

STATE OF NEW YORK
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY (CDBG-DR) PROGRAM
SUBSTANTIAL AMENDMENT NO. 20

Approved by HUD September 14, 2018

Additions to: New York State Action Plan Incorporating Amendments 8-19

In sections: Proposed Allocation of Funds, NY Rising Affordable Rental Opportunity, and NY Rising Infrastructure Program, and corresponding references throughout the Action Plan.

Summary:

Action Plan Amendment 20 (APA 20) will address the following items:

- A. *Proposed Allocation of Funds:* Table and references to allocation amounts updated to reflect the reallocation of funds between programs.
- B. *Closing of the Affordable Rental Opportunity Program:* Edits to reflect the State's decision to eliminate the Affordable Rental Opportunity (ARO) program and transfer of ARO applicants to the NY Rising Rental Property Program and the NY Rising Homeowners Program.
- C. *Updates to Covered Project Budgets:* Updates to budgets for the State's Covered Projects and edits to Covered Projects references where necessary to ensure clarity and consistency throughout the Action Plan.

Changes are indicated in red text. New items are identified as such in their respective 'Description of changes' sections.

A. Proposed Allocation of Funds

Description of changes: All updates associated with the proposed APA 20 allocation of funds will be made to the tables at page 6 and page 57 of the State's Action Plan. Allocation amounts to reflect this proposed reallocation will also be updated throughout the Action Plan wherever referenced.

As described in the State's Action Plan (Updated Impact and Unmet Needs Assessment, pg. 9), there remains unmet needs in all recovery categories of Housing, Economic Development, and Infrastructure. As applicants move through the Housing Program, the State assesses need based on the best available information, to ensure that the allocations are sufficient to provide awards to eligible applicants. The proposed APA 20 allocation of funds considers the unmet needs analysis already identified in the State's Action Plan and the need of eligible applicants in its Housing programs.

The State has identified an increased need in the Homeowner component of the NY Rising Housing program as more applicants are proceeding with home elevation than originally estimated and the cost of home elevation is proving to be greater than originally estimated at the early stages of the program. The cost of elevation awards has been deemed necessary and reasonable and the program has award caps. Funds are being reallocated from the State's Community Reconstruction and Non-federal Share Match programs to meet this increased program need. The State will continue to monitor the progress of the projects in the Community Reconstruction and Non-federal Share Match programs and make adjustments to program commitments or identify state resources as necessary.

The allocation for the Public Housing Assistance Relief Program (PHARP) is being increased to fund a project originally developed and funded as part of the Community Reconstruction Program and will now be administered through PHARP, a program tailored to assist public housing authorities. The PHARP program will provide the same assistance to the PHA project contemplated by Community Reconstruction. The Community Reconstruction allocation is being reduced in part to provide for this project transfer.

Individual lines in the allocation table for projects and programs within the Infrastructure and Match program are being consolidated in the Proposed Allocation of Funds table of APA 20. Budgets and CDBG-DR funding amounts for Covered Projects are provided in the text of the Action Plan. The activities described as Local Government & Critical Infrastructure, Non-federal Share Match, Covered Projects, and Long Island Power Authority fall under the Activity Types, National Objectives, Geographic Eligibility, and Eligible Activities described in the NY Rising Infrastructure Program of the Action Plan and are considered to be the same from a programmatic and eligibility point of view.

From pages 6 and 57 of the New York State Action Plan:

Program	APA 18 Allocation	APA 20 Change	Revised APA 20 Allocation
Total of All Programs	\$4,516,882,000		\$4,516,882,000
Housing	\$2,694,207,313	\$129,000,000	\$2,823,207,313
<i>NY Rising Homeowner Recovery Program</i>	\$1,648,277,424	\$125,000,000	\$1,773,277,424
<i>NY Rising Condominium & Cooperative Program</i>	\$35,000,000		\$35,000,000
<i>Interim Mortgage Assistance Program</i>	\$66,000,000		\$66,000,000
<i>NY Rising Buyout and Acquisition Program</i>	\$680,207,682		\$680,207,682
<i>NY Rising Rental Buildings Recovery Program</i>	\$232,000,000		\$232,000,000
<i>Rental Properties and Affordable Rental Opportunity</i>	\$124,000,000		\$124,000,000
<i>Multi-Family Affordable Housing</i>	\$108,000,000		\$108,000,000
<i>Public Housing Assistance Relief Program</i>	\$12,722,207	\$4,000,000	\$16,722,207
<i>Manufactured Home Community Resiliency Program</i>	\$20,000,000		\$20,000,000
Economic Development	\$124,277,793		\$124,277,793
<i>Small Business Grants and Loans</i>	\$94,600,000		\$94,600,000
<i>Business Mentoring Program</i>	\$400,000		\$400,000
<i>Tourism and Marketing</i>	\$29,277,793		\$29,277,793
Community Reconstruction	\$698,432,794	(\$111,000,000)	\$587,432,794
<i>NY Rising Community Reconstruction Program</i>	\$698,432,794	(\$111,000,000)	\$587,432,794
Infrastructure and Match	\$594,120,000	(\$18,000,000)	\$576,120,000
<i>Local Government, Critical Infrastructure and Non-federal Share Match Program</i>		\$573,420,000	\$573,420,000
<i>Local Government & Critical Infrastructure Program</i>	\$145,000,000	(\$145,000,000)	
<i>Non-federal Share Match Program</i>	\$207,920,000	(\$207,920,000)	
<i>Suffolk County Coastal Resiliency and Water Quality Improvement Initiative</i>	\$47,000,000	(\$47,000,000)*	
<i>Bay Park Waste Water Treatment</i>	\$101,000,000	(\$101,000,000)*	
<i>Long Island Power Authority</i>	\$90,500,000	(\$90,500,000)*	
<i>Resiliency Institute for Storms and Emergencies</i>	\$2,700,000		\$2,700,000
Rebuild by Design	\$185,000,000		\$185,000,000
<i>Living with the Bay: Slow Streams</i>	\$125,000,000		\$125,000,000
<i>Living Breakwaters: Tottenville Pilot</i>	\$60,000,000		\$60,000,000
Administration & Planning	\$220,844,100		\$220,844,100

* CDBG-DR funds will continue to be used for these projects. This amendment consolidates the individual lines items under the "Infrastructure and Match" heading into the "Local Government, Critical Infrastructure and Non-federal Share Match Program" line item.

B. Closing of the Affordable Rental Opportunities Program

Description of Changes: The State is eliminating the Affordable Rental Opportunity (ARO) program, and all references to it in the Action Plan will be deleted.

The State developed concerns about the incentive component of the program, which was used to attract landlords to commit to a two-year rental affordability period for LMI tenant households. This, along with an interest in increased efficiency, are factors for the elimination of the program. The State has elected to transfer all ARO applicants, except two-family owner-occupied homes, to the existing NY Rising Rental Property Program. Two-family owner-occupied homes will be processed through the NY Rising Homeowners Program, where the State processed all other two-family owner-occupied home applications. The State's objectives to create and maintain affordable housing will continue to be met through this transfer.

C. Update to Covered Projects budgets and references

Description of changes: The State is updating its Action Plan to reflect current CDBG-DR funding amounts and estimated total project cost for the Bergen Point Wastewater Treatment Plant Outfall Replacement Covered Project and Bay Park Wastewater Treatment Plant Covered Project. References to Covered Projects will be updated where necessary to ensure clarity and consistency within the Action Plan.

This amendment is reflecting the State's increased CDBG-DR investment in the Suffolk County Coastal Resiliency and Water Quality Improvement Initiative to \$66,437,463. The increased CDBG-DR is to help meet the State's FEMA HMGP match requirement and the project's benefit to low-and-moderate income households. The State is making an equivalent reduction to its CDBG-DR funding for other FEMA HMGP Projects to meet the increased CDBG-DR amount in the Suffolk County Coastal Resiliency and Water Quality Improvement Initiative. The projects where CDBG-DR funds are being reduced will be funded with FEMA HMGP funds, as allowed under the State's "Global Match" agreement with FEMA for HMGP funding. These changes in CDBG-DR funding levels for the three projects contribute to the State's Overall Benefit requirement for CDBG-DR funds, while ensuring all three projects continue to move forward with adequate funding.

Total project budgets have been updated for the Bergen Point Covered Project and Bay Park Covered Project to reflect changes to estimated budgets as they continue to move forward. Changes in CDBG-DR funding for the both of these projects are under \$100,000 for each project, and reflect adjustments of less than 1% of the CDBG-DR funds.

Covered Projects are funded through the consolidated Infrastructure and Match line in the Proposed Allocation of Funds table.

From page 47-48 of the New York State Action Plan:

The State has identified a project cost of \$388.5 million for the Suffolk County Coastal Resiliency and Water Quality Improvement Initiative which proposes to extend sewers in Suffolk County in four areas, advanced by the county. The State initially identified up to \$300 million in CDBG-DR funding and \$83 million to be financed through low-interest loans from the Clean Water State Revolving Fund administered by the New York State Environmental Facilities Corporation (EFC) and the DEC. Subsequently, the amount of CDBG-DR funding for the Initiative changed to account for new sources including using FEMA Hazard Mitigation Grant Program (HMGP), New York State Empire State Development (ESD) and New York State Environmental Facilities Corporation (EFC) Clean Water State Revolving Funds. With these additional resources identified, the total amount of CDBG-DR funds associated with the Initiative is now ~~\$66,437,463~~ **\$66,437,463 million** and it remains a covered project.

From page 93 of the New York State Action Plan:

The Bergen Point Outfall project has an estimated cost of ~~approximately \$215,200,000~~ **approximately \$215,200,000**, ~~approximately \$12,681,802 million~~ of which would be CDBG-DR funded. CDBG-DR funds will only be utilized for construction. Project construction ~~began in Q4 2017~~ **is expected to commence in early 2016** and has an expected timeline of approximately 40 months.

From page 95 of the New York State Action Plan:

GOSR, in coordination with DHSES, DEC and the County, proposes to extend sewers to communities along four priority watersheds along the Great South Bay. The project combines \$66,437,463 ~~47 million~~ in CDBG-DR funding with funding from other sources including FEMA HMGP, ESD and the EFC Clean Water State Revolving Fund **and has a total project cost of \$388,536,475**. The initiative will help Suffolk County recover from Superstorm Sandy by installing sewer and wastewater infrastructure in areas where septic systems were compromised during Superstorm Sandy. These interventions will prevent future septic system flooding, sewage backups and groundwater pollution, and will reduce nitrogen pollution that adversely affects natural coastal protection systems.

From page 101 of the New York State Action Plan (Bay Park Wastewater Treatment Plant):

Table 35: Total Project Cost *in millions*

PROJECT FUNDS - AGENCY	AMOUNT	SOURCE AND STATUS	USE
Non-Federal Cost Share - GOSR	\$81 070,838	CDBG-DR/COMMITTED	CONSTRUCTION
Electrical Mitigation - GOSR	\$20, 000,000	CDBG-DR/COMMITTED	CONSTRUCTION
TOTAL GOSR COMMITMENT	\$101070,838	CDBG-DR/COMMITTED	
Federal Share - FEMA	\$1942,129,162	FEMA PA/COMMITTED	DESIGN/CONSTRUCTION
ESTIMATED TOTAL PROJECT COST	\$12043,200,000		

Public Comments

The Governor's Office of Storm Recovery (GOSR) posted Action Plan Amendment 20 (APA 20) for public comment on June 1, 2018. At that time, GOSR began accepting comments on the website www.stormrecovery.ny.gov, as well as through the mail. A Public Hearing was also held in Nassau County on June 21, 2018. The comment period officially ended at 5 pm on July 1, 2018.

The legal notices of these hearings and the comment period were published in the New York Post as well as in three local non-English newspapers, El Diario (Spanish), Russkaya Reklama (Russian) and Sing Tao (Simplified Chinese).

This Amendment was made accessible to persons with disabilities upon request (by telephone or in writing). Translations of APA 20 were available in Simplified Chinese, Russian and Spanish, the three most commonly used languages in the storm affected areas of New York State based on an analysis of Census data for households with members five years or older with limited English proficiency.

GOSR received no comments related to APA 20.