, when statistics are not from public sources, include means for verification (e.g., list of contacts with telephone numbers or attachment of source documents);
- fully explain the reasoning behind any assumptions used in the analyses;
- conclude that the enterprise will likely be self-sustaining; and,
- demonstrate that requested funding will bring the project to a complete and operational state.

b. Market Analysis

- The Market Analysis should demonstrate sufficient market support for the business or organization.

c. Operating Budget

- The Program Operating Budget should reflect as accurately as possible the expected income (revenue) and operating costs of the program.

d. Financing Plan

- Details of how the project is financed

We are a not-for-profit applicant partnering with another not-for-profit on the project. Are we both required to produce 3 years of financial records, or just the applicant?

Only the applicant is required to submit 3 years of financial statements.

What could asbestos found during the environmental survey mean for a project?

An initial survey for asbestos containing materials is a standard part of a renovation project and compliance with DOL regulations is one component of a Main Street environmental review process. It is possible that asbestos containing materials could be identified and require changes to a project scope of work. Renovation projects completed by contractors must comply with NYS Department of Labor regulations related to asbestos- regardless of the use of NYS grant funds.

Is the not-for-profit applicant required to be located in the same geographic area as the project?

The not-for-profit is not required to be located in the same geographic area as the project, but the applicant must demonstrate sufficient capacity and experience to work in a different district. The not-for-profit should confirm that it is allowable within the organization's bylaws.

Do any of the following forms on the New York State Homes & Community Renewal website need to be used when completing the Better Buffalo Fund application?

<http://www.nyshcr.org/Forms/NYMainStreet/>

Those forms are not required for the application, but could be referenced to understand the environmental review and grant administration processes for awarded projects.

If a building could potentially be sold within the next year, how could that affect a project's eligibility?

All participating property owners must execute a Property Maintenance Declaration at project completion. The Declaration is a regulatory agreement that must be filed with the county when the project is completed. The document states that assisted improvements will be maintained in good condition for a five year term. If an assisted property is sold, moved, demolished or materially altered during the five-year term the property owner must repay the grant funds. The repayment amount is decreased by one-fifth for each year the property was in compliance.

The property could technically change hands prior to completion of the project—as long as the new property owner agrees to sign the document and comply with the rules for the regulatory term. However, if the ownership of the property is questionable, it is recommended to wait until the next funding round. The grant funds should not be pursued as a way to market a property for sale.

The guidelines state that grant funding is typically disbursed upon project completion. Is it possible for funding to be awarded upfront?

No. We cannot provide Main Street funds up-front. We need to see construction complete and bills paid. We can allow progress payments if that will assist a project – but that arrangement must be approved prior to the start of construction with a clear schedule outlined. Sometimes not-for-profits will use grant award letters to secure a line of credit for construction financing.

Our business district covers two eligible locations, should we submit a single application for both, or two separate applications?

Either scenario would be acceptable. A single application for two districts would simplify the administration of the program, but it would be capped at \$500,000. Two separate applications would each be eligible for \$500,000.

The decision should be based on the marketing and documentation of property owner interest in both areas. We recommend submitting a request for what can be reasonably expended within a 24-month term. We strongly recommend a lower request amount if it is not clear that sufficient property owner interest exists for the \$500,000.

Will Better Buffalo Fund applicants to the Buffalo Main Streets Initiative track need to comply with the New York Main Street (NYMS) rent limits for residential units?

No, the affordability requirements from NYMS will not apply.

How should Main Street applicants respond to the Real Estate questions on page 43 of the application?

If you are applying for funding for a Downtown Anchor or Infill Construction, you should answer each of the questions on page 43. For Target Area Building Renovation, you only need to answer question #66 *What is the current use of the building/buildings?* and describe the general area.

How should Main Street applicants respond to question 11 regarding SHPO and historic structures?

As part of the SEQR review, all projects will require SHPO review and a determination. This applies to all Main Street activities.

If you are applying for funding for a Downtown Anchor or Infill Construction, you should answer each part of question 11.

For Target Area Building Renovation projects, you can skip the yes/no check boxes and in the space provided to type, please identify if any review has been conducted on any of the buildings, or simply acknowledge that you understand a review will be required. With Target Area Renovations the participating buildings often change by the time a project goes to contract – so we recommend that the program administrators wait to conduct a building-specific review later. There is no reason to incur costs associated with an environmental review if there is any uncertainty that a project will move forward.