STATE OF NEW YORK
ACTION PLAN FOR
COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM
DISASTER RECOVERY

Utilizing Supplemental CDBG Disaster Recovery Funding from the Allocation, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees Under the Department of Housing and Urban Development Appropriations Act, 2013 (Public Law 113-2)

Through the US Department of Housing and Urban Development
Office of the Assistant Secretary for Community Planning and Development

Federal Register Docket No. FR-5696-N-01

Andrew M. Cuomo, Governor, NYS
Darryl C. Towns, Commissioner/CEO, NYS HCR

Prepared by
New York State Homes and Community Renewal
Office of Community Renewal
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New York State Office of Community Renewal
CDBG-DR Action Plan
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1-866-ASK-DHCR (1-866-275-3427)
1. Introduction

In late October 2012, the largest storm in New York’s recorded history swept ashore. Hurricane Sandy’s effect was devastating, causing widespread damage to lives, homes, businesses, core infrastructure, government property and an economy just recovering from the financial crisis. Fourteen counties were declared as Federal disaster areas. Sixty New Yorkers died and two million customers lost power with some blackouts lasting up to three weeks. The storm damaged or destroyed as many as 300,000 housing units, affected or closed over 2,000 miles of roads, produced catastrophic flooding in subways and tunnels, and damaged major power transmission systems.

Hurricane Sandy’s impact was particularly tragic coming on the heels of Hurricane Irene and Tropical Storm Lee, which in 2011 devastated many communities in Upstate New York and the Hudson Valley region, as well as on Long Island. Tens of thousands of homes incurred damage in these storms, many of them destroyed by flood waters and wind. Businesses and infrastructure suffered substantial damage as well. Communities affected by these storms are still working hard every day to build back their lives.

In response to Hurricane Sandy, Hurricane Irene and Tropical Storm Lee, New York State has developed a Storm Recovery Plan to help define how the State will effectively use all available funding to recover and rebuild, and just as importantly, to stimulate economic growth in every affected community. That plan encompasses the full range of critical recovery and rebuilding, including transportation and energy infrastructure, coastal protections and natural infrastructure, water treatment plants, housing, business recovery, and many others.

On Tuesday, March 5, 2013, the U.S. Department of Housing and Urban Development (HUD) published Federal Register Notice 5696-N-01, which established the requirements and processes for the first $1.7 billion in Federal CDBG-DR aid appropriated by the United States Congress, and allocated to New York State, for disaster relief. This document, the State’s required CDBG-DR Action Plan, addresses exclusively one portion of the State’s Storm Recovery Plan; the State’s proposed use of the first allocation of these CDBG-DR funds to New York State. Using this first allocation, the State will focus principally on meeting the immediate needs for housing and business assistance in the communities affected by recent storms; assisting county and local governments to cover both their emergency expenses and the matching fund requirements that must be met to repair and mitigate key infrastructure projects; and, by leveraging private financing, assisting critical facilities that suffered damage to install energy-related mitigation (e.g., combined heat and power systems) to withstand future natural disasters. The State will use later allocations not only to continue to address these needs, but also to fund critical infrastructure repair and mitigation and community-driven plans to improve resilience and economic growth.
HUD allocated the first one-third of these CDBG-DR funds based on its estimate of the most critical unmet needs for severe damage to businesses, infrastructure and housing that remain to be addressed in the most impacted states and counties, after taking into account data on insurance, Federal Emergency Management Agency (FEMA) assistance, and Small Business Administration (SBA) disaster loans. Per this evaluation, New York State Homes and Community Renewal (NYS HCR), through its Office of Community Renewal (OCR) and the Housing Trust Fund Corporation (HTFC), will oversee the administration of approximately $1.71 billion to assist impacted communities with disaster recovery. NYS HCR consists of all the State’s major housing and community renewal agencies, including the State of New York Mortgage Agency, the Affordable Housing Corporation, the Division of Housing and Community Renewal, the Housing Finance Agency, the Housing Trust Fund Corporation and others. In addition to the State’s allocation, New York City will receive approximately $1.77 billion of CDBG-DR funding to administer directly.

The State of New York is required to publish an Action Plan for Disaster Recovery that describes the proposed use of HUD CDBG-DR funding as provided under the Allocation, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery (CDBG-DR) Funds in Response to Hurricane Sandy.

Under Federal Law, the Action Plan must describe:
- How the proposed use of CDBG-DR funds will address long-term recovery needs;
- Eligible affected areas and the distribution of CDBG-DR funds to those areas;
- Activities for which CDBG-DR funds may be used;
- The Citizen Participation process used to develop the Action Plan; and
- Grant administration standards.

The overall Action Plan will be used as a guide by the State of New York and the OCR for the distribution of $1,713,960,000 of CDBG-DR funding to meet the unmet housing, economic development, community planning, and infrastructure needs of impacted communities. As outlined in the Federal Register Notice a minimum of 80%, or $1,371,168,000 of the State’s allocation, must be expended in the most impacted Counties, identified by HUD as Nassau, Suffolk, Westchester, and Rockland. The use of the first tranche of these funds, as outlined in the Federal Register Notice, will also be used to address remaining unmet needs in declared counties impacted by Hurricane Sandy, Hurricane Irene and Tropical Storm Lee.

At this time, New York State is submitting a comprehensive Action Plan proposal for the use of the first $1.7 billion allocation to the State, but intends to pursue incremental obligation of its allocation, as agreed to in consultation with HUD, in order to control the expenditure and delivery of these funds in the most efficient and effective manner. The Action Plan proposal that follows contains a preliminary assessment of the State’s needs, but as the State continues to identify the full scope of needs and programs require
additional funding the State will seek additional funds from this allocation to support those programs.
2. Needs Assessment and Rationale for Prioritization of Funds

In response to Hurricane Sandy, Hurricane Irene and Tropical Storm Lee, New York State has developed a Storm Recovery Plan to help define how the State will effectively use any available funding to recover and rebuild, and just as importantly, to stimulate economic growth in every affected community through a community-driven planning process. The plan is based on six key principles:

1. *Building back better and smarter* – As New Yorkers repair the significant damage wrought by Hurricane Sandy, the State will use the opportunity not to replace damaged buildings with the same structures, but to invest in additional mitigation to prevent similar damage from recurring.

2. *State-led, community-driven recovery* – The State is collaborating closely with local governments and other organizations to ensure a coordinated and holistic response, while looking to individual communities to develop forward-looking local recovery plans that meet their specific needs.

3. *Recovery from Irene and Lee* – The recovery efforts will also extend to those communities still recovering from Hurricane Irene and Tropical Storm Lee.

4. *Leveraging private dollars* – The State will undertake programs that will help unlock capital markets and increase the amount of low-interest financing of key projects by reducing the risk for private sector lenders.

5. *Spending accountability and transparency* - To make certain that funds are spent appropriately and responsibly, the State will put rigorous spending accountability systems in place and employ an independent auditing firm.

6. *Urgency in action* - The recovery is a long-term endeavor but people need help today, so the projects and programs have been shaped to achieve the fastest delivery and best support possible.

In order to identify how best to apply these principles to distribute recovery funds, New York State performed a needs assessment across three damage categories:

- Housing
- Economic development
- Infrastructure

The needs assessment described herein was conducted in consultation with FEMA, the SBA, and representatives of county and local governments, as well as impacted homeowners and businesses most affected by Sandy, Irene, and Lee.
A. Housing

Hurricane Sandy

The FEMA Individual Assistance Program (FEMA IA) registration and inspection data available to date indicates that in the State of New York alone, the homes of over 90,000 owners and over 33,000 renters were damaged by Hurricane Sandy. These numbers are expected to grow as more data is made available. Approximately 10,000 homes were damaged by more than half of their value; over 4,000 individuals have been deemed eligible for the maximum award under FEMA IA and almost 1,000 families are still living in emergency housing or hotels. Many more continue to live with friends and family, or in rental units, until their homes can be repaired. A total of 14 counties sustained some level of damage by Hurricane Sandy with 13 counties receiving Federal disaster declarations making them eligible for FEMA IA. The majority of the damage, according to the chart below, occurred in four counties: Nassau, Queens, Kings and Suffolk.

The following tables outline FEMA’s housing damage estimates to date for owner-occupied homes and for renters by county, for Hurricane Sandy:

### Owner Occupied Homes

<table>
<thead>
<tr>
<th>County (Owner-occupied)</th>
<th>Owner RP FVL $0 to $15,000 Total</th>
<th>Owner RP FVL $15,000 to $31,900 Total</th>
<th>Owner RP FVL $31,900 to $50k Total</th>
<th>Owner RP FVL Greater than $50,000 Total</th>
<th>County Totals</th>
</tr>
</thead>
<tbody>
<tr>
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<td>872</td>
<td>41</td>
<td>3</td>
<td>1</td>
<td>917</td>
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<tr>
<td>Kings</td>
<td>11,419</td>
<td>3,126</td>
<td>425</td>
<td>83</td>
<td>15,053</td>
</tr>
<tr>
<td>Nassau</td>
<td>20,005</td>
<td>11,279</td>
<td>3,353</td>
<td>768</td>
<td>35,405</td>
</tr>
<tr>
<td>New York</td>
<td>269</td>
<td>70</td>
<td>15</td>
<td>3</td>
<td>357</td>
</tr>
<tr>
<td>Orange</td>
<td>290</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>293</td>
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<tr>
<td>Putnam</td>
<td>70</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>77</td>
</tr>
<tr>
<td>Queens</td>
<td>8,700</td>
<td>5,256</td>
<td>1,520</td>
<td>405</td>
<td>15,881</td>
</tr>
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<td>Richmond</td>
<td>5,427</td>
<td>2,589</td>
<td>768</td>
<td>258</td>
<td>9,042</td>
</tr>
<tr>
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<td>589</td>
<td>67</td>
<td>11</td>
<td>8</td>
<td>675</td>
</tr>
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<td>3,164</td>
<td>271</td>
<td>11,840</td>
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<td>4</td>
<td>3</td>
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<td>129</td>
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<tr>
<td>Ulster</td>
<td>88</td>
<td>15</td>
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<td>0</td>
<td>105</td>
</tr>
<tr>
<td>Westchester</td>
<td>963</td>
<td>34</td>
<td>9</td>
<td>2</td>
<td>1,008</td>
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<td><strong>Category Totals:</strong></td>
<td><strong>56,208</strong></td>
<td><strong>25,655</strong></td>
<td><strong>7,120</strong></td>
<td><strong>1,799</strong></td>
<td><strong>90,782</strong></td>
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</table>

*RPFVL = Real Property FEMA Verified Loss*
### Rental Properties

<table>
<thead>
<tr>
<th>County (rentals)</th>
<th>Renter Moderate Damage Total</th>
<th>Renter Major Damage Total</th>
<th>Renter Substantial Damage Total</th>
<th>Renter Destroyed Total</th>
<th>County Totals</th>
</tr>
</thead>
<tbody>
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<td>0</td>
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<td>Kings</td>
<td>3,393</td>
<td>2,097</td>
<td>2,435</td>
<td>24</td>
<td>7,949</td>
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<td>4,002</td>
<td>1,899</td>
<td>3,221</td>
<td>21</td>
<td>9,143</td>
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<tr>
<td>New York</td>
<td>1,115</td>
<td>310</td>
<td>412</td>
<td>2</td>
<td>1,839</td>
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<td>0</td>
<td>6</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Putnam</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Queens</td>
<td>4,531</td>
<td>2,346</td>
<td>2,945</td>
<td>89</td>
<td>9,911</td>
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<td>983</td>
<td>822</td>
<td>35</td>
<td>2,575</td>
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<tr>
<td>Rockland</td>
<td>47</td>
<td>13</td>
<td>31</td>
<td>0</td>
<td>91</td>
</tr>
<tr>
<td>Suffolk</td>
<td>801</td>
<td>300</td>
<td>628</td>
<td>7</td>
<td>1,736</td>
</tr>
<tr>
<td>Sullivan</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Ulster</td>
<td>9</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Westchester</td>
<td>39</td>
<td>10</td>
<td>10</td>
<td>1</td>
<td>60</td>
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</tbody>
</table>

**Category Totals:**

|                              | 14,851 | 7,967 | 10,570 | 716 | 33,468 |

April 25, 2013
Hurricane Irene

Tens of thousands of homes across a broad area of New York State suffered damage as a result of Hurricane Irene, and many lost their homes. FEMA data shows that 26,837 owner-occupied homes suffered damaged, with 155 such homes incurring more than $50,000 worth of verified loss; in addition, at least 38 rental homes were destroyed by the storm. The table below shows damage to owner-occupied properties by county, for Hurricane Irene:

<table>
<thead>
<tr>
<th>County (Owner-occupied)</th>
<th>Owner RP FVL $0 to $15,000 Total</th>
<th>Owner RP FVL $15,000 to $31,900 Total</th>
<th>Owner RP FVL $31,900 to $50k Total</th>
<th>Owner RP FVL Greater than $50,000 Total</th>
<th>County Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany</td>
<td>548</td>
<td>22</td>
<td>2</td>
<td>1</td>
<td>573</td>
</tr>
<tr>
<td>Bronx</td>
<td>242</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>243</td>
</tr>
<tr>
<td>Clinton</td>
<td>245</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>254</td>
</tr>
<tr>
<td>Columbia</td>
<td>168</td>
<td>6</td>
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<td>0</td>
<td>173</td>
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<tr>
<td>Delaware</td>
<td>227</td>
<td>37</td>
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<td>4</td>
<td>284</td>
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<tr>
<td>Dutchess</td>
<td>1,548</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>1,562</td>
</tr>
<tr>
<td>Essex</td>
<td>233</td>
<td>35</td>
<td>4</td>
<td>2</td>
<td>294</td>
</tr>
<tr>
<td>Greene</td>
<td>691</td>
<td>93</td>
<td>36</td>
<td>44</td>
<td>864</td>
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<tr>
<td>Herkimer</td>
<td>178</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>181</td>
</tr>
<tr>
<td>Kings</td>
<td>1,365</td>
<td>125</td>
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<td>0</td>
<td>1,369</td>
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<tr>
<td>Montgomery</td>
<td>283</td>
<td>19</td>
<td>12</td>
<td>6</td>
<td>320</td>
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<tr>
<td>Nassau</td>
<td>2,612</td>
<td>334</td>
<td>34</td>
<td>6</td>
<td>2,986</td>
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<tr>
<td>Orange</td>
<td>4,240</td>
<td>191</td>
<td>44</td>
<td>2</td>
<td>4,477</td>
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<tr>
<td>Otsego</td>
<td>105</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>107</td>
</tr>
<tr>
<td>Putnam</td>
<td>418</td>
<td>10</td>
<td>2</td>
<td>2</td>
<td>432</td>
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<tr>
<td>Queens</td>
<td>1,374</td>
<td>50</td>
<td>1</td>
<td>0</td>
<td>1,425</td>
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<tr>
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<td>506</td>
<td>15</td>
<td>5</td>
<td>2</td>
<td>528</td>
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<tr>
<td>Richmond</td>
<td>2,302</td>
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<td>1</td>
<td>0</td>
<td>2,327</td>
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<tr>
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<td>3</td>
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<td>565</td>
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<tr>
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<td>176</td>
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<td>928</td>
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<td>7</td>
<td>2</td>
<td>0</td>
<td>254</td>
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<tr>
<td>Ulster</td>
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<td>2,120</td>
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<td>Warren</td>
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<td>0</td>
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</tr>
<tr>
<td>Washington</td>
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<td>159</td>
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<tr>
<td>Westchester</td>
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<td>79</td>
<td>7</td>
<td>0</td>
<td>1,655</td>
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</tbody>
</table>

**Category Totals:** 24,808 1,501 373 155 26,837
**Tropical Storm Lee**

Tropical Storm Lee also had a devastating effect on many New York families; coming only months after Hurricane Irene impacted the State: according to FEMA estimates, 9,071 owner-occupied homes and 2,143 rental homes were damaged by the storm. 29 owner-occupied homes incurred more than $50,000 in damage, and 12 rental homes were destroyed. The below tables show FEMA estimates of damage to owner-occupied and rental homes, by county, for Tropical Storm Lee:

<table>
<thead>
<tr>
<th>County (Owner-occupied)</th>
<th>Owner</th>
<th>Owner</th>
<th>Owner</th>
<th>Owner</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RP FVL $0 to $15,000</td>
<td>RP FVL $15,000 to $31,900</td>
<td>RP FVL $31,900 to $50k</td>
<td>RP FVL Greater than $50,000</td>
<td>County Totals</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td>4,190</td>
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<td>15</td>
<td>5,087</td>
</tr>
<tr>
<td>Chemung</td>
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<td>81</td>
</tr>
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<td>0</td>
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<td>Fulton</td>
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<td>31</td>
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<td>49</td>
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<td>Tioga</td>
<td>1,307</td>
<td>472</td>
<td>122</td>
<td>12</td>
<td>1,913</td>
</tr>
<tr>
<td>Ulster</td>
<td>81</td>
<td>3</td>
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<td>0</td>
<td>85</td>
</tr>
<tr>
<td><strong>Category Totals:</strong></td>
<td>7,389</td>
<td>1,378</td>
<td>275</td>
<td>29</td>
<td>9,071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County (rentals)</th>
<th>Renter</th>
<th>Renter</th>
<th>Renter</th>
<th>Renter</th>
<th>Renter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moderate Damage</td>
<td>Major Damage</td>
<td>Substantial Damage</td>
<td>Destroyed</td>
<td>County Totals</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td>720</td>
<td>324</td>
<td>462</td>
<td>5</td>
<td>1,511</td>
</tr>
<tr>
<td>Chemung</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Chenango</td>
<td>38</td>
<td>2</td>
<td>21</td>
<td>0</td>
<td>61</td>
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<tr>
<td>Delaware</td>
<td>48</td>
<td>11</td>
<td>20</td>
<td>0</td>
<td>79</td>
</tr>
<tr>
<td>Fulton</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>2</td>
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<tr>
<td>Herkimer</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Oneida</td>
<td>9</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Orange</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Otsego</td>
<td>10</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Schenectady</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Tioga</td>
<td>137</td>
<td>99</td>
<td>191</td>
<td>6</td>
<td>433</td>
</tr>
<tr>
<td>Ulster</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td><strong>Category Totals:</strong></td>
<td>978</td>
<td>439</td>
<td>714</td>
<td>12</td>
<td>2,143</td>
</tr>
</tbody>
</table>
In determining the impact on housing during its inspection process, FEMA uses the following definitions:

**Moderate damage:** Moderate structure damage includes less than (6) inches of water on the first occupied floor of the dwelling. Other event types, such as fire, may have visible soot and ash that impacts habitability requiring professional cleaning. Access to the dwelling can be considered Minor due to conditions such as minor washouts requiring some road fill that prevents routine access to the dwelling.

**Substantial Damage:** Substantial structure damage should be noted with water levels greater than six (6) inches and less than four (4) feet. Items such as collapsed chimney, furnace damage, water heater damage, exterior siding damages, and or roof damages affecting one or both sides of the dwelling, compromised windows and or doors. Access to the dwelling can be considered substantial when access may be blocked with down trees or private road is substantially washed out.

**Major Damage:** Major structure damage is identified when approximately four (4) feet of water, or more, is on the first occupied floor. Other items can substantiate major structure damage such as collapsed foundation walls and or piers and or significant separation in the walls from the dwelling. Wind events that have removed/damaged the majority of the roof and or wall components. Access to the dwelling can be considered major when the only access is by a bridge that has collapsed.

The State’s needs assessment, conducted using data available from FEMA and SBA, as well as through consultation and coordination with our partners in county and local governments, other State and local government agencies and affected New Yorkers, has revealed substantial loss across a wide range of housing types, including single-family and two-family homes and larger multi-family structures. Furthermore, Sandy, Irene and Lee affected both market-rate rental properties and a substantial number of subsidized and affordable rental properties. New York State aims to help affected families to rebuild and return to their homes as soon possible by addressing unmet housing rehabilitation and repair needs and incorporating mitigation measures in order to reduce impacts of future disasters. To ensure that the rental market rebounds and affordable housing options persist for those in storm-affected areas, it will be important to direct assistance to rental properties in addition to owner-occupied properties.

Across the affected region, excluding New York City, in response to Hurricane Sandy alone, the FEMA Individuals and Households Program (FEMA IHP) has already distributed $340 million in assistance to homeowners, with an additional $474 million in loans to homeowners from the SBA. Further, insurers have paid or expect to pay out substantial sums to homeowners - including at least $1.3 billion under flood insurance policies and approximately $1.1 billion in other residential property claims. Finally, the New York State Homeownership Repair and Rebuilding Fund (HRRF) and the Empire
State Relief Fund (ESRF) have paid out over $29 million combined in aid to over 4,500 households. Each of these funds provides a payment of up to $10,000 to homeowners to cover the needs gap left unmet by the maximum amount of FEMA assistance ($31,900).

Despite all of this assistance there is still a great level of unmet need. The same is true for Irene and Lee: FEMA paid out over $92 million in Housing Assistance for Irene and over $47 million for Lee. While many homeowners have recovered, there remains real unmet need for those who suffered serious damage that was not fully covered by the assistance available to them.

Hurricane Sandy severely affected not-for-profit and State agencies providing temporary housing services to displaced individuals. In addition to causing widespread damage to their facilities, Hurricane Sandy negatively affected their ability to provide temporary housing aid in the near term. The State will direct funds to reimburse or support efforts to assist those who need special housing services in the wake of the storm. Working with community organizations and volunteers, agencies across New York State have and will continue to support those displaced by Hurricane Sandy.
Public Housing Authorities
The State of New York is committed to ensuring that public housing is better prepared for future disasters. The State expects that needed repairs and mitigation will be a critical part of New York State’s public housing recovery efforts and the efforts of other communities.

Across the State, approximately 450,000 New Yorkers reside in public housing. Many of the public housing complexes impacted by Hurricane Sandy were located in coastal areas of the State, with the majority of these complexes serving approximately 45,000 people located within New York City’s mandatory evacuation zone. These facilities are part of the NYC Housing Authority (NYCHA) and their disaster-related needs will be addressed by New York City using its allocation(s) of Federal disaster aid.

Outside of New York City, HUD initially identified the Long Beach and Freeport Public Housing Authorities (PHAs) on Long Island as two that sustained significant damage in Hurricane Sandy. Since the designation of these most impacted PHAs, further research has identified the Hempstead Housing Authority as also having sustained significant damage. New York State has consulted with each of the three housing authorities to determine the extent of their unmet needs. Based on initial damage estimates provided by the impacted PHAs, there exists close to $10 million worth of emergency repairs needed at damaged PHA facilities. New York State will set aside no less than $10 million of CDBG-DR funds from the initial housing release to cover the identified rehabilitation, mitigation, and construction needs of the PHAs. The State commits that it will allocate funds from future incremental requests, or future CDBG_DR allocations, as additional need is identified through continued consultation with the affected PHAs. The following is a summary of the needs identified in each of the PHA’s service areas.

Freeport Public Housing Authority
The Village of Freeport Public Housing Authority (PHA) manages and maintains 351 low-income and senior apartments in five locations throughout the Village. Three of its sites sustained significant damage including major flooding damage to all mechanical, electrical and specialty systems. Over $207,000 was expended by the housing authority just to address the immediate repair needs of the Moxey Rigby Complex, South Main and 100 North Main Street facilities. However, because many of the systems that needed to be replaced as a result of Hurricane Sandy also had to be replaced in previous disasters, the Housing Authority is seeking mitigation assistance to elevate and relocate major systems in order to alleviate potential costs from future disasters. The Freeport PHA is currently seeking proposals from engineering firms to provide an in-depth assessment of damage to PHA facilities. The PHA provided pre-engineering estimates of $342,000 to address needed repairs.

Long Beach Public Housing Authority
The Long Beach Housing Authority manages and maintains 374 low-income and senior apartments in five locations within the city. The storm caused significant damage to residential and administrative units. Most of the repair needs include addressing water
damage and subsequent environmental hazards such as mold remediation, damage to major electrical, heating, and hot water systems, wind damage to roofs, and removal of sand and other debris. Estimated damage repair, as outlined below, costs exceed $2.5 million. This damage estimate does not include mitigation measures that would be implemented in hopes of reducing the impacts of any future damage resulting from other natural disasters. The Long Beach PHA will perform a more thorough evaluation to determine actual costs resulting from design and engineering evaluations.

Long Beach Housing Authority – NY050
Estimated Cost Summary

<table>
<thead>
<tr>
<th>Location</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Channel Park Homes</td>
<td>$1,500,000 (estimated)</td>
</tr>
<tr>
<td>2) 175 West Broadway</td>
<td>$300,000</td>
</tr>
<tr>
<td>3) 35 East Broadway</td>
<td>$300,000</td>
</tr>
<tr>
<td>4) 415 National Boulevard</td>
<td>$300,000</td>
</tr>
<tr>
<td>5) 225 West Park Avenue</td>
<td>$300,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,700,000</td>
</tr>
</tbody>
</table>

Hempstead Housing Authority
The Town of Hempstead Housing Authority (TOHHA) has identified 14 low-income and senior housing complexes as having sustained damage from Hurricane Sandy. The majority of the damage stems from downed trees and roof damage. The TOHHA has completed most of the clean-up and immediate repairs, but has identified additional, secondary issues that need to be addressed including assistance with mitigation measures to alleviate damage that may occur should similar disasters hit the area. These include replacing HVAC systems and elevating boiler rooms, generators and other structures above flood stage and storm surge levels. Currently, TOHHA has received $750,000 (maximum allowed) in insurance payments for damage to three buildings in the Inwood Gardens complex. Additional insurance claims are pending as is funding from FEMA Public Assistance. At this time, the TOHHA estimates that there was nearly $7 million in damage to its facilities.

While the State continues to consult with the Freeport, Long Beach, and the Town of Hempstead PHAs about the full extent of damage that they sustained and their remaining unmet need, these PHAs have FEMA Public Assistance (FEMA PA) projects in process with the State Department of Homeland Security and Emergency Services (DHSES) related to flood-damaged buildings, boilers, electrical systems and backup generators, debris removal, and other emergency protective measures. As discussed above, and later in this Action Plan, the, the State intends to use a portion of its initial allocation of CDBG-DR to cover rehabilitation, mitigation, and construction needs of the PHAs and the non-Federal match requirement for CDBG-DR eligible activities, including FEMA PA projects. To the extent allowable, the FEMA PA needs of these PHAs will be included in this use of CDBG-DR funding.
Emergency Shelters and Homeless Housing

Very low-income homeless individuals who have special needs (such as mental illness, chemical dependency, chronic illnesses including HIV/AIDS, and/or cognitive impairments), as well as families headed by these adults, have historically been amongst the most challenging populations for which to locate appropriate housing, a challenge that has become even more complex in the post-Sandy housing market. Many lack both the income and the supports needed to obtain and retain stable housing. Since Sandy, the State and its local service agency partners have focused on assessing the disaster-related needs of persons with special needs that have been left homeless. Many of these persons and their families were precariously housed before the disaster, living in only marginally habitable housing and/or doubled up with friends or family members who can no longer care for them in the aftermath of the disaster. Some were not adequately linked to treatment and other supports before Sandy hit; others were able to function effectively until faced with the trauma or worsened medical conditions caused by the disaster. While many persons with special needs will be able to obtain appropriate housing if provided adequate ongoing rental assistance, some individuals and their families require the more sustained support that is provided by permanent supportive housing.

The New York State Homeless Housing and Assistance Program (HHAP) has a long history of effectively serving those among this population who cannot be appropriately housed by traditional affordable housing programs, both because they lack the financial resources to pay for even what is considered “affordable housing”, and because they require supportive services (e.g., case management, life skills training, transportation, child care, employment placement and training, financial assistance) in order to remain stably housed. HHAP, one of the first programs in the country to specifically target supportive housing development, contracts with not-for-profit providers to construct and rehabilitate homeless housing units for individuals and families. HHAP-funded projects range in scale from “stand-alone” projects of two units in rural areas to “mixed use” projects in large urban settings in which a percentage of the units are set-aside for homeless individuals with special needs and their families.

Current estimates of need for new HHAP projects as a result of the disaster are based on waiting list demand and lack of turnover on those projects in the non-metropolitan areas being financed solely with HHAP, and 600 units in New York City being constructed with mixed funding from HHAP and other sources, such as Low-Income Housing Tax Credits, NYS Housing Trust Fund, and NYC Department of Housing and Preservation Development.

Mitigation Needs in Existing Homeless Housing and Assistance Program (HHAP) Projects and Homeless Shelters

There are approximately 150 existing HHAP-funded projects in the disaster-impacted region. Many of these were without generators and sources of heat after the disaster; some remained that way for weeks afterward because generators were in short supply and building basements were flooded. This resulted in very vulnerable populations being either evacuated or remaining in conditions which negatively impacted their health and safety. It is essential for all such programs to secure generators or permanent backup...
power systems before the next disaster; it is also important for them to move heating and electrical systems out of the basement into a more secure place in the building. In the disaster, a number of HHAP projects either temporarily or permanently lost access to client and program records, making it very challenging for them to adequately address client needs. It is necessary to develop electronic storage systems that ensure secure access to client and programmatic records from off-site locations in case of future emergencies.

In addition to the HHAP-funded projects in the region impacted by Sandy, there are approximately 100 homeless emergency shelters serving both homeless individuals and families. During the disaster, many of these emergency shelters also experienced flooding, loss of electricity and heat, and lack of access to client records, making it necessary for them to either evacuate their clients or serve them in a very diminished capacity. The ability to allow these clients to remain housed in place after a disaster instead of having to relocate them to evacuee shelters would greatly enhance recovery efforts in the future.

Mitigation funding is needed to assist both HHAP-funded programs and homeless shelters with purchasing replacement/back-up generators or power systems, revamping electrical and heating systems to ensure integrity in flooding situations, and developing electronic storage systems to preserve client and program data. As previously indicated, there are approximately 100 emergency shelters (most owned by not-for-profit providers but a few by municipalities) and 150 homeless housing projects constructed by the State’s Homeless Housing and Assistance Program in the disaster area. Projects needing mitigation assistance range in scale from two-unit HHAP projects to 400-bed emergency shelter facilities.

Together, the repair, construction and mitigation costs to assist this at-risk population of New Yorkers are estimated to exceed $150 million. New York State is still conducting assessment of the damage to these facilities. It is anticipated that Hazard Mitigation Grant Program (HMGP) funds may cover immediate costs of repair and rehabilitation. However, once final assessments have been completed, New York State will determine the level of CDBG-DR funds required to address emergency shelter and homeless housing needs and will allocate necessary funds from the next incremental request of funds or from future CDBG-DR allocations to the State, to address these needs.

New York State will continue its unmet needs and impact assessment of damaged HUD assisted housing as defined in FR-5696-N-01. The assessment will be conducted in consultation with HUD, local government, and other partners. The State will allocate funds from the next incremental request of CDBG-DR funds, of from future CDBG-DR allocations to the State, to address the unmet needs identified in the damage assessment.
Temporary Rental Housing Assistance

As identified earlier in this needs assessment, more than 1,000 individuals and families are still living in emergency housing or hotels, and many more continue to live with family and friends, or in rental units until their homes can be repaired. Addressing the needs of this displaced population and ensuring their return to safe, decent and long-term affordable housing is a priority of the State's overall recovery plan.

The Federal Emergency Management Agency (FEMA) will be offering continued temporary housing assistance for those disaster survivors requiring longer-term rental assistance through the Disaster Housing Assistance Program (DHAP). DHAP will be administered by HUD pursuant to an Interagency Agreement (IAA) with FEMA. FEMA will determine eligibility and will refer eligible applicants to HUD. HUD will then work with the State to administer the program. It is anticipated the program will be administered locally by the New York City Department of Housing Preservation and Development for disaster survivors within New York City, and by New York State Homes and Community Renewal for eligible survivors in counties outside New York City.

Participation in DHAP will require survivors to take part in the State of New York or City of New York’s Disaster Case Management (DCM) Program. Eligible families will receive a maximum of 12 months of rental assistance under DHAP, and will contribute a portion of the rent pursuant to a rent calculator tool. Recipients of DHAP assistance will work with their DCM case manager to develop a permanent housing plan that transitions them to a sustainable housing solution. This plan will, where applicable, include application of available CDBG-DR assistance for residential home repair, rehabilitation and/or mitigation. DHAP recipients will receive priority, to the extent possible and practicable, under the State administered CDBG-DR programs for home repair and mitigation. Further, in recognition that DHAP assistance will run out after a period of 12 months, the State will closely monitor the long-term needs of this population to ensure that no one is left without this critical assistance at the end of this period of time. To the extent necessary and applicable, the State may elect to use a portion of its CDBG-DR allocation to fund needed assistance. This Action Plan will be updated accordingly as the DHAP program runs its course and additional need is identified.
Estimation of unmet need for housing repair & reconstruction from Hurricane Sandy

To determine unmet need for housing repair and reconstruction assistance, New York State utilized three methodologies:

(1) Top-down estimation of replacement cost for damaged housing stock across affected NYS counties (excluding NYC);
(2) Consultation with county officials and public housing authorities; and
(3) Analysis of indications of interest in different types of housing assistance through pre-registrations with New York State.

Findings are described below.

Quantification of unmet need from top-down analysis of assessed damage across the housing stock

The State obtained detail on each applicant for FEMA Individual Assistance, including owners and renters, and used this information as a starting point to assess aggregate unmet need for housing repair and reconstruction. Based on initial inspections of each property, FEMA calculates FEMA Verified Loss (FVL), which represents the estimated cost to make critical repairs to each home affected by the storm. Since FVL is based on a rapid assessment process that does not attempt to estimate the cost to fully restore the home to its pre-storm condition, FVL systematically underrepresents damage incurred by homeowners. FVL furthermore focuses on owner-occupied properties, and is generally not calculated for properties if they are occupied by renters at the time of the storm. It therefore systematically underrepresents the extent of damage to the rental stock; given the large proportion of minority and low income New Yorkers who require affordable rental properties, the State believes it is critical to understand damage incurred by this segment of the housing market.

New York State used FVL as a starting point to assess damage. To correct for the aforementioned limitations of FVL and scale up to represent true damage incurred, the State made two key adjustments to the FVL measure applied to each IA application record:

(1) **Adjustment for renter-occupied properties**: To represent damage incurred by rental properties, the State ‘geocoded’ data from FEMA based on property addresses, such that each property could be plotted geographically into a Geographic Information System (GIS). Using the GIS, each address location, and therefore each IA record was linked to the containing U.S. Census block. The average FVL of owner-occupied properties was calculated for each block. This average block-level FVL was then applied to each rental property in that block to estimate the FVL for each rental property. While this methodology is not an accurate measure of loss for each rental property and cannot substitute for an in-person assessment by a qualified independent assessor, the State believes that, in aggregate, it provides an unbiased estimate of FVL for rental properties that can be used to ascertain overall unmet need.
(2) **Adjustment for true replacement cost:** Since FVL underestimates the replacement cost to return properties to their pre-storm condition NYS relied on scaling factors initially developed by HUD to translate FVL into an estimate of the cost to repair housing damage. These scaling factors were developed by identifying matched pools of properties that were assessed by FEMA and received an FVL estimate, and were also assessed by the Small Business Administration (SBA) and received a Real Property Damage estimate. Scaling factors were created for each FVL range covered by FEMA’s damage classification. Ranges and scaling factors used are detailed in the below table:

<table>
<thead>
<tr>
<th># of matched properties</th>
<th>FVL Range ($)</th>
<th>Avg. FVL within range ($)</th>
<th>Avg. SBA Real Property Damage within range ($)</th>
<th>SBA to FEMA multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>528</td>
<td>&lt;$3,000</td>
<td>892</td>
<td>39,453</td>
<td>44.2x</td>
</tr>
<tr>
<td>700</td>
<td>$3,000</td>
<td>4,896</td>
<td>54,294</td>
<td>11.1x</td>
</tr>
<tr>
<td>838</td>
<td>$8,000</td>
<td>5,998</td>
<td>59,687</td>
<td>10.0x</td>
</tr>
<tr>
<td>3,572</td>
<td>$15,000</td>
<td>12,370</td>
<td>81,256</td>
<td>6.6x</td>
</tr>
<tr>
<td>2,713</td>
<td>&gt; $28000</td>
<td>37,564</td>
<td>115,047</td>
<td>3.1x</td>
</tr>
</tbody>
</table>

Based on this analysis, New York State estimates total real property damage to homes outside of New York City at approximately $6.8 billion. This damage is across owner-occupied and rental properties, and includes single-family and duplex homes, apartments, condos and other property types. The distribution of estimated real property loss in the four hardest hit New York counties (outside of New York City) is shown in the below table.

<table>
<thead>
<tr>
<th>Real property loss $ in millions</th>
<th>Single/Duplex House</th>
<th>Apartment</th>
<th>Condo</th>
<th>Other*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nassau</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Owner:</strong></td>
<td>3,545</td>
<td>4</td>
<td>80</td>
<td>43</td>
<td>3,673</td>
</tr>
<tr>
<td><strong>Renter:</strong></td>
<td>753</td>
<td>642</td>
<td>16</td>
<td>118</td>
<td>1,530</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>4,298</td>
<td>646</td>
<td>97</td>
<td>161</td>
<td>5,202</td>
</tr>
<tr>
<td><strong>Suffolk</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Owner:</strong></td>
<td>1,117</td>
<td>0</td>
<td>3</td>
<td>8</td>
<td>1,128</td>
</tr>
<tr>
<td><strong>Renter:</strong></td>
<td>188</td>
<td>105</td>
<td>1</td>
<td>26</td>
<td>320</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>1,305</td>
<td>105</td>
<td>4</td>
<td>34</td>
<td>1,448</td>
</tr>
</tbody>
</table>

April 25, 2013
Relative to New York City, damage in the most affected counties outside of New York City is relatively more concentrated on owner-occupied housing. There was, however, significant loss to rental units of different types – including many one- or two-family structures. It is critical to identify and repair damage to rental properties, since many low-income and vulnerable persons rely on a well-functioning rental market. The structures most damaged across these four counties were primarily free-standing one- or two-family homes, but many multi-family properties (including condominium and co-op buildings) incurred significant damage as well.

To arrive at estimated unmet need, New York State has compiled estimates of other types of assistance that have been or will be provided to affected homeowners for personal property damage. For the purposes of this Action Plan, unmet need for repair & reconstruction assistance is calculated in the following manner:

<table>
<thead>
<tr>
<th>Category of assistance</th>
<th>Amount in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total real property loss:</td>
<td>$6,838</td>
</tr>
<tr>
<td>Less Flood insurance coverage:</td>
<td>($1,345)*</td>
</tr>
<tr>
<td>Less Other private insurance coverage:</td>
<td>($1,118)**</td>
</tr>
<tr>
<td>Less FEMA IHP Housing Assistance:</td>
<td>($340)</td>
</tr>
<tr>
<td>Less Other FEMA repair assistance:</td>
<td>(~$5)</td>
</tr>
<tr>
<td>Less SBA Housing loans:</td>
<td>($474)</td>
</tr>
<tr>
<td>Less Previous New York State assistance:</td>
<td>($29)</td>
</tr>
<tr>
<td><strong>Estimated Unmet Need</strong></td>
<td><strong>$3,527</strong></td>
</tr>
</tbody>
</table>

* NFIP Hurricane Sandy claims for NYS as of 1/31/2013, excluding NYC
** Residential property Sandy claims for NYS as of 3/21/2013, excluding NYC
Analysis of preliminary indications of interest from affected homeowners

In order to prepare the State to initiate the process of delivering assistance to struggling families as early as possible, New York State launched a pre-registration process for homeowners. One of the State’s goals in initiating pre-registrations was to gauge homeowner interest in the different types of assistance that New York State envisioned providing for repair, mitigation and buyouts, pending final policy design and approval from HUD. Note that analysis in this section includes New York City, since New York City homeowners in certain areas who meet the applicable criteria are eligible for the State-run Buyout program.

Since launching its online pre-registration system, the State has received over 7,000 pre-registrations from homeowners located throughout the affected areas, including New York City, claiming unmet need. The State and its partners will continue to review applications individually to determine program eligibility, but the sheer volume of registrations is indicative of substantial unmet need across counties and for different types of assistance. The below chart shows the trend in the volume of pre-applications received daily between February 28 – March 26, 2013. The State recognizes a recent drop-off in pre-registrations, but believes that this will increase substantially as public awareness and outreach campaigns surrounding program launch bring in a new wave of applicants that were not initially aware of the ability to pre-register.

The distribution of pre-registrants in need of different types of assistance reflects some of the most acute funding needs. 84% of homeowners expressed an unmet need for repair or reconstruction grant funding, while 56% indicated need for mitigation assistance.
(including elevation) and 34%, over 2,500 homeowners, expressed initial interest in a buyout of their home. The State believes a sizeable portion of these pre-registrants may ultimately not be eligible for the types of assistance for which they expressed interest, and in the case of buyouts many who are eligible will ultimately choose to stay in their homes; however the observed volume of documented interest means there is a clear and undeniable need for immediate assistance. The following chart shows the distribution of homeowner-indicated unmet need derived from New York State pre-registrations:

Furthermore, while over 75% of homeowners who pre-registered have already begun the repair process, many with assistance from FEMA and other sources, nearly 25% have not begun to rebuild nearly 6 months after the storm. In many cases those homeowners who have begun repairing their homes have needed to tap into their personal savings and retirement plans or borrow from friends and family in order to begin work; this has resulted in serious liquidity constraints for these homeowners.

New York State has observed that only 10% of pre-registrants were owners of rental properties, which suggests a lack of awareness among rental property owners about the expected availability of State funding for rental property repair (rental units represent over 30-40% of the market in most of the affected areas). New York State is particularly concerned with restoring a deep and stable market for affordable rental housing, in order to direct assistance to those underserved populations including minorities and low income households, as well as special needs individuals and families, who are generally more likely to live in rental properties. Based on its analysis of pre-registrations, the State will
focus additional attention on marketing and outreach to owners of affordable rental properties to address this lack of awareness going forward.

The State will soon begin an aggressive outreach campaign to ensure any and all who need help in recovering from the storm know about the programs we are proposing and how to apply for assistance. This includes follow-up with those who have registered as well as outreach to those who have not. We will pay particular attention to the needs of our most vulnerable populations; the elderly and disabled, minority populations, low- to moderate-income residents, and others. New York State and its partners will be conducting extensive outreach to ensure that available resources are made available to the populations with the greatest needs.

Through a combination of State agency employees, county level government staff, volunteers, community organizers, partners and others, we intend to reach out to residents in areas most impacted by these storms. In order to ensure an adequate number of applications from vulnerable populations, New York will be siting both temporary and permanent outreach and case management centers in locations that are accessible by all who need assistance. These include, but are not limited to areas where there is concentrated damage and communities with high concentrations of vulnerable populations. Recognizing the limitations of some residents to access city centers and other areas where our centers may be located, we will be partnering with the State’s Department of Financial Services (DFS) to utilize their mobile command center, which will traverse the impacted areas to ensure that to the greatest extent feasible communities outside of major cities, villages and town are reached. Together, these centers and the mobile command center will provide assistance for all applicants including homeowners, business owners, and multi-family property owners. These locations will be accessible for persons with disabilities and will have access to translation services for both non-English speakers and persons with hearing and visual impairments. New York will also have all materials translated into Spanish, simplified Chinese, Russian, and other languages as requested; the New York State Action Plan has been and will continue to be posted in various languages on the HCR website at www.nyshcr.org.

Additionally, the State is currently coordinating with the Disaster Case Management Program (DCMP) and the VOAD Network of organizations to extend the reach of our services to the clientele they service on a daily basis. All of this coordination and outreach will be supplemented by a State-run call center – 1-855-NYS-SANDY - which will be manned daily by trained professional staff who will be able to assist residents and business owners alike with answers to their questions about these programs and others available as part of the disaster recovery network in New York State.

Estimation of relative need among Low and Moderate Income Households for Sandy

In creating CDBG-DR funded programs for Housing recovery, New York State is particularly concerned with need among those with low- and moderate-income who incurred damage from the storm. To understand the extent of need among this population, the State conducted detailed analysis of household income for FEMA Individual Assistance (IA) applicants, across affected areas of New York State (excluding New
York City). For each applicant, the State determined the applicant’s household income as a proportion of the HUD-determined Area Median Income (AMI). Those households with incomes below 80% of AMI are classified as low- or moderate-income households.

The following chart illustrates the distribution of household income among households in different income ranges, expressed as % of AMI. Owner-occupied households are grouped into income ranges, and the proportion of the total number of FEMA IA applicant households is shown as light blue bars. The same analysis was conducted based on the total amount of loss for households in each income range (as seen by dark blue bars in the below chart, dollar-weighted damage distribution is skewed very slightly towards households with higher income; this is because high income households tend to own larger houses of greater value, on average resulting in higher FEMA Verified Loss).

![Distribution of self-declared household income relative to HUD-defined area median income](image)

This analysis illustrates that within the affected counties, damage was greatest among households with low and moderate income (note that over 50% of the households analyzed had income below 80% of AMI). The analysis described excludes New York City; due to demographic differences, if New York City were included the proportion of households below 80% of AMI would be substantially higher.

**Analysis of damage and demographics for the communities most affected by Sandy, Irene and Lee**

In addition to consultation with County and local officials, as well as individual homeowners and businesses affected by Sandy, Irene and Lee, the State has conducted detailed analysis of specific communities most affected by these storms to ascertain the
extent of damage and to better focus recovery efforts towards the specific vulnerable populations most in need of assistance.

New York State conducted independent analyses of communities affected by Sandy, Irene and Lee. It began by obtaining property-level data from FEMA for each household that applied for Individual Assistance after each of the three storms. The State ‘geocoded’ this data based on property addresses to plot damaged addresses onto GIS (maps) and to link this data to specific communities within counties affected by the storms. The State then obtained Census data characterizing the household income distribution within each community, as well as the racial and ethnic composition of communities. This data was combined into the tables and maps presented in this section.

While the specific data are limited to housing damage, the State believes that in most cases housing damage is a good proxy for other types of damage that a community has sustained (with the exception of damage to large infrastructure projects and large institutions, the presence of which is not always correlated to housing prevalence in a given community). Furthermore, because FEMA Verified Loss estimates are based on the dollar value of damage (based on uniform construction cost estimates that are closely linked to property size rather than property value), it is likely that such methodology underestimates the impact that storms had on low-income communities, which tend to have smaller property sizes on average. However, as the most reliable damage assessment tool available that is also comprehensive across the communities affected, this methodology is a very useful means for comparing the extent of damage across communities.

**Hurricane Sandy**

Many of the communities hit hardest by Hurricane Sandy also have relatively high proportions of low-income\(^1\) and minority\(^2\) (non-white, non-Hispanic/Latino) populations. Of the ten municipalities that suffered the most damage from Sandy, seven have high concentrations of low-income households – Long Beach, Freeport, Babylon, Islip, Island Park, Lindenhurst, Amityville, and Brookhaven. Three of the top ten hardest hit communities also have substantial minority populations, above the national average: Hempstead, Freeport, and Islip. Freeport and Islip in particular contain numerous households that are both low-income and minority households.

The following table shows the amount of individual claims damage as a result of Hurricane Sandy for the 10 hardest-hit municipalities and identifies above-average\(^3\) low-income and minority populations (communities with >50% LMI households or >40% minority population are highlighted in pink):

\(^1\) Defined as areas with more than 50% of households with less than 80% of the area median income, or AMI.

\(^2\) Defined as areas greater than 42% of non-white, non-Hispanic population, which is the New York State average.

\(^3\) Cut-off for high-proportion communities are: more than 50% of households at less than 80% AMI and more than 42% non-white, non-Hispanic/Latino (New York State average).
Sandy: Housing damage and demographics of 10 most affected communities

<table>
<thead>
<tr>
<th>Community / municipality name</th>
<th>FEMA $ FVL for homes in municipality</th>
<th>% of LMI households</th>
<th>% of Minority population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Hempstead</td>
<td>$307,165,092</td>
<td>48%</td>
<td>42%</td>
</tr>
<tr>
<td>City of Long Beach</td>
<td>$103,633,495</td>
<td>54%</td>
<td>25%</td>
</tr>
<tr>
<td>Town of Oyster Bay</td>
<td>$94,933,428</td>
<td>41%</td>
<td>22%</td>
</tr>
<tr>
<td>Town of Freeport</td>
<td>$70,641,946</td>
<td>60%</td>
<td>78%</td>
</tr>
<tr>
<td>Town of Babylon</td>
<td>$52,462,546</td>
<td>56%</td>
<td>39%</td>
</tr>
<tr>
<td>Town of Babylon</td>
<td>$33,105,329</td>
<td>53%</td>
<td>44%</td>
</tr>
<tr>
<td>Village of Island Park</td>
<td>$29,366,572</td>
<td>57%</td>
<td>34%</td>
</tr>
<tr>
<td>Village of Babylon</td>
<td>$24,951,740</td>
<td>45%</td>
<td>13%</td>
</tr>
<tr>
<td>Village of Lindenhurst</td>
<td>$24,454,626</td>
<td>52%</td>
<td>15%</td>
</tr>
<tr>
<td>Village of Amityville</td>
<td>$22,176,726</td>
<td>59%</td>
<td>26%</td>
</tr>
</tbody>
</table>
Hurricane Irene and Tropical Storm Lee

Though Irene and Lee caused less concentrated damage in the municipalities they affected, all but one of the 32 municipalities that suffered significant damage were more than disproportionately low-income. All but one of those 32 municipalities also had lower than average minority populations. As the table indicates, though the damage caused by Irene and Lee were significantly less than that caused by Sandy, the dispersion of the damage across municipalities followed the same pattern – a few communities that suffered enormous damage followed by a large number of communities that were affected but to a lesser degree (communities with >50% LMI households or >40% minority population are highlighted in pink):

Irene & Lee: Housing damage and demographics of 10 most affected communities

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FEMA IA Damage</th>
<th>Low income households</th>
<th>Minority population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town of Union</td>
<td>$10,299,492</td>
<td>65%</td>
<td>14%</td>
</tr>
<tr>
<td>Village of Owego</td>
<td>$10,021,294</td>
<td>59%</td>
<td>8%</td>
</tr>
<tr>
<td>Town of Vestal</td>
<td>$9,307,010</td>
<td>49%</td>
<td>20%</td>
</tr>
<tr>
<td>Town of Hempstead</td>
<td>$8,363,318</td>
<td>48%</td>
<td>42%</td>
</tr>
<tr>
<td>Village of Schoharie</td>
<td>$5,943,703</td>
<td>59%</td>
<td>4%</td>
</tr>
<tr>
<td>Town of Owego</td>
<td>$5,123,221</td>
<td>49%</td>
<td>5%</td>
</tr>
<tr>
<td>City of Binghamton</td>
<td>$4,709,757</td>
<td>76%</td>
<td>27%</td>
</tr>
<tr>
<td>Village of Johnson City</td>
<td>$4,447,351</td>
<td>73%</td>
<td>21%</td>
</tr>
<tr>
<td>Village of Freeport</td>
<td>$4,219,467</td>
<td>60%</td>
<td>78%</td>
</tr>
<tr>
<td>Town of Conklin</td>
<td>$4,095,232</td>
<td>59%</td>
<td>4%</td>
</tr>
</tbody>
</table>
The below maps help illustrate the distribution and extent of damage to the most vulnerable communities as a result of Hurricane Sandy. Maps show the cities, towns, and villages in the two most affected counties, Nassau and Suffolk, by the total number of structures affected by Hurricane Sandy and those areas with high concentrations of low income and minority households. Damage identified on the maps that follow is based on Hurricane Sandy Imagery Based Preliminary Damage Assessments from NOAA aerial imagery and the Civil Air Patrol, which in aggregate show damage to more than 59,000 structures due to wind and flooding as a result of Hurricane Sandy.

Nassau County: low income communities affected by Sandy
Suffolk County: low income communities affected by Sandy

Nassau County: minority-concentrated communities most affected by Sandy
Suffolk County: minority-concentrated communities most affected by Sandy
B. Economic Impact

Economic impact damage includes, but is not limited to, structural damage to businesses, loss of inventory, general loss of business due to lack of infrastructure, and in some instances, costs related to temporary relocation, where the business has made a commitment to return to the original facility.

While there is currently no single comprehensive data source that captures the full extent of damage to businesses affected by the storms, the negative impact of Hurricane Sandy, Hurricane Irene and Tropical Storm Lee on small businesses in the affected counties was significant and remains a critical area of concern. The types of businesses impacted by these storms vary; for Hurricane Sandy, many of the affected businesses were retail establishments (NAIC Sector 44-45), coastal fishing (NAIC Sector 11) and tourism related businesses including accommodation, food service, arts, entertainment, and recreation (NAIC Sector 71-72). On Long Island alone, roughly 90% of the impacted businesses are retail establishments, which would fall into NAICS categories of business starting with a 44 or 45. New York State, in coordination with our partners in county and local governments, identified existing economic and small business recovery needs in the affected communities through conversations with countless business owners affected by Sandy. As New York State collects registrations from affected businesses, it will refine its estimates of aggregate economic impact as a result of the storm. While available data sources do not accurately quantify the full magnitude of economic losses, the distribution of such losses across counties impacted by these storms is reflected in data captured by the U.S. Small Business Administration (SBA). The below table represents the distribution of affected businesses within the counties covered by this allocation of funds, for Hurricane Sandy:

<table>
<thead>
<tr>
<th>SBA Business Application Data</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data as of 4/2/2013</strong></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td></td>
</tr>
<tr>
<td>Distributed</td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td></td>
</tr>
<tr>
<td>Submitted</td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td></td>
</tr>
<tr>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>Total Amount</td>
<td></td>
</tr>
<tr>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>Nassau</td>
<td>11,512</td>
</tr>
<tr>
<td>Suffolk</td>
<td>4,307</td>
</tr>
<tr>
<td>Rockland</td>
<td>469</td>
</tr>
<tr>
<td>Westchester</td>
<td>866</td>
</tr>
<tr>
<td>Ulster</td>
<td>49</td>
</tr>
<tr>
<td>Orange</td>
<td>140</td>
</tr>
<tr>
<td>Putnam</td>
<td>46</td>
</tr>
<tr>
<td>Sullivan</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>17,468</td>
</tr>
</tbody>
</table>
As demonstrated by the above table, there is substantial demand for assistance from businesses affected by Sandy:

* 17,468 New York businesses requested applications from the SBA after Sandy (outside of New York City). While these businesses have different levels of underlying need and many will ultimately not be eligible for NYS programs, this number is indicative of the extent of damage to businesses across the State.

* Of these 17,468 requests, only 1,141 businesses ultimately submitted applications. In consultation with the New York Small Business Development Center, New York State has determined that this low application rate is attributable primarily to four factors:
  (1) Businesses perceive SBA interest rates to be high;
  (2) SBA loans require a large amount of documentation, often not readily available, for processing;
  (3) Many businesses are reluctant to accept SBA loan terms, for example requirements that business owners post personal residential property as collateral to qualify for loans; and
  (4) Many impacted firms acquired incremental debt during the recession and are reluctant to take on additional debt for recovery.

* Of the 1,141 applications received, only 205 were ultimately approved for assistance by the SBA. Many of these applicants had true unmet need, but lacked necessary collateral or credit needed to qualify for loans.

* Outside of the 17,468 SBA application requests, New York State believes there are many other businesses in need of assistance. Estimates from Dun & Bradstreet suggest that as many as 37,282 businesses were in the Sandy surge areas.

Based on its analysis of a representative sample of businesses, which is described in detail later in this document, Empire State Development estimates that the average unmet need for businesses affected by Sandy was $67,500. This number represents the average uncompensated loss for each business, which is net of assistance expected to be provided by SBA and/or private insurers.

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4 Businesses in the Sandy surge areas within nine of the fourteen impacted counties account for 5.2% of all businesses in those counties, or 37,282. Long Island & the Lower Hudson Valley account for over 14,000 of these businesses (96% of which are in Nassau and Suffolk Counties), which employ over 73,000 employees.
Using the above facts, New York State in consultation with the New York Small Business Development Center and Empire State Development estimates unmet need for CDBG-DR grant and/or loan assistance as follows:

<table>
<thead>
<tr>
<th>SBA application status</th>
<th># of businesses in category</th>
<th>Assumed % of businesses qualifying for NYS assistance</th>
<th>Estimated # of businesses qualifying for assistance</th>
<th>Total eligible $ unmet need per business</th>
<th>Total estimated $ need for NYS grant and loan assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied for and received SBA assistance</td>
<td>205</td>
<td>10%</td>
<td>21</td>
<td>$77,500</td>
<td>1,588,750</td>
</tr>
<tr>
<td>Applied for but did not receive SBA assistance</td>
<td>936</td>
<td>75%</td>
<td>702</td>
<td>$77,500</td>
<td>54,405,000</td>
</tr>
<tr>
<td>Asked for SBA application but did not apply for assistance</td>
<td>16,327</td>
<td>50%</td>
<td>8,164</td>
<td>$77,500</td>
<td>632,671,250</td>
</tr>
<tr>
<td>Total who asked for SBA applications</td>
<td>17,468</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>% of affected businesses that requested SBA applications</td>
<td>75%</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Did not ask for SBA application but were affected by Sandy</td>
<td>5,823</td>
<td>25%</td>
<td>1,456</td>
<td>$77,500</td>
<td>112,814,167</td>
</tr>
<tr>
<td>Total:</td>
<td>17,468</td>
<td>-</td>
<td>13,840</td>
<td>-</td>
<td>$801,479,167</td>
</tr>
</tbody>
</table>

**NYS assumes the average eligible mitigation cost per business of $10K**

Small businesses suffered substantial losses under Hurricane Irene and Tropical Storm Lee as well. Data from the SBA on loans to affected businesses provide a glimpse into the magnitude of the damage: SBA received nearly 400 applications and loaned over $12 million to businesses affected by Lee, and received nearly 750 applications and loaned over $24 million to businesses affected by Irene. Damage extended well beyond these businesses as many did not qualify for SBA assistance and have had to find funding elsewhere or continue to face unmet need in their efforts to recover from these storms.

**Estimation of average unmet need for small businesses affected by Sandy**

To assess the average unmet need of the business impacted by Sandy, New York State conducted an analysis of a sample of the 532 businesses outside of New York City that have:

1. Registered with New York State by completing the small business pre-application; and
2. Provided sufficient financial data to assess the capital requirements of rebuilding their business and corresponding proceeds received (e.g., SBA disaster loan, insurance proceeds, and other grant funds).

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This sample of 35 businesses, which Empire State Development analyzed in detail, comprises 29 businesses from Nassau County and six (6) from Suffolk County, a ratio consistent with the overall number of pre-registrations to date.

As of the date of the pre-registrations, insurance proceeds for these businesses covers only 24% of the stated capital cost of rebuilding. Twelve out of the 35 businesses have unmet need for capital projects of more than $100,000, including five with more than $250,000 in need. In addition to substantial capital needs, many of these businesses are facing immediate liquidity constraints while waiting for insurance and other funding to come in: the average liquidity gap between the estimated physical damage and the amount the businesses have received as of application submission was nearly $104,000.

Only 12 of the 35 businesses report that they have received any insurance proceeds, an SBA disaster loan, and/or a grant to cover part of the cost of rebuilding (one had received an SBA loan and three others had been rejected). Several of the businesses sampled report that they are awaiting response on an SBA application, insurance claim or both. Once these funds arrive, Empire State Development expects that actual unmet need for these businesses will be lower than the $104,000 average unmet need referenced above. Based on its assessment of the sample of businesses analyzed, Empire State Development projects that average unmet need for each Sandy-affected businesses will be $67,500.

This $67,500 estimated average unmet need would be roughly 49% of the average of what the sample of 35 businesses reported as their total physical damage (nearly $139,000). This finding is in line with Munich Re AG’s estimate that businesses will incur 50% of the cost in uninsured losses out of the $50 billion in total damage associated with Superstorm Sandy.6

While some impacted regions of New York State have a diverse business community and are better equipped to handle a drop off in sales and foot traffic off-season, other regions, especially those along the Long Island shorelines and in the Lower Hudson Valley, rely heavily on tourism during the summer months for the vast majority of their annual revenue. These waterfront communities house nearly 1,100 seasonal tourism and travel businesses, and stand to lose an estimated $500 million in revenue if they are not ready to reopen for the 2013 summer season.7

These seasonal tourism and travel businesses, as well as the nearly 9,000 affected retail businesses on Long Island and in the Lower Hudson Valley, provide crucial job opportunities for low to moderate-income individuals, who are defined as earning 80% or less of the Area Median Income. Across Nassau, Suffolk, Westchester and Rockland counties, 27% of census tracts have a per capita income of $30,238 or less, 80% of the median income in these counties.8 New York State is therefore particularly concerned that CDBG-DR funded business programs address the recovery needs of the retail businesses that are a chief support of LMI communities.

**Access to grant funding and low-cost financing**

The State has secured valuable input regarding the needs of the business community through structured “town hall” meetings and tours of impacted communities organized by local chambers of commerce and other business associations, as well as in hundreds of meetings, phone calls and email correspondence with local officials, community groups and businesses who experienced loss from the Storm. This feedback helped shape the grant and low-interest loan programs the State proposes to launch that are detailed further in the Action Plan.

Through this information-gathering the State has learned from stakeholders that:

1. Traditional financial institutions were not providing loan capital because, in part, business’ assets were destroyed and could no longer be used for collateral;

2. Insurance carriers were offering to pay out smaller than expected amounts, and even these amounts were slow in arriving; and

3. Grant funds and low-interest loans to help bridge the gap between need and proceeds available (through savings, insurance proceeds and SBA disaster loans) would be crucial.

The State’s economic development agency, Empire State Development, launched a loan program post-Sandy in conjunction with a lending intermediary that offered affected businesses loans of up to $25,000 at 1% interest rate for two years with a six-month payment deferral. This program is available to businesses outside of New York City (NYC launched a comparable program). To date, the State’s program has extended loans to 134 businesses for over $3.2 million. This represents 47% of all applications that have been reviewed.

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7 Economic Modeling Specialists, Intl. assessment of $1.5 billion tourism economy in Nassau, Suffolk, Rockland and Westchester counties; and ESD Research Dept. estimate of impact in summer season

8 2012 Census Data, prepared by the U.S. Census Bureau, 2011.
C. Infrastructure

Hurricanes Sandy and Irene and Tropical Storm Lee exposed significant vulnerabilities in the various infrastructure systems that support the State and our local communities. The damage caused by these storms has created a need in the following five areas: (1) transportation, (2) energy, (3) wastewater and treatment facilities, (4) State and local government facilities, and (5) coastal and natural infrastructure.

Hurricane Sandy caused extensive damage to transportation infrastructure. Using available Federal funds, the State will repair that transportation infrastructure and make it far more resilient to future severe natural disasters. In particular, the State will work with the Metropolitan Transportation Authority (MTA) and its subcomponents (the Metro-North Railroad, Long Island Rail Road (LIRR), NYC Transit, and MTA Bridges and Tunnels), the Port Authority of New York and New Jersey (PANYNJ) and its subcomponents (PATH, airports, maritime systems, bridges and tunnels, and the World Trade Center), the New York State Thruway Authority, the NYS Canal Corporation (NYS Canals), the New York State Department of Transportation (NYS DOT), and other agencies to ensure successful reconstruction and mitigation.

Hurricane Sandy left thousands of people without electrical power for weeks, exposing the need for new technologies to provide real-time information about outages to utilities and limit the scope of such outages in future disasters, as well as the need to harden substations and transmission lines to prevent outages. To address this need, the State will use a portion of its first allocation of CDBG-DR funding to strengthen critical energy infrastructure impacted by one of the storms, modernize its electrical systems, and increase its energy flexibility in order to minimize future power disruptions. On Long Island, in particular, utilities need support to help transform the electrical grid without burdening ratepayers with the costs of such upgrades. With respect to liquid fuels, the State will focus on efforts that will increase liquid fuel capacity in the event of a crisis, such as the creation of a strategic fuel reserve that will provide a short-term fuel supply in the event of another shortage, like the one that resulted in gas rationing in New York City and on Long Island in the days and weeks following Hurricane Sandy.

Numerous wastewater and other treatment plants were also severely damaged by these storms. Flooding and storm surge caused corrosion and other damage to facilities, pumps, motors, and electrical and other equipment. Further, the storms exposed the vulnerabilities of certain plants – for example, the fact that many large treatment plants lack disinfection systems to treat wastewater before it is released into a waterway. Through its support of county and local infrastructure projects using CDBG-DR funding, New York State will help to repair storm-damaged facilities and to replace or upgrade equipment to help them withstand future storms more effectively.

Additionally, many State and local government facilities suffered physical damage because of Sandy. The State will assist with the repair of government facilities and purchase necessary emergency equipment that was damaged.
The storm also removed protective coastal and natural infrastructure, including sandbars and dune systems, significantly eroded beaches across Long Island, including the City of Long Beach and the Rockaways, and surged over bulkheads into streets, tunnels, homes, businesses and critical infrastructure. In partnership with the US Army Corps of Engineers and with local governments, the State will continue to work to bring damaged parks, recreational and other public infrastructure back before the summer and the next storm season, while building natural infrastructure, such as dunes and wetlands, to minimize damage from future storms.

New York State has thoroughly catalogued infrastructure damage incurred across agencies and geographies, and has prioritized funding for the most critical repair and mitigation projects. The New York State Division of Homeland Security and Emergency Services maintains a database of infrastructure projects that have applied for FEMA Public Assistance funding. Based on this list of nearly 3,000 distinct projects across over 900 applicants, as of this writing in infrastructure needs across New York counties (excluding New York City) for which FEMA PA funding has been sought break down as follows:

<table>
<thead>
<tr>
<th>County</th>
<th>Total estimated FEMA PA funding need ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide</td>
<td>$1,520,662,356</td>
</tr>
<tr>
<td>Nassau</td>
<td>$585,691,527</td>
</tr>
<tr>
<td>Suffolk</td>
<td>$253,700,261</td>
</tr>
<tr>
<td>Westchester</td>
<td>$92,862,490</td>
</tr>
<tr>
<td>Rockland</td>
<td>$18,018,185</td>
</tr>
<tr>
<td>Orange</td>
<td>$3,826,482</td>
</tr>
<tr>
<td>Ulster</td>
<td>$2,555,825</td>
</tr>
<tr>
<td>Putnam</td>
<td>$1,914,179</td>
</tr>
<tr>
<td>Sullivan</td>
<td>$1,344,366</td>
</tr>
<tr>
<td>Greene</td>
<td>$349,023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,480,924,694</strong></td>
</tr>
</tbody>
</table>

Notably, this chart does not include large infrastructure needs in the transportation and energy systems of the State, for which other federal funding sources will be used to supplement FEMA PA funds. Those other sources include, among others, FTA ER funding for public transportation infrastructure and funds administered by EPA for water treatment plants and other environmental infrastructure.
As of this writing, the applicants for FEMA Public Assistance related to infrastructure within New York State (including New York City), with the greatest stated need are as follows:

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Total estimated FEMA PA funding need ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York / Health And Hospitals Corporation</td>
<td>$934,071,144</td>
</tr>
<tr>
<td>Long Island Power Authority</td>
<td>$810,043,552</td>
</tr>
<tr>
<td>New York University</td>
<td>$806,753,024</td>
</tr>
<tr>
<td>New York / Transportation, Department of</td>
<td>$450,990,808</td>
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<tr>
<td>New York / Housing Authority, New York City</td>
<td>$443,331,600</td>
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<tr>
<td>New York / Environmental Protection, Department of</td>
<td>$424,894,580</td>
</tr>
<tr>
<td>Metropolitan Transportation Authority (MTA)</td>
<td>$364,040,968</td>
</tr>
<tr>
<td>New York / Parks And Recreation, Department of</td>
<td>$337,075,258</td>
</tr>
<tr>
<td>Nassau (County) / Nassau County Public Works</td>
<td>$229,813,968</td>
</tr>
<tr>
<td>New York / School Construction Authority</td>
<td>$226,000,000</td>
</tr>
<tr>
<td>New York / Police Department</td>
<td>$220,399,184</td>
</tr>
<tr>
<td>Port Authority of New York &amp; New Jersey</td>
<td>$214,227,356</td>
</tr>
<tr>
<td>NYU Medical Center</td>
<td>$202,858,988</td>
</tr>
<tr>
<td>NYC Department of Small Business Services / NYCEDC</td>
<td>$167,212,169</td>
</tr>
<tr>
<td>New York / Sanitation, Department of</td>
<td>$152,878,543</td>
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<tr>
<td>Parks, Recreation, Historic Preservation</td>
<td>$142,950,412</td>
</tr>
<tr>
<td>Dept. of Transportation (DOT)</td>
<td>$103,969,922</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,653,788,025</strong></td>
</tr>
</tbody>
</table>
3. Proposed Use of Funds

In the days immediately following Sandy, New York State began an extensive outreach effort in the areas impacted by the disaster. This outreach included coordination with FEMA and the City of New York on the setup and staffing of Disaster Recovery Centers (DRCs) where property owners could go to register for Federal and State disaster-related aid, or to obtain information on Sandy-related recovery efforts. In addition to the Disaster Recovery Centers, the State created the Sandy Helpline, 1-855-NYS-Sandy, for individuals to call with disaster-related questions and to receive guidance, assistance, and up-to-date information on the State’s recovery efforts.

Since the end of February, New Yorkers from every county impacted by Irene, Lee or Sandy, have been able to submit registrations for the State’s proposed housing and business assistance programs through the Sandy Help website, www.NYSandyHelp.ny.gov. Registration is the first part of the application process for all impacted individuals, and will allow State and county officials to follow up with registrants in the coming weeks to complete full applications for assistance. Each registrant for housing and business assistance will be assigned an individual case manager at the time of follow up. Case managers will work with each registrant to determine final program eligibility, and will then work side-by-side with those who are eligible throughout the entire grant process. This follow-up consultation and final determination of eligibility will occur as soon as the necessary Federal approvals have been obtained.

In addition to allowing for registration for assistance, the Sandy Help website provides fact sheets about the housing and business programs the State is proposing to make available with this initial allocation of CDBG-DR funding, pending final Federal approval.

In the short time since the State began accepting registrations, over 8,000 homeowners have registered for housing assistance and over 700 businesses have registered for business assistance (including registrants in NYC). It is anticipated that these numbers will increase dramatically as the State begins its outreach and marketing campaign for these funds, which will include an aggressive outreach campaign by State and county employees and other volunteers – collectively known as the Sandy Help Team. Team members will be holding public forums, meetings, and other similar outreach events, as well as staffing DRCs throughout the impacted region to ensure broad outreach to all residents. Team members at these sites have been trained on the proposed program offerings and will be able to answer questions from residents in need of assistance. In addition, all Sandy Help Team events will be equipped with internet-enabled computers, as well as paper applications for those who need them, and Team Members will assist all interested parties in completing their registration, including those with limited resources and/or accessibility issues.
A. Housing

In consultation with FEMA, the State has identified approximately 10,000 housing units that were substantially damaged by Hurricane Sandy (i.e. more than 50% damaged), and it has identified properties that suffered extensive damage under Hurricane Irene and Tropical Storm Lee. In addition, many thousands of properties were damaged to a lesser degree, and still pose a risk to health and safety of their owners or tenants and demand additional financial assistance to repair, replace, or mitigate the homes. To assist property owners in their recovery efforts, the State has developed supplemental programs that target a wide variety of housing types.

The State anticipates that over time it will allocate approximately $838 million from its first allocation of CDBG-DR funds to programs in this category. However, depending on the eligible activities identified and the total costs committed to projects under all eligible categories, additional funds may be provided to eligible housing activities. The exact allocation will be dependent upon the total number of all eligible activities identified and the total amount of funding approved for all other eligible activities.

As identified in the needs description, New York State has identified more than $6 billion in damage to residential structures in the areas most impacted by Hurricane Sandy. Once other forms of assisted are deducted from this amount, a balance of approximately $3 billion still remains in unmet needs. Since this anticipated amount of unmet needs exceed the entire amount allocated to the State, New York State has allocated the greatest amount of funding to address unmet housing related needs. It is anticipated that future tranches of CDBG-DR funds will be used to continue the efforts of addressing unmet housing needs in the greatest impacted areas.

New York State will subgrant funds to Rockland County and contract with a subrecipient to administer funds in Nassau and Suffolk counties, and others with identified needs, to undertake the housing repair, resiliency and mitigation programs within their respective areas. New York State anticipates directly undertaking the buyout/acquisition activities from its central recovery team and HCR. Of the initial incremental funding request, New York State anticipates allocating $263 million to its subrecipient to administer funds within Nassau County ($215 million) and Suffolk County ($48 million) with $1 million being allocated to Rockland County. An additional amount of $1 million has been set aside to expend within Westchester County with the method of distribution to be determined in consultation with HUD. The amounts allocated to these areas was determined based upon the proportion of damage identified through FEMA estimates within each of the respective counties, but will be increased as actual need is identified and these starting allocations are expended.

Housing Assistance Programs
The State proposes the following programs for housing assistance:

- Recreate NY Smart Home Repair and Reconstruction
  - Available to owners of one- and two-unit homes located outside of New York City whether owner occupied or income generating, including Condominiums,
Co-Ops and Garden Apartments. New York City will administer its own CDBG-DR programs directly.

- Will cover costs for the repair/replacement of damage to real property (including mold remediation); replacement of disaster-impacted non-luxury residential appliances; and environmental health hazard mitigation costs related to the repair or rehabilitation of disaster-impacted property.
- Assistance shall be for unmet rehabilitation or repair needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.
- Assistance for repair and mitigation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above. To direct sufficient levels of assistance to those most in need, especially low- to moderate-income and minority households, a higher overall dollar cap amount may be applied to those households of low or moderate-income, where the need is justified.
- All new construction of residential buildings or replacement and/or reconstruction of substantially damaged buildings must incorporate Green Building Standards.
- Rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist.
- Household income will be required for reporting purposes even for those households assisted under the National Objective of urgent need.
- Households earning less than 80% of the area median income will be prioritized in the order of processing applications for assistance.

➢ **Recreate NY Smart Home Resilience**

- Available to owners of one- and two-unit homes located outside of New York City whether owner occupied or income generating, including: Condominiums, Co-Ops and Garden Apartments. New York City will administer its own CDBG-DR programs directly.
- Property is located within a 100-year floodplain and damaged, or property was substantially damaged (i.e., lost more than 50% of pre-storm FMV), and still needs additional rehabilitation.
- Will cover costs to mitigate future damage.
- Assistance shall be for unmet rehabilitation or repair and mitigation needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.
- Assistance for repair and mitigation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above. To direct sufficient levels of assistance to those most in need, especially low- to moderate-income and minority households, a higher overall dollar cap amount
may be applied to those households of low or moderate-income, where the need is justified.

☐ All reconstruction or mitigation of substantially damaged buildings must meet Green Building Standards.

☐ Rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist.

☐ Household income will be required for reporting purposes even for those households assisted under the National Objective of urgent need.

☐ Households earning less than 80% of the area median income will be prioritized in the order of processing applications for assistance.

➤ Recreate NY Home Buyout Program

☐ Voluntary buyout for one- and two-unit homes

  • Standard Buyout, at 100% of pre-storm FMV, for substantially storm-damaged (>50%) properties inside the highest risk areas along the water referred to as the “V Zone” in FEMA flood maps, and, in most cases, 100% of post-storm FMV (plus eligible relocation or other assistance) inside the 500-year floodplain but outside of that V Zone. The latter buyouts may be considered “acquisitions” for purposes of HUD’s guidelines for the use of CDBG funds, and as such will be able to be redeveloped in a resilient manner rather than remain undeveloped in perpetuity. Any property acquired as a buyout at pre-storm FMV will result in the land remaining open space in perpetuity.

  • Enhanced Buyouts in select pre-defined targeted buyout areas, which will be determined in consultation with county and local governments: enhanced buyouts will include an incentive(s) ranging from 5%-15% on top of the pre-storm FMV of property acquired through the buyout program. Reconstruction may not occur on lots in these areas. Lots will be maintained as coastal buffer zones or other non-residential/commercial uses, and may also include acquisition of vacant or undeveloped land in these targeted areas.

  • The State will use the 2013 FHA loan limits as the ceiling for the purchase price for properties that participate in this buy-out program.

  • Within New York City, the City of New York will undertake buyout or acquisition activities, if any, except inside the “V Zone” or in other geographic areas determined jointly in consultation with the City.

☐ Incentives may include the following for residents in select pre-defined targeted buyout areas who participate in a buyout; participants may be eligible for one or more incentive in combination, for a maximum of up to 15%:

  • 5% In-County Relocation Incentive. The State will provide residents who participate in a buyout inside an enhanced buyout area this incentive if they permanently relocate within the same county in which their storm damaged property is located, either before or at the completion of their buyout. The rationale for such an incentive is to protect and preserve the community while, at the same time, facilitating the reclamation of land in high risk areas for natural protection against future damage. NOTE: for
New York City residents who participate in the State’s buyout program this will be available for permanent relocation anywhere within the five boroughs of New York City.

- 10% Enhanced Buyout Incentive. In an effort to relocate homeowners out of these high risk enhanced buyout areas - to protect as many as possible from future disasters - the State will seek the maximum level of homeowner participation by offering this individual incentive so that as much land as possible within these areas can be returned to and reclaimed by nature, land that will be maintained in perpetuity as coastal buffer zones. This level of incentive was selected in order to ensure that a sufficient incentive is available, as the number of properties involved will need to be significant in these areas to produce the intended outcome.

- In the rare areas in which the purchase of a group of properties together makes sense in order to re-purpose that area, the State believes that graduated incentives are an essential component to induce homeowners to sell their properties.

☐ Within New York City, the City of New York will undertake buyout or acquisition activities, if any, except inside the “V Zone” or in other geographic areas determined jointly in consultation with the City.

☐ Outside of the enhanced buyout areas, the State may, in rare circumstances, provide a 10% Group Buyout Incentive to certain very limited clusters of homeowners (i.e., 2-10 consecutively located properties) whose properties are located inside the high risk V Zone but not inside an identified enhanced buyout area. This incentive may be necessary in certain rare cases to facilitate the reclamation of a concentrated area of high risk and to avoid the patchwork effect of purchasing all but one or two properties inside such a cluster of properties.

☐ Assistance shall be for property purchased after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.

☐ All customary costs associated with the acquisition of private property, including appraisal, legal, survey, title preparation and insurance, may be paid for using this source of funds.

☐ Demolition costs may also be paid using this source of funds.

☐ Site work and property maintenance costs, including environmental remediation, grading and security, may also be paid for using this source of funds.

☐ Households earning less than 80% of the area median income will be prioritized in the order of processing applications for assistance.

☐ Within New York City, the City of New York will undertake buyout or acquisition activities, if any, except inside the “V Zone” or in other geographic areas determined jointly in consultation with the City.

- Small Multi-Family Repair and Reconstruction
  - Available to owners of multi-unit (3-7 units) residential buildings located outside of New York City including: Rental properties, including owner-
occupied rental properties, non-owner-occupied properties that may be attached, semi-attached, detached/scattered site, which in the aggregate does not exceed a total of seven (7) units. New York City will administer its own CDBG-DR programs directly.

- Will cover costs for the repair/replacement of damage to real property (including mold remediation); replacement of disaster-impacted non-luxury residential appliances; and environmental health hazard mitigation costs related to the repair or rehabilitation of disaster-impacted property.
- Assistance shall be for unmet rehabilitation or repair needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.
- Assistance for repair and mitigation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above. To direct sufficient levels of assistance to those most in need, especially low- to moderate- income and minority households, a higher overall dollar cap amount may be applied to those households of low or moderate- income, where the need is justified.
- All reconstruction of substantially damaged buildings must incorporate Green Building Standards.
- Rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist.
- Household income will be required for reporting purposes even for those households assisted under the National Objective of urgent need.
- Priority will be 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.

**Small Multi-Family Mitigation**

- Available to owners of multi-unit (3-7) residential buildings located outside of New York City, including owner-occupied rental properties, as well as non-owner-occupied properties that may be attached, semi-attached, detached/scattered site, which in the aggregate do not exceed a total of seven (7) units. New York City will administer its own CDBG-DR programs directly.
- Will cover costs to mitigate future damage.
- Assistance shall be for unmet rehabilitation or repair and mitigation needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.
- Assistance for repair and mitigation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above. To direct sufficient levels of assistance to those most in need, especially low- to moderate- income and minority households, a higher overall dollar cap
amount may be applied to those households of low or moderate-income, where the need is justified.

- All reconstruction or mitigation of substantially damaged buildings must incorporate Green Building Standards.
- Rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist.
- Household income of tenants may be used in determining eligibility for assistance under this program, or may, at a minimum, be required for reporting purposes.
- Priority will be 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.

➢ Large Multi-Family Mitigation

- Available to owners of multi-unit properties with eight or more units located outside of New York City including owner-occupied rental properties, as well as non-owner-occupied properties that may be attached, semi-attached, or detached/scattered site. New York City will administer its own CDBG-DR programs directly.
- Property is located within a 100-year floodplain and sustained damage as a result of the disaster.
- Will cover costs to mitigate future damage.
- Assistance shall be for unmet mitigation and associated rehabilitation or repair needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.
- Assistance for repair and mitigation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above. To direct sufficient levels of assistance to those most in need, especially low- to moderate-income and minority households, a higher overall dollar cap amount may be applied to those households of low or moderate-income, where the need is justified.
- All reconstruction or mitigation of substantially damaged buildings must incorporate Green Building Standards.
- Rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist.
- A minimum of 51% of the units of any building must be occupied by, or the owner commits to renting to, persons who are earning less than 80% of area median income.

Anticipated Priorities and National Objectives
In order to assist the most vulnerable populations with this disaster recovery funding, New York State intends to prioritize assistance for all housing programs based on the following criteria:
Those individuals and homeowners who qualify as low- and moderate-income
Persons with Disabilities
Elderly Populations
Persons receiving Disaster Housing Assistance Program (DHAP) funding who need assistance to return to their homes
Persons with limited English proficiency

Applications received from individuals and persons meeting one or more of the above criteria will be processed first. In addition to the above, in order to ensure an adequate number of applications from these vulnerable populations, New York will be siting both temporary and permanent outreach centers in locations that are accessible by these vulnerable populations. These include, but are not limited to areas where there is concentrated damage, communities with high concentrations of vulnerable populations, and a mobile command center which will traverse the impacted areas to ensure that to the greatest extent feasible communities outside of major cities, villages and town are reached. These locations will be accessible for persons with disabilities and will have access to translation services for both non-English speakers and persons with hearing and visual impairments.

New York State anticipates that through this prioritization of persons for assistance, that National Objectives will be met in the following order:

- Low and Moderate Income Housing (LMH) – priority
  Rehabilitation/Repair/Resiliency/Mitigation
  o Single-Family
    ▪ The household must earn 80% or less of the area median income (AMI)
    ▪ The household agrees to own the home and use the home as their primary residence for a period of 5 years after rehabilitation or mitigation as secured through mortgage and lien
  o Duplexes or Two-Family
    ▪ At least one unit must be occupied by a household earning 80% or less of the AMI
    ▪ For owner-occupied properties, the owner must agree to own the home and use the home as their primary residence for a period of 5 years after rehabilitation/mitigation
    ▪ For investor owner properties, the owner must agree to maintain affordable rents for a period of 5 years after rehabilitation or mitigation as secured through mortgage and lien
  o Multi-Family – three or more units –
    ▪ At least 51% of the units at the time of assistance must be occupied by households earning 80% or less of AMI OR
    ▪ The owner ensures that post-rehabilitation, 51% of the units will be occupied by households earning 80% or less of AMI
    ▪ Owners of multi-family properties are required to ensure affordability of the housing units for a period of 5 years after rehabilitation as secured through mortgage and lien.
Buyout
  o Single-Family
    ▪ The household must earn 80% or less of the area median income (AMI)
  ➢ Urgent Need (URG)
    o Reserved for households not qualifying as low- and moderate-income
    o The property sustained damage as a result of one of the named storms and the owner needs CDBG-DR assistance in order to repair or mitigate the damage or for buyout of the property.
Estimated Unit Counts and Beneficiaries

Repair and Mitigation
The State has two primary means of estimating the number of beneficiaries of its housing repair and mitigation program. The first is indications of interest solicited from homeowners through pre-registrations that the State has collected. The second is top down analysis, based on the methodology used to calculate aggregate unmet need, which is then modified to approximate the State’s program eligibility guidelines.

From its analysis of homeowner pre-registrations, nearly 5,500 homeowners have self-declared unmet need for repair assistance from the State, and over 3,500 have unmet need for mitigation assistance (excluding New York City). The State believes these estimates greatly understate the true number of homeowners with unmet need, especially among non-English speaking populations and those who for other reasons were not aware of the pre-registration process. While some portion of these applicants will ultimately not be eligible for assistance, the State regards these totals as the minimum expected number of beneficiaries for its programs.

Based on detailed data from FEMA, the State estimates that there are over 50,000 homeowners with ‘unmet need’ after FEMA assistance (defined as the total amount of real property loss to their home less the amount of assistance provided to the homeowner by FEMA). Of this population, the State estimates that over 38,000 had flood insurance, while nearly 16,000 did not. If 25-50% of those with flood insurance have remaining unmet need, considering all available sources of assistance, and 50-75% of those without flood insurance have such need, this suggests that approximately 17,500-31,000 homeowners will be in need of additional assistance from the State. Based on these facts, the State expects to provide repair and/or mitigation assistance for 15,000-25,000 owners of eligible properties. In the coming weeks the State will continue working with Counties and its partners to refine these estimates based on actual observed demand for its programs.

Buyouts
The methodology used to estimate the number of participants in the Buyout program necessarily differs from the methodology used for repair and mitigation, since homeowners offered buyouts will understandably often not accept the offer even if it is their economic best interest.

Analysis of pre-registration data for homeowners across New York State shows initial indications of interest from just over 2,500 homeowners (including New York City). While the State expects to receive more interest in the program as marketing and outreach efforts ramp up, New York ultimately expects to conduct far fewer buyouts than this initial interest might suggest. Much of the interest expressed in this option to date is likely to be from those who are either ineligible for the program or if they are eligible, will opt to rebuild under the repair and mitigation program instead after consultation with a case manager.
Many local floodplain managers are still making substantial damage determinations, but initial estimates suggest that there were as many as 9,500 substantially damaged homes that incurred damage in excess of 50% of their pre-storm value. Outside of designated enhanced buyout areas, which will be very limited in scope, this is the primary eligibility criteria for the buyout program. Although each disaster is unique, based on historical precedent the State estimates that approximately 10% of those eligible for buyout offers tend to accept the offer. Furthermore, a portion of substantially damaged homes will not be eligible under the State’s buyout program (e.g., second properties). Based on these facts, the State expects to conduct between 750-1,000 buyouts of eligible properties. New York State will continue to refine these estimates in consultation with Counties, local communities and homeowners expressing interest in the Buyout program.
B. Economic Development

The State estimates that over time it will allocate approximately $415 million from its first CDBG-DR allocation to programs in this category. The exact allocation will depend upon the total number of eligible activities identified and the total amount of funding approved for all other eligible activities. New York State anticipates undertaking these activities through designated subrecipients.

As identified in the needs assessment earlier in this Plan, New York State has identified more than $800 million in unmet business needs in the areas greatest impacted by Hurricane Sandy. Since this amount exceeds the State’s approximate allocation for this activity it is anticipated that future tranches of CDBG-DR funds will be used to continue the efforts of addressing unmet business needs in the greatest impacted areas. However, in order to maximize the reach of CDBG-DR funds, and to cover as many unmet needs as possible, the State will be partnering with intermediaries that will be supplementing assistance offered in the form of a loan with additional private equity.

Business Assistance Programs

The State proposes the following programs for economic development:

- **Small Business Grant Program**
  - Grants will be provided to eligible businesses to help purchase or repair needed equipment, renovate facilities that were damaged or destroyed, to support mitigation efforts to protect the business from future storms, or to cover any of the eligible activities listed in Section 4 of this document.
  - Grants of up to $50,000 will be available to cover eligible uncompensated losses with a potential to extend grants up to $100,000 for businesses that suffered physical damage and are at risk of closure or significant employment loss. Exceptions to these caps may be considered if the business owner can demonstrate significant economic hardship.
  - Available to small businesses, as defined by SBA, located in one of New York State’s designated disaster areas. New York City will administer its own CDBG-DR programs directly.
  - Priority will be given to businesses that have 100 employees or less either at the time of application or at the time of the storm that inflicted damage upon the business.
  - Priority will be given to businesses who will meet a low- and moderate-income benefit whether by qualifying as a low- and moderate-income microenterprise owner or creating or retaining jobs principally for low- and moderate-income persons.
  - Business must have suffered eligible uncompensated losses as a direct result of Hurricane Sandy, Hurricane Irene or Tropical Storm Lee.
  - Grants may be provided to small businesses (as defined by the SBA), including farming operations.
  - Grants may be provided to non-profit organizations.
Salary ranges for those positions created or retained through assistance under this program will be required for reporting purposes.

- **Small Business Loan Program**
  - Loans of up to $1 million will be provided to eligible businesses to help purchase or repair needed equipment, renovate facilities that were damaged or destroyed, to support mitigation efforts to protect the business from future storms, or to cover any of the eligible activities listed in Section 4 of this document.
  - Available to small businesses, as defined by SBA, located in one of New York State’s designated disaster areas. New York City will administer its own CDBG-DR programs directly.
  - Low-interest loans may be provided to small businesses (as defined by the SBA), including farming operations.
  - Low-interest loans may be provided to non-profit organizations.
  - Priority will be given to businesses that have 100 employees or less either at the time of application or at the time of the storm that inflicted damage upon the business.
  - Priority will be given to businesses who will meet a low- and moderate-income benefit whether by qualifying as a low- and moderate-income microenterprise owner or creating or retaining jobs principally for low- and moderate-income persons.
  - Business must have suffered eligible uncompensated losses as a direct result of Hurricane Sandy, Hurricane Irene or Tropical Storm Lee.
  - Loans will be targeted at businesses unable to secure SBA disaster loans.
  - Salary ranges for those positions created or retained through assistance under this program will be required for reporting purposes.

- **Small Business Consulting and Mentoring Program**
  - New York State, in conjunction with the State’s Small Business Development Centers (SBDC), will use up to $3 million to provide eligible technical or legal assistance and business coaching to assist businesses in rebuilding their businesses.
  - Consultants and business coaches may be made available to businesses to discuss business development and recovery issues.
  - Available to small businesses, as defined by SBA, located in one of New York State’s designated disaster areas. New York City will administer its own CDBG-DR programs directly.
  - Priority will be given to businesses that have 100 employees or less either at the time of application or at the time of the storm that inflicted damage upon the business.
  - Priority will be given to businesses who will meet a low- and moderate-income benefit whether by qualifying as a low- and moderate-income microenterprise owner or creating or retaining jobs principally for low- and moderate-income persons.
- Business must have suffered eligible uncompensated losses as a direct result of Hurricane Sandy, Hurricane Irene, or Tropical Storm Lee.

- **Coastal Fishing Industry Program**
  - Grants of up to $50,000 will be made available to affected businesses or individuals qualified as a Coastal Fishing Industry. Exceptions to this cap may be considered if the business owner can demonstrate significant economic hardship.
  - Available to small businesses, as defined by SBA, located in one of New York State’s designated disaster areas. New York City will administer its own CDBG-DR programs directly.
  - Priority will be given to businesses that have 100 employees or less either at the time of application or at the time of Hurricane Sandy.
  - Priority will be given to businesses who will meet a low- and moderate-income benefit whether by qualifying as a low- and moderate-income microenterprise owner or creating or retaining jobs principally for low- and moderate-income persons.
  - Business must have suffered eligible uncompensated losses as a direct result of Hurricane Sandy.
  - Business must be in the Coastal Fishing industry.
  - Salary ranges for those positions created or retained through assistance under this program will be required for reporting purposes.

- **Seasonal Tourism Industry Program**
  - Grants of up to $50,000 will be provided to eligible seasonal tourism businesses. Exceptions to this cap may be considered if the business owner can demonstrate significant economic hardship.
  - Available to small businesses, as defined by SBA, located in one of New York State’s designated disaster areas. New York City will administer its own CDBG-DR programs directly.
  - Priority will be given to businesses that have 100 or less employees either at the time of application or at the time of Hurricane Sandy.
  - Priority will be given to businesses who will meet a low- and moderate-income benefit whether by qualifying as a low- and moderate-income microenterprise owner or creating or retaining jobs principally for low- and moderate-income persons.
  - Business must have suffered eligible uncompensated losses as a direct result of Hurricane Sandy or have documented loss of job opportunities.
  - Business must be in the Seasonal Tourism industry.
  - Salary ranges for those positions created or retained through assistance under this program will be required for reporting purposes.

- **Business Assistance Program and Tourism Promotion Marketing**
In addition to direct grant assistance to businesses in the Coastal Fishing and Tourism Industries, New York proposes to allocate funds to the State to undertake industry-wide marketing efforts for these two industries, as well as general marketing efforts to promote the availability of assistance under these programs.

Marketing will also be used for a tourism promotion effort to encourage visitors to return to the areas that are dependent upon tourism for their economic livelihood, ensuring a minimal impact on the economic benefit provided to communities and businesses during the upcoming summer season.

**Anticipated Priorities and National Objectives**

In order to assist the most vulnerable populations with this disaster recovery funding, New York State intends to prioritize assistance for all economic development programs based on the following criteria:

- Businesses that have not yet re-opened due to damage or impact from the storms
- Businesses that serve a low- and moderate-income population or other vulnerable population.
- Businesses that provide economic opportunities to low- and moderate-income persons or other vulnerable populations

Applications received from individuals and persons meeting one or more of the above criteria will be processed first. In addition to the above, in order to ensure an adequate number of applications from these vulnerable populations, New York will be siting both temporary and permanent outreach centers in locations that are accessible by the vulnerable populations. These include, but are not limited to areas where there is concentrated damage, communities with high concentrations of vulnerable populations, and a mobile command center which will traverse the impacted areas to ensure that to the greatest extent feasible communities outside of major cities, villages and town are reached. These locations will be accessible for persons with disabilities and will have access to translation services for both non-English speakers and persons with hearing and visual impairments. The Small Business Development Center, the sub recipient selected to administer the small business programs, partners will also have a specific group of locations dedicated to assisting businesses with their needs staffed by persons with special economic development and business assistance experience.

- **Low and Moderate Income Job Creation/Retention (LMJ) – priority**
  - At the time of assistance, the owner must demonstrate that at least 51% of the jobs to be retained are held by low- and moderate-income persons OR
  - The owner must ensure that at least 51% of the jobs to be created as a result of the assistance would be made available to or filled by low- and moderate-income person
- **Low and Moderate Income Limited Clientele Microenterprise (LMCMC) – priority**
  - At the time of assistance, the business meets the definition of a microenterprise business in that there are five or fewer employees one of whom is the owner AND
The business owner can demonstrate that he or she earns less than 80% of the area median income.

- Urgent Need (URG) –
  - To be used only if a business is not creating or retaining low- and moderate-income jobs or if the business is not a low- and moderate-income microenterprise.
  - The business must have sustained damage as a result of the storm and needs the CDBG-DR assistance in order to remain viable.

**Estimated Unit Counts and Beneficiaries**

The State has two primary means of estimating the number of ultimate beneficiaries of its economic recovery programs. The first is indications of interest solicited from businesses through pre-registrations that the State has collected. The second is top down analysis, based on data from the Small Business Administration, which is then modified to approximate the State’s program eligibility guidelines.

New York State received pre-applications from over 500 businesses outside of New York City, with self-declared unmet need. The State believes this number greatly understates the true number of small businesses with unmet need, especially among non-English speaking populations and those who for other reasons were not aware of the pre-registration process. While some portion of these applicants will ultimately not be eligible for assistance, the State regards these totals as the minimum expected number of beneficiaries for its economic recovery programs.

The Small Business Administration has received approximately 1,100 applications for business loans outside of New York City. Only a small proportion of these loans were ultimately approved, and many of those with approved loans have remaining unmet need for which they will require New York State recovery assistance. Furthermore, through consultation with business owners, the State recognizes that many businesses in need of assistance have not applied for SBA assistance, due to lack of awareness of SBA programs, perceived inability to qualify for assistance or availability of other forms of temporary loan capital. Based on indications of unmet need from businesses and the number of applications received by SBA, New York State estimates that it will provide grant, loan, and/or technical assistance to approximately 13,000 businesses outside of New York City.
C. Resilience and Retrofit

To ensure that communities are not just rebuilt but also become safer, for those areas where there is a high risk of future flooding New York State will support homeowners in making their homes more resilient. The State has evaluated costs of mitigation measures for homes that are at high risk; for example, New York State estimates that a basic 1,000 square foot home with no basement built to a height of 4’ below base flood elevation (BFE) would cost $90,250 to raise to 1ft above BFE, and an additional $2,500 to raise to 2ft above BFE. Such additional elevation may decrease a homeowner’s flood insurance premiums substantially. As noted already, the State’s proposed housing repair and mitigation programs are designed to support elevation and other critical resiliency measures.

As part of this effort, the State will create the Smart Rebuild NYS public awareness and educational campaign to provide homeowners, businesses, municipalities, organizations and building professionals with quality up-to-date information and instruction to facilitate the rebuilding of homes and properties and protect them from future extreme weather events and climate change. This multi-faceted outreach campaign will inform the public on how best to rebuild to protect homes and properties. The campaign will provide guidance on mandatory code requirements as well as cost-effective voluntary initiatives that go beyond the minimum code requirements to save homeowners money and better protect them from future natural disasters. Such public education must be a priority in order to address the anticipated impact of sea level rise on the risks faced by those communities inside the flood plains.

In addition, the State has developed a program akin to the existing Energy Star program to be applied to the home building sector to improve resiliency in the face of increasing sea level rise and climate change. Specifically, homes that are built or rebuilt from the storms that use best practices to maximize resiliency will be eligible for designation. Such properties will gain the value of such designation and become models for communities in the future. This program will involve public education as well as workshops with builders, contractors, and local officials. This program will be a lasting legacy of the recent storms and, it is expected, an important driver of long-term resiliency in residential and commercial construction.

The State has also identified a significant need to provide assistance for energy-related mitigation to essential services facilities including, in particular, hospitals, nursing homes, group foster care facilities, and other facilities for vulnerable populations. Many essential services facilities did not have backup power systems or had ineffective backup systems that failed during the storm. As a result of this, numerous facilities had to evacuate patients which posed a greater risk to those patients than allowing them to remain in place during the storm.

New York State will establish the Resilience Retrofit program. Over time, the State anticipates allocating approximately $30 million of CDBG-DR funding to provide credit enhancement or leverage for private-sector financing of energy-related mitigation
projects. At this time, however, the OCR is in consultation with HUD and the New York Energy Research Development Authority (NYSERDA), working collaboratively to fully develop this program. As the final needs and program parameters are identified, New York State will submit a request to allocate these funds.

- **Resiliency Retrofit Fund**
  - Essential services facilities will be eligible to receive assistance to perform energy-related mitigation including, but not limited to, installation of backup power systems.
  - Eligible facilities may include, but are not limited to, hospitals, long- and short-term care facilities, nursing homes, and clinics that were impacted by one of the named storms.
D. Community Planning and Redevelopment

New York State will establish the Community Reconstruction Zone (CRZ) planning grants. The State anticipates allocating approximately $25 million from this first allocation to provide planning grants to targeted communities selected by a CRZ planning committee. Later allocations will be used to implement successful CRZ plans. NYS will ensure that CRZ activities will not overlap or duplicate existing National Disaster Recovery Framework Community Planning and Capacity Building Recovery Support (RSF) efforts. Where possible, CRZ will dovetail with existing RSF plans to allow for further planning and project implementation activities. This program will also complement New York City’s ongoing planning process for specified communities.

The planning grants will facilitate the retention of outside experts as consultants to a participating community’s planning committee, as well as the completion of critical studies to determine the key vulnerabilities and needs of the community. The State will provide information and guidance to the committees to assist them in identifying and using such outside resources effectively and efficiently.

The Community Reconstruction Zone Planning Committee
Each identified community must convene a CRZ planning committee that includes, among others, a representative from the County, Town or Village, elected legislative representatives, as well as the directors of established organizations and businesses in the community selected by the State in consultation with local officials. The membership of each committee will be reviewed by the State. The members of the planning committees will not be paid, and they will be required to execute a code of ethics that will govern their work on the committee, for which training will be provided by the State.

The Planning Process & Technical Assistance
The CRZ planning committees will be expected to take several months to complete their CRZ reconstruction plans for submission to the State. The planning process will be expected to include the following important steps:

1. *Inventory of Vulnerabilities and Damaged Assets.* The first step in the CRZ planning process will require a rigorous analysis of the community’s infrastructure, economy, and assets to determine where the community’s greatest vulnerabilities and opportunities lie. This analysis will include assessment of the vulnerability of physical assets – for example, water treatment plants, nursing homes, hospitals, waterfront properties and beaches – and of systems such as local transportation, zoning and building codes, and residential development, including an analysis of interim and permanent housing; owner occupied and rental; single family and multifamily; housing for the elderly; special needs populations and supportive housing; vulnerable populations; public housing, and affordable housing options. Key structures that were damaged by the storm will also be integrated into this analysis.
2. **Public Engagement.** Public input is a critical component of successful planning. Accordingly, the planning committee must offer opportunities for such input and comment at key milestones in the planning process.

3. **Assessment of Economic Need.** The committee will assess the key drivers of the community’s economy to identify both weaknesses and potential opportunities for growth.

4. **Identify & Prioritize Options for Investment and Action.** Using these initial assessments, the planning committee will then determine the range of potential investments and their relative priority based upon their cost, benefits, and collateral impacts on multiple aspects of life in the community. In addition, actions such as zoning changes or other policy changes to improve the resilience and economy of the community will also be prioritized.

5. **Engagement in Regional Planning Process.** On Long Island and in other areas if appropriate, each planning committee will be required to participate in planning sessions at the regional level organized by county officials and outside organizations. Such sessions will help to ensure that the regional plan developed through this process reflect the work of the CRZ planning committees and that the CRZ plans are consistent with the regional planning process.

6. **Draft CRZ Reconstruction Plans.** With assistance from the applicable State agencies and outside consultants where appropriate, each planning committee will then draft a CRZ reconstruction plan that seeks to meet the criteria discussed below. The State will provide a template for such reconstruction plans with the award of a planning grant.

7. **Submission of the Reconstruction Plans to the State.** Each planning committee will submit a completed reconstruction plan to the State. The State will then review each plan against the criteria set forth below.

A number of New York State agencies will organize intensive community workshops and provide ongoing technical assistance throughout the planning process to help the planning committees complete their work effectively. In addition, the Rockefeller Foundation will help to sponsor such workshops and bring in experts from around the country and the world to provide lessons and strategies from past rebuilding efforts in other areas. Such assistance will include, but is not limited to, draft templates and standards for conducting inventories of vulnerable assets, data and maps to show the vulnerabilities of the community to various threats, and technical support to help complete these initial assessments.

**Characteristics of a Successful Reconstruction Plan**

To qualify for an implementation grant from the State, reconstruction plans must address the issues listed below. Any modifications to this list will be provided prior to approval of a planning grant and will be posted on the State’s website.

1. **Assessment of risk/vulnerability of key assets and systems.** As the starting point of the reconstruction plans, a comprehensive inventory of the vulnerabilities of key assets and systems is necessary to allow the committee to prioritize various projects and actions. Key assets and systems should be considered for each
relevant recovery support function: infrastructure, natural and cultural resources, housing, economic development, and health and social services.

2. Potential to restore and increase resilience of key assets. The Reconstruction Plan should address both the restoration of key assets and actions that will make them more resilient to future threats. Examples of such projects and actions include restoration or mitigation of natural infrastructure (e.g., wetlands, oyster reefs, dunes, and other green infrastructure), changes in land use regulations (e.g., changes in use, increased setbacks, and transfer of density) to encourage sound development outside of vulnerable areas, or investments in transportation or other improvements in community systems to prepare for future threats.

3. Potential for economic growth co-benefits. Reconstruction plans should include projects that will improve the future of the local economy while also enhancing the resilience of the community, producing co-benefits. For example, investments in new recreational assets (e.g., new green space that serves as a buffer against coastal flooding) may protect against storm damage or serve as redundant protection in critical areas, while also drawing tourists or facilitating the growth of new businesses or investments in transportation infrastructure that may facilitate the growth of mixed-use, mixed-income, Main Street business corridors.

4. Protection of Vulnerable Populations. Reconstruction plans should include new measures to protect vulnerable persons (people with disabilities, low and very-low income populations, the elderly, young children, homeless and people at risk of becoming homeless, non-English speakers) in the event of a future emergency, such as new protocols for emergency response to ensure rapid assistance is provided to vulnerable persons, new backup power systems for critical facilities (e.g., nursing homes, hospitals) or improved communications systems to ensure that vulnerable persons are not left without aid.

5. Regional Coordination. To ensure that reconstruction plans are consistent with regional objectives, and that regional plans serve communities’ long-term objectives, Long Island communities and communities in other areas identified by the State must participate in a regional planning process. The regional planning process in Long Island will be a critical part of the State’s effort to ensure that rebuilding improves not only individual communities but also the entire region. The details of the regional planning process will be provided prior to approval of a planning grant and will be posted on the State’s website.

6. Detailed Implementation Approach. Each reconstruction plan must include a clear and detailed proposed approach to implementation of projects and strategies in each recovery support area. The implementation approach must assign responsibility for specific actions to specific individuals or organizations, and establish timelines for each action. The State will work with each committee and local officials to ensure that approaches to implementation are realistic and actionable.

To support initial community planning efforts, the State is allocating funds for planning grants to communities to produce their CRZ plans. This initial funding (which sets the stage for a broader allocation of implementation funding that the State intends to make from future rounds of CDBG-DR) is intended for two purposes.
For communities affected by Sandy, Irene, and Lee, funds will cover expenses associated with developing CRZ plans. The specific number of CRZs that the State will establish is to be determined and subject to change. Initial planning grants and planning-related expenses are expected to be approximately $25 million.

For communities affected by Irene and Lee, many of which have already engaged in comprehensive State-funded planning processes after these earlier storms, funding will also be available for eligible programmatic expenses described in such plans. These 16 communities can apply to New York State for funding approval for CDBG-DR eligible projects under these plans; New York State expects to fund such projects in part under this initial allocation, once all other planning expenses have been fully allocated. Additional funding for programmatic needs for these 16 communities will be allocated under future CDBG-DR tranches, along with programmatic funding needs under the CRZ plans.
E. Public Infrastructure and Facilities and Local Government Support

Public Infrastructure and Facilities
Over time, New York State anticipates allocating up to $300 million from this allocation of CDBG-DR funds to provide the non-Federal match required for CDBG-eligible FEMA Public Assistance Program activities for county and local governments, or as the non-Federal match requirement needed to carry out CDBG-DR eligible activities funded by any other Federal agencies. New York State anticipates subgranting these funds to eligible units of general local government to administer as eligible approved projects are identified. Private utilities will be ineligible for assistance through this program.

Local Government Support
Local governments are experiencing financial distress as a result of Superstorm Sandy. Damaged homes and property loss have removed valuable assets from local tax rolls, resulting in a loss of revenue to localities.

In particular, communities across the devastated region are facing a flood of requests from residents and businesses for property assessment reductions due to damage from Hurricane Sandy. For example:

- To date, Nassau County has received approximately 3,870 requests for assessment reductions due to damage caused by Sandy. This represents approximately $50 million in annual property tax revenue to the County, towns, villages, and school districts if reduced by 100%. Assuming only a 50% reduction in assessed value, the annual reduction in property tax revenue is estimated at $25 million. Nassau County anticipates that such reductions will require lay-offs in critical service areas.

- Suffolk County has indicated based on preliminary canvassing of county and local jurisdictions that such reductions will produce a loss of at least $24.5 million this year in property tax revenue alone.

- Rockland County is still estimating what its county and local governments’ lost property tax revenues might be, and will provide this information to the State as soon as it is available.

This loss of revenue is concentrated in the most impacted communities at a time when these communities are already struggling to recover. Many of these communities have also suffered extensive losses in sales tax revenues, or anticipate losing such revenues during the coming tourism season. The additional burden on these communities will mean significant reductions not only to their already bare-boned discretionary programs that serve disadvantaged and at-risk populations but also core services such as police, fire, and educational services. This is on top of communities facing years of fiscal strain because of the impact brought on by the economic downturn and the decreased level of State assistance provided for local services each year.
Nassau and Suffolk County and their coastal cities, towns and villages are struggling to find the necessary funds to provide the basic services that their citizens need. While Section 570.201(e) of the CDBG regulations contains a general restriction on the use of CDBG to cover the cost of ongoing services that the county (or any unit of government) customarily provides, the State will seek approval from HUD pursuant to the same regulation to use these recovery funds to avoid what will otherwise be a clear “decrease in the level of a service [that] was the result of events not within the control of the unit of general local government.” Specifically, the State expects that at least $50 million will ultimately be required to cover this threat to critical services in the affected areas.

As an additional avenue of support, local governments are also encouraged to take advantage of the Traditional Community Disaster Loan Program, which is administered by FEMA, and applied for by New York State on the locality’s behalf. To qualify jurisdictions must have suffered a loss in excess of 5% of tax or other revenues as a result of the major disaster and demonstrate the need for Federal assistance to perform its governmental functions. The amount of the loan shall not exceed 25% of the annual operating budget of the locality for the fiscal year of the disaster. Maximum amount of the loan is $5,000,000; or 50% up to a maximum of $5,000,000 when the loss of tax and other revenue amounts to 75% of the operating budget for the fiscal year of the disaster. Repayment terms are 5 years, although can in some circumstances be extended to 10 years. Loans can only be used to maintain existing governmental functions or to expand such functions to meet disaster needs. Loans may not be used for capital improvements, repair of disaster damaged facilities or payment of non-federal cost share of any Federal program. FEMA provides the staff to conduct a financial analysis of applicants, and works closely with the applicants in completing the process.

As described in the Needs Assessment section of this document, the FEMA Public Assistance database maintained by the New York State Division of Homeland Security and Emergency Services contains nearly 3,000 projects across 900 applicants, for a total overall New York State funding need (outside of New York City) of $2.5B. While some projects in this database are likely to be deemed ineligible for FEMA assistance and/or CDBG assistance, the State has also determined that a substantial number of projects have not yet been added to the project database, and thus the total eligible need will continue to increase. The State’s funding request of $250 million represents its expectation that it will cover the non-federal match for identified FEMA Public Assistance projects within this database for local and county governments and State agencies, and that the list of eligible projects will grow over time such that the eventual need will be substantially greater than $250 million. The State intends to provide further Public Assistance match funding from future allocations of CDBG-DR once specific needs are identified.
F. Infrastructure Bank

New York State will create a dedicated infrastructure bank to help coordinate infrastructure development and investment across the disaster region. CDBG-DR funds will be combined with State funds and committed to financing eligible infrastructure projects that apply for assistance through the Bank. The Bank will benefit New York by introducing a centralized approach to infrastructure related decision making rather than a project-by-project, agency specific process. The focus of the Bank’s investments will be on projects that increase the resiliency of the area’s infrastructure to withstand future threats or provide redundancy of critical systems.

The Bank will take several steps to carry out these goals, including developing a system for prioritizing infrastructure projects and initiatives, providing a centralized approach to the State’s infrastructure planning process, managing State recovery funds for infrastructure and other sources of capital, negotiating opportunities for private sector investment in infrastructure and financing approved projects. The planning processes and expertise of the New York Works Task Force will be embedded into the Bank’s functions.

The Bank may make use of funds from several sources, including federally allocated recovery funds, diverted or created revenue, proceeds from the sale of long-term debt and credit enhancements with other state entities. In addition, the Bank will work with both public and private investors to raise funds to finance infrastructure developments. An advantage that the Bank will have is the ability to combine several sources of funds (e.g., Federal funds with private funds) to finance projects as effectively as possible. The Bank will showcase potential projects to engage the private sector in opportunities for investment in infrastructure.

New York State’s overall recovery funding plan has identified a sizeable need for infrastructure assistance; in fact infrastructure is the largest category of expected funding for the State (across all funding sources, not limited to CDBG-DR). While the State has identified hundreds of specific high priority infrastructure projects and estimated total funding need of over $40 billion, some of this need will not be covered by federal sources. Furthermore, even for projects that are largely covered by other federal funding sources, the State anticipates opportunities to add on components to such projects that are not covered by these funding sources but result in substantial public benefit and are eligible for CDBG-DR funding (e.g., additional resiliency measures or energy efficiency retrofitting). The State is committed to building an infrastructure bank to better prioritize and leverage capital for infrastructure investment. This plan identifies an allocation over time of at least $20 million; these funds will be set-aside for use as described below, and will not be used to fund the bank. At this time, however, the OCR is still reviewing and identifying the total amount of unmet need to address these issues. As the final needs are identified, New York State will submit a request to HUD to allocate these funds to this activity and funds will be drawn down from this allocation for CDBG-DR eligible projects as they are identified and approved by the Bank, in consultation with OCR.

Conclusion
The programs and initiatives proposed above are only part of the broader New York State strategy for recovery from these storms, and they are only a start of our efforts to utilize the CDBG-DR funds available to the State for our recovery efforts. However, they alone will not repair the damage that has been done. They must be part of a larger, more comprehensive long-term recovery planning process. As is described in Section 2 of this Plan, New York State has developed a Storm Recovery Plan to help define how the State will effectively use any available funding to recover and rebuild, and just as importantly, to stimulate economic growth in every affected community through a community-driven planning process. The plan is based on six key principles, two of which are worth repeating here:

• Building back better and smarter – As New Yorkers repair the significant damage wrought by Hurricane Sandy, the State will use the opportunity not to replace damaged buildings with the same structures, but to invest in additional mitigation to prevent similar damage from recurring.

• State-led, community-driven recovery – The State is collaborating closely with local governments and other organizations to ensure a coordinated and holistic response, while looking to individual communities to develop forward-looking local recovery plans that meet their specific needs.

The Community Planning and Redevelopment section of this plan talks at length about the role of the Community Reconstruction Zones (CRZ) and the related Planning Committees in our recovery effort. In addition to this effort, the State is working to finalize a CRZ Resource Guide which will soon be released as part of broader planning website that will help inform individuals and communities about the State’s recovery planning processes. Furthermore, the CRZ process will include analyses of existing planning efforts that will be integrated into the formal CRZ planning process as it is undertaken in communities across the area.

To ensure we have a truly coordinated effort, the State, thru the leadership of staff at the New York State Department of State (DOS) is working collaboratively with local building codes and enforcement officers to discuss and decide policy for our repair, rehabilitation and mitigation activities, to ensure we include best practices and a coordinated approach to rebuilding better and smarter. These meetings are also being used as an opportunity to look ahead and identify issues that may prevent a clear path to recovery. By identifying these issues now, we hope to prevent unnecessary delay, indecision and inconsistency in our recovery planning across the impacted region.

Again, as stated earlier in this plan, the State will be promoting the Smart Rebuild NYS public awareness and educational campaign to provide homeowners, businesses, municipalities, organizations and building professionals with quality up-to-date information and instruction to facilitate the rebuilding of homes and properties and protect them from future extreme weather events and climate change. This multi-faceted outreach campaign will inform the public on how best to rebuild to protect homes and properties. The campaign will provide guidance on mandatory code requirements as well
as cost-effective voluntary initiatives that go beyond the minimum code requirements to save homeowners money and better protect them from future natural disasters. Such public education must be a priority in order to address the anticipated impact of sea level rise on the risks faced by those communities inside the flood plains.

Through these and other steps the State is taking, we hope the outcome of our efforts will promote a sound, sustainable long-term recovery plan informed by a post disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise, and reflect out strong and continued coordination with other local and regional planning efforts to ensure consistency.
4. Eligible & Ineligible Activities

This first tranche of the CDBG-DR funds must be used toward short and long-term recovery activities, addressing disaster relief, restoration of infrastructure and housing and economic revitalization, directly related to the storm damage from Hurricane Sandy, Hurricane Irene or Tropical Storm Lee.

Eligible:
CDBG-DR funds from the HUD disaster appropriation may be used for eligible CDBG activities that meet the State CDBG program regulations as found at 24 CFR 570.482 or any activity for which HUD has issued a waiver. The assistance may be provided for eligible projects to which FEMA has provided assistance, or that other sources, including FEMA, cannot fund or cannot fund in full, but which are nevertheless critical to recovery, or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund. However, any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with duplication of benefits guidelines at 42 U.S.C. 5155, which specifically prohibit the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Small Business Administration (SBA), or other Federal or State sources. Funds may also be used as a matching requirement, share, or contribution for any other Federal program, provided all activities are CDBG-DR eligible and in compliance with duplication of benefit guidelines.

- **Pre-Agreement Costs:** The provisions of 24 CFR 570.489(b) permit a State to reimburse itself for otherwise allowable costs incurred by itself or its sub-grantees on or after the incident date of the covered disaster. Any unit of general local government receiving a direct allocation under this Notice is subject to the provisions of 24 CFR 570.200(h) but may reimburse itself or its sub-grantee(s), a local government, a homeowner, rental property owner, or business owner for otherwise allowable disaster recovery related costs incurred on or after the incident date of the covered disaster. This may include pre-agreement costs for Hurricane Sandy back to October 29, 2012.

- Structures used by religious organizations may be assisted where a structure is used for both religious and secular uses and the rehabilitation and/or construction costs are attributable to the non-religious use. As of this writing, no specific CDBG-DR eligible projects for religious institutions have been identified, however the State reserves the right to assist eligible projects as need is identified.

- Program delivery costs which may include, but are not limited to applicant intake, development of cost estimates, engineering design, underwriting, and compliance actions for environmental hazards
By the terms of Federal law, activities using NYS CDBG-DR funding may be funded in the following Counties:

- Albany
- Bronx
- Broome
- Chemung
- Clinton
- Columbia
- Delaware
- Dutchess
- Essex
- Fulton
- Greene
- Herkimer
- Kings
- Montgomery
- Nassau
- New York
- Oneida
- Orange
- Otsego
- Putnam
- Queens
- Rensselaer
- Richmond
- Rockland
- Saratoga
- Schenectady
- Schoharie
- Suffolk
- Sullivan
- Tioga
- Ulster
- Warren
- Washington
- Westchester

**Ineligible:**
By the terms of Federal law, ineligible activities include, but may not be limited to, the following:

- General government expense
- Political activities
- Operations and maintenance
- Income payments
- Assistance to second homes
- Replacement of lost business revenue as a result of the storm
- Assistance to Private Utilities
- Purchase of equipment (with several exceptions, e.g., as part of an eligible economic development activity, a public service activity, a solid waste disposal facility or an integral part of a public facility project.)
- Any assistance to a business or property owner who received FEMA assistance in the past where required flood insurance has not been maintained

**Funds Provided for Housing Related Activities**
Only housing units located in counties designated as eligible for the FEMA Individual Assistance Program (IAP) will be eligible to receive funding under this category.

Household income may be used in determining eligibility for assistance under this category, or may, at a minimum, be required for reporting purposes for households assisted under the National Objective of urgent need.

Second homes are ineligible for assistance. Second homes are defined as follows:

- If a second home is not rented out at any time during the year, it is a second home regardless of if it is used by the household or not.
- If a home is rented out part of the year and the owner uses the home more than 14 days or more than 10% of the number of days during the year that the home is rented, then it is a second home.
- If a home is rented out for part or all of the year and the owner does not use the home long enough (as defined above) then it is rental property and not a second home.

Rental units that meet the Internal Revenue Service’s definition of a rental unit are eligible for assistance, as are condominium associations, housing cooperatives and garden apartments.

Funds may be used as a matching requirement, share, or contribution for any other Federal program, provided all activities are CDBG-DR eligible and in compliance with Federal Duplication of Benefit.

Assistance may also be provided for eligible projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund.

CDBG-DR funds from the HUD disaster appropriation may be used as the required match for housing activities funded under FEMA or any other State or Federal sources.

Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Small Business Administration (SBA), or other Federal or State sources, or private sources, including, but not limited to insurance payments.

Eligible Housing Activities may include:

- Repair/replacement of damage to real property, including, but not limited to:
  - Roof repair/replacement
  - Window/door repair/replacement
  - Siding repair/replacement
  - Flooring repair/replacement
  - Drywall/finishing to pre-event condition
  - Insulation
  - Bathroom repair/rehabilitation
  - Foundation repairs
  - Kitchen cabinet replacement
  - Well/septic replacement or connection to municipal system
  - Electrical system repair/replacement from the weatherhead
• Replacement of disaster-impacted non-luxury residential appliances, including, but not limited to:
  ✓ Stoves
  ✓ Refrigerators
  ✓ Water heaters
  ✓ Heating Systems
  ✓ Fuel tanks (oil/propane but not actual fuel replacement)
  ✓ Water filtration systems

☐ Engineering, architectural and/or design costs
☐ Environmental Health Hazard Mitigation costs related to the repair or rehabilitation of disaster-impacted property (i.e. lead based paint abatement, asbestos removal, mold remediation, or other health hazards) including testing and clearance requirements.
☐ Cost-effective mitigation assistance of damaged properties to elevate homes or key utility systems, or to prevent damage that may be caused in a future storm.
☐ Buyout/acquisition of residential property, including vacant or undeveloped lots in targeted areas.
☐ Replacement of destroyed housing or housing that needs to be demolished due to the severity of damage as a result of the storms or replacement of housing that can be demolished and rebuilt more cost effectively than elevating the existing storm-damaged structure.
☐ Reimbursement to local governments for eligible demolition and site restoration costs, and some or all of survey, legal and administrative costs and abatement fees.
☐ Emergency mortgage payment or rental assistance.

**Funds Provided for Economic Development Related Activities**

- Only those businesses located in counties designated as eligible for FEMA Individual Assistance Program (IA) will be eligible to receive funding under this category.
- For-profit businesses must meet the definition of a Small Business as defined under 13 CFR Part 121.
- Not-For-Profit enterprises may also be assisted.
- Funds may be used as a matching requirement, share, or contribution for any other Federal program, provided all activities are CDBG-DR eligible and in compliance with Federal duplication of benefit restrictions.
- Assistance may be provided for eligible projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery, or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund.
- CDBG-DR funds from the HUD disaster appropriation may be used as the required match for economic development projects funded under FEMA or any other State or Federal sources.
- Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which...
funds have been made available by FEMA, the Small Business Administration (SBA), or other Federal or State sources, or private sources including but not limited to insurance payments.

➢ Property owners who do not own a business, but who lease commercial space to business owners, may also qualify for assistance if the business(es) located in the leased space are qualifying businesses under CDBG-DR rules and regulations.

➢ Eligible Economic Development Activities include, but are not limited to:
  □ Purchase of equipment, materials, inventory, furniture, fixtures
  □ Employee training
  □ Acquisition of real property
  □ Working capital
  □ Construction, rehabilitation, reconstruction of buildings (Federal Davis-Bacon Wage Rates may apply)
  □ Engineering, architectural, and/or design costs
  □ Infrastructure directly associated with economic development activities
  □ Technical assistance
  □ Any other eligible business related activity (consultation and approval by the OCR is required)
  □ Marketing and outreach to solicit applications from businesses eligible for any of the State’s proposed programs

**Funds Provided for Resilience and Retrofit Activities**

➢ Only projects located within counties designated as eligible for FEMA Public Assistance (FEMA PA) can receive funds under this category.

➢ Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with the Federal Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Army Corps of Engineers (ACE), or other Federal or State sources, or private sources, including, but not limited to insurance payments.

➢ Any eligible CDBG activity for which a waiver has been issued by HUD.

**Funds Provided for Planning and Redevelopment Activities**

➢ Only projects located within counties designated as eligible for FEMA Public Assistance (FEMA PA) can receive funds under this category.

➢ Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with the Federal Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Army Corps of Engineers (ACE), or other Federal or State sources, or private sources, including, but not limited to insurance payments. Any eligible CDBG planning activity or planning activity for which a waiver has been issued by HUD.
Funds Provided for Infrastructure and Facilities Activities as the non-Federal match to carry out CDBG-DR eligible activities jointly funded by other Federal agencies.

- Only projects located within counties designated as eligible for FEMA Public Assistance Program (FEMA PA) can receive funds under this category.
- Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with the Federal Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Army Corps of Engineers (ACE), or other Federal or State sources, or private sources, including, but not limited to insurance payments.
- CDBG-DR funds from the HUD disaster appropriation may be used for up to the 25 percent required local match for public assistance projects funded under FEMA, or as the non-Federal match requirement needed to carry out CDBG-DR eligible activities funded by any other Federal agency(ies).
- Eligible Infrastructure Activities may include, but are not limited to:
  - Water/sewer treatment facilities and including storm sewer
  - Flood control mitigation projects
  - Streets and sidewalks
  - Boardwalks and other coastal infrastructure
  - Public Utilities
  - Other public infrastructure as needs are identified and in consultation with the State to determine eligibility.

Funds Provided for Infrastructure Bank

- Only projects located within counties designated as eligible for FEMA Public Assistance Program (FEMA PA) can receive funds under this category.
- Any appropriation covered by this Plan (Public Law 113-2) shall be reviewed for compliance with the Federal Duplication of Benefits guidelines at 42 U.S.C. 5155, which specifically prohibits the use of funds for activities reimbursable by, or for which funds have been made available by FEMA, the Army Corps of Engineers (ACE), or other Federal or State sources, or private sources, including, but not limited to insurance payments.
- Eligible Infrastructure Activities may include, but are not limited to:
  - Water/sewer treatment facilities and including storm sewer
  - Flood control mitigation projects
  - Streets and sidewalks
  - Boardwalks and other coastal infrastructure
  - Public Utilities
  - Other public infrastructure as needs are identified and in consultation with the State to determine eligibility.
5. State and Local General Administration

State and local general administration will typically include staff, equipment, consultant, and other operating costs involved in selection, funding, assisting, and monitoring local projects, detailed quarterly reporting to HUD, documentation of adherence to all laws, and other expenses.

At this time the State anticipates allocating up to $85.7 million from its first allocation of CDBG-DR funds to State and Local General Administration. This may include efforts to provide technical assistance, public education, working within existing administrative infrastructure, and expanding on already existing programs to create the greatest efficiency for minimizing administrative costs. However, the exact allocation will be dependent upon the total number of eligible activities identified and the total amount of funding approved for all other eligible activities.

Actual expenses up to 5 percent of all CDBG-DR disaster funds received by the State may be allocated to this activity. Recipients (i.e. sub-grantees and subrecipients) will be strongly encouraged to minimize their administrative costs so that the amount available for program activities will be maximized. To promote this goal, the amount of allowable Recipient administrative costs will be capped at a reasonable amount for each of the various activity categories (i.e. housing repair, economic development, community planning, public infrastructure), but will not exceed 5 percent for any of the categories.

For the initial request of funds, OCR is requesting $25 million in CDBG-DR assistance to address State and Local administrative costs. It is anticipated that of the total amount requested, an appropriate proportion will be provided to the UGLGs and Subrecipients administering the activities on the State’s behalf. It is expected that the initial costs incurred by these entities will include program start-up, programmatic environmental reviews as required, implementation of agreements with contractors and non-profit entities, and general day-to-day administrative costs. The State expects that the UGLGs and Subrecipients will bill for both direct administrative costs and indirect costs as identified in an approved indirect cost allocation plan to be submitted to the OCR.

The remaining balance of funds will be used by the State to cover pre-agreement costs incurred to date for preparation of the Action Plan, guidance documents, and agreements with contracting partners; costs associated with implementation software; programmatic environmental review for State-administered funds; and to address day-to-day administrative costs for the CDBG-DR program. Costs for the State will be billed both as direct costs and indirect costs following the State’s current indirect cost allocation plan on file with HUD.
A. Eligible Administrative Costs:

Generally, these are administrative costs associated with salaries, wages, and related costs of the grant recipient’s staff, the staff of local public agencies, or other staff, including consultants and subrecipients engaged in program administration for the awarded NYS CDBG grant award,

- Providing local officials and citizens with information about the CDBG funded project;
- Internal meetings for general program administration and review that is not related to program delivery activities;
- Preparing program budgets and schedules, and amendments thereto;
- Developing systems for assuring compliance with CDBG program requirements;
- Costs associated with the Environmental Review Record for the overall program, including the release of funds;
- Preparing for Requests for Proposals (RFP) with consultants for grant administration or other related work and Requests for Qualifications (RFQ);
- Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
- Monitoring program activities for progress and compliance with the program requirements;
- Preparing reports and other documents related to the program for submission to OCR regarding the grant;
- Coordinating the resolution of audit and monitoring findings;
- Evaluating program results against state objectives;
- Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above;
- Costs incurred for official business travel in carrying out the program and administrative services performed under a third party contract;
- Purchase of capital equipment, such as file cabinets, and used exclusively for CDBG grant administration; and
- Training on CDBG grant administration requirements
B. Eligible Program Delivery Costs:

In addition to administrative costs, UGLGs, Subrecipients, and the State can also request funds for specific program delivery costs. These costs are not subject to the 5% administration cap and are generally costs that can be attributed directly to the delivery of the specific proposed activities. These activities include:

For housing activities, these activities can include:
- Marketing grant activities;
- Services verifying client eligibility, applicant in-take and processing;
- Providing education or counseling to beneficiaries;
- Preparation of site specific environmental review and environmental assessment such as SHPO determinations, well testing or phase 1 archaeology;
- Development of construction specifications, bid preparation and contracting;
- Compiling cost data on individual housing units receiving CDBG assistance;
- Construction monitoring and on-site monitoring;
- Payment processing;
- Filing fees and related legal expenses;
- Engineering and/or architectural fees;
- Monitoring;
- Client/contractor troubleshooting
- Any other professional services required to deliver the program

Economic Development program delivery these activities can include
- Marketing grant activities;
- Services verifying client eligibility;
- Providing education or counseling to beneficiaries;
- Preparation of site specific environmental review and environmental assessment such as well testing or phase 1 archaeology;
- Preparation of loan closing documents, all costs associated with perfecting security, repayment processing, loan disbursement;
- Professional service fees including engineering and architectural fees required to deliver the program and review of project documentation, etc.
- Legal expenses related to construction such as temporary or permanent easements and filing fees;
- Any required building or regulatory permit or fees associated with regulatory compliance;
- Development of construction specifications, bid preparation and contracting;
- Labor standards compliance work including completion of required on-site employee interviews, verifying and reviewing certified payrolls;
- Client/contractor troubleshooting;
- Any other professional services required to deliver the program;

Public Infrastructure and Public Facility program delivery these activities can include:
- Marketing grant activities;
- Services verifying client eligibility;
- Providing education or counseling to beneficiaries;
➢ Preparation of site specific environmental review and environmental assessment such as well testing or phase 1 archaeology;
➢ Legal expenses related to construction such as temporary or permanent easements and filing fees;
➢ Any required building or regulatory permit or fees associated with regulatory compliance;
➢ Labor standards compliance work including completion of required on-site employee interviews, verifying and reviewing certified payrolls;
➢ Development of construction specifications, bid preparation and contracting;
➢ Professional service fees including engineering and architectural fees required to deliver the program;
➢ Client/contractor troubleshooting;
➢ Any other professional services required to deliver the program;
6. Promoting high quality durable, energy efficient and mold resistant construction methods

All newly constructed multi-family and single-family housing must meet the State Building Code and all locally adopted and approved building codes, standards and ordinances. All newly constructed housing must also meet the requirements of the State Energy Code, based on the 2009 International Energy Conservation Code.

All single- and multi-family housing activities involving rehabilitation and/or mitigation must meet the State Building Code and all locally adopted and approved building or housing codes, standards or ordinances. The State Building Code under the direction of the New York Department of State has adopted the 2006 International Building Code and related International Codes (plumbing, mechanical, etc). In addition, to the extent practicable, construction methods will be required to include the use of mold resistant construction methods and materials. Finally, as per HUD guidance (FR-5696-N-01), New York’s Action Plan must account for and address sea level rise. New York will incorporate, where applicable, appropriate mitigation measures and floodplain management throughout proposed programs.

All new construction of residential buildings or replacement and/or reconstruction of substantially damaged buildings must incorporate Green Building Standards; and rehabilitation of non-substantially damaged buildings must follow guidelines in the HUD CPD Green Building Retrofit Checklist. Any construction subject to the Green Building Standards must meet an industry-recognized standard and achieved certification under at least one of the following programs:

- ENERGYSTAR
- Enterprise Green Communities
- LEED
- ICC-700 National Green Building Standard
- EPA Indoor AirPlus
- Any other equivalent comprehensive green building program approved by the OCR.

By utilizing the 2006 International Codes and the 2009 International Energy Conservation Code, the state maintains a robust Building and Energy Code that reflects current construction technology and practice and facilitates a significant level of building resilience and energy efficiency. Indeed, the current State Building Code provides substantially higher elevation requirements than Base Flood Elevation for most residential buildings (BFE plus 2’); a standard that continues to provide significant resilience and protections for newly constructed homes inside the flood plain. However, the state will also monitor ongoing construction and reconstruction efforts to determine if changes to the state codes are necessary to facilitate higher building resilience and efficiency. Also, the state is developing a public awareness campaign to promote increased building resilience, as well as an educational initiative to instruct regulators, design professionals, builders and developers regarding requirements and methods of building resilience and energy efficiency.
7. Provision of adequate, flood resistant housing for all income groups that lived in the disaster impacted areas

As outlined in this Action Plan, the State of New York may provide a portion of its initial CDBG-DR supplemental appropriation for affordable single-family and multi-family housing activities, including rehabilitation, mitigation, and direct buyout assistance in the impacted areas.

New York has a broad array of programs and initiatives to serve individuals with special needs, including the elderly and frail elderly, persons with disabilities, those who are chronically homeless, in danger of becoming homeless, or are making the transition to permanent housing and independent living. Homeless shelters and transitional housing units impacted by the flood will be eligible for assistance through CDBG-DR funds, if these facilities were located outside the 100-year-flood plain. If they were within the 100-year-flood plain the facilities will be eligible for assistance to rebuild outside the flood plain.

The State of New York’s 2011-2015 Consolidated Plan, approved by HUD in December, 2010 identifies specific strategies and actions that the State takes to address a variety of housing needs for low- and moderate income-persons, the at-risk population group, as well as those with special needs (e.g., elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addictions and person diagnosed with HIV/AIDS). There is a need for a wide variety of housing options ranging from independent living to supported independent living to group settings to specialized care. Beyond the bricks and mortar is the need to blend required support services with the appropriate affordable housing options. All of these issues will need to be considered as we rebuild our communities following recent storm damage.

All new construction and rehabilitation must keep in mind the needs of the potential occupants of the units, particularly the needs of those with special needs. Lead Centers of Government (COG) and entitlement cities may be required to work with nonprofit agencies as well as persons providing housing to special needs individuals and groups to ensure that their housing is replaced or rehabilitated in a manner appropriate to their needs.
8. **Method of Allocation**

Through a coordinated outreach effort between NYS HCR, FEMA, the New York State Department of Homeland Security and Emergency Services (DHSES), county and local governments, and other interested parties, New York has developed a list of potential activities to be funded using this allocation of CDBG-DR funding, as described earlier in this Action Plan. The State intends to use the following methodology to allocate CDBG-DR funds within eligible activities.

New York State will allocate its CDBG-DR funds in two ways.

As with its annual non-disaster CDBG allocation, the State will allocate a portion of these CDBG-DR funds directly to Units of General Local Government (UGLG) to assist in administering and delivering housing assistance to eligible residents with a documented unmet need. As of this writing, the State is far along in discussions with representatives of both Nassau and Suffolk Counties regarding the arrangements necessary to enter into contractual agreements that will ensure prompt and efficient delivery of CDBG-DR assistance to eligible residents.

The process by which the State will provide these funds to UGLGs is as follows:

1. The State has developed a program design and will provide specific guidance on administering these funds so that the State’s housing assistance program is consistently administered across municipal boundaries and to ensure fairness among Recipients.
2. UGLGs will receive CDBG-DR allocations on a non-competitive entitlement basis, based on an assessment of unmet need within each county for these activities.
3. The OCR through the HTFC will enter in sub-grantee agreements with the UGLGs.
4. UGLGs must follow a citizen participation plan as required by the OCR.
5. UGLGs may administer housing assistance activities directly or may enter into subrecipient agreements with eligible subrecipient entities to assist in the administration of the CDBG DR housing assistance activities. In either case, all funds will be distributed through the OCR and the OCR will retain control of access to the DRGR system, processing of payments, reporting, and authorization of commitment of funds. UGLGs and/or their subrecipients will be responsible for all housing assistance case management and grant administration activities, in accordance with all OCR provided guidance, rules and regulations.
6. The OCR will work closely with each UGLG to ensure a sufficient level of administrative and staff capacity to delivery resources in a timely manner, to ensure all funds are expended in the time allotted for this grant.
7. Unused funds in the program, if any, will be re-allocated based on demand from other UGLGs and the State administered activities.
For those funds not distributed to UGLGs (i.e. economic development) New York has opted to undertake activities directly. The State may administer these resources in one of the following ways:

1. The OCR may undertake activities directly utilizing internal resources to administer and monitor funds.
2. The OCR through the HTFC may enter into interagency agreements with other eligible State agencies and/or authorities. Under this scenario, all funds will still be distributed through the OCR and the OCR will retain control of access to the DRGR system, processing of payments, reporting, and authorization of commitment of funds.
3. The OCR through the HTFC may enter into subrecipient agreements with eligible subrecipient entities to administer portions of the CDBG DR funds. As with the previous scenario, the OCR will retain control of all aspects of DRGR setup, payment processing, reporting, and commitment of funds.
4. The OCR through the HTFC may enter into contractual agreements with consultants and/or contractors to provide administrative and program delivery services. The OCR would follow proper procurement to obtain the services of the consultants and/or contractors. The OCR would retain control of selection of recipients and all other aspects of administration and the consultant and/or contractor would provide general administrative assistance.

Any or all of the above methods of allocation are subject to change to ensure an efficient and timely distribution and expenditure of funds in the time allotted for this grant. Any such changes will be subject to the terms of Section 11, Amendments to the Disaster Recovery Plan, of this Action Plan.
9. Tracking and Reporting of Program Performance

The performance of recovery programs and projects will be tracked and monitored using both program specific operational dashboards and recovery level technical solutions.

Operational dashboards will be developed for each recovery program and will provide program leads the opportunity to share progress to date against quantitative targets. Dashboards will provide a singular view of program status and in addition will outline forecasted risks that must be avoided, key next steps and upcoming activities. Major program milestones as outlined in the Tactical Implementation Plans will also flow through to the operational dashboards to ensure stakeholders are aligned on critical dates. For the housing programs specifically, operational dashboards will monitor critical operational metrics like number of grants written per case worker, number of homes waiting for construction, and number of homes repaired to ensure a customer centric view of recovery delivery.

In order to ensure that the right people are getting the information they need, these dashboards will be updated semi-weekly and reviewed in a weekly Sandy Recovery Team meeting. In the event that projects or activities fall behind schedule, this dashboard will quickly inform State leadership of any issues that put at risk the State’s goal of delivering funds as quickly as possible.

In addition to operational management tools, NYS will develop an online recovery planning tool that will monitor the progress of each project across funding sources. On a project by project basis this planning tool will outline key information including project status, project owner and recovery funds spent to date to give NYS leaders the information they need to track and monitor every project and every dollar spent. This tool will be updated on a regular basis and will be made available to all Sandy stakeholders to ensure that information is consistent and accurate.

In order to ensure an expenditure of funds within the required two-year period, New York State is including strict guidance in its agreements with subrecipients and subgrantees. It is expected that the term of any agreement will commence upon approval of the State’s Action Plan with HUD. Each subrecipient and subgrantee will be expected to meet specific milestones including, but not limited to, a commitment of 75% of the funds within 12 months of the start of the term, and a commitment of 100% of the funds within 18 months of the award. Failure to meet these obligations may result in a reallocation of funds to other entities. All activities will begin upon HUD’s approval of the use of funds and will conclude two years after that time; approximately April, 2015.
10. Proposed Distribution of Funds

New York State, in consultation with county and local governments and other stakeholders, is currently evaluating all data available to make the best determinations on the distribution of these CDBG-DR funds. This determination will be based, in part, on FEMA and SBA data as well as on pre-registrations currently being collected for housing and economic development assistance throughout the affected areas. The actual distribution of funds within specific affected areas will be dependent upon the unmet needs identified. However, FR Notice FR-5696-N-01 and FR-5710-N-01 requires that a minimum of 80% of the State’s allocation be allocated to the most impacted and distressed counties of Nassau, Suffolk, Westchester and Rockland. The remaining 20% may be allocated to all other eligible counties in addition to the three identified by HUD as most impacted.

The following chart summarizes preliminary estimated expenditure of the full amount of the initial allocation of NYS CDBG-DR Funding by category and location (actual expenditure will be determined by applications for assistance based on eligible needs that are submitted by individuals, businesses and others within these counties, and may vary from the figures below):

<table>
<thead>
<tr>
<th>Category ($ in millions)</th>
<th>Total Amount</th>
<th>Nassau County</th>
<th>Suffolk County</th>
<th>Rockland County</th>
<th>Westchester County</th>
<th>Other or to be allocated*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$838</td>
<td>$606</td>
<td>$135</td>
<td>$4</td>
<td>$2</td>
<td>$91</td>
</tr>
<tr>
<td>Economic Development</td>
<td>$415</td>
<td>$289</td>
<td>$114</td>
<td>$2</td>
<td>$10</td>
<td>$0</td>
</tr>
<tr>
<td>Infrastructure/Facilities (FEMA Match)**</td>
<td>$300</td>
<td>$64</td>
<td>$28</td>
<td>$2</td>
<td>$9</td>
<td>$198</td>
</tr>
<tr>
<td>Infrastructure bank</td>
<td>$20</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$20</td>
</tr>
<tr>
<td>Resilience Retrofit Fund</td>
<td>$30</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$30</td>
</tr>
<tr>
<td>Planning</td>
<td>$25</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$25</td>
</tr>
<tr>
<td>Administration***</td>
<td>$86</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$86</td>
</tr>
<tr>
<td>Total</td>
<td>$1,714</td>
<td>$982</td>
<td>$282</td>
<td>$7</td>
<td>$21</td>
<td>$422</td>
</tr>
</tbody>
</table>

* Specific allocation amounts to all other counties will be determined as unmet need is identified
** Infrastructure/Facilities match includes region-wide infrastructure projects that are not allocated to specific counties (including MTA and LIPA)
***The total amount for Administration to be allocated to the specific counties will be dependent upon the actual allocation of resources to those counties and the administrative needs identified. However, under no circumstances will the total allocation for Program Administration exceed 5% of the overall allocation.
****It is anticipated that as the State continues to identify needs, the State will either allocate these funds to existing programs to continue to address those needs or will establish other programs that will address other needs.

The above table describes New York State’s plan for the full $1.7B initial allocation. Like a line of credit for an individual or business, the State will pursue incremental obligation of its allocation from HUD against the above allocations as it prepares to
spend those funds, rather than drawing the full $1.7B allocation at once. As additional funds are needed to administer programs described in this plan, the State will submit updated requests to HUD for this incremental obligation of these funds against the full allocations. Where applicable and warranted, the State will proceed according to the guidelines for a substantial amendment to the Action Plan in advance of submitting these additional funding requests to HUD.

Under this initial incremental obligation, New York State is anticipating the following allocations:

<table>
<thead>
<tr>
<th>Category ($ in millions)</th>
<th>Total Amount</th>
<th>Nassau County</th>
<th>Suffolk County</th>
<th>Rockland County</th>
<th>Westchester County</th>
<th>Other County Allocation***</th>
<th>Multi-Jurisdictional ****</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$280</td>
<td>$215</td>
<td>$48</td>
<td>$1</td>
<td>$1</td>
<td>$15</td>
<td></td>
</tr>
<tr>
<td>Economic Development</td>
<td>$180</td>
<td>$125</td>
<td>$50</td>
<td>$1</td>
<td>$4</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Infrastructure/Facilities (FEMA Match)**</td>
<td>$150</td>
<td>$38</td>
<td>$17</td>
<td>$1</td>
<td>$5</td>
<td></td>
<td>$89</td>
</tr>
<tr>
<td>Infrastructure bank</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Resilience Retrofit Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
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<tr>
<td>Planning*</td>
<td>$5</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration***</td>
<td>$25.0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set-aside for future allocation*****</td>
<td>$1,074</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Obligation</td>
<td>$640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,714</td>
<td>$378</td>
<td>$115</td>
<td>$3</td>
<td>$10</td>
<td>$15</td>
<td>$89</td>
</tr>
</tbody>
</table>

* The total amount for Planning to be allocated within the specific counties will be dependent upon the selection of the communities for the CRZ funds.

** The total amount for Administration to be allocated to and within the specific counties will be dependent upon the actual allocation of resources to those counties and the administrative needs identified. However, under no circumstances will the total allocation for Program Administration exceed 5% of the overall allocation.

*** Other County Allocation – at this time New York State has identified varying levels of need in Counties outside of the most impacted counties. As the needs for these areas are further defined, New York State will identify specific allocations to be made within the other counties.

**** Multi-jurisdictional projects include projects that cannot be directly allocated to a specific municipality. These may include funding for projects such as the Long Island Railroad, Metropolitan Transit Authority.

*****It is anticipated that as the State continues to identify needs, the State will either allocate these funds to existing programs to continue to address those needs or will establish other programs that will address other needs.
11. Development of the Proposed Disaster Recovery Plan

Prior to the submittal of the initial Disaster Recovery Action Plan to the United States Department of Housing and Urban Development (HUD), public notices including a summary of the proposed plan will be made available for public review through statewide distribution providing an opportunity for citizens to comment. The proposed Action plan will be available, at a minimum, through the NYS Homes and Community Renewal (HCR) website at. The State will identify a deadline for the submittal of written comments of at least seven (7) days on the proposed plan as published on the website. More information on the citizen participation plan for disaster recovery can be found in Section 12, New York State Citizen Participation, of this Action Plan.
12. **Amendments to the Disaster Recovery Plan**

A substantial amendment to the Action Plan may be defined as:

- Addition or deletion of any allowable activity (e.g., Housing Assistance, Business Assistance, Public Facilities/Infrastructure) described in the Plan;
- An allocation or reallocations of more than $1 million

Only those amendments that meet the definition of a substantial amendment are subject to the citizen participation process previously identified herein. Substantial amendments are defined as those which eliminate or add a program category or activity, exclude a previously defined geographical area, or involve a change of beneficiaries.

A summary of the proposed substantial amendment will be published on the HCR website. Copies of the proposed substantial amendment will be distributed via the website and, citizens will be informed for how copies of the proposed substantial amendment can be obtained. A copy of the proposed substantial amendment may also be reviewed in the Office of Community Renewal. The State will identify a deadline for the submittal of written comments on the proposed substantial amendment; that timeframe will allow no less than seven (7) calendar days and a maximum of 30 calendar days depending on the urgency of the substantial amendment proposed. Written comments may be submitted to the Office of Community Renewal, The Hampton Plaza, 38-40 State Street, 9th Floor, Albany, NY 12207-2804. A summary of all comments received and the State’s response to the comments will be attached to the substantial amendment to the Disaster Recovery Plan and submitted to HUD.

Localities will be allowed to amend projects through a “minor amendment” process if the proposed changes are minor and do not materially change the project (generally defined as 10 percent budget line-item change, or 10 percent change in beneficiaries). This provision should not be construed as allowing the general administrative budget to exceed the allowable limit.
13. New York State Citizen Participation

The State of New York developed a specific citizen participation plan for disaster recovery. The plan includes citizen participation requirements both for the State as well as for the Counties and other entities implementing activities under this grant. The State will employ innovative methods to communicate with our citizens and to solicit their views on the proposed uses of disaster-recovery funds. As part of this outreach, New York Homes and Community Renewal will prominently post its Disaster Recovery Action Plan, any Action Plan amendments, and any comments received to its website. The State will also work with its government partners, including Nassau, Suffolk and Rockland Counties, as well as others, to cross-post and promote the availability of these items on their publicly accessible websites to ensure broad promotion and notification of these plans. In addition, advocacy groups will be notified when the Action Plan and any amendments are posted. Through blast e-mails, various groups and municipalities will be notified to ensure interested parties have sufficient time to review and comment on the Plan, or related amendments. These comments and the State’s response to the comments will be made a part of the Action Plan and Amendments to the plan. The Disaster Recovery Action Plan and Amendments will be published on the Homes and Community Renewal website, http://www.nyshcr.org/Publications/, for review and comments.

The State will consider any comments or views received in writing on the Action Plan and Amendments. Comments should be mailed to:

New York State Homes and Community Renewal
Attention: Alison Russell
The Hampton Plaza, 2nd Floor
38-40 State Street
Albany, New York 12207-2804

Comments may also be e-mailed to HCRConPln@nyshcr.org.

Comments must be received by close of business on Tuesday, March 19, 2013.

The Action Plan will be made accessible to persons with disabilities upon request by telephone or written request to the:

New York State Homes and Community Renewal
Office of Community Renewal
The Hampton Plaza, 9th Floor
38-40 State Street
Albany, New York 12207-2804
Telephone (voice) – (518) 474-2057

In order to facilitate citizen participation requirements and to maximize citizen interaction, the State will take whatever actions are necessary to encourage participation by all citizens, especially those of low-and moderate-income, those living in slum and
A. Citizen Participation Requirements for Local Governments Participating in the CDBG-DR Program

To ensure applicant compliance with Section 508 of the Housing and Community Development Act of 1974, as amended, the citizen participation requirements for units of general local government (UGLG) applying for or receiving Disaster Recovery funds from the State are as follows:

Each applicant shall provide citizens with adequate opportunity to participate in the planning, implementation, and assessment of the CDBG program. The applicant shall provide adequate information to citizens, obtain views and proposals of citizens, and provide opportunity to comment on the applicant's previous community development performance.

All UGLGs which receive CDBG-DR funds must have a written and adopted Citizen Participation Plan which:

1. provides for and encourages citizen participation, with particular emphasis on participation by persons of low- and moderate-income who are residents of slum and blighted areas and of areas in which funds are proposed to be used;
2. provides citizens with reasonable and timely access to local meetings, information, and records relating to the State's proposed method of distribution, as required by regulations of the Secretary, and relating to the actual use of funds under Title I of the Housing and Community Development Act of 1974, as amended, and the unit of local government's proposed and actual use of CDBG funds;
3. provides for technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;
4. provide for the review of proposed activities and program performance by potential or actual beneficiaries, and with accommodations for the disabled;
5. provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
6. identifies how the needs of non-English speaking residents will be met where a significant number of non-English speaking residents can be reasonably expected to be involved;
7. Establishes procedures and policies to ensure non-discrimination, based on disabilities, in programs, and activities receiving Federal financial assistance as required by Section 504 of the Rehabilitation Act of 1973, as amended.

The plan must be made available to the public and must include procedures that meet the following requirements:

B. Performance Hearings

Prior to close out of the disaster recovery program, the UGLG and State subrecipients may be required to hold a public hearing to obtain citizen views and to respond to
questions relative to the performance of the program. This hearing shall be held after adequate notice, at times and locations convenient to actual beneficiaries and with accommodations for the disabled and non-English speaking persons provided.

Written minutes of the hearings and attendance rosters must be kept for review by State officials. Nothing in these requirements shall be construed to restrict the responsibility and authority of the applicant for the development of the application.

C. Complaint Procedures

Each UGLG, State Agency/Authority, or Subrecipient funded with CDBG-DR funds must have written citizen and administrative complaint procedures. The written Citizen Participation Plan must provide citizens with information relative to these procedures or, at a minimum, provide citizens with the information relative to the location and hours at which they may obtain a copy of these written procedures.

All written citizen complaints which identify deficiencies relative to the UGLG, State Agency/Authority or Subrecipient’s community development program will merit careful and prompt consideration. All good faith attempts will be made to satisfactorily resolve the complaints at the local level. Complaints must be filed with the Chief Elected Official, Agency Head, or Executive Director who will investigate and review the complaint. A written response from the Chief Elected Official, Agency Head, or Executive Director to the complainant will be made within 15 working days, where practicable. A copy will be forwarded to the Office of Community Renewal.

The complainant must be made aware that if she or he is not satisfied with the response, a written complaint may be filed with the Office of Community Renewal. All citizen complaints relative to Fair Housing/Equal Opportunity violations involving discrimination will be forwarded to the following address for disposition: Office of Fair Housing and Equal Opportunity, The Hampton Plaza, 38-40 State Street, Albany, NY 12207-2804.

The Plan must also state that persons wishing to object to approval of a Disaster Recovery application by the State may make such objection known to the Office of Community Renewal in writing. The State will consider objections made only on the following grounds:

1. The applicant's description of needs and objectives is plainly inconsistent with available facts and data;
2. The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; and
3. The application does not comply with the requirements set forth in the Disaster Recovery Plan and amendments to the plan or other applicable laws.

Documentation must be kept at the local level to support compliance with the aforementioned requirements.
14. Overview of Allocations and Program Delivery

These funds will be used for eligible disaster related activities supporting housing rehabilitation, rebuilding, mitigation, economic revitalization, community planning and infrastructure repair and improvements relating to the disasters of 2011 and 2012.
15. Project Area

The NYS CDBG-DR project area includes those counties previously identified in this document, in New York State, that received Federal disaster declarations as a result of Hurricane Sandy, as well as Hurricane Irene and Tropical Storm Lee, as determined by HUD damage estimates based on FEMA and SBA inspection data and further refined by NYS data. Areas eligible for assistance include non-entitlement communities within those Counties and entitlement areas not already receiving direct assistance under this program.
16. Avoidance & Mitigation of Occurrences of Fraud, Abuse & Mismanagement

1. **Staffing:**
   Current non-disaster CDBG programs are administered by seven project staffers with ancillary support staff. The OCR is currently formulating a CDBG-DR specific staffing plan that will provide proper staff levels to ensure that all activities undertaken using these funds are administered effectively and efficiently, in accordance with all applicable rules and regulations, and in the time allotted for this grant. The OCR is also reviewing other options, including but not limited to working with staff in other State divisions, agencies, and authorities, partnering with local governments, working with non-profit and for-profit subrecipients and/or contracting with consultants to assist in the administration of the program.

   In addition, the OCR is working with each of the most impacted counties to review options for increasing local administrative capacity including, but not limited to hiring additional staff, partnering with eligible subrecipient entities and/or contracting with consultants to assist in the administration of the program.

2. **Timeliness:**
   CDBG-DR funds must be expended within two years from the date the funds are obligated by HUD. It is anticipated that the State will fully obligate and distribute the funds within this deadline.

   To ensure that the State delivers against this important goal, it will put in place three critical processes. First, the State will develop a Recovery Management Office (RMO) or similar entity that has the mandate and authority to deliver recovery programs on time and on budget. This organization will be comprised of senior leaders responsible for leveraging state resources to most efficiently deliver recovery programs. This team has already begun to strategically prioritize projects, so that on the first day funds are obligated, the State can begin disbursing them. The RMO will also monitor progress on a project by project basis through both detailed operational dashboards and Tactical Implementation Plans (TIPs) that will establish clear project timelines as well as highlight projects that fall behind schedule. The RMO will have the mandate, the people and tools it needs to successfully drive a successful recovery. Second, the State will develop an online project tracking database, that will outline project-level details and status updates. This tool will improve public transparency and drive accountability for delivering disaster projects on time. Finally, the State will deliver regular recovery status reports, to inform the Federal government, local partners and the public to recovery progress. This three-pronged approach, will position the State to meet the two year disbursement deadline.

3. **Program Income:**
   At this time, the State anticipates generating program income through the economic development activities funded with CDBG-DR funds. All program income generated will be returned to the Housing Trust Fund Corporation (HTFC). Upon receipt, the
HTFC will allocate the Program Income to its annual allocation of CDBG funding. These funds will cease to be considered Disaster Recovery funds and will be subject to all standard CDBG regulations. Any program income generated will be governed by the program income guidance provided in Federal Register Notice FR-5696-N-01, March 5, 2013.

4. **Procurement:**
   All UGLGs, State Agencies/Authorities or subrecipients of NYS CDBG-DR assistance must demonstrate compliance with Federal Procurement guidelines as found at 24CFR85.36.

5. **Anti-Displacement and Relocation:**
   All UGLGs, State Agencies/Authorities or Subrecipients of NYS CDBG-DR funds will be expected to minimize displacement of persons or entities and assist those displaced as a result of the disasters. If an individual person or entity is displaced as a result of the NYS CDBG-DR investment, the State will provide assistance as required through the Uniform Relocation Act Requirements.

   Efforts to conduct voluntary buyouts for destroyed and extensively damaged buildings in a floodplain may not be subject to all provisions of the Uniform Relocation Act requirements.

6. **Prevention of Duplication of Benefits:**
   For all public infrastructure, housing, and economic development activities, funded in whole or part with NYS CDBG-DR Funds, the OCR will work directly with UGLGs, State Agencies/Authorities or Subrecipients and FEMA and other applicable Federal and State agencies that may provide recovery funds to the project in order to avoid duplication of benefits. Sources of recovery funds may include, but not be limited to, the following: FEMA Individual Assistance, FEMA Public Assistance, SBA Disaster Loans for Businesses and Homeowners/Renters, NYS Homeownership Repair and Rebuilding Fund (HRRF) and the Empire State Relief Fund (ESRF). For both the housing and small business assistance programs to be funded with NYS CDBG-DR, the OCR will be providing written policies and procedures, including all necessary forms and reporting documents, to all sub-grantees, subrecipients, contractors, partners, etc., for their use in the calculation and determination of duplication of benefits. In any case where a duplication of benefits is identified, the OCR will work directly or in conjunction with its sub-grantees, subrecipients, contractors or other partners to ensure the recapture of awarded funds.

7. **National Objective:**
   All activities undertaken with NYS CDBG-DR funds must meet one of the following three National Objectives; address urgent need, primarily benefit low- to moderate-income (LMI) persons, or address slums and blighted conditions, as identified in the Housing and Community Development Act of 1974.

   At least 50 percent of the CDBG-DR funds awarded to New York State under this allocation must be used for activities that meet the National Objective of primarily benefiting LMI persons. To ensure compliance with this requirement, the State,
along with its sub-grantees, subrecipients, contractors and other partners will take the following steps:

For housing related activities, the State may prioritize assistance through its application and eligibility review process to eligible low- to moderate-income households, identified as those at or below 80% of area median income (AMI), using HUD’s 2013 income guidelines in determining AMI. The OCR has been working with each of the most impacted counties identified by HUD to determine the extent of damage sustained within primarily low- to moderate-income areas, and will work with each county to direct all necessary assistance to these areas.

While serving eligible LMI households will be the State’s priority, our assessment of need demonstrates that the impact of these disasters extends far beyond predominantly LMI neighborhoods. Therefore, the State will also work to qualify households above 80% of AMI under the National Objective of urgent need, where there exists a documented unmet need resulting from one of these storms. Doing so will ensure assistance is provided to as many households as possible, and contribute to holistic community recovery.

For small business related activities, while it is not a requirement of the CDBG-DR program to document the family incomes of those who benefit from the creation or retention of jobs under this assistance, the OCR will require salary ranges to be report for all positions created or retained as a result of our small business assistance programs. Doing so will ensure a more accurate reporting of the populations benefitting from assistance under these activities and contribute towards the required 50% expenditure threshold.

The State and its partners will closely monitor the actual expenditure of funds and benefiting populations throughout the administration of all activities under this grant to ensure we meet or exceed the required 50% expenditure threshold.

8. **Access to Records:**
The State will provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records relating to the State’s CDBG-DR Action Plan and the State's use of assistance under the programs covered by the Action Plan during implementation. All requests for such information should be directed to the appropriate agency administering each program.

9. **Independent Internal Audit and Investigations:**
The State assures compliance with the requirements of OMB Circulars A-122 and A-133 through independent internal audit and will provide results of all audits to the Federal Clearinghouse, HUD, the State, the Governor’s Office and others as requested and as appropriate. The HTFC employs a full-time Office of Internal Audit staff, and the State has enlisted the support of the auditing firm Price Waterhouse Coopers to assist in the oversight of the design and implementation of the CDBG-DR Programs. More information about this can be found in the State’s Certification of Proficient Controls, Processes and Procedures, submitted in conjunction with this Plan. Outside of the agency level, the NYS Office of the State Comptroller (OSC) is
an independent audit agency with authority to conduct audits, reviews and evaluations of State agencies and public benefit corporations under Articles V and X of the NYS Constitution. The Housing Trust Fund Corporation will fully cooperate with all audits and reviews of these programs and OSC will cooperate with HUD on any inquiries it may initiate.

10. Citizen Complaints:
The State shall respond to complaints from citizens related to the Disaster Recovery Plan or amendments, and quarterly reports. Written complaints must be directed to the Office of Community Renewal who will further direct the complaint to the appropriate agency as necessary. The State will provide a timely, substantive written response to the complainant within 15 working days, where practicable. All Recipients of funds from NYS (i.e. sub-grantees and subrecipients) will be required to adopt these procedures for responding to citizens’ complaints regarding activities carried out by the Recipient.

11. Regulatory Requirements:
UGLGs, State Agencies/Authorities or Subrecipients must comply with fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program, as follows:

- **Fair Housing:** UGLGs, State Agencies/Authorities or Subrecipients will be required to take steps to affirmatively further fair housing; and when gathering public input, planning, and implementing housing related activities, will include participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low- and moderate-income communities.

Any activities that will be administered by the State will be conducted in accordance with the State’s Analysis of Impediments to Fair Housing Choice and the Fair Housing Plan adopted in November 2010. Most activities that will be undertaken directly by the State will not impact housing activities; however, where impacts to housing are identified any work will be conducted in accordance with Fair Housing principles. Any activities where assistance will be provided directly to an UGLG will require that UGLG to develop a Fair Housing plan and make specific efforts to affirmatively further fair housing including evaluating zoning laws etc. It is anticipated that any planning activities conducted will be required to incorporate a review of Fair Housing practices and address any concerns related to such in the plan.

At this time, the State is anticipating providing a housing assistance grant to Rockland County, and is planning to contract with a subrecipient to provide housing assistance grants in Nassau and Suffolk. The State, in consultation with HUD, will determine the method of distribution in Westchester County. Nassau, Suffolk and Rockland counties have submitted their most recent Fair Housing Plan and Analysis of Impediments to Fair Housing Choice to the State.
for review. These plans cover all municipalities within each County that currently participate in the county consortium. A review by the State of the most impacted municipalities in each of the three Counties, as identified earlier in this Plan in the Housing Needs Assessment, indicates that all are participants in their respective consortium, and therefore already in accordance with their local fair housing plan. Such participation should ensure no impediments to the timely delivery of CDBG-DR funds to these most impacted areas. Prior to allowing any assistance to be provided in areas that currently do not participate in the County Consortia, the County may be required to obtain documentation from each of the non-participating municipalities that demonstrates that they either have adopted the County’s Fair Housing Plan or that they have their own plan that meets the HUD requirements.

**Below is a summary of each of the County’s Fair Housing plans.**

**Nassau County:**
The most recent Analysis of Impediments was conducted in 2010 by Nassau County. In its assessment, the County identified 12 impediments to affirmatively furthering fair housing choice. Various activities are being undertaken to address the 12 issues including, but not limited to: Fair Housing Trainings and symposiums, improving code enforcement activities and actions, fostering economic development and transportation networks, and outreach to local community officials to alleviate opposition to fair housing activities. In addition, the plan clearly outlines the County’s procedures for investigating fair housing violations and the remedies when violations are identified.

**Suffolk County:**
Suffolk County is currently in the process of updating their Analysis of Impediments to Fair Housing Choice. At the time of this Action Plan, insufficient information on their plan has been prepared for review and inclusion in this document. However, NYS OCR will monitor the County’s progress in preparing this document and will ensure that any activities undertaken will be in compliance with the County’s revised plan.

**Rockland County:**
In February 2011, Rockland County issued its final draft of their Analysis of Impediments to Fair Housing Choice. This analysis identified the major impediments and provided descriptions of remedies. Examples of identified impediments include language barriers, lack of homeless shelters, and restrictive zoning ordinances in select municipalities. To address the concerns, the County has implemented strategies that include: securing federal funding for community development activities, expand Fair Housing activities and services such as increasing outreach and education and conducting Fair Housing testing to identify potential issues, support affordable housing production throughout the county, and ensure consistency between local zoning ordinance and Fair Housing choice. The County has identified the County’s Commission on Human Rights as the entity which is authorized to act as an agent of HUD in investigating housing discrimination complaints. In addition, the County has a detailed
complaint process which will be followed should any fair housing complaints be identified.

Throughout the administration of the grant, OCR will conduct routine monitoring visits. As part of this monitoring, OCR will review the municipality’s Fair Housing Plan and ensure that all activities are being conducted in compliance with the adopted plan.

➢ Nondiscrimination: UGLGs, State Agencies/Authorities or Subrecipients will be required to adhere to the established Federal policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG-DR funds. UGLGs, State Agencies/Authorities or Subrecipients will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

➢ Labor Standards: UGLGs, State Agencies/Authorities or Subrecipients will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations as provided at 40 U.S.C. 276a-a7 and 29CFR Part 5. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of $2,000, or residential construction or rehabilitation projects involving eight or more units are paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon Related Acts.

➢ Minority and Women’s Business Enterprises (M/WBE): UGLGs, State Agencies/Authorities or Subrecipients are required to take affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible. UGLGs, State Agencies/Authorities or Subrecipients shall take all of the following steps to further this goal:
  □ Ensure that small businesses, minority-owned firms, and women’s business enterprises are used to the fullest extent practicable.
  □ Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women’s business enterprises. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women’s business enterprises. Encourage contracting with consortiums of small businesses, minority-owned firms and women’s business enterprises when a contract is too large for one of these firms to handle individually.
  □ Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce’s Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women’s business enterprises.
  □ UGLGs, State Agencies/Authorities or Subrecipients should obtain a list of Minority and Women-owned Business Enterprises (MBE/WBE) certified firms by contacting the Empire State Development Corporation, Division of
Section 3: In accordance with the requirements under Section 3 of the Housing and Urban Development Act of 1968, as amended, UGLGs, State Agencies/Authorities or Subrecipients shall ensure that employment and other economic opportunities generated by the use of NYS CDBG funds shall, to the greatest extent feasible, be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons. Assistance covered by Section 3 includes the expenditure of NYS CDBG funds for work arising in connection with housing rehabilitation, housing construction, or other public construction projects.

Section 3 requirements are applicable to all procurement actions in excess of the small purchase threshold established at 24 CFR 85.36(d)(1), regardless of whether the procurement is governed by 24 CFR 85.36. Section 3 applies to the entire project or activity funded with assistance that triggers Section 3 requirements.

UGLGs, State Agencies/Authorities or Subrecipients receiving NYS CDBG grants that exceed $200,000 must include a Section 3 clause in all construction contracts for $100,000 or more.

Environmental: Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all UGLGs, State Agencies/Authorities or Subrecipients. Some projects will be exempt from the environmental assessment process, but all UGLGs will be required to submit a Request for Release of Funds, and Certification to the OCR. Funds will not be released for expenditure until the Departments are satisfied that the appropriate environmental review has been conducted. UGLGs will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA’s most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55. New York State will ensure that any activities conducted in the special flood hazard areas meet FEMA’s requirements to elevate above the base flood elevation as outlined in FR-5710-N-01. New York State will conduct its own environmental review and submit a request for release of funds to HUD for any activities the State undertakes on its own. As applicable, New York may adopt other Federal Agency’s environmental reviews for certain Stafford Act activities.

For any activities undertaken by the OCR, other State Agencies/Authorities or any Subrecipients, the OCR will act as the Responsible Entity and conduct all environmental reviews and submit any Requests for Release of Funds directly to HUD for review and approval.
- Lead Based Paint: All NYS CDBG-DR funded housing rehabilitation and mitigation projects must adhere to the EPA regulations at 40CFR Part 745 and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (24 CFR Part 35). These regulations must be carefully followed to ensure that exposure to lead hazards is reduced in any residential property to be rehabilitated or purchased. The regulations can be found at [www.hud.gov/offices/lead/enforcement/lshr.cfm](http://www.hud.gov/offices/lead/enforcement/lshr.cfm).

HUD has created an Interpretive Guidance that can be used to address many of the questions that have arisen as a result of the implementation of these new regulations. The Interpretive Guidance can be found at: [www.hud.gov/utilities/intercept.cfm?/offices/lead/library/enforcement/LSHRGuidance21June04.pdf](http://www.hud.gov/utilities/intercept.cfm?/offices/lead/library/enforcement/LSHRGuidance21June04.pdf)

For questions that cannot be answered through the regulations or Interpretive Guidance, Recipients should submit their questions in writing to the OCR. The OCR will respond in writing.

12. Technical Assistance & Capacity Building:

The State understands that many communities have limited capacity as they continue to recover from these storms. The State will provide Technical Assistance to communities as well as resources for communities to build their capacity to administer their disaster recovery CDBG portfolio. UGLGs, State Agencies/Authorities or Subrecipients of CDBG-DR funding will be provided assistance on regulatory compliance throughout the grant process. The goal is to provide the greatest possible autonomy to Counties while ensuring compliance with CDBG regulations. Although no formal request for technical assistance have been received from the Counties or other entities, the State is actively consulting with the Counties and its intended subrecipients on the development of the program policies and procedures as well as providing guidance on overall administration of the grants. It is anticipated that this close working relationship will continue throughout the life of the grant.

The OCR is currently expanding its existing staff and reorganizing staff to more effectively administer the grant programs. It is anticipated that OCR will hire an additional 20-30 additional staff to assist in the administration of the CDBG program. The State is also working to procure for additional consulting services to assist in the administration of the program. Finally, each of the subrecipients and UGLGs administering the program will also be expanding staff and in some instances service locations to provide better and more localized, community-based assistance to the individuals seeking funding.

Finally, through New York State Housing Trust Fund Corporation (HTFC) Technical Assistance program funded with non-federal funds, the HTFC has identified providers who are available to assist in a variety of management and administrative areas including lead based paint, general program administration, and minority and women’s business enterprises. To the extent feasible, OCR will utilize this resource and these consultants to provide specific technical assistance on an as needed basis particularly in the areas identified above.
13. Monitoring:
The State has a monitoring plan for the regular CDBG program and has developed monitoring plans for the oversight of the current disaster recovery funds being undertaken by UGLGs, other State Agencies/Authorities or Subrecipients. These plans will be revised as necessary under this new appropriation and to accommodate any waivers given to the State and other provisions cited in the legislation. Particular attention will be paid to duplication of other benefits. The OCR will ensure through its established application processes, monitoring of UGLGs, other State Agencies/Authorities or Subrecipients, and oversight by the OCR, that recipients are not receiving duplication of benefits and that funds are not used for projects or activities that are reimbursable by or for which funds have been made available by FEMA, SBA, other Federal or State supported grants, etc.

To ensure that each UGLG, other State Agency/Authority or Subrecipient of NYS CDBG-DR funds operates in compliance with all applicable Federal statutes and regulations and according to all deadlines and requirements, a monitoring strategy is in place that will closely review and monitor the project implementation of Recipients and provides extensive technical assistance for the prevention of non-compliance issues.

Records are maintained for the oversight and monitoring of each UGLG, other State Agency/Authority or Subrecipient while also requiring each UGLG, other State Agency/Authority or Subrecipient to maintain its own records to facilitate the monitoring process and for public access.

Monitoring each UGLG, other State Agency/Authority or Subrecipient requires both on-site and off-site monitoring to track the progress of the projects and compliance with all program requirements. Additionally, a technical assistance visit may be required as a result of a field visit or the identification of potential non-compliance issues.

The objectives of monitoring and reporting are to determine if UGLGs, other State Agencies/Authorities or Subrecipients:

- Are carrying out their NYS CDBG-DR projects as described in their grant agreement with the NYS Housing Trust Fund Corporation (HTFC) and have obtained and organized documentation to support all actions and national objective compliance;
- Are carrying out the project in a timely manner in accordance with the time frames required by the grant agreement;
- Are charging costs to the program or project that are eligible under applicable regulations in compliance with A-122 and/or A-133;
- Are complying with all applicable procedures, policies, laws, regulations and terms of the grant agreement;
➢ Are conducting the program in a manner which minimizes the opportunity for fraud, waste and mismanagement; and
➢ Have a continuing capacity to carry out the approved program or project.

In carrying out these objectives, the programs will be reviewed by assessing the administration of the program and compliance with program and regulatory requirements.

Monitoring activities may also include, but are not limited to the following:

➢ Compliance with Federal Register Notice FR-5628-N-01
➢ An initial assessment of the capacity and needs of each UGLG, other State Agency/Authority or Subrecipient
➢ Periodic meetings or conference calls to review all contract conditions, requirements, and procedures for requesting payments
➢ Detailed explanation of ways to improve grant administration procedures should a grantee be experiencing difficulty

HTFC must further be satisfied with compliance in the following areas:

➢ Program Administration
➢ Environmental Compliance
➢ Civil Rights Compliance
➢ Citizen Participation
➢ Conflict of Interest
➢ Financial Management
➢ Procurement
➢ Bonding Requirements and Contract Provisions
➢ Davis-Bacon Labor Standards Compliance
➢ Minority and Women’s Business Enterprise (M/WBE) Compliance
➢ Property Acquisition and Management
➢ Displacement, Relocation, and Replacement
➢ Policies and Procedures
➢ Benefit Standard

The identification of compliance problems will result in notification to the UGLG, other State Agency/Authority or Subrecipient and the setting of a deadline for response and compliance. Status shall be further monitored to insure resolution in a timely manner and continued compliance. Where warranted, suspension of CDBG-DR grant funds may occur.

**Technical Assistance**

The UGLG, other State Agency/Authority or Subrecipient must provide technical assistance to facilitate citizen participation where requested, particularly to groups representative of persons of low- to moderate-income. The level and type of technical assistance shall be determined by the UGLG, other State Agency/Authority or Subrecipient based upon the specific need of the service area.
17. Public Comments Received

Comment:
One comment was received requesting that language under the heading *Funds Provided for Housing Activities*, in regards to the eligible rehabilitation activities, be changed

From: “Replacement of destroyed housing or housing that needs to be demolished due to the severity of damage as a result of the storms”

To: “Replacement of destroyed housing or housing that needs to be demolished due to the severity of damage as a result of the storms or replacement of housing that can be demolished and rebuilt more cost effectively than elevating the existing storm-damaged structure.”

Response:
The OCR agrees with the commenter and has changed the language as identified under *Funds Provided for Housing Activities*.

Comment:
One commenter indicated that New York State needs to seek to reduce the overall benefit requirement to low- and moderate-income persons below 50% of the total grant.

Response:
The overall benefit requirement for CDBG-DR funding is specifically outlined in the Federal Register Notice (FR-5696-N-01) which identifies a reduction from the CDBG standard of 70% to 50% for CDBG-DR funds. While the notice also provides guidance on how a Recipient may seek to reduce this percentage further, the notice specifically states that this reduction will only be granted if the Secretary finds compelling need to reduce it further. At this time, NYS feels confident that the 50% overall benefit requirement can be met or exceeded within the existing parameters of the CDBG-DR program. However, if upon implementation of programs New York State determines that the 50% low- and moderate-income benefit cannot be achieved, New York State will seek a waiver to this requirement as afforded in the Federal Register notice.

Comment:
One commenter requested that the Plan clarify that non-profit organizations are eligible for economic development assistance.

Response:
Under *Funds Provided for Economic Development Related Activities*, the Action Plan clearly states that Non-Profit organizations are eligible for assistance.
Comment:
Several comments were received by homeowners and individuals requesting direct assistance for repair of their homes or specific project assistance.

Response:
OCR will maintain the list of these homeowners and individuals seeking assistance and will provide the information directly to the agencies who will be administering the CDBG-DR activities on the local level. OCR will continue to accept this information and forward it on to the respective entities to provide the direct outreach for assistance.

Comment:
Several commenters requested and extension to the public comment period for the Action Plan.

Response:
Although the 7-day comment period allowed for the CDBG-DR Action Plan was shorter than normally allowed under the standard CDBG regulations, HUD issued a waiver for the CDBG-DR funds to allow for this shorter comment period in order to expedite the distribution of funds. In a two-step process, New York State Homes and Community Renewal first publically announced the forthcoming availability of the Action Plan, via a Public Comment Notice and then posted the Draft Action Plan for public comment via its website, www.nyshcr.org, for the full 7-day period from March 12-19. For both steps in the process HCR broadly distributed notice via email to interested parties in accordance with the notification processes and procedures used for NY State’s Consolidated Plan and Annual Action plans for CDBG funding. At this time, New York State will continue to entertain comments on its Action Plan, but since the official comment period has ended, New York will submit its Action Plan to HUD as planned in order to ensure a prompt review and approval of the plan. The Office of Community Renewal (OCR) will respond directly to any entities submitting comments after the comment period and will determine if the comments should result in a substantial change to the CDBG-DR Action Plan. Per the HUD guidelines, the CDBG-DR Action Plan is a document that could be changed as the recovery efforts move forward and additional needs are uncovered or as the unmet needs identified in the Action Plan are met by other resources.

Comment:
One commenter requested that all CDBG-DR funded activities follow specific high-road standards.

Response:
New York State is in the process of finalizing grant administration procedures which will include specific standards that must be followed. To the extent feasible, the recommendations provided by this commenter will be incorporated into the administrative guidance, but special care will need to be made to ensure that the requirements meet the Federal requirements of the program.
Comment:
One commenter requested the application of minimum criteria for ensuring that communities are supported to recover, rather than weakened, by state plans.

Response:
New York State is in the process of finalizing grant administration procedures which will outline minimum criteria that must be used. To the extent feasible, the recommendations provided by this commenter will be incorporated into the administrative guidance, but special care will need to be made to ensure that the requirements meet the Federal requirements of the program.

Comment:
One commenter indicated that the State’s assessment of the number of lost rental units likely undercounts those units.

Response:
The housing needs identified in the first draft of New York State Action Plan were based on data available at the time of preparation and were not meant to represent the entirety of the need. The State recognizes that these needs change over time and as needs change the State will reevaluate its priorities for assistance and determine if substantial amendments to the Action Plan are warranted. The State has included revised information on rental housing needs, as well information about Temporary Rental Housing Assistance (see page 17), in the Housing Needs Assessment of this updated version of the Plan (April 3, 2013).

Comment:
One commenter urges the state to recognize and address issues arising in post-Sandy mold remediation efforts. Specifically, the commenter believes the State should ensure housing repair work includes mold remediation and by requiring the use of expert reputable contractors for any state-funded mold remediation work.

Response:
New York State recognizes the inherent dangers of mold. As such, mold remediation will be a primary requirement of the risk assessment conducted for any rehabilitation activities undertaken utilizing CDBG-DR funds. As outlined in this Plan (See section Eligible and Ineligible Activities), mold remediation is an eligible activity and any mold remediation must be conducted in accordance with all local, state and federal regulations. Furthermore, additional information has been added in Section 6: Promoting high quality durable, energy efficient and mold resistant construction methods.

Comment:
Letters were received from three Public Housing Authorities. These letters contained few comments relative to the plan, but were primarily requests for assistance in developing needs assessments for their properties.

Response:
Many of the comments and questions outlined in the letters received are not specific to the Action Plan. Any comments specific to the Action Plan have been addressed in this section and are identified by the PHA submitting the comment. However, any additional questions will be addressed in individual letters or direct consultation with each of the entities that submitted a letter.

Comment:
The Town of Hempstead Housing Authority commented that they were not included in HUD’s assessment of most-impacted Housing Authorities and has requested that they be included in the Action Plan.

Response:
New York State has reviewed the information provided by the Town of Hempstead Housing Authority and has incorporated the information under the Housing Needs Assessment. Direct consultation has been initiated with the Town of Hempstead Housing Authority, and will continue to ensure their eligible needs are addressed.

Comment:
One commenter indicated a concern that the State focuses infrastructure improvements on existing damaged needs rather than new “pet projects”.

Response:
The primary focus of infrastructure improvement will be to provide assistance in the form of the non-Federal match requirement for CDBG-DR eligible FEMA Public Assistance projects. This type of assistance will be limited to existing infrastructure damaged by the storm. New infrastructure projects may be addressed by the proposed Infrastructure Bank, but only after immediate disaster impacted infrastructure needs are fully addressed.

Comment:
One commenter indicated a concern that the State maintains affordability in housing in the impacted areas.

Response:
As part of its plan for disaster recovery, New York State will make assistance available to owners of rental units. These owners will be obligated to ensure that a minimum of 51% of the rental units will be occupied by low- and moderate-income persons and that rents remain affordable for a specified affordability period.

Comment:
One commenter indicated that the State should consider pairing FEMA’s Hazard Mitigation Grant Program (HMGP) with CDBG-DR funds to more effectively address mitigation.

Response:
To the greatest extent feasible, it is New York State’s intention to leverage any available funds with CDBG funds to ensure that the most impact can be achieved by the CDBG-DR investment. This includes any leverage by of HMGP funds.
Comment: One commenter expressed the need to allow residents to begin the process of undertaking mitigation measures now, rather than waiting for the lengthy application process.

Response: While New York State understands the desire to begin rebuilding and mitigation efforts as soon as possible, the CDBG-DR funding has certain requirements that must be met prior to allowing work to commence. Where work has or will begin prior to the commitment of CDBG-DR funding, the State and its program partners will work with applicants to make reimbursement of funds expended for this purpose, when possible and as the Federal rules and regulations allow.

Comment: One commenter indicated a desire to ensure that homeowners who have already begun the rebuilding process are not excluded from assistance.

Response: To the greatest extent feasible, New York State will provide assistance to homeowners who have already begun the rebuilding work. However, at this time, New York State is awaiting additional guidance from HUD on how to address repair work that may have already been completed. Until such time as this guidance becomes available, New York State cannot provide specific guidance on this issue.

Comment: One commenter suggested that the scope for eligible “Large Multi-Family Mitigation” assistance be expanded to include properties located outside of the 100-year flood plain and/or sustained damage as a result of Sandy (or Irene and/or Lee) as many were impacted by high winds and damage caused by fallen trees.

Response: As required by the Federal Register notice, assistance can only be provided to areas where damage from Sandy, Irene or Lee occurred. In addition, the mitigation program is designed specifically to avoid future flooding or storm surge damage. At this time, the program will be limited to this type of assistance. However, as needs change, this program may evolve to include such items.

Comment: One commenter indicated that assistance to multi-family properties should include the purchase of generators.

Response: Under the multi-family mitigation activities, this would be an eligible expense if the generator is permanently affixed.
Comment:
One commenter indicated that the first tranche of multi-family housing mitigation grants should be limited to those buildings that provide housing to low- and moderate-income residents.

Response:
The New York State guidelines for Large Multi-Family Housing Mitigation indicate that property owners must ensure that a minimum of 51% of the units within the structure will be occupied by low- and moderate-income residents upon completion of the mitigation activities. In addition, the New York State guidance is requiring that priority be given to properties where a low- and moderate-income benefit can be achieved.

Comment:
Several commenters suggested that the Community Planning/Redevelopment activities include measures to address infrastructure vulnerabilities and planning for future mitigation, impacts on health, mental well-being, and economic stability of the residents.

Response:
New York State intends for its planning program to address any and all activities that impact the viability and success of rebuilding efforts, for efforts that support long-term, sustainable redevelopment. This may include addressing infrastructure needs and vulnerabilities as well as impacts on health, mental well-being, and economic stability. Further guidance on the parameters of the Community Planning program will be released after approval of this plan by HUD.

Comment:
One commenter indicated that the “Infrastructure Bank” be used to fund improvements that might be identified under the Planning/Redevelopment activities.

Response:
New York intends to use any and all mechanisms available to address needs and/or eligible activities identified as part of the planning process.

Comment:
Two commenters indicated that the plan should specifically outline housing counseling and an eligible activity, identify a specific allocation for such counseling, and following guidance as outlined in HUD’s Housing Counseling Program Guide for Superstorm Sandy Disaster Relief.

Response:
While not specifically outlined in the Action Plan, it is anticipated that HCR will utilize funding available through existing housing counseling programs to support counseling services in disaster recovery designated communities. There have also been supplemental services and funding made available through the Office of the Attorney General’s Foreclosure Program to agencies providing services in disaster designated communities. As homeowner issues are further identified HCR may seek to include more extensive housing counseling services in the most impacted areas.
Comment:
One commenter indicated that the plan should recognize the importance of involving existing housing networks as well as encourage collaborations.

Response:
While not outlined in the Action Plan, New York anticipates that both housing and business programs will foster existing networks and collaborative efforts. More specific guidance on such activities will be outlined in program specific guidance.

Comment:
Two commenters felt that marketing and media campaigns should be coordinated and directed locally rather than be state-wide.

Response:
While the State’s Action Plan specifically mentions a State-wide marketing campaign, this campaign is specific to the tourism and coastal fishing industries impacted by Sandy. The marketing campaign will be limited to these industries, but the marketing will be conducted state-wide and perhaps regionally in order to provide a greater market base for these industries. Other marketing activities will be considered eligible activities under both housing and business activities by those entities undertaking those activities, and the State will work together with our partners to ensure that marketing activities are undertaken at all levels and in various forms to ensure a broad distribution and notification of the availability of funds.

Comment:
Two commenters indicated that the Action Plan should address vulnerable populations including non-English speaking, immigrant groups, persons with disabilities and the elderly.

Response:
Appropriate changes have been made in Section 7 of this Plan to incorporate this information and to address these concerns.

Comment:
One commenter indicated that more than 50% of the grant funds should be used to benefit low- and moderate-income persons.

Response:
The 50% overall benefit standard as outlined in the Federal Register notice is a minimum standard that must be met. It is New York State’s intention to prioritize assistance to low- and moderate-income persons in order to either meet or exceed this minimum standard.
Comment:
One commenter requested clarification on the commitment of funding for the Recreate NY Smart Home Buyout Program and whether or not the State would be seeking additional funding from FEMA’s Hazard Mitigation Grant Program (HMGP). Specifically, the originally announced buyout program allocation was $400 million, however the CDBG-DR action plan identifies $171 million in buyouts program funding.

Response:
When the State originally announced the creation a buyout program it identified the potential to use up to $400 million in funds for property buyout purposes. This took into consideration what is known about all properties that have reported damage as a result of Hurricane Sandy, Hurricane Irene and Tropical Storm Lee, and initial estimates as to the value of those damaged properties. The CDBG-DR Action Plan identifies a source of funds to of up to $171 million to address the needs of the property buyout program, while using the balance of our overall CDBG-DR award of $1.7 billion to address other community needs such as residential property repair/rehabilitation, small business assistance, and infrastructure improvements.

The goal to provide up to $400 million in funding for buyout purposes remains the same, but it is recognized that this need will be met over time, with additional sources to be identified and deployed.

The Hazard Mitigation Grant Program (HMGP) is not a part of this Action Plan, but may be utilized to the extent possible and feasible in the administration of the buyout program.

Comment:
One commenter indicated that mental health issues were not addressed in the Action Plan and a request was made to include mental health counseling as part of the activities being proposed.

Response:
While CDBG-DR funds could be used for providing mental health counseling, New York State is not currently proposing the creation of a program for this specific purpose. However, the State recognizes the need for these vital support services and will collaborate with other agencies and resources that provide this assistance in an effort to provide comprehensive recovery services to impacted residents. As the first part of this effort, the State will utilize the services and resources of the FEMA-funded Disaster Case Management program, which will be administered in New York State by Catholic Charities and a network of locally-based not-for-profit service providers, to assist homeowners in need of services beyond those available under this Plan.
Comment:
One commenter provided specific requests for assistance on Staten Island.

Response:
At this time, New York State is prioritizing assistance through the New York State allocation to areas outside of New York City. It has been determined that the $1.77 billion received by New York City will be the primary source of assistance for areas within the New York City area. However, where eligible, homeowners participating in the State’s Recreate NY Smart Home Buyout Program will be assisted by the State’s CDBG-DR allocation.

Comment:
One commenter indicated that there was insufficient detail on the assessment of needs of vulnerable populations including minorities and low- and moderate-income persons. Specific references were made regarding the lack of information on rental populations and assistance to be provided as well as assistance to minorities and other vulnerable populations. The commenter indicated that the assessment must include discussions on the characteristics and locations of affected populations.

Response:
In response to this comment, and as a part of the evolving Needs Assessment process required by the Federal Register Notice governing the use of these funds, New York State has updated the Needs Assessment in this Action Plan and has included additional specific information identified by the Commenter. As with all aspects of the State’s Needs Assessment process, this information is continually changing and new information is being gathered to assess the needs of all residents impacted by the storms. New York State will continue to evaluate the needs of affected populations over the life of this grant and will modify the needs assessment and update priorities as this evaluation evolves.

Comment:
One commenter indicated that there was lack of specificity regarding the proposed use of funds and requested greater detail be included in the Plan. Specifically, there was a concern that the State would be unable to meet its obligation to provide a minimum of 50% of the funds to benefit low- and moderate-income persons.

Response:
New York State has reviewed these comments and has made specific changes in the description of activities to be undertaken to include amounts. In addition, the State has determined that the repair and mitigation caps for low- and moderate-income persons may be higher, where there is eligible and justifiable unmet need, in order to better address the needs of that population. Additional detail on the specific housing programs and the benefit to low- and moderate-income persons can be found in Section 3 of this Plan, Proposed Use of Funds. At this time, New York State is confident that the 50% low- and moderate-income benefit will be achieved. However, the State is committed to continually monitor this percentage and will make modifications to the programs as necessary to ensure that the State can meet or exceed this goal. To achieve this goal, the State has modified its original plan of
requesting the full allocation available to us, and is instead requesting a partial allocation in order to better monitor the progress of these programs.

Comment:
One commenter indicated that the Action Plan does not explicitly state how New York State intends to ensure compliance with certain provisions of the HUD Notice regarding Equal Access to Housing.

Response:
In order to address these concerns, New York State has provided more specific detail and guidance in Section 7 of this Plan, *Provision of adequate, flood resistant housing for all income groups that lived in the disaster impacted areas*. Again, the State will continue to evaluate needs of affected populations and will modify the needs assessment and update priorities as this evaluation evolves.

Comment:
One commenter expressed concerns that the Plan does not adequately ensure that Fair Housing obligations will be met.

Response:
In order to address this concern, New York contacted each of the three primary counties who will be directly administering the housing programs to review and analyze their Analyses of Impediments to Fair Housing Choice. Based upon the State’s review, we are confident that the housing programs will be in compliance with the Fair Housing Requirements. All other programs will be required to follow the State’s Fair Housing requirements. In addition, the State has indicated through this Plan that it intends to protect the Fair Housing rights of all residents seeking assistance from these programs; communities that do not currently have a Fair Housing Plan may be required to adopt their respective county’s Fair Housing plan or submit their own plan for review and approval prior to allowing assistance to be provided to those residents. More information on this issue can be located in Section 16, of this Plan, *Avoidance & Mitigation of Occurrences of Fraud, Abuse and Mismanagement*, subsection 11., *Regulatory Requirements*. 
18. Contact Information

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Persons with disabilities or non-English speakers who may need these documents presented in a different format, are encouraged to contact New York State Homes and Community Renewal who will provide the document in an accessible format.

1-866-ASK-DHCR (1-866-275-3427)