

**STATE OF NEW YORK**  
**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**DISASTER RECOVERY (CDBG-DR) PROGRAM**  
**SUBSTANTIAL AMENDMENT NO. 27**

**October 2, 2020**

**Additions to: New York State Action Plan Incorporating Amendments 8-26**

**In sections: Proposed Allocation of Funds, Updated Impact and Unmet Needs Assessment, Proposed Use of Funds, and NY Rising Rental Buildings Recovery Program**

**Summary:**

Action Plan Amendment 27 (APA 27) 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. *Updated Impact and Unmet Needs Assessment*: Changes made to the State's unmet needs assessment related to the proposed allocation of funds, updating previous analyses provided by New York State.
- C. *NY Rising Rental Buildings Recovery Program*: Clarifying program eligibility for the Multi-Family Affordable Housing Program to include projects in New York City.

Changes are indicated in **red** text.

## **A. Proposed Allocation of Funds**

***Description of changes:*** All updates associated with the proposed APA 27 allocation of funds will be made to the tables at page 7 and page 59 of the State's Action Plan. Allocation amounts to reflect this proposed reallocation will also be updated throughout the Action Plan wherever referenced.

On August 7, 2017, HUD published Federal Register Notice 6039-N-01 granting a waiver and alternative requirement to reduce the overall benefit requirement for the State's grant from 50 percent to not less than 35 percent. In addition, HUD required the State to reallocate \$50 million of Community Reconstruction Program funds to projects within New York City that benefit low- and moderate-income persons. The State has been able to fund LMI projects within New York City through its Community Reconstruction Program, and in order to achieve the full \$50 million reallocation requirement the State is allocating funds to the Multi-Family Affordable Housing component of the NY Rising Rental Buildings Program. As described in the State's Action Plan (Updated Impact and Unmet Needs Assessment, pg. 11), there remain unmet needs in all recovery categories of Housing. The State has identified additional need in New York City in the Multi-Family Affordable Housing component of the NY Rising Rental Buildings Recovery Program. Accordingly, funds are being reallocated from the Community Reconstruction Program. The State will continue to monitor the progress of the projects in the Community Reconstruction Program and make adjustments to program commitments or identify state resources as necessary.

*From pages 7 and 59 of the New York State Action Plan:*

Program	APA 26	APA 27 Change	Revised APA 27 Allocation
<b>Total of All Programs</b>	<b>\$4,501,382,000</b>	<b>\$0</b>	<b>\$4,501,382,000</b>
<b>Housing</b>	<b>\$2,872,707,313</b>	<b>\$18,000,000</b>	<b>\$2,890,707,313</b>
<i>NY Rising Homeowner Recovery Program</i>	\$1,857,577,424		\$1,857,577,424
<i>NY Rising Condominium &amp; Cooperative Program</i>	\$25,500,000		\$25,500,000
<i>Interim Mortgage Assistance Program</i>	\$72,000,000		\$72,000,000
<i>NY Rising Buyout and Acquisition Program</i>	\$656,707,682		\$656,707,682
<i>NY Rising Rental Buildings Recovery Program</i>	\$234,675,000		\$252,675,000
Rental Properties	\$129,200,000		\$129,200,000
Multi-Family Affordable Housing	\$105,475,000	\$18,000,000	\$123,475,000
<i>Public Housing Assistance Relief Program</i>	\$19,247,207		\$19,247,207
<i>Manufactured Home Community Resiliency Program</i>	\$7,000,000		\$7,000,000
<b>Economic Development</b>	<b>\$120,277,793</b>	<b>\$0</b>	<b>\$120,277,793</b>
<i>Small Business Grants and Loans</i>	\$90,600,000		\$90,600,000
<i>Business Mentoring Program</i>	\$400,000		\$400,000
<i>Tourism and Marketing</i>	\$29,277,793		\$29,277,793
<b>Community Reconstruction</b>	<b>\$537,432,794</b>	<b>(\$18,000,000)</b>	<b>\$519,432,794</b>
<i>NY Rising Community Reconstruction Program</i>	\$537,432,794	(\$18,000,000)	\$519,432,794
<b>Infrastructure and Match</b>	<b>\$565,120,000</b>	<b>\$0</b>	<b>\$565,120,000</b>
<i>Local Government, Critical Infrastructure and Non-federal Share Match Program</i>	\$562,420,000		\$562,420,000
<i>Resiliency Institute for Storms and Emergencies</i>	\$2,700,000		\$2,700,000
<b>Rebuild by Design</b>	<b>\$185,000,000</b>	<b>\$0</b>	<b>\$185,000,000</b>
<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
<b>Administration &amp; Planning</b>	<b>\$220,844,100</b>	<b>\$0</b>	<b>\$220,844,100</b>

## B. Updated Impact and Unmet Needs Assessment

**Description of changes:** Changes made to the State’s unmet needs assessment related to the proposed allocation of funds, updating previous analyses provided by New York State. References will be updated throughout this section based on the updated unmet needs assessment.

*From page 11 of the New York State Action Plan:*

### Updated Impact and Unmet Needs Assessment

Grantees are required by HUD to prepare an analysis of unmet needs related to disaster recovery. This Impact and Unmet Needs Assessment updates the previous two analyses provided by New York State. The unmet needs data in this section represent the estimated gap between identified

disaster recovery, rebuilding and mitigation costs and total funding already allocated through current CDBG-DR commitments and other funding sources which New York State has been able to access (e.g. FEMA, insurance, NY Rising Program interventions, etc.). HUD's methodology shows only a partial picture of the full unmet needs of New York State. In addition to using HUD's methodology, GOSR has factored into its analysis, to the extent feasible, updated and new data sources.

The State's updated unmet needs assessment is based on HUD's CDBG-DR Allocation Methodology as published in the October 24, 2014, Federal Register Notice FR-5696-N-11 (HUD Methodology). In addition, the State analyzed a number of different data sources relevant to each program area to identify what it determines to be the full remaining unmet need to repair and rebuild homes, businesses, and infrastructure in the most impacted communities throughout New York State (NYS Methodology). This unmet needs assessment also outlines program data to identify how the State's actions have already addressed unmet need to date through previous allocations of CDBG-DR funds.

Following HUD's methodology, it is estimated that there is approximately \$3.52+ billion in unmet needs to repair and mitigate New York's housing, business, and infrastructure as a result of the damage from Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy. If HUD's high construction cost multiplier is factored in, unmet needs are estimated at \$4.21+ billion, an increase that reflects the likelihood that reconstruction costs will be higher in New York State than elsewhere in the United States.<sup>i</sup> Additional analysis using the NYS methodology estimates approximately \$14.486 billion in outstanding housing, business, and infrastructure repair and recovery-related mitigation needs not currently funded by federal programs. The State will continue to analyze and update its unmet needs as additional information is made available on damages, and/or resources are made available for rebuilding and recovery.

This analysis is divided into four sections: Housing, Economic Development, Infrastructure, and Rebuild by Design. Since New York City received a separate CDBG-DR allocation for their disaster recovery, the unmet needs for ~~housing and~~ economic development exclude the five counties of New York City.<sup>ii</sup> **The analysis of unmet needs for housing largely excludes the five counties of New York City, except where identifying unmet needs for multifamily and supportive housing.** As such, summary tables and statistics included for housing and business needs exclude New York City unless stated otherwise. The analysis of infrastructure unmet needs, however, includes New York City since many of the impacted systems are of statewide concern, including public transit, roads, and water management.

This updated analysis also addresses the storms' impact on HUD-assisted properties and vulnerable populations, defined as displaced low income households, substantially damaged LMI areas, and households with special needs. These groups are assessed at the Census Tract level where possible and summarized by municipality within Appendix B.

The data sources used include FEMA grants to households (FEMA-IA) and public entities (FEMA-PA); SBA loans (to households and to small businesses), assumed and estimated insurance proceeds, and other federal and State funding sources (FTA, Federal Highway Administration (FHWA), U.S. Army Corps of Engineers (USACE) storm-related projects, and the USDA Emergency Watershed Repair Program), as well as updated programmatic data. The State quantifies a broader estimate of remaining unmet needs in the area of infrastructure using additional data (outlined in the Infrastructure Section). The needs estimates are effective as of November 2016, and are subject to change as new information becomes available.

There are several differences in the unmet needs methodology for this Action Plan compared to the previous versions.<sup>iii</sup> The revised methodology, combined with the availability of new data since the previous versions, results in new unmet need figures. The new estimates reflect the progress of

New York State and federal programs to address these previously outlined unmet needs. Table 2 presents the State’s latest estimate of unmet needs as a result of Hurricane, Irene, Tropical Storm Lee, and Superstorm Sandy.

Table 2: Estimate of Unmet Needs for Hurricane Irene, Tropical Storm Lee and Superstorm Sandy in Millions (excluding New York City **except for multi-family housing**)

	APA <del>2726</del>		APA <del>2726</del> (w/ HUD Construction Cost Multiplier)	
	Unmet Need (Based on HUD Allocation Methodology)	Unmet Need (Based on NYS Methodology)	Unmet Need (Based on HUD Allocation Methodology)	Unmet Need (Based on NYS Methodology)
<b>Housing</b>	\$1,097	\$1,097	\$1,580	\$1,580
<b>Economic Development</b>	\$469	\$469	\$675	\$675
<b>Infrastructure</b>	\$1,957 <del>39</del>	\$12,910 <del>892</del>	\$1,957 <del>39</del>	\$12,910 <del>892</del>
<b>Total</b>	<b>\$3,523<del>05</del></b>	<b>\$14,476<del>58</del></b>	<b>\$4,212<del>494</del></b>	<b>\$15,165<del>47</del></b>

Source: GOSR Programmatic Data (September 2020). HUD high construction cost multiplier of 1.44 applied after state interventions for housing and economic development.

Using these updated data sources, the State is able to more accurately assess the damage and economic impact caused by the storms. In addition, where available, and applicable, data from the GOSR’s budget is used to indicate how and where programs intend to address unmet need. A summary of the impact and unmet needs assessment is provided within the body of this Action Plan. Additional county and community data is available in Appendix B.

*From page 21 of the New York State Action Plan:*

**New York City Multi-family Housing**

In New York City, an estimated 20,330 occupied rental units were impacted by Superstorm Sandy. New York City Build it Back created the Multi-Family Building Rehabilitation Program which allocated funds to satisfy the unmet needs for repairs of multi-family housing damaged by Superstorm Sandy. Sea level rise is anticipated to present a great threat to New York City’s housing stock in the future. It is important to integrate resiliency measures in New York City’s multi-family housing properties in order to protect against the potential risks of future flood events. For projects in New York City, GOSR, working with State and City housing agencies, identified an \$18 million unmet need for resiliency measures in multi-family housing properties in storm-impacted areas.

*How New York State Has Addressed Unmet Needs to Date*

The NY Rising Rental Buildings Recovery Program consists of the NY Rising Rental Properties Program (RP), the Multi-Family/Affordable Housing Program which includes the Affordable Housing Fund and the Small Project Affordable Rental Construction (SPARC) Program. The aforementioned programs with the Public Housing Assistance Repair Program (PHARP), and the Manufactured Home Community Resilience Program (MHCRP) are aimed at repairing or improving damaged properties and provide essential and affordable housing resources to New Yorkers in need. The vast majority of these funds are aimed at LMI New Yorkers. In total, the State is proposing to allocate \$279~~65~~ million to these programs (Table 13).

Table 13: Total CDBG-DR Proposed Allocation of Funds By New York State in Millions (excluding New York City)–Rental Program

Program	Total Proposed Allocation of Funds
<b>NY Rising Rental Buildings Recovery Program</b>	<b>\$25234.68</b>
<b>NY Rental Properties Program</b>	\$129.20
<b>Multi-Family/Affordable Housing Program</b>	<b>\$12305.48</b>
<b>Public Housing Assistance Repair Program</b>	<b>\$19.25</b>
<b>Manufactured Home Community Resilience Program</b>	<b>\$7.00</b>
<b>TOTAL</b>	<b>\$27865.93</b>

Source: Governor’s Office of Storm Recovery Internal Program data (September 2020).<sup>iv</sup>

*From page 22 of the New York State Action Plan:*

**Constructing New Rental Properties and Resiliency Improvements in Storm-Impacted Areas**

*Multi-Family/Affordable Housing Program*

The Multi-Family/Affordable Housing Program supports substantial rehabilitation, **resiliency improvements** and new construction of larger affordable rental housing projects. The program seeks to leverage other public and private sources of affordable housing financing, including tax-exempt bonds, conventional private debt, federal and State Low-Income Housing Tax Credits, Historic Tax Credits, State housing capital funds, and other sources. As highlighted in the State’s NDRC application, **for projects outside of New York City** the State issued requests for proposals (RFPs) jointly with the Housing Finance Agency and Housing Trust Fund Corporation to identify shovel-ready projects in storm-impacted areas. Approximately \$105 million in CDBG-DR funding was made available for ~~the Affordable Housing Fund~~**those projects**, including administrative costs. GOSR ultimately awarded \$83.31 million to eligible projects. The State received applications for over \$101 million in funding. **For projects in New York City, GOSR, working with State and City housing agencies, identified \$18 million of resiliency measures for multi-family housing projects.**

*Small Project Affordable Rental Construction program*

The State sought proposals from certified Community Development Finance Institutions qualified to develop and administer SPARC in spring 2015. The project anticipates making multiple awards to developers across New York State to build affordable rental projects of no less than 8 units and no more than 20 units. Small Projects will be located in areas where housing stock was damaged or lost due to the impact of Superstorm Sandy, Hurricane Irene, and/or Tropical Storm Lee. This is included in the budget allocation for Multi-Family Affordable Housing.

*Unmet Recovery Needs*

**For projects outside of New York City, the Unmet Needs and allocation was based on the**~~As a results of the RFP processes~~ **the Housing Finance Agency and Housing Trust Fund Corporation RFP processes. The State has identified an additional \$18 million of Unmet Needs in New York City for resiliency measures and as a result, will increase its funding for the**~~received additional interest in the program. As a result, the State is identifying these additional \$20 million in proposals as Unmet Recovery Needs and will, as a result, increase its funding for the~~ **Multi-Family Affordable Housing Program by \$180 million.**

From page 26 of the New York State Action Plan:

For the multifamily assisted housing stock, the State of New York Homes and Community Renewal surveyed properties in its assisted housing portfolio to identify damage and uncovered losses. The State found high levels of insurance coverage. It determined that immediate needs had been met, and referred owners to FEMA where appropriate. HCR helped coordinate between owners and tenants to identify replacement housing. The State continues to assess the resiliency needs of **multi-family housing** ~~these~~ properties **throughout the state**. If needs are identified, they can be addressed through the Rental Properties Program or the Multi-family/Affordable Housing Program. The State also sought input on the recovery needs of affordable housing developers at an industry roundtable held during the development of the Multi-Family/Affordable Housing Program.

From page 32 of the New York State Action Plan:

Table 18: Remaining Housing Unmet Needs for Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy (excluding New York City **except for multi-family housing**) (in Millions)

Tenure	Repair	Mitigation	Total
<b>Renter</b>	\$389.76	<del>\$305.51</del> \$323.51	<del>\$695.27</del> \$713.27
<b>Owner</b>	\$2,124.13	\$1,149.91	<b>\$3,274.04</b>
<b>Identified Unmet Need</b>	\$2,513.89	\$1,473.55.42	<del>\$3,969.34</del> \$3,987.31
<b>Less New York Rising Program Allocations:</b>		-	<del>\$2,890</del> 72.71
<b>Remaining Unmet Need</b>		-	<b>\$1,096.60</b>

Source: Sources outlined above and internal program data.

From page 54 of the New York State Action Plan:

## Impact and Unmet Needs Conclusion

Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy caused unprecedented damage to New York State, exposing the risks coastal and river communities face from future storm events. The Table below presents New York State’s estimated unmet need as ~~outlined in APA15~~of APA27. Discounting the HUD construction cost multiplier, ~~the estimated~~ unmet needs ~~decreased~~ (using HUD allocation methodology) ~~from \$7.98 billion to~~ are estimated at \$3.521 billion. If the high construction cost multiplier is factored in, unmet needs are estimated at \$4.2119 billion, an increase that reflects the likelihood that reconstruction costs will be higher in New York State than elsewhere in the country. However, these figures do not account for infrastructure needs not currently funded by federal programs; this figure is likely to continue to rise as the State identifies more needs and as more communities assess their needed resiliency projects. For example, Round I of the NYRCR Program Planning Committees developed over \$883 million in priority projects (“Proposed Projects”) proposed for CDBG-DR funding. CDBG-DR funding has only been identified for \$537 million, leaving a gap of over \$346 million, a figure included in the State’s broader assessment of infrastructure unmet needs. In addition to the priority projects proposed, NYRCR Planning Committees selected 275 additional unfunded projects (“Featured Projects”), estimated to cost roughly \$1.6 billion. As of now, no funding sources have been identified for these projects.

Based on the State’s updated assessment of its unmet needs, there exists \$15.175 billion of unmet need, assuming the HUD construction cost multiplier is applied to housing and small business. As noted above, many infrastructure projects may not be eligible for CDBG-DR funding, but have been identified nonetheless by State agencies as an unmet recovery-related need. The State continues to assess these unmet needs for CDBG–DR eligibility. Using both the HUD allocation methodology and the State’s additional data sources highlights that, despite the progress made to date, there remains large unmet needs arising from the storms (Table 29). This is true even when the proposed CDBG-DR allocations to New York State are accounted for. The largest unmet need remains in the infrastructure sector – \$1.9 billion when using HUD allocation methodology and \$12.9 billion when all identified unmet needs in this sector are accounted for. Even when HUD’s high construction cost multiplier for housing and small business repair is applied, this latter number accounts for over 80% of all unmet needs in the State.

Table 29: Estimate of Unmet Needs for Hurricane Irene, Tropical Storm Lee and Superstorm Sandy (excluding New York City **except for multi-family housing**) (in Millions)

	APA2726		APA2726 (w/ HUD Construction Cost Multiplier)	
	Unmet Need (Based on HUD Allocation Methodology)	Unmet Need (Based on NYS Methodology)	Unmet Need (Based on HUD Allocation Methodology)	Unmet Need (Based on NYS Methodology)
<b>Housing</b>	\$1,097	\$1,097	\$1,580	\$1,580
<b>Economic Development</b>	\$469	\$469	\$675	\$675
<b>Infrastructure</b>	\$1,95739	\$12,910892	\$1,95739	\$12,910892
<b>Total</b>	<b>\$3,52395</b>	<b>\$14,47658</b>	<b>\$4,212494</b>	<b>\$15,16547</b>

Source: GOSR Programmatic Data (September 2020). HUD high construction cost multiplier of 1.44 applied after state interventions for housing and economic development.

*From page 60 of the New York State Action Plan:*

## Proposed Use of Funds

This section details the Programs that are currently in place as well as new Programs implemented by GOSR. Programs and budgets are adjusted herein based on the State’s revised impact and unmet needs assessment for Housing, Economic Development, and Infrastructure Programs. Additionally, this Action Plan includes the Rebuild by Design projects. Overall, the allocations are largely reflective of the estimated unmet needs.

The third allocation of CDBG-DR funds was focused on the Infrastructure Program (including both the NYRCR program and RBD, outlined in APA8). With the third allocation, the budget allocated approximately 49% of CDBG-DR funds to this sector. Housing programs accounted for approximately 51% of the unmet need in the State, pre-allocation of CDBG-DR funds; increasing to 52% with the latest APA12 estimates. ~~Therefore, the State is proposing to increase~~ As of APA27, the budget allocation of CDBG-DR funds dedicated towards housing programs is ~~from 46% to 67%~~ **55%** of total allocated funds (excluding administration and planning funds). In absolute terms, Economic Development has the smallest remaining unmet needs. This is reflected in the proposed use of fund where approximately 3% of funds are allocated to these Programs. Unmet needs and program implementation will continue to be assessed as Programs continue to be implemented. The State remains committed to both homeowners and renters and is working diligently in both Programs to address the needs of the community as they recover. The State will continue to make

adjustments as needed in further APAs, to ensure that, to the extent feasible, unmet needs of these communities are addressed.

While the State continues to have outstanding unmet needs, its current resources are allocated to address the priorities of the State’s communities in repairing and hardening storm-damaged residential units, creating additional affordable housing, reviving businesses, and rebuilding critical infrastructure throughout the State.

Table 30: Percentage Of Funds Allocated By Activity Relative To Unmet Need In Millions

	Proposed Allocation (HUD Allocation Methodology)			
	Unmet Need*	% of Unmet Need	Distribution of Funds	% of Proposed Allocation
Housing	<del>\$3,969.31</del> \$3,987.31	52%	\$2,890.72 <del>2.71</del>	67%
Economic Development	\$589.50	8%	\$120.28	3%
Infrastructure	\$3,041.47	40%	<del>\$1,297.55</del> \$1,279.55	30%
Total	<del>\$7,600.28</del> \$7,618.28	100%	<del>\$4,290.54</del> \$4,290.54	100%

Note: The total above does not include Administration of \$220,844,100. For the purpose of this analysis, the Community Reconstruction Program and Rebuild by Design allocation is included with the Infrastructure program. While the Distribution of CDBG-DR funds for Infrastructure is reduced here, this is because these funds have been replaced by other funds identified by the State of New York.  
\* Unmet Needs estimates exclude allocations of CDBG-DR funding and Program Income

### C. NY Rising Rental Buildings Recovery Program

**Description of changes:** The State is updating the Multi-Family Affordable Housing Program component of the NY Rising Rental Buildings Recovery Program to include a broader range of projects, including projects in New York City.

*From page 72 of the New York State Action Plan:*

#### NY Rising Rental Buildings Recovery Program

**Activity Type:** Repair, Reconstruction and mitigation including bulkheads of rental properties

**National Objective:** Low- and Moderate- Income, Urgent Need, or Slum and Blight

**Geographic Eligibility:** Disaster-declared counties, ~~including outside of~~ New York City

**Eligible Activity:** Sec. 105 (a)(1)(2)(4) 42 U.S.C. 5305(a)(4) New Construction: FR-5696-N-01(VI)(B)(28)

**Program Description:** The NY Rising Rental Buildings Recovery Program is broken into components.

#### *Rental Properties Program*

The Rental Properties Program, formerly named the Small Rental Properties Program, is designed to assist storm-damaged rental properties. Davis-Bacon wages and other labor standards provisions apply where CDBG-DR is used for construction in properties of eight or more units. Eligible

Applicants include condominium and cooperative owners who are the primary payee on all flood and other insurance.

Owner-occupied properties with two-units (those with one homeowner unit and one rental unit) will continue to be assisted through the Homeowner Program.

This Program is designed to restore residential rental properties located outside of New York City that were damaged by Hurricane Irene, Tropical Storm Lee, and/or Superstorm Sandy. The Program is intended to assist owners of damaged small and larger residential rental properties.

The Program operates under the following guidelines:

- The Program covers costs for reimbursement of eligible repair/replacement costs; the repair/replacement of damaged real property; replacement of disaster-impacted non-luxury residential appliances; and environmental and health hazard mitigation costs related to the repair of disaster-impacted property.
- The Program also covers costs (including elevation) to mitigate future damage for those properties that are located within a 100-year floodplain.
- Assistance is provided for unmet repair/reconstruction and elevation/mitigation needs after accounting for all federal, State, local and/or private sources of disaster-related assistance, including, but not limited to property owners' and/or flood insurance proceeds.
- Assistance for repair and elevation activities is capped at the lesser of a specified dollar amount to be determined by New York State, or the ACTUAL unmet repair, and elevation need as described above. To direct sufficient levels of assistance to those most in need, a higher overall dollar cap amount may be applied to those properties that are occupied by low- and moderate- income households and/or those properties serving low- and moderate- income renter households, where the need is justified.
- Household income verification documentation is required for tenants in affordable units for reporting purposes.
- Priority is given to owners of buildings where a minimum of 51% of the units are occupied by or will be occupied by low- and moderate- income persons and to owners of property with remaining repair needs.

**Maximum Award:** Following the analysis of the needs of the affected communities and the availability of funding, the Program set the following cap amounts and allowances:

- **Base Cap:** The base cap amount for rental property repair and/or reconstruction coverage is \$300,000. Owners are eligible for a \$50,000 cap increase for each additional unit.
- **Low- and Moderate- Income Allowance:** Tenants who are identified to be low- or moderate- income (total household income is less than or equal to 80% of area median income) will qualify their unit for an increase of \$50,000 in the cap amount. (\$300,000 Base + \$50,000 low- and moderate- income = \$350,000 base cap). Property owners who want to convert vacant apartments into LMI units may also qualify for the increase for that unit.
- **Elevation Allowance:** Rental property owners with damaged properties within the 100-year floodplain are eligible for up to a \$100,000 increase in the base cap amount for a 1- or 2-unit property. The allowance is increased by \$25,000 for each additional unit. The maximum cap increase for elevation is \$225,000.
- **Reconstruction Cap:** Property owners that require reconstruction are eligible for a base cap of \$300,000 (subject to DOB). For each additional unit there is a \$50,000 per unit award cap increase.

Table 32: Rental Properties Program Base Cap (\$300,000)

Number of Units	LMI (Base cap + \$50K per LMI unit + \$50K for each additional unit above 1 unit)*	Urgent Need (Base cap + \$50K for each additional unit above 1 unit)
1	\$350,000	\$300,000
2	\$450,000	\$350,000
3	\$550,000	\$400,000
4	\$650,000	\$450,000
100	\$10,250,000	\$5,250,000

\*the chart assumes 100% LMI in the LMI column, but LMI is determined by unit. EX: A 2-unit property with only one LMI unit would qualify for an award of \$300K + \$50K (unit 2) + \$50K (if unit 2 is LMI) = \$400K.

### *The Multi-Family/Affordable Housing Program*

This Program ~~may~~ supports a wide variety of housing types, including ~~both~~ the preservation of governmentally-assisted, including HUD-assisted affordable housing, multi-family housing, supportive housing, and other rental housing developments that were damaged by Hurricane Irene, Tropical Storm Lee or Superstorm Sandy, as well as the development of new affordable housing to address the rental housing shortage created by the storms and to help revitalize hard hit communities. ~~Assistance is limited to projects located in storm damaged counties outside of New York City.~~ The State estimates there are still outstanding needs for affordable rental within the impacted communities. ~~W~~within the Multi-Family/Affordable Housing Fund, it is envisioned that the allocation of CDBG-DR funds ~~dedicated to rental~~ will be leveraged ~~both by other sources of financing such as:~~ tax-exempt private activity bonds (PAB), 4% low income housing tax credits, 9% tax credits, other public subsidy, and private financing (governmentally assisted projects) for the purposes of developing affordable rental housing.

Preservation assistance is targeted to those storm damaged projects that serve low- and moderate-income residents, including special needs and other vulnerable populations. Pursuant to HUD's directive outlined in its November 18~~25~~, 2013 Federal Register Notice, preservation assistance through the fund focuses on repairing and retrofitting those governmentally assisted housing projects that have continuing and pressing unmet needs. In keeping with HUD's directive, assistance is targeted to public housing and other affordable housing developments assisted through government programs (including public housing, Low Income Housing Tax Credit, Section 8, McKinney Homeless Housing, and New York State's own affordable housing programs) where future affordability is assured through ~~current and future state-identified, long-term affordability restrictions, such as: long-term~~ contracts, covenants and mortgages. As the State outlined in introduction to this housing section, when needs are identified by Public Housing Authorities, the Multi-Family/Affordable Housing Program is one of the tools used to meet the commitment of up to \$10 million dollars made in the first action plan.

Preservation Assistance offered through the Multi-Family/Affordable Housing Fund operates under the following guidelines:

- It supports reimbursement of eligible repair/replacement costs; the repair/replacement of damaged rental properties with ~~four~~eight or more units; replace disaster-impacted non-luxury residential appliances; and cover environmental health hazard mitigation costs related to the repair of disaster-impacted property.
- When practical and warranted, it also covers the cost of mitigating future damage (including elevation when practicable and cost effective) for properties ~~located in areas vulnerable to the impact of future storms, including those~~ within a 100-year floodplain.

Assistance is for “unmet” repair, reconstruction, and mitigation needs after accounting for all federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, property owners’ and/or flood insurance proceeds.

- **New York City project awards are based on unmet needs and there are no caps. For projects outside New York City, a** Assistance for repair, reconstruction, and mitigation activities is capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, reconstruction and mitigation need as described above.
- To direct sufficient levels of assistance to those most in need, especially LMI households, a higher overall dollar cap of \$50,000 per unit may be applied to those properties that serve special needs or other hard to house groups or provide a significant number of units designated for LMI households.

The State recognizes that in some instances hard hit communities and the tenants of New York State may be best served through the development of new, more sustainable units designed to replace some of the lost rental units that were either located in unsuitable sites or were antiquated in their design **or providing resiliency improvements to existing buildings in storm-impacted areas**. The Multi-Family/Affordable Housing Program offers assistance for the development of new selected affordable housing projects to alleviate the shortage of affordable housing created or exacerbated by Irene, Lee, and/or Sandy **or assistance for resiliency improvements to existing buildings in storm-impacted areas**. CDBG-DR assistance provided through the Program is generally limited to assisting affordable housing units. However, mixed income developments are eligible for assistance if developers can leverage other funding to support the non-low- and moderate- income units. **This initiative works to create new** New rental housing units **can be created** through a variety of means, including the substantial repair of uninhabitable rental properties, the conversion of non-residential structures, and new construction. The Program may also “produce” new rental units through the repair of partially occupied properties that have a significant number of vacant, uninhabitable units. **Potential resiliency measures may include, but are not limited to, elevating utilities, back-up power generation, installation of energy-efficient measures, and dry flood proofing measures. Resiliency measures will help buildings recover more quickly and better protect against losses in major flood events.**

**Projects in New York City will be selected in consultation with New York State Homes and Community Renewal, New York City Housing Preservation and Development, and/or other agencies facilitating projects that fit within this Program based on portfolios and unmet needs. For projects outside New York City, a** Assistance is awarded through a process that is outlined in the Multi-Family/Affordable Housing Program policies and procedures. This process considers, among other things, the following factors:

- Potential impact on addressing affordable rental housing shortages created or exacerbated by the storms, including replacing damaged housing.
- Extent to which the project serves households displaced by the Storms, the homeless or near homeless, special needs populations, and other vulnerable groups traditionally hard to house.
- Extent to which the project delivers dwellings that are stronger, safer, and more disaster resilient.
- Extent to which the project advances Community Reconstruction Program goals or meets other design criteria established by the State.

**This Development and Resilience** Assistance awarded through the Multi-Family/Affordable Housing Fund operates under the following guidelines:

- It supports the costs of developing rental housing units including the construction, reconstruction, or repair of quality rental units in multi-family developments of eight or

more units (projects involving eight or more small buildings on a single property are eligible).

- When practical and warranted, it ~~also~~ covers costs (including elevation) to mitigate future damage for properties ~~located in storm-impacted areas that are being repaired. The elevation of the structure and application of storm hardening features are considered part of the cost of construction for new construction and are consequently eligible expenses.~~
- All projects are subject to the duplication of benefits (DOB) provisions of the Stafford Act. Consequently, to the extent that the Program does select a project that sustained damage through Irene, Lee, and/or Sandy, and did receive other forms of assistance as a result, the State may not duplicate any earlier assistance received by the owner.
- Development assistance is capped at the lesser of a specified dollar amount to be determined by the State, or the development funding gap. To direct sufficient levels of assistance to those most in need, especially low- and moderate- income and minority households, a higher overall dollar cap amount may be applied to those properties serving special needs or other hard to house groups or provide a significant number of units designated for low- and moderate- income households. **New York City project awards are based on unmet needs and there are no caps.**

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<sup>i</sup> Federal Register Notice (FR-5696-N-11) indicates that HUD employs a high construction cost multiplier in its updated CDBG-DR allocation methodology. In the case of New York State, housing and small business unmet needs are multiplied by a factor of 1.44.

<sup>ii</sup> Bronx, Kings, Manhattan, Queens, and Richmond counties.

<sup>iii</sup> The following summarizes the primary differences and similarities in methodology between the unmet needs assessment conducted in April 2013 and the unmet needs assessment of this report:

1. Damage Categories for Housing – Severe Damage remains at 4 feet to 6 feet of flooding. The State continues to define any unit with 1 foot to 4 feet as “Major-Low”. However, when FEMA-IA data indicates a zero damage category and SBA data indicates that damage was assessed, this analysis uses the SBA data as the measure of damage and categorization. In addition, if FEMA-IA data indicates what HUD defines as a zero damage category but there is a recorded flooding of at least one foot, then the housing unit is given a HUD damage category of 3.
2. As in APA6, if the owner has insurance, then the unmet need is 20% of the damage costs not covered by FEMA. If the owner received an SBA loan, then they are determined to have no unmet need.
3. If the renter earns more than \$30,000, then HUD presumes the landlord has sufficient insurance and there is no unmet need.
4. If the renter earns less than \$30,000, then unmet need is 75% of damage costs. If the renter earns more than \$30,000, then there is no need.
5. FEMA PA categories A and B (Emergency Measures and Debris Removal) are excluded from the estimate of infrastructure Unmet Needs
6. Local match for Federal Transit Administration projects, Federal Highway Administration projects, and U.S. Army Corps of Engineers Sandy-related projects are included in the Unmet Needs.
7. Mitigation costs for major and severe damage are included, estimated at 30% of damage costs for homes, businesses and applicable infrastructure projects with major to severe damage.

<sup>iv</sup> For more information see: <http://www.stormrecovery.ny.gov/funding-portal>