Small Business Services

AVENUE NYC
Building better business districts in New York City

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# EXHIBIT 3 OF THE AVENUE NYC CONTRACT

Last Updated: 8/1/2008

EXHIBIT 3

*City of New York*

*Community Development Block Grant (CDBG)*

*Subrecipient Agreement*

*City Fiscal Year 200__*

*Program Activities and Budget: Cover Page*

**Program Name**: Avenue NYC

**City Agency**: NYC Department of Small Business Services

**Agency Contact**: Name of Contract Manager

**Address**: 110 William Street

**City, State, Zip**: New York, New York 10038

**Phone Number**: (212) 513-6462

**Email Address:** CM@sbs.nyc.gov

**Subrecipient**: _____

**Contact Person**: _____

**Address**: _____

**City, State, Zip**: _____

**Phone Number**: _____

**Email Address:** _____

**Target Area Covered by This Agreement:**

Name: _____

Boundaries: _____

_____

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**Avenue NYC Subrecipient Agreement (Exhibit 3)**

**CDBG Subrecipient Agreement**

The Office of Management and Budget (OMB) has determined that the Department of Small Business Services' (SBS) agreement with _____ was procured through a non-competitive, Required Source Selection process in compliance with § 1-02(d) of the City of New York's Procurement Policy Board Rules (PPB). CDBG regulations require that awardees of CDBG funds that were not chosen by the City through a competitive bid process receive and sign this Subrecipient Agreement, known as an Exhibit 3. Read this information carefully and familiarize yourself with the CDBG regulations pertaining to your program.

**CDBG Eligibility**

CDBG is an annual entitlement awarded to the City of New York through the U.S. Department of Housing and Urban Development (HUD). All CDBG-funded initiatives must meet two basic criteria: an activity must fall into a CDBG eligibility category, and it must comply with a CDBG national objective.

The services provided through AVENUE NYC are eligible under the following eligibility categories of the CDBG regulations:

- §570.203(b) Special economic development activities: (Storefront façade improvement grants)
- §570.204 Special activities by Community Based Development Organizations (CBDOs): (LDCs)
- §570.205 Eligible planning, urban environmental design, and policy-planning-management-capacity building activities
- §570.206 Program administration costs.

The applicable national objective is **Low- and Moderate-Income Area** under 24 CFR §570.208(a)(1). In order to satisfy this requirement, an area benefit activity should be available to *all* the residents of an area, and must meet the identified needs of low/mod persons residing in a neighborhood target area where at least 51% of the residents are low/mod persons. OMB, in collaboration with SBS, established

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neighborhood target areas using federal census tract information and the catchment areas of contracted community based development organizations (CBDOs) to compute the low/mod percentage of a target area. Through the census, information is obtained to determine the total number of residents who reside within that census tract and their incomes. **SBS must attach a census tract analysis of the target area covered by this agreement to document that the low/mod area national objective will be met.**

Please note that CBDOs contracted with AVENUE NYC will not be permitted to purchase equipment. For the purposes of the CDBG regulations, *equipment includes all movable/removable items that are not an integral structural fixture*. Therefore, ineligible purchases include computers, monitors purchased as part of a CCTV/security system, telephones procured for a communications system, vehicles, refrigerators, dishwashers, stoves, air conditioners, etc. However, when providing grants for storefront renovations, items that will be affixed to the facility, such as security cameras, HVAC system components, handrails, wheelchair lifts, exit signs, etc., are **not** considered equipment. Interior improvements may not be made with CDBG funds.

CDBG funds may not be charged for indirect costs unless the organization has a federally-approved indirect cost plan and provides a copy of that approved plan.

**Please note that any expenses incurred prior to agreement registration in the appropriate CDBG budget structure cannot and will not be reimbursed with CDBG funds.** Only staff performing CDBG-eligible functions shall be charged to CDBG funds. If staff time is spent on other non-eligible activities, timesheets must be maintained to determine the appropriate CDBG charges. CDBG-funded programs with non-profit organizations are subject to the requirements of Federal Office of Management and Budget Circular A-122: Cost Principles for Non-Profit Organizations and Department of Housing and Urban Development Title 24, Part 84: Uniform Administrative Requirements For Grants And Agreements With Institutions Of Higher Education, Hospitals, And Other Non-Profit Organizations.

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At the Contract's expiration, the Subrecipient shall transfer to the City all CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

In accordance with 24 CFR 85.43, this agreement may be suspended or terminated if the subrecipient materially fails to comply with any terms of the award.

This Agreement may be suspended and/or terminated without liability to the City if the Community Development Block Grant to the City is reduced, suspended or terminated. The City or Agency is under no obligation to make any payments to the Subrecipient unless and until the City or Agency receives CDBG funds in an amount that is deemed sufficient to enable it to fund this Agreement.

**This Agreement is subject to the terms and conditions of the attached Appendix B.**

**Consolidated Plan and Annual Reporting Requirements**

The Consolidated Plan is the City's application to HUD for its four entitlement programs: the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The City's Community Development Program follows the Consolidated Plan Year, which is the calendar year. Therefore, although CDBG funds are allocated on a city fiscal year basis, accomplishments are reported based on the calendar year.

The Community Development Program publishes its planned activities in the City's Proposed Consolidated Plan. Each summer, SBS will be asked to submit accomplishment projections for the coming year, as well as revised projections for the current year. Accomplishments are reported in the Consolidated Plan Annual Performance Report (APR), which must be submitted to HUD within 90 days of the calendar year's end. In early December, SBS will receive data collection forms requesting accomplishment information. The completed forms must be returned to OMB by mid-January.

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AVENUE NYC must collect the following information related to each local development corporation's or business improvement district's calendar year activities :

- Total expenditures
- Activities performed/status/accomplishments realized
- Location, scope, cost and status of storefront façade improvement grants
- Number of new and existing businesses assisted
- Units of technical assistance delivered to businesses

**Environmental Review for Storefront Façade Improvement Grants**

Federal regulations require that an environmental review be conducted for all federally-funded projects involving renovation.

Historic Review

In order for the Landmarks Preservation Commission (LPC) to make a historic determination, a photograph (preferably a digital photo that may be emailed to LPC) of the building's front façade must be provided. If LPC determines that a site has historic significance, additional review may be required by the New York State Office of Parks, Recreation and Historic Preservation and LPC's Preservation Department.

Floodplain Review

Renovation sites will be checked by OMB to determine if they are located within federally-designated 100-year floodplains. CDBG funds will not be provided to any site found to be located within the 100-year floodplain.

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CDBG funds may not be expended for storefront renovations until the environmental review process is completed and SBS has received written approval from OMB.

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**Narrative Summary**

**1. Project Period:** CFY 200

**2. City Agency** New York City Department of Small Business Services

**3. Subrecipient/Contractor:** _____

**4. Subcontractor:** _____

**5. New Project:** **X** **Continuation:** _____

**6. Please indicate below or attach a clear, concise narrative summary of the project; its scope, problems addressed, and the results anticipated. Summarize personnel and other costs in the chart below and provide a detailed list of costs on the following pages.**

**Budget Summary (See PS and OTPS Budget Details on the following pages)**

Total CD-funded Personnel Costs: $_____

Total CD-funded OTPS Costs: $_____

**Total CD-funded Costs:** $_____

**7. List other funding sources (if applicable).**

| Source | Amount |
|---|---|
| 1. _____ | $_____ |
| 2. _____ | $_____ |
| 3. _____ | $_____ |
| 4. _____ | $_____ |
| 5. _____ | $_____ |
| 6. _____ | $_____ |

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**Subrecipient Certification**

I, _____, the undersigned, certify that I represent the _____ _____. As the representative, I certify that the _____ will comply with all of the Federal regulations applicable to the use of Community Development Block Grant funds, and I further certify that the program(s) funded comply with the National Objective(s) and Eligibility category(ies) attached. I understand that my organization is responsible for maintaining records documenting compliance with the National Objective(s) highlighted, along with all other documentation required in the Federal regulations.

By signing below I have certified that my organization has accepted the conditions set forth in the Federal regulations governing the Community Development Block Grant.

_____ _____

Signature of Subrecipient Official Date Name & Title

**City Agency Certification**

I, _____, the undersigned, certify that I represent the NYC Department of Small Business Services. As the representative, I certify that my agency will comply with all of the Federal regulations applicable to the use of Community Development Block Grant funds, and I further certify that the program(s) funded comply with the National Objective(s) and Eligibility category(ies) attached. I understand that my agency is responsible for maintaining records documenting compliance with the National Objective(s) highlighted, along with all other documentation required in the Federal regulations.

By signing below I have certified that my agency has accepted the conditions set forth in the Federal regulations governing the Community Development Block Grant. As a recipient of these funds, my

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agency will ensure that all staff, including staff at CDBG-funded organizations under agreement with my agency, will comply with the Federal requirements.

| | | |
|---|---|---|
| Signature of City Agency Official | Date | Name & Title |

**CDBG Eligibility Review/Approval**

| | | |
|---|---|---|
| Signature of OMB/CDBG Official | Date | Name & Title |

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**Subrecipient Personnel Summary**
**Form 1**

**City Agency:** Department of Small Business Services

**Subrecipient:**

**Target Area:**

| Position Title (1) | Rate ($) (2) | % of Time on CD Activities (3) | CD Share ($) (4) | Other Share ($) (5) | Total (6) | Brief Summary of Job Responsibilities (7) |
|---|---|---|---|---|---|---|
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| | | | | | $0.00 | |
| (7) Salary Subtotals | | | $0.00 | $0.00 | $0.00 | |
| (8) Fringe Benefit Allocation | | | $0.00 | $0.00 | #DIV/0! | |
| (9) Other | | | $0.00 | $0.00 | $0.00 | |
| (10) Total Personnel Costs (Add lines 7, 9 & 10) | | | $0.00 | $0.00 | #DIV/0! | |

**Other than Personnel Services (OTPS)**
**Form 2**

**City Agency:** Department of Small Business Services

**Subrecipient:** _____

**Target Area:** _____

| Item of Expenditure (1) | CDBG Share of Cost ($) (2) | Total Cost ($) (3) |
|---|---|---|
| | | |
| **TOTAL** | **$0** | **$0** |