

GY 2018 How-to-Qualify Workshops

Frequently Asked Questions

Job Creation Grants

- **Eligible Positions**
 - **Is a brewery excluded from JCGs as a 'Food & Beverage Service'?** Any positions at the Brewery that work in an on-site restaurant or tasting room would be excluded. But positions that work in the manufacturing and distribution capacities would be eligible.
- **Pay & Benefit Structures**
 - **Is 'incentive pay' included in the wage-rate calculation?** The proposed scenario referred to a company where employees were paid a base wage plus 'daily incentive pay' based on the number of 'widgets' produced each day. This incentive pay is effectively a bonus, and therefore cannot be included in the wage-rate calculations for the Job Creation Grant- only the base wages were eligible. Bonuses and overtime are excluded from JCG calculations. Commissions and shift premiums are included.
 - **Does a 3-month waiting period for health coverage disqualify that position from eligibility?** No, so long as that position meets the other eligibility requirements and would be offered health insurance at the end of the 3-month probationary period.
- **Expiring Zones**
 - **How does zone expiration impact company eligibility?** If a business qualified for Year 1 of JCG before the zone expired, they may complete their 5-year term. However, they may not qualify for a subsequent 5-year term. RPIGs do not carry over!
- **Attestation Exemption**
 - **If the applicant is exempt from the attestation, what needs to be submitted with Form EZ-JCG?** If a business is exempt from the CPA Attestation because of its size, then the company is required to submit a printout of the excel worksheet with their hard-copy application. The printout should include Tabs 1 & 2.

Real Property Investment Grants

- **Schedule of Investments**
 - **If my investment exceeds the amount needed to max out the award, do I need to report all investments and have them attested to?** It is recommended. If the company is working toward the \$5M threshold to unlock a second \$100,000, then the company would need to have reported all expenses with the first application. If the company only reports \$2M of a \$4M project- they may not go back and report those additional expenses if they make later investments that would put them over the \$5M threshold. In addition, reporting the full QRPI allows DHCD to collect a more accurate picture of how much investment is being leveraged through the grants.
- **Timeline**
 - **I received a CO in 2018, but some of the expenses were incurred in 2017. Are they eligible?** Grants and eligible expenses are based on the year of the Placed-In-Service Documents, and not necessarily on the year of the expense. If the expenses incurred in 2017 contributed toward the project that received the CO in 2018, then the expenses may qualify.
 - **If expenses were incurred in 2018, but the CO was issued in 2019, can I qualify for 2018?** You may qualify, but not for Grant Year 2018. Applications must be submitted for the GY in which they received their Final Placed-In-Service documents. Therefore, the applicant in this example would need to apply for GY 2019.
 - **If I got my CO in 2018, but received invoices in 2019, do they qualify?** These expenses may still qualify. However, the invoice documents should indicate the work was completed prior to the CO date and the CPA should ensure these expenses meet all other qualifications.
- **Multi-Phase Projects**
 - **We received 2 COs on the same property in the same Calendar Year.** Expenses incurred under COs received in the same calendar year can be submitted on the same application. Expenses incurred under COs or final inspections received in different calendar years may not, and will need to meet the threshold separately. Applications must always be submitted for calendar year in which the final placed-in-service documentation is

received. Applications and expenses may not 'carry over' until a later grant year.

- **We received 2 COs on the different properties in the same Calendar Year.**

Grant caps are based on the property, not the investor. An investor may qualify for a grant for more than one property in the same grant year.

- **Buildings vs. Facilities**

- **A single investor owns multiple properties that are adjacent in a downtown. They are operated as separate buildings with separate tenants.** They would be considered separate buildings. Facility status is not only determined by proximity, but also by building use, management, and association.

- **An investor owns 2 adjacent properties that he is redeveloping into offices for a single company.** This would be considered a facility, because the buildings are associated by management, use, and proximity. They are effectively being use as a single office facility.

- **Qualified Properties**

- **Do Parking Decks Qualify?** Yes, they are commercial.

- **Do Hotels & Bed/Breakfasts Qualify?** Yes, Hotels do qualify. B&Bs can qualify so long as they are not in a residential home. If there is a permanent resident/ inn-keeper at the B&B- please contact DHCD to discuss qualification.

- **Multiple Owners**

- **Is Form EZ-RPIG-Multiple Owner Required if the applicant is an entity that has multiple owners?** Most likely not. This form is required when the subject property is owned by multiple people or entities- not when the applicant (i.e. LLC) is owned by multiple people or entities.

- **Application Types**

- **We constructed a new building at our existing facility.** This would be considered an expansion of the facility, not new construction.

- **We demolished an existing building to rebuild.** This would most likely be considered new construction, unless a usable portion of the demolished building remained on the site.

- **Eligible Costs**
 - **Are Architecture & Engineering Costs Eligible?** These are considered soft costs and therefore are not eligible expenses, even when required by the locality.
 - **We utilized Historic Tax Credits. How does this impact our qualification?** HTCs are not mutually exclusive with RPIG. They do not impact the investor's eligibility or otherwise eligible expenses.
 - **We received a Brownfields Assistance Grant for abatement, how does this impact our qualification?** Any public grant funds (local, state, federal) that were used for demolition or construction costs related to a project in an Enterprise Zone are not allowed to be counted towards qualified investment, as those costs were not capitalized by the investor.
- **Placed In Service Docs**
 - **Can the contractor on the project complete the 3rd Party inspection?** The contractor on the project is not a 3rd party due to their involvement. The locality will determine who can do the inspections, and it will typically be a Class A or B contractor.
- **Award Proration**
 - **If RPIG is prorated below 100%, Can we reapply to capture the remained below the \$100,000 cap?** Caps are based on funds received, not funds requested. Therefore, if the investor received \$73,000 in Year 1, they would still be eligible for \$27,000 between Year 2-5. However, they would need to re-qualify and meet threshold with new expenses in Year 2-5.
 - **Will awards be prorated in GY 2018?** DHCD predicts that RPIG awards will be subject to proration during this application cycle, but has no way of predicting the depth of the proration. Proration is based on the total allocation, the number of applications, and the size of the requests.

Application Procedures

- **When is the application due?** APRIL 1, 2019! Electronic Apps must be submitted by 11:59pm. Paper Apps must be post-marked by April 1, 2019.
- **Is there an e-signature option?** There is no e-signature option for EZ Grant Apps. We need an original signature for the zone investor or company representative.

- **Where do I find the electronic application?**
<https://dmz1.dhcd.virginia.gov/EZApplication/>
- **Do you still require hard-copies to be mailed in?** Hard-copies with original signatures of the zone investor or company representative are still required, and should be mailed to the DHCD office. Included with the application should be the Application, RPIG Supplemental Forms (if applicable), Substitute Virginia W-9, and the Attestation Report (or JCG Worksheet if exempt).

*If you have additional questions, please submit them to
ezone@dhcd.virginia.gov.*