

## Substantial Amendment

On March 27, 2020 Congress passed and the President signed H.R. 749, the Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act. The CARES Act makes available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to coronavirus.

The funding allocations for the first tranche of the CDBG funding, the portion that has been allocated according to the existing CDBG formula, were announced on April 2, 2020. In total, communities in New York State will receive \$192,774,513 through the Part One CDBG allocation, with New York City receiving the bulk of the funding, \$102,084,020. Other localities throughout the state will receive a total of \$61,508,683.00 in CDBG funds directly from HUD. New York State Homes & Community Renewal (HCR) and Housing Trust Fund Corporation (HTFC) has been allocated \$29,181,810 in CDBG funds to serve “non-entitlement” communities in the rest of the state that do not receive their own for funding directly from HUD.

HUD made the second round of CDBG-CV allocations on May 22, 2020, in the amount of \$1 billion. HUD made this allocation directly to states and insular areas to prevent, prepare for, and respond to coronavirus within the state or insular area. HTFC will receive \$70,693,638 to support activities that prevent, prepare for and respond to needs throughout New York State. A third and final round of CDBG-CV funds was allocated on September 11, 2021, with New York State receiving another \$27,149,111. Total CDBG-CV funding made available to New York State is \$127,024,559.

Based on published guidance for expenditure of the CDBG-CV funding, HTFC seeks to release funds to communities throughout NYS quickly so they can respond to, prepare for and prevent the spread of COVID-19. To this end, HCR is amending its HUD approved 2019 Action Plan to indicate the overall funding amount and that the funds will be used for coronavirus response.

HCR and HTFC will make funds available through competitive and open round funding to support activities that prevent, prepare for and respond to coronavirus in communities throughout New York State.

Applicants and contracting entities will be required to describe the project or activity and need of support to address COVID 19-related issues in their communities. The contracting entity will identify the need in the community based on the effects of COVID 19 and how the CDBG funding for the project will prevent, prepare for and respond to COVID 19.

On August 10, 2020 HUD released, “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and Other Formula Programs.” This notice provides for “program rules, statutory and regulatory waivers, and alternative requirements applicable to supplemental Community Development Block Grant (CDBG) funds made available to prevent, prepare for and respond to coronavirus”. The HTFC will utilize any and all of these flexible rules, waivers and alternative requirements to allocate CDBG-CV funds.

Consistent with the CARES Act and the memo described above, this amendment waives any limit established on the issuance of funds to support public social services for any funds made available under this amendment and the FY 2019 One Year Plan.

Additionally, the amendment adopts modified citizen participation procedures established by the CARES Act and described in the Memo. In particular, the HTFC will allow the use of virtual public hearings for CDBG-CV funds.

HTFC will allow subrecipient entities to count activity costs back to 1/21/20, assuming all environmental review requirements have been met.

The following tables have been amended in the 2019 Action Plan.

**AP-15 Expected Resources – 91.320(c)(1,2)**

Other CDBG-CV	public - federal	Other	\$\$127,024,559	\$127,024,559	CDBG-CV funding to prevent, prepare for, and respond to COVID-19
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**AP-30 Methods of Distribution – 91.320(d)&(k)**

6	<b>State Program Name:</b>	NYS Community Development Block Grant (CDBG) CV
	<b>Funding Sources:</b>	

**Describe the state program addressed by the Method of Distribution.**

The CDBG-CV Program will use \$127,024,559 (less administrative expenses) of CDBG-CV funds to prevent, prepare for and respond to COVID-19.

Requests for Applications (RFAs) will be issued for competitive or non-competitive open round funding and award processes. The CDBG-CV funds will be allocated in response to local needs that are identified in applications for assistance. Proposed eligible activities may include, but are not limited to:

- Public infrastructure – water and sewer distribution, stormwater, and water storage improvements that directly contribute to addressing COVID-19 related issues
- Public facilities – community centers, day care facilities, senior centers, public housing facilities, provision of wi-fi/broadband
- Healthy Affordable housing – preservation/rehabilitation, down payment assistance, demolition, conversion, farmworker housing
- Public services – Senior services, homelessness prevention, access to food, vaccine outreach and education, subsistence payments (rental/mortgage/utility assistance), expanded mental health and domestic violence services
- Economic development – Small business and microenterprise program assistance
- Other Special Projects - that prevent, prepare for and respond to COVID. NYS CDBG-CV funds and meet CDBG National Objectives will be reviewed and considered upon request and in response to demonstrated needs.

HTFC anticipates directly administering CDBG-CV funding, including awarding funds through subrecipients where appropriate, in both entitlement and non-entitlement communities. Direct State administration of these activities is expected to:

- Improve timeliness and consistency in the release of the funding to communities in need
- Allow NYS to work across larger geographic regions
- Better guide quality and viability of funded activities
- Allow for larger contract amounts, lessening the administrative burden of multiple smaller awards
- HTFC anticipates directly administering as much as 60% of the total awarded amount, although that figure is subject to change

HTFC intends to engage with networks of community and public service providers to make funds available to a variety of community-based organizations to provide services and support at a local and regional level. Subrecipients selected for funding and participation in direct administration efforts will be identified in awarded project lists on HCR's website. HTFC projects the following general allocations by activity type. **Note that these**

**figures are approximations based on initial demand and subject to change.** HTFC reserves the right to award CDBG-CV funds and to reallocate as it determines to be required to best accomplish the goals of the CARES Act, address local needs, and meet all HUD requirements.

Allocation:	\$127,024,559
Administration:	\$6,350,000
Subtotal:	\$120,674,559
Housing (50%)	\$60,340,559
Public Facility (20%)	\$24,134,000
Public Services (15%)	\$18,100,000
Small Business (15%)	\$18,100,000

HTFC will continue to reserve an amount equal to the first tranche to assist non-entitlement communities. HTFC acknowledges that the use of interagency or subrecipient agreements/relationships does not relieve NYS of the responsibility to comply with all program requirements. As such, HTFC will actively monitor all such program partners for compliance with program regulations and best practices, including but not limited to, duplication of benefits, civil rights, labor standards, environmental protection, and conflict of interest.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The NYS CDBG-CV Program will issue awards based on threshold criteria including demonstrated need, ability to prevent, prepare and respond to COVID-19, national objective, capacity to manage the project or program and considerations for geographic distribution.</p> <p>In addition to reviewing an applicant's compliance with the established threshold criteria, a review will be undertaken to determine project feasibility and timeliness as well as with all federal, State, and programmatic rules and regulations.</p> <p>Review of the applications may include, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Ability of the proposed project to prevent, prepare and respond to COVID-19;</li> <li>• Project/Program Need;</li> <li>• Project Feasibility;</li> <li>• Timeliness/ability to complete project quickly;</li> <li>• Impact to the residents, specifically low- and moderate-income persons or households;</li> <li>• Extent to which the activity addresses the identified need;</li> <li>• Degree to which the project supports program and State initiatives;</li> <li>• Reasonableness of project costs;</li> <li>• Administrative capacity;</li> <li>• Extent to which the project/activity supports regional plans and strategies.</li> </ul> <p>For projects directly administered by the HTFC, the ability of subrecipients/agencies to meet all program requirements on behalf of HTFC will be evaluated at the time of application. HTFC will consider the scope and impact of proposed activities to determine the relative need for a direct administration model.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>An application kit will be made available that provides specific guidance for the submittal of applications, including detailed descriptions of the assessment criteria that must be addressed for each of the funding categories. Detailed information on the will be provided in the applicable Requests for Applications and application materials for CDBG-CV projects.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>New York State may provide opportunities for the primary categories of funding:</p> <ul style="list-style-type: none"> <li>• Economic Development, Small Business Assistance &amp; Microenterprise;</li> <li>• Public Infrastructure/Facilities;</li> <li>• Housing;</li> <li>• Public Service; and</li> <li>• Comprehensive awards that include multiple activities identified above.</li> </ul> <p>Applications will be reviewed against established threshold eligibility and review criteria and final funding decisions approved by the Housing Trust Fund Corporation Board.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Anticipated Funding Limits:</p> <p><u>Minimum Request:</u> \$100,000</p> <p><u>Maximum Request:</u> \$2,000,000 (City, Town, Village) \$3,000,000 (County) \$5,000,000 (Multiple-activity awards)</p> <p>Award size will vary depending on local need and impact of the proposed project. Higher limits will be allowed for projects that present significant need or where it is found that a project may have a significant impact or that may realize a potential for regional or statewide impact.</p> <p>Applications must present a feasible budget for a project that can be completed within a short amount of time to prepare, prevent or respond to COVID-19.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The NYS CDBG Program will track program performance using the following outcome measures:</p> <ul style="list-style-type: none"> <li>• Number of people assisted</li> <li>• Number of jobs created/retained</li> <li>• Number of housing units assisted</li> <li>• Number of homebuyers receiving direct financial assistance</li> </ul>