§ 45-e. Reimbursement. Expenditures made by a social services district for grants made pursuant to this title shall be reimbursed by the state at the rate of fifty per centum, after first deducting therefrom any federal funds properly received or to be received on account thereof; provided, however, that in lieu of local financial participation required by this section, the commissioner may permit a social services district to substitute actual or in-kind expenditures incurred by eligible applicants in the operation of eligible projects if the commissioner determines that:

(a) local social services district financial participation is unavailable in all or a portion of such expenditures although such district financial participation in the single room occupancy support services program equals or exceeds such financial participation in the previous program year; and

(b) such eligible projects require financial assistance under this title to ensure the financial viability of supportive services programs.

Actual or in-kind expenditures made by an eligible applicant receiving assistance pursuant to section forty-five-c of this title shall be reimbursed by the state at the rate of fifty per centum after first deducting therefrom any federal funds properly received or to be received on account thereof.