

CDBG-CV3

Application Q & A

GENERAL QUESTIONS & PROGRAM ELIGIBILITY

Who is eligible to apply?

The CARES Act funds will be available for a city or county in the State of Kansas, which are defined as “general purpose units of government.” The cities and counties ineligible include Kansas City, Wichita, Topeka, Lawrence, Leavenworth, Manhattan, Overland Park and all of Johnson County; those that received CV1 or CV2 monies; and those that have a balance in their CDBG Local Revolving Loan Funds. These entities will not be eligible to apply.

Could a county apply on behalf of multiple small cities? For example, several of our Counties have several small cities that may only have 1 to 5 businesses and it might be easier to have the County Economic Development person put together a joint application and administer the funds on their behalf.

Yes. A county can apply on behalf of multiple cities or the entire county. However, if one of those cities also obtains funds independently of the county, the county funds cannot be used in that city. This is possible without an inter-local agreement.

What is the anticipated time frame for city/county applications to be processed and money dispersed?

The Department of Commerce will notify the applicant approximately by July 1, if they have been awarded CDBG-CV3 funds.

How quickly will businesses have access to funds?

If the business is awarded funds from its city and/or county, funds will have to be drawn from the Department of Commerce. Once the draw request is submitted to Commerce and approved, the city and/or county will have funds in 10-14 days. Businesses must provide invoices, receipts and proof of payment before receiving funds.

Do you anticipate the application being easy enough for communities to handle, or would the applications be better handled by contract grant administrator?

We encourage cities and counties to review regular CDBG guidelines, the CV3 Overview and the CV3 Application Checklist before applying. Depending on the capacity of your city/county, you may want to contract with a grant administrator. CV3 funds can be used for grant administration that is not a city/county employee. \$15,000 or 10 percent of award, whichever is less.

Does a city need to know exactly which businesses are applying before submitting their application, or can that be determined after funding is awarded?

You don't have to know exactly what businesses will apply and benefit from funding, but you should be prepared to provide some basic, high-level information on recipients in your application. Note: Fifty percent of funds should be expended in 90 days.

Can businesses apply for CDBG-CV3 funds through the Department of Commerce?

No. Only Kansas cities and counties can apply for CDBG-CV3 funding through the Department of Commerce. Businesses must make their applications for funding directly with the city or county where they are located, once funding is awarded to them.

How will cities and/or counties distribute Economic Development grants to businesses?

Each city and/or county determines how to allocate the funds awarded to them on a local level. The amount of funds able to be granted to businesses is dependent on the number of jobs retained per business.

For businesses with 1-5 employees, up to \$25,000 per FTE can be awarded, with a maximum funding of \$30,000 per company.

For businesses with 6-50 employees, up to \$35,000 per FTE can be awarded, with a maximum funding of \$50,000 per company.

Maximum application is \$150,000.

BUSINESS AND/OR PROJECT ELIGIBILITY

How do I know if my city or county has CDBG-CV3 funds available for businesses?

Cities and counties are responsible for notifying businesses if/when they receive CDBG-CV3 grant funding. If you have questions about whether or not your city and/or county has CDBG-CV3 grant funds available, you should contact your city or county directly.

What types of businesses are eligible to receive CDBG-CV3 funding from their city and/or county?

Businesses and organizations that suffered losses due to COVID-19, and who have not received funding from other resources, are eligible to receive CDBG-CV3 funding from their city and/or county. Businesses must have been in existence as of March 1, 2020.

Do agricultural businesses (farming, ranching, dairy, etc.) impacted by the coronavirus pandemic qualify for the CDBG-CV3 opportunity?

As the business meets the national objective of 51 percent LMI jobs being retained, agricultural businesses are eligible for CDBG-CV3 funding.

A farmer's cooperative has several branch locations in multiple cities and multiple counties. Does each location stand on its own, or is funding available only under the whole cooperative in whatever city or county it is located?

Grants are awarded by location.

REQUIREMENTS & PREREQUISITES

Can public meetings be conducted virtually?

Yes. Public meetings may be conducted virtually using a video streaming service. A link to the website where the public meeting will be shown must be placed prominently on the grantee's website. Lastly, the newspaper advertisement must still run the required number of days prior to the meeting, and the web address to the grantee's website or the web address where the public meeting will be streamed must be included.

Are home-based businesses eligible for CDBG-CV3 funding from their city and/or county?

Yes. Home-based businesses are eligible to receive funding.

If a business participated in the Paycheck Protection Program (PPP), are they eligible to receive CDBG-CV3 funds?

Yes, but the CDBG-CV3 funds may not replace employee salaries already paid with PPP.

If a business participated in the Economic Injury Disaster Loan program (EIDL), are they eligible to receive CDBG-CV3 funds?

Yes, so long as it is not a duplication of benefits.

Is the purchase and installation of hand sanitizer stations or physical dividers/barriers in a business eligible?

Yes. These items are considered working capital.

Are the Economic Development grants eligible for paying off existing debt from other sources including local revolving loan funds?

No.

Will the environmental review be per "project" or will it have to be per individual business?

Economic Development projects are granted to each business receiving funds, but as working capital it's categorically excluded not subject to (CENST).

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