

Project Restore 2.0 FY2024

Maryland Department of Housing and Community Development

FAQs

Last updated: 4.11.2024

General

How much is available to be awarded for Project Restore 2.0 in FY2024?

\$8.0 million

When will the grant term begin and end?

The grant term will begin when the award agreement is signed, which we expect to be by June 2024. The grant term will end on December 31, 2025. At this time all grant funds need to be expended and the business occupying the formerly vacant space must be operational.

Will this grant be on a reimbursement basis?

No, awardees will get the funding for operations, if they asked for it, after the award agreement is executed. Funding for project activities at the awarded properties will be disbursed when the Request for Payment / Progress Report is approved, which will be before construction/purchasing begins for the project. .

If my organization is awarded a grant, how will grant payments be made to us?

We strongly encourage grant payments via ACH (direct deposit) vs paper check. If you are not signed up for ACH with the State of Maryland, we will ask that you sign up at the time of award.

What are ARPA funds?

As part of the recovery effort from COVID-19, the American Rescue Plan Act of 2021 was signed into law in March 2021 and provided \$350 billion in additional funding for state and local governments. All rounds of Project Restore, including 2.0, are funded with ARPA funds.

How will Project Restore funds be treated in the eyes of the IRS? Will it count as income?

You will need to speak with your accountant about how the grant may impact your organization's taxes.

Will I get a 1099 if awarded grant funds?

No. 1099s are not issued to Project Restore awardees.

What if there are no place-based economic development organizations in the area where I want to operate my business?

Every county in the state has a local government, and all local governments are eligible to apply.

What if my local government or place-based economic development organization doesn't apply, but I would like to receive Project Restore funds?

The only way to receive Project Restore 2.0 grant funds as a sub-grantee is through an awarded place-based economic development organization. If you are a small business, you may be eligible for the Business Boost grant program. Learn more about the [Business Boost Microgrant Program](#).

What is the equity framework used for this program?

Project Restore 2.0 is consistent with Secretary Day's focus on equity, as demonstrated through the new Just Communities division of the Department, which is responsible for developing, implementing, and accelerating strategies to lift up communities that have experienced historical and ongoing socio-economic marginalization. Equity questions within the application regarding how applicants demographically represent the community they serve, how inclusive strategies and plans for the community have been, how the organization has demonstrated a commitment to creating a more equitable community, and how the organization has/will support BIPOC and women-owned sub-grantees will all be scored and used to determine funding.

Eligibility

Must a vacant property be vacant at time of application or at grant agreement?

The property must be vacant at the time of application.

Can a place-based economic development organization apply for properties within the same commercial corridor or geography as a Main Street program?

Yes. Eligible entities cannot apply for the same properties, but those properties can be within the same general geography (e.g. corridor, area of town, county).

Can an eligible organization submit more than one application if those applications are for different properties?

No. Each entity can only submit one application.

What is meant by a local government entity?

Town, City, or County

Why are individual businesses not allowed to apply directly for the grant, like prior years?

Administering the program as a block grant to place-based economic development organizations is consistent with how Maryland DHCD's Neighborhood Revitalization grants are typically made. The end beneficiary of the grant is still a small business, like prior rounds, but administering the program this way benefits the business (sub-grantee) because they get wrap-around support from the place-based economic development organization for the project and the awarded organization gets to advance the strategy for the district it serves.

My organization is a nonprofit, can I apply?

Maybe. Not all nonprofits are eligible. Eligibility is specifically to place-based economic development organizations. That means a nonprofit must have a specific mission around economic and community development in a district of the state. Examples are Main Street Maryland programs or economic development associations. If you have questions about eligibility, email DHCD.ProjectRestore@maryland.gov. Individual nonprofits with a mission otherwise may be eligible as a sub-grantee.

Does a nonprofit applicant have to be a 501c3 specifically?

We do not require 501c3 status specifically, but an IRS determined nonprofit status is required at the time of application. Keep in mind that the place-based economic development organization must demonstrate an equitable and inclusive process for determining sub-grantees that is open to all, not just an organization's members.

How long does a place-based economic development organization have to be in existence to be eligible to apply?

There is no minimum amount of time the nonprofit has to have been in operation to apply. Keep in mind that applications will be scored based on demonstrated ability to complete similar projects within the timeline of the grant.

Are businesses that received Project Restore in the past eligible for this round of funding as sub-grantees?

Past Project Restore awardees are eligible with caveats. Specifically:

- Grantees and subgrantees previously awarded in FY22 and FY23 cannot be awarded funds to support projects at the same location as previously awarded;
- If the awardee is expanding to a new location, they would likely be eligible if otherwise compliant with the grant in prior rounds;
- If a business was granted an award in FY22 or FY23 and the award was recaptured due to non-compliance, they may be eligible if they can demonstrate the ability to complete the project this round;
- If a business was awarded in FY22 or FY23, was operational and then closed, they may be eligible if they can demonstrate the project will be sustainable this round.

FY2024 awardees are expected to do due diligence on the sub-grantees they are going to support with funds, including if they received Project Restore funding in the past and the outcome of the project.

Can the grant be used for reimbursement for costs associated with activating a vacant property already incurred?

No. You cannot use Project Restore 2.0 funds for project costs already incurred prior to award. Any costs incurred between award and draw of grant funds are subject to DHCD approval.

Can a place-based economic development organization awarded Project Restore 2.0 funds apply them to a vacant property that is outside the typical geography they serve?

Yes, if the organization's bylaws and Board / leadership agree to it. We would like to see this addressed in the strategy information provided in the application. Remember that all project properties must be in a DHCD-designated Sustainable Community.

If my organization has no paid staff but will hire staff with Project Restore funds, if awarded, are we eligible to apply?

No, you must have at least 0.5 FTE at the time of application.

What is a Sustainable Community?

Local governments apply for this designation from Maryland DHCD which, when determined, offers eligibility for a comprehensive package of resources for community development, revitalization and sustainability. Read more about [designated Sustainable Communities](#).

Why do organizations and vacant properties have to be in a designated Sustainable Community for Project Restore?

It is a way to target investment that aligns with a local community's goals and strategy.

Can landlords be sub-grantees?

There is no prohibition on landlords being sub-grantees, but the spirit of the program is a small business support program. If a place-based economic development organization sub-grants to a landlord, the lease will have to specify how Project Restore 2.0 funds will be supporting the tenant with rent, fit out, etc. Grant funds are disbursed once a tenant is identified and other project milestones are met.

Can the grant support a building owner that has a vacant area for their own new business?

Yes, if the building and business are owned by separate LLCs and the building is vacant at the time of application.

Are water and sewer upgrades into the building eligible?

Most likely, no. Upgrades of that nature are often infrastructure costs for the local government to address. Renovation that includes plumbing for a vacant commercial building are eligible uses of the grant.

My nonprofit has not yet received our IRS determination letter, can we still apply?

No. A nonprofit must have an IRS determination letter at the time of application.

A property I would like to include in the application is not currently in a designated Sustainable Community, but we have an application in with DHCD to request it be designated. Is it eligible for Project Restore 2.0 funds?

No. The applying organization and all properties for which funding is requested must be in a DHCD designated Sustainable Community at the time of application.

Use of Funds

Are Project Restore funds stackable with other State funds to complete a project?

Yes.

Can sub-grantees/businesses use Project Restore funds for operating costs?

No. Sub-grantees (small businesses) can use Project Restore funds for rent, interior / exterior renovation, furniture, fixtures, and equipment only.

Can the up to 15% of operating costs that can be requested go towards organizational overhead or indirect costs, like rent?

No. Project Restore funds can be used for costs directly related to administering the program.

Are vehicles included in furniture, fixtures and equipment as an eligible use for Project Restore 2.0 funds?

No. Vehicles are not an eligible use of funds.

Is there a maximum amount the applicant can include in the budget for rent?

We are not dictating how funds are to be divided up among properties or project activities; however, we will not approve requests for rent payments that are out of line with local market rental rates.

In the application I can ask for up to 15% of the grant request for operating costs. Can I use those operating funds for other administrative costs besides staff costs?

Yes. You may use the operating funds for other administrative costs such as professional services, marketing, and promotion directly related to Project Restore 2.0.

Can the grant funds go towards a building purchase, instead of rent payments?

The funds cannot be used for acquisition. If the tenant is also the building owner and business operator, they can create a separate LLC for the operating business to pay rent.

Can the funds be used for new construction on a vacant lot?

No. Project Restore 2.0 funds cannot be used for new construction.

Can funds be used for office space for the place-based economic development organization applicant to occupy?

Yes, if a nonprofit is expanding into a vacant space in a Sustainable Community.

Can the funds to an applicant be combined with other grant funds (e.g. Community Legacy, Project CORE, Maryland Historic Trust)?

Yes. Grant funds from different Maryland DHCD programs can be stacked together to complete a project.

Must awarded funds be divided equally across each vacant property?

Awarded organizations can divide the funds however they see fit.

Can the grant go towards activating a space as a pop up for one year?

A short-term pop-up is not prohibited per se, but keep in mind the goal of this program is to activate vacant spaces ongoing, not short term. Stronger applications for the grant will have long term uses vs short term.

Are art galleries considered a commercial use?

Yes.

Are AirBnbs eligible uses?

Boutique hotels and other accommodation services like AirBnB units are eligible if owned by a business, such as a LLC. AirBnB as part of a private residence are not eligible.

How do you define commercial corridors?

Commercial corridors are streets where commerce occurs and have a commercial character. For Project Restore 2.0, we seek to activate vacant buildings in downtown and historic commercial corridors specifically, with a focus on street-level retail that supports a walkable business district.

Can grant funds go towards spaces in (indoor) shopping malls, industrial or office parks?

No. The intent of the program is to support downtown and historic commercial corridors; the focus is on street-level retail that activates a commercial corridor and supports a walkable business district.

Are shopping centers along commercial corridors eligible?

If activating vacancies in shopping centers on commercial corridors help improve walkability, street-level retail and offerings for residents and visitors - meeting the goals of this program - then yes they are eligible.

Can a lease for a vacant space be signed prior to the start of the grant agreement and still be included?

No. The space cannot be under a lease prior to the application date for FY2024 Project Restore.

How is vacant defined for this application? Is it a certain period of time it must be vacant to qualify?

There is no minimum amount of time the building needs to be vacant to qualify. It has to be vacant at the time of application, which means no executed lease with a tenant at the time of application.

What kind of documentation will be required to verify a property is vacant?

If awarded, the grantee will get a letter from the property owner/ landlord documenting and confirming the building was vacant at the time of application.

Will there be requirements for construction? (types of contractors allowed, Maryland Historical Trust approval needed, etc.)

No requirement for using certain contractors, though they need to be licensed in the state. If the property is historic, Maryland Historic Trust will review it as typical for all historic properties.

To qualify as a vacant building, does the entire building have to be vacant? Or, can one suite/tenant space within a building be vacant?

Vacant building does not mean the entire building has to be vacant. For example, if one property has three tenant spaces and two are vacant, the two vacant properties are eligible.

Are cannabis businesses eligible to receive Project Restore 2.0 sub-grants?

Any legal business in good standing with the state is eligible to receive funds as a sub-grantee from a place-based economic development organization.

Can the vacant properties I activate with my Project Restore 2.0 funds all be owned by the same property owner?

There is no prohibition on having the same property owner for the properties you activate with Project Restore funds. However, keep in mind that you will have to be able to demonstrate an open and inclusive process was used to determine which properties will receive funds.

What if I don't expend the grant funds by the end of the grant term (12/31/25)?

All grant funds awarded need to be expended, the vacant buildings need to be activated and the tenants in those spaces need to be operational. A place-based economic development organization's ability to complete the project/s by the end of the grant term will be evaluated as part of your application review.

Is there a match required for the Project Restore grant funds?

No. Being able to demonstrate how you are going to fully fund a project to get the property operational by the end of the grant term will make for a stronger application.

How long can rent be paid through the grant?

The grantee (the place-based organization) can determine how to deploy the grant funds per property during the grant term, which ends December 31, 2025. All funds must be expended by the end of the grant term.

Can the funds be used to cover expenses that took place after the application was submitted but before the grant was awarded?

No.

Technical Assistance and Resources

Where will the in-person training sessions be held?

Across the state - regionally based in the City, in Western MD and on the Eastern Shore. Check the [Project Restore 2.0 website](#) for the dates and details.

Application and Maryland One Stop

Can an organization have multiple logins for the Project Restore 2.0 application?

No. Due to system constraints, each applicant can only have one login.

Can I change the email associated with my One Stop log in?

No. Due to system constraints, the login email cannot be changed. It is important for your organization to carefully consider the email used as the login, because if there are staff changes you cannot change the login email. Passwords can be changed.

My file is too large to upload and is getting rejected by One Stop. What should I do?

You should scan/save your documents in low resolution at 72 dpi so they are smaller in size. You can also break up larger documents into smaller sections and upload each section.

Will you be reviewing applications on a rolling basis?

No. All applications will be reviewed after the deadline, which is Wednesday, April 24 at 5pm EST.

Do you need to apply for specific vacant property addresses or can you target a few blocks?

As shown in the sample application, applicants must provide a list of specific vacant properties for which they are requesting grant funds.

How many vacant properties can be named in the application?

We recommend 1-3 properties. The application will allow for more. The applicant's organizational capacity needs to match what is realistic and attainable to achieve within the grant term.

Is there a standard for how to rate property conditions (i.e. poor, fair, good, etc) in the application?

No. Applicants should use their judgment and expertise on local conditions to make that determination. When scoring applications, reviewers will seek to match the condition reported with the photos provided.

Will all applications submitted be awarded funds?

No. This is a competitive grant process. All applications will first be reviewed for threshold eligibility. Then, all applications meeting the threshold will be reviewed and scored by a team of DHCD staff members. Applications with the highest scores will be recommended for funding.

How will applications be scored?

Each application will be read and scored by two reviewers. Reviewers will score each applicant's responses to the application questions. A total of 100 points are available based on responses related to organizational readiness, how the applicant is creating an equitable process, how well the project aligns with the applicant's strategy, and to what extent the project proposed advances the goals of Project Restore 2.0.

Grant Compliance

Are SAM.gov numbers required for the application?

No, SAM.gov numbers are not required for grantees or sub-grantees.

What are the compliance requirements for awardees?

Following the executed grant agreement, there are two required reports for the awardee to complete:

- 1) Progress Report / Request for Payment, and
- 2) Final Report

Awardees will submit a Progress Report, which includes a request for payment, for each property to be activated with Project Restore 2.0 funds. For example, if an organization is awarded funds for three properties, three Progress Reports would be submitted. If all properties awarded funds are on the same timeline, a single Progress Report may be submitted. Once all grant funds are expended or the grant term has ended, a Final Report will be required within 30 days.

Will sub-grant agreements be required?

Yes. Awarded place-based economic development organizations will be required to execute agreements with the sub-grantees.

Will a scoring rubric be provided for selecting sub-grantees?

No. If awarded, the place-based economic development organization will need to develop their own policies and practices. In the application, the applicant will have to describe this process and how it will be open and inclusive.