

VII. HOUSING

Needs Assessment

Impact to the City's Housing Stock

To understand the significant damage Hurricane Sandy caused to New York City's housing stock and the need for temporary and permanent housing, the City analyzed field inspections and a variety of data sources to estimate the number and severity of damaged buildings across the five boroughs. These data sources include Department of Buildings (DOB) and Department of Housing Preservation and Development (HPD) inspections, FEMA building inspections, inundation assessments, utility outages, and registrations for the Rapid Repairs program. The City also worked in close partnership and consultation with the New York City Housing Authority (NYCHA) to quantify the storm's impact on its buildings.

Public Housing

While none of the NYCHA buildings sustained permanent structural damage due to the storm, many buildings' systems – essential for supporting the living conditions for tens of thousands of New Yorkers served by NYCHA – were significantly impacted.

- Over 400 buildings in Brooklyn, Queens, and Manhattan, with 35,000 residential units housing roughly 80,000 residents, were affected significantly by Sandy. Of the over 400 buildings, 402 lost power, and with it, elevator and compactor service. 386 buildings lost heat and hot water.
 - In Coney Island, 42 buildings – home to 8,882 residents – were impacted.
 - In the Rockaways, 60 buildings – home to 10,100 residents – were impacted.
 - In Red Hook, 32 buildings – home to 6,173 residents – were impacted.
 - In Manhattan, 176 buildings – home to 41,513 residents – were impacted.
- NYCHA developments in Coney Island were especially impacted because those buildings sustained substantial sand and saltwater infiltration. The systems damage in other developments was due mostly to flooding.
- An additional 356 NYCHA buildings at 97 developments in all five boroughs sustained moderate damage, mostly due to wind damage on roofs and facades.

Housing (excluding public housing)

Based on the analyses conducted, the City estimates that more than 63,000 residential units have been impacted by physical damage as a result of Hurricane Sandy. In addition, many thousands of New Yorkers were temporarily displaced from their homes due to power outages or other service interruptions. The housing team is continuously coordinating with and gathering information from the Department of Homeless Services (DHS) and its social service providers supporting the New Yorkers who are sheltering in hotels run by FEMA and the City. The New York City Housing Recovery Portal website is a resource that allows residents impacted by the storm to register with the City and be referred to vacant affordable housing or, depending on eligibility, a NYCHA unit. This portal provides the City with further information about impacted residents with housing needs, including accessible housing for people with disabilities. However, given the dynamic nature of post-disaster housing, there is no accurate way to definitively quantify the number of families displaced at any given time.

The City's analysis shows that there are three main categories of housing damage, excluding NYCHA housing stock described above. This analysis excludes the Public Housing stock, which was discussed previously in this Plan:

- **Severe damage (Reconstruction required):** More than 300 buildings (more than 900 units) were destroyed or became structurally unsound. More than 95% of these buildings are one- or two-family homes.
- **Major damage:** Approximately 1,700 buildings (more than 20,000 units) suffered major damage, of which approximately 1,400 are one- or two-family homes. Major damage typically corresponds to flooding of basements and ground floor living spaces.
- **Moderate damage:** Approximately 16,000 buildings (more than 42,000 units) suffered moderate damage, of which approximately 15,000 are one- or two-family homes. Moderate damage typically corresponds to basement flooding with little or no impact to ground floor living spaces.

New York City's Response to Housing Impact

Department of Environmental Protection (DEP)

NYC Rapid Repairs

Typically after a disaster of Hurricane Sandy's magnitude, families are forced to re-locate for extended periods of time to shelters and other forms of temporary housing, which delays the real recovery that begins when families return to their homes. Founded on the premise that the best temporary shelter is permanent shelter, the City implemented the Rapid Repairs program, which restores the basic services that families need to return home. Rapid Repairs is New York City's implementation of FEMA's Sheltering and Temporary Essential Power (STEP) program, created to address the unique housing challenges created by Hurricane Sandy. STEP funds emergency residential essential and necessary repairs such as restoration of temporary electricity, heat and hot water so that residents can remain in their homes while permanent repair work continues.

DEP administers the Rapid Repairs program, which was first announced on November 9, 2012. Through Rapid Repairs – the first program of its kind– the City has deployed dozens of contractors and thousands of skilled construction workers to make emergency repairs, free of charge, on residential properties affected by Hurricane Sandy. The assistance provided through Rapid Repairs does not impact the assistance that families are eligible to receive through FEMA's Individual Assistance program. All work is supervised by the City and compliant with the relevant safety and building codes.

As of March 17, 2013, repair work in 11,774 buildings has been completed; work in 20,257 residential units has been completed; with less than 10 homes to repair, the program is essentially complete.

Rapid Repairs has also provided significant construction opportunity for the City's Minority- and Women-Owned Business Enterprises (M/WBEs). Rapid Repairs employs 10 prime contractors and approximately 185 subcontractors, including 37 M/WBEs.

Rapid Repairs also provided priority assistance to people with disabilities by installing ramps so people can gain access into homes.

NYC Department of Housing Preservation and Development (HPD)

HPD, in conjunction with the Housing Development Corporation (HDC) and other key partners, has designed and implemented a number of housing and neighborhood relief and recovery programs to help stabilize those whose housing was impacted by Sandy. HPD specifically led five key work streams to address immediate relief and response efforts:

Field Operations

HPD staff immediately started working in the affected neighborhoods, bringing relief to residents whose homes and buildings required services.

- Inspections and Emergency Repairs and Demolitions - HPD attempted more than 9,100 inspections at approximately 6,000 properties affected by Sandy and notices were mailed to the owners of these properties. HPD has also assisted agency partners and private owners with finding resources to restore essential services. HPD is responsible for the demolition of approximately 400 affected structures, and is conducting emergency repair work in affected multi-unit properties where owners are not participating in Rapid Repairs. In addition, HPD has conducted community outreach in several affected areas. Approximately 900 survey visits to buildings were conducted and approximately 1,150 calls and 5,000 robo-calls were made to owners. A special e-mail address (HPDSandyIssues@hpd.nyc.gov) was created for owners who have property damage resulting from Sandy that would result in a Housing Code violation under normal circumstances.
- As of January 25, 2013, approximately 200 HPD staff members had been working overtime on critical Sandy-related recovery efforts in partnership with the Federal Emergency Management Agency (FEMA) and other City agencies. HPD staff members have been assigned to the three areas below:
 - Housing Recovery Link Desk / Hotel Operations: perform intake, data management, and technical assistance; assist 311 callers with registering online and addresses caller issues; liaise with FEMA, HPD's Code Division, and other City agencies.
 - Restoration Centers: assist residents with registration for the Rapid Repairs program, conduct follow-ups, and coordinate services with contractors; help residents connect to City services including interim housing; assist homeowners with HPD mortgages or liens who need insurance / FEMA checks endorsed.
 - Rapid Repairs: assist contractors in assessing properties for repairs.

Financial Sector

HPD convened banks and other housing and financial industry partners to develop new loan and grant programs. These proposals build on existing expertise and programs in both the private and public sector and on lessons learned from past disasters. The working group's discussions both drive immediate storm response, and shape plans for use of CDBG-DR funds.

- HPD's website includes information for property owners on how to apply for loan and grant programs: <http://www.nyc.gov/html/hpd/html/home/hurricane-sandy.shtml>
- **Storm Recovery Loan Program:** HPD and the Community Preservation Corporation provide loans to rehabilitate multi-family buildings (five or more units) damaged by Hurricane Sandy. HPD provides city capital or federal funds at 1% interest. Combined with CPC conventional financing, the blended financing cost is significantly below market. The funds may be used for moderate or substantial

rehabilitation of multiple dwellings damaged by the storm. Uses include refinancing of existing debt or repairing damage and mitigating future storm impacts.

- **Emergency Loan Program:** Neighborhood Housing Services (NHS) provides loans and grants to owner-occupants of one- to four-unit homes for the repair of water mains, boilers, sewer lines, sidewalk violations, roofs, plumbing, and electrical problems and to eliminate conditions dangerous to health and safety. The maximum loan amount is \$10,000, with low interest rates and a maximum term of five years.
- **Landlord One:** NHS operates an emergency loan program for small property owners, corporations, non-profit owners, investors, corporations, and owner-occupants of 5-20 unit residential and mixed-use buildings. The maximum loan amount is \$25,000, which is available in increments of \$10,000, \$15,000, \$20,000, and \$25,000. The funds can be used to replace building-wide systems, eliminate code violations, upgrade vacant apartments, eliminate dangerous health and safety conditions and make other essential repairs.

Developer Coordination and Housing Match Program

HPD, in conjunction with HDC, the US Department of Housing and Urban Development (HUD), and the New York State Department of Housing and Community Renewal (DHCR), began working with development partners at the NYS Association for Affordable Housing, the Real Estate Board of New York, and the Rent Stabilization Association to identify vacant apartments at different levels of affordability and make them available to affected New Yorkers.

The New York City Housing Recovery Portal website was launched in December 2012 for NYC residents displaced by Hurricane Sandy. Households could register with HPD, which sought to identify alternative housing options for that household. As of March 2013, 1,831 accounts had been created and 1,687 registrations had been completed. Income-eligible New Yorkers may also have been referred to public housing vacancies within NYCHA.

In addition to the portal, HPD explored other housing options including a Section 8 Housing Choice Voucher pilot program. The pilot program would provide approximately 150 Housing Choice Vouchers to displaced New Yorkers affected by Hurricane Sandy who meet eligibility requirements.

Non-Profit Coordination

HPD, in partnership with the Citizens Housing and Planning Council (CHPC), collaborated with established non-profit organizations to assist affected residents and rehabilitate damaged housing.

- **Canvassing:** HPD convened non-profits including CHPC, Local Initiatives Support Corporation (LISC), Mutual Housing Association of New York (MHANY), Center for NYC Neighborhoods (CNYCN), and others to develop and administer tenant needs assessment surveys. Staff developed and distributed fact sheets on humanitarian resources (Restoration Centers, warming centers, food distribution, Rapid Repairs, FEMA registration, etc.).
- **Proposal development:** HPD reviewed, developed, and aligned multiple recovery initiatives proposed to the Mayor's Fund by groups such as Enterprise, LISC, Habitat, Restored Homes, and CNYCN.
- **Communications:** HPD sent periodic e-mail blasts to non-profit partners providing updates on City initiatives and resources and coordinated briefings and structured feedback between non-profits and City agencies (HPD, Mayor's Office of Housing Recovery Operations [HRO], and HDC).

Department of Homeless Services (DHS)

DHS played a major role in the evacuation process and continues to provide services to those impacted by Hurricane Sandy through the programs listed below:

Emergency Shelter

DHS provided managerial oversight of the emergency storm sheltering operations via the Unified Operations and Resource Center (UORC). UORC uses a unified command structure where multiple agencies work to coordinate and assist shelter staff on a tactical level. Sixteen key agencies provided staff to the UORC; DHS employees made up the largest percentage of workers. At the same time that DHS staffed the UORC, closed evacuation sites and opened new ones, the Agency prepared to close its homeless shelters located in Evacuation Zone A to protect shelter residents. The closing and opening of shelters was manageable because of immense preparation and planning for such an emergency. Notwithstanding the magnitude and devastation of Hurricane Sandy, DHS continued to meet its mandate to shelter all eligible New Yorkers and manage a homeless shelter program totaling approximately 48,000 individuals (single adults and families).

DHS deployed staff to various sites, resulting in overtime costs in three main areas of service to the public: sheltering families and single adults (who were no longer able to stay in their homes) in evacuation centers; setting up and staffing evacuation centers and providing equipment, volunteers, supplies, etc.; and setting up and staffing the Unified Operations and Resource Center (UORC), which supports tactical management of shelter operations by filling resource requests and resolving problems at individual shelter system facilities.

Single Adults and Adult Families

DHS Adult Services took all steps necessary to preserve the continuity of services to the City's homeless. Five single adult shelters located in low lying areas were evacuated which required the relocation of approximately 1,350 clients and the City's intake operations for single men and adult families (families with no minor children). Clients were moved into reserved emergency beds, a proposed shelter facility or absorbed into existing vacancies in the system. Clients were moved with their shelter staff and every effort was made to minimize the disruption of services.

With respect to the Manhattan-based co-located intake operations for Adult Services, they were relocated according to the Agency's Continuity of Operations Plan to locations designated for back-up intake operations. Single men were directed to Brooklyn and adult families to Queens. The public was notified of the relocations through 311 and the Agency continued to accept applications and place clients in accordance with all applicable laws and regulations.

With respect to street homelessness, the City's outreach teams ramped up their operations to offer services to at risk street homeless individuals during and after the storm. Many of them, some displaced by the storm, ended up in evacuation centers where they were engaged by shelter and outreach staff and where possible, connected with appropriate shelter and outreach services.

The relocated shelters and their capacities is as follows:

1. McGuinness: 200
2. Huntington: 18

3. Borden: 240
4. Turning Point: 37
5. 30th Street: 850.

City Hotel Program

The provision of services in the City Hotel Program was originally administered through the American Red Cross. Later, DHS began to work with local, community-based experts to provide services to evacuees in hotels. BASICS, BRC, Project Hospitality, Samaritan Village Inc., and SCO Family Services continue to provide services to approximately 970 displaced households across 50 different locations as of March, 2013. Organizations are providing case management services and connecting evacuees to any City or federal benefits for which they may be eligible and are also helping with housing plans including collaborating with FEMA to ensure that all eligible evacuees have registered with appropriate programs.

Homebase

The role of Homebase at the Restoration centers was to provide information on temporary housing options and, when available, immediate hotel / apartment placement. Individuals displaced by the storm were counseled by Homebase staff at Restoration Centers beginning on November 15, 2012. Providers included the Archdiocese of New York, BronxWorks, CAMBA, Catholic Charities of Queens, HELP USA, and Palladian.. By November 29, 2012, Homebase sites were making hotel placements with the Hotel Operations Desk.

In addition to making emergency shelter placements, Homebase assisted consumers with navigating the array of benefits and assistance available to them. Of those served,

- 33% were referred to FEMA
- 24% were referred to HRA
- 36% were assisted with the HPD Housing Recovery portal—673 since the portal was opened on December 7
- 16% were referred to NYCHA

Relocation Services

DHS and the Mayor's Fund to Advance New York City were responsible for moving furniture donated to affected residents who relocated into permanent housing in NYCHA apartments.

Providing Adequate Housing for All Income Groups

NYCHA, HPD, HDCHRO, and the Department of Environmental Protection (DEP), which administers the Rapid Repairs Program, are active partners in developing the housing element of this Action Plan. To identify and address the needs of housing across all income groups and housing types impacted by Hurricane Sandy, the team has actively engaged community stakeholders to gather input on how to serve the range of household types affected by the storm. These agencies have worked collaboratively to address many of the housing needs in developing programs to be leveraged with CDBG-DR allocation. As demonstrated in the Impact and Unmet Needs section of the Action Plan, there are substantially greater needs than there are resources to address them.

City leadership established a foundation for recovery that focuses on resiliency. They have made the difficult decision to enforce the requirement for Hurricane Sandy impacted New Yorkers to reconstruct to a higher standard than was in place before the storm. As evidenced by the impacts on properties that were built after floodplain management requirements became law, buildings with materials and methods targeted to be disaster resistant were measurably less impacted than those built prior to the requirements. The Mayor's Special Initiative for Rebuilding and Resiliency (SIRR) was formed specifically to focus on making New York more resilient to the risks of climate change.

Disaster-resistant measures have been incorporated into all housing programs. Different activities will emphasize the needs of different income groups.

Homeless Population

The Department of Homeless Services (DHS) provides programs and services to prevent homelessness and provides shelter to homeless families and single adults when prevention is not possible. DHS services include transitional housing, outreach and drop-in services, community based prevention and placement in permanent housing.

DHS took all steps necessary to preserve the continuity of services to the City's homeless during and after Hurricane Sandy, including evacuating several of their facilities and relocating shelter clients to areas outside of the flood zone.

With respect to street homelessness, the City's outreach teams ramped up their operations to offer services to at risk street homeless individuals during and after the storm. Many of them, some displaced by the storm, ended up in evacuation centers where they were engaged by shelter and outreach staff and, where possible, connected with appropriate services.

Hurricane Sandy damaged several shelters, including the Bellevue Men's Shelter, which also happens to be the City's largest single adult shelter with 850 beds and is the sole intake point for single adults and adult families entering the system.

DHS is continuing to assess the damage from the storm and look toward the future at what can be done to be better prepared for a future event. These efforts are part of the Special Initiative for Rebuilding and Resiliency (SIRR) and include moving sensitive equipment to higher ground at facilities that are vulnerable to flooding, and possibly relocating facilities that are in flood zones.

Low-Income Population

Based on the census data for the most impacted zip codes, more than 50% of the households in the impacted area are likely to have incomes at or below 80% of the area median. The City has been very focused on serving their needs. Low-income households disproportionately are in need of immediate relocation assistance; the housing team is working with approximately 1,300 displaced families who are at or below 50% of area median income. To the extent possible these households will be placed in NYCHA public housing units or using HPD Section 8 vouchers, but the City anticipates that approximately 600 households will not be served by these options. These families would typically access Disaster Housing Assistance Program (DHAP) vouchers, but the program is not yet established for residents affected by Hurricane Sandy. Through the multi-family building program allocation in this Action Plan HDP will deliver an Interim Payment Assistance Program.

Going forward, NYCHA rehabilitation, reconstruction, and new construction activities will serve low-income households. HPD and HDC anticipate that the bulk of the multi-family lending will benefit persons of low income, particularly those living in previously assisted housing, including Supportive Housing.

Moderate- and Middle-Income Population

Particularly in a high-cost city like New York, and in the wake of a devastating natural disaster like Hurricane Sandy, moderate- and middle-income households are also in need of assistance. The NYC Houses program is designed to focus on the homes most in need of rehabilitation, although owner incomes may be as high as 165% of area median. Multi-family buildings with higher income tenants will also be eligible for assistance if owners can demonstrate that other resources such as insurance and United States Small Business Administration (SBA) loans were insufficient to meet needs.

Remaining Unmet Housing Needs

Assessing the Demand

To structure a program that addresses the unmet needs of NYCHA, single-family and multi-family properties, the housing team coupled outreach efforts with a detailed assessment of damage at the building level. This allowed the City to understand the demand for housing repairs in monetary terms and related support to families. To estimate the demand for housing rehabilitation, the City defined the full cost to complete the work to rehabilitate or rebuild in a more resilient and sustainable way. The City focused on the "cost to complete" rather than any measure of the "market value" of a property. This anchored the City's approach around an end goal of completing rehabilitations to buildings, rather than on estimating need based on the value of the property or other figures, an approach that risks an inability to secure funding to complete rehabilitations. NYCHA employed a rational methodology that pulled from numerous existing data sources and involved several sets of experts and interviews with individuals working on the ground. NYCHA performed additional analyses to estimate the cost to comply with sustainability and green building standards and for construction methods to address increased resiliency to future storms. NYCHA continues to refine large-scale assessments of its infrastructure to determine the full cost of the storm and to inform decisions about how NYCHA can more strategically procure, locate, and protect important equipment.

Mandatory Rehabilitation - Cost to Reconstruct or Rehabilitate Damaged Buildings

Public Housing

To date, the storm has resulted in approximately \$130 million of expenditures in NYCHA housing related to the immediate response efforts including: dewatering efforts, mobile boilers, emergency electrical restorations, debris removal, clean up, and operating expenses such as emergency overtime.

Beyond those immediate costs, more than \$410 million is needed for permanent rehabilitations and resiliency measures associated with replacement of damaged infrastructure, including replacement of mechanical and electrical systems.

In addition, NYCHA will need \$35 million to deliver disaster programs through CDBG-DR and FEMA funding. This will include technical expertise, project management, accounting, information technology and audit support.

Housing (excluding public housing)

By matching estimates for the distribution of types of damage with estimates for the cost to reconstruct or rehabilitate, we have concluded that the likely overall cost to reconstruct or rehabilitate destroyed, major, or moderately damaged buildings is estimated at \$2.7 billion.

- Approximately \$400 million is needed to reconstruct destroyed or structurally unsound units. The cost to reconstruct is estimated at \$470,000 per single-family home (1-2 units) and \$1.6 million per multi-family building (3 or more units).
- Approximately \$1 billion is needed to rehabilitate buildings with major damage, based on an estimated rehabilitation cost of approximately \$135,000 per single-family home (1-2 units) and up to \$3 million, on average, per multi-family building (3 or more units). Rehabilitation will include fixing boilers not addressed with permanent fixes by the Rapid Repairs program, cooling systems, electrical systems, basements and ground floor living space, as well as resiliency requirements in order to meet building codes. This cost includes resilience measures of approximately \$400 million to protect homes from future flood damage. The resilience cost estimates are based on preliminary high-level measures that may vary for each building.
- \$1.3 billion is needed to rehabilitate buildings with less severe damage. The estimated cost is approximately \$55,000 per single-family home (1-2 units) and up to \$2.5 million, on average, per multi-family building (3 or more units).

The total cost is approximately \$1.7 billion to reconstruct single-family homes (1-2 units) and approximately \$1 billion for multi-family buildings (3 or more units).

Resilience and Rehabilitation of Damaged Buildings

Public Housing

In addition to the initial resiliency measures described above, NYCHA will proactively seek measures to further strengthen all of its impacted properties. These measures are intended to minimize the damage caused by future storms or minimize the direct impact to thousands of residents. These measures will include:

- \$250 million to improve resiliency by adding permanent emergency generators at critical NYCHA buildings. Improving the resiliency of the electrical systems is one of the most critical places to begin resiliency work, as these systems are necessary for many other critical services. Permanent emergency generators do not currently exist at any NYCHA residential property. If added, these generators could provide backup power to critical systems such as elevators, boilers, emergency lighting, and critical life support systems.
- \$120 million to enhance 60 Community Centers in damaged buildings located in Evacuation Zone A to enable them to serve as warming centers, information distribution sites, local command centers, phone charging stations, or emergency shelters in future storms.

- \$50 million to increase the resilience of NYCHA’s Emergency Operations Center (EOC) given that the current EOC, which is currently in Evacuation Zone A, experienced flooding and suffered damage during Sandy.

Housing (excluding public housing)

Resiliency measures for buildings with moderate damage would require an additional approximately \$2.5 billion to mitigate the future risk of flood damage. These resiliency measures are assumed not to be required by code as rehabilitation for moderate damage is unlikely to trigger the mandatory resilience measures required when addressing substantial damage (i.e., the law requires that resilience measures be incorporated when undertaking rehabilitation that will cost greater than 50% of a building's pre-storm market value). “Substantial Damage” is defined as when the cost of restoring the structure to its before-damaged condition would equal or exceed 50% of the market value of the structure before the damage occurred. This is the threshold at which rehabilitation work includes mandatory mitigation. Nevertheless, if rehabilitation is undertaken for a building, it is responsible policy to consider the inclusion of mitigation measures that will better protect properties from future damage.

- Approximately \$2 billion of these costs are attributed to single-family homes (1-2 units) with moderate damage and approximately \$500 million are for multi-family building (3 or more units), based on preliminary estimates for likely standard resilience measures.
- Without implementing these resilience measures, homeowners and landlords will likely face significant increases in flood insurance premiums, and neighborhoods will likely suffer declines in property values and risks of abandonment and blight.
- Note that resiliency measures for homes requiring reconstruction or major rehabilitation is included in the estimates of the costs to rehabilitate, as these will likely trigger the substantial damage threshold which requires reconstructing to code for flood mitigation (i.e., elevating the home or undertaking other measures).

In addition, New York City has a relatively old housing stock, and we anticipate that many of the buildings with storm damage will also have other rehabilitation needs unrelated to the storm. Addressing the building needs holistically ensures that these properties will function as high quality accessible and affordable housing stock to meet post-disaster needs and population demands.

Resilience for Non-Damaged Buildings

Public Housing

NYCHA will look beyond the infrastructure that was directly impacted by the storm and proactively seek measures to further strengthen all of its properties. The revised preliminary FEMA Advisory Base Flood Elevation (ABFE) Maps have nearly doubled the number of NYC buildings located in the 100-year flood zone, placing twice as many NYCHA buildings in Flood Zone A as there were pre-storm. Those additional buildings are just as vulnerable to future storm damage as those that were directly impacted. Subject to funding availability, these additional measures would include:

- \$620 million to implement basic resiliency and mitigation measures (i.e. raised boilers and electrical switch gear) to all buildings in the new flood zone as new ABFE Maps have nearly doubled the overall number of NYCHA buildings in Evacuation Zone A.

- \$60 million to enhance 30 Community Centers in non-damaged buildings located in Zone A to enable them to be able to serve as warming centers, information distribution sites, local command centers, phone charging stations, or emergency shelters in future storms.

Housing (excluding public housing)

Another approximately \$9 billion will address resilience measures for undamaged buildings located in the flood zones (Flood A or V zone) designated by the National Flood Insurance Program's Flood Insurance Rate Maps. These buildings will otherwise face an increase in flood insurance costs.

Determining Unmet Housing Needs

To understand the unmet need to be addressed by City programs, the City built upon the above estimates of the demand (or required funding) for Sandy-related reconstruction, rehabilitation, and mitigation by estimating the "supply" of funding already available to meet these needs. Many city, state, and federal programs have funded some of the need for homeowners and landlords to undertake rebuilding and rehabilitation measures. The City will use CDBG-DR funding to complement and build upon such sources. For unmet need, the City subtracted the estimated funds authorized or received thus far from these programs, as well as privately-funded programs, from demand estimates. While the calculation of unmet needs is similar, the City has addressed Public Housing separately because these buildings are owned and managed by the government and therefore qualify for a different type of assistance from FEMA, but the calculation of unmet need is similar.

Public Housing Unmet Need

As publicly-owned properties, NYCHA facilities are eligible for FEMA's Public Assistance Program. Mandatory rehabilitation, and a significant portion of the resilience improvement measures necessary for damaged buildings, should be covered by a combination of the National Flood Insurance Program (NFIP), existing commercial policies, and FEMA's Public Assistance Program, less the non-Federal cost share.

- NYCHA could receive approximately \$440 million in insurance proceeds via both NFIP and commercial insurance policies.
- FEMA Public Assistance funds will cover between 75% and 90% of the remaining costs associated with rehabilitations, replacements, and mitigation.
- Funding has not yet been allocated towards the Hazard Mitigation Grant Program, a FEMA program that awards grants for resilience measures that can meet a cost-benefit hurdle, as New York State has not yet released guidelines. NYCHA will aggressively pursue that funding upon release of the guidelines; however, at this time it cannot assume any revenue from this source for the calculation of unmet need.

Potential available funding to address NYCHA's needs is approximately \$515 million to \$530 million (depending on local cost share percentage). There is a gap in funding some of the mandatory rehabilitation, essentially driven by the local cost share portion of FEMA, estimated at 25% of the FEMA Public Assistance. NYCHA is also left with a significant gap in resilience and rehabilitation efforts for damaged buildings. Finally, no funding has been identified for the resiliency efforts in undamaged, but vulnerable buildings.

The non-federal cost share, which is the percentage of FEMA Public Assistance that the local government must contribute, will be covered by a different portion of CDBG-DR funds allocated to the City, under “Other Agency Costs.” These costs are detailed in a later section of this Partial Action Plan.

Housing (excluding public housing) Unmet Need

Of the \$2.7 billion required to rebuild and rehabilitate non-NYCHA buildings, approximately \$1.3 billion is anticipated to be funded by existing or identified programs and financial resources, leaving \$1.4 billion in unmet need for rehabilitation and reconstruction costs.

Existing or identified funding resources include:

- \$250 million portion of Rapid Repairs completed and planned that is deemed 'permanent.'
- \$450 million of expected insurance payouts (preliminary, top-down estimate). While the estimate includes the projected payout for all open claims, the number is subject to change as the data is updated over time
- Approximately \$250 million of FEMA funds disbursed for permanent housing assistance to individuals. Estimates exclude any rental assistance given or projected to be disbursed from the overall housing assistance.
- Approximately \$300 million from SBA loans authorized for building rehabilitation and reconstruction.
- Approximately \$25 million from the NYS Homeownership Repair and Rebuilding Fund / Empire State Fund.
- More than \$13 million of private funding, provided by the Mayor’s Fund to Advance New York City, the American Red Cross, and the Robin Food Foundation, was allocated to the mold remediation program.
- Other private assistance resources are being identified based on need.

Housing Goals

The City's housing recovery programs are designed to meet the unmet needs described above and help people affected of Hurricane Sandy – including homeowners and tenants of rental properties – achieve permanent, sustainable housing solutions that allow them to remain in New York City and, where possible, return to their neighborhoods.

The objectives of the programs include:

1. Help people affected by Sandy directly by replacing and rehabilitating housing units, including identifying opportunities for mitigation enhancement measures;
2. Help people affected by Sandy by improving the resilience of their housing units while restoring their buildings/residences;
3. Support resilience improvements to reduce risk and strengthen neighborhoods in flood zones; and
4. Leverage philanthropic investments to address immediate gaps with flexible capital and maximize CDBG-DR dollars at scale.

To pursue these objectives, the City has built a program that incorporates lessons from past disasters; builds upon stakeholder input from agencies and relevant organizations across the city, state, and national

levels; and, leverages the experience of locally-based organizations to ensure the diverse needs and particular contexts of NYC's affected residents are addressed.

Current economic challenges have been taken into account and the City aims to leverage private sector and other funding where possible. Our focus is to provide assistance to affected New Yorkers quickly while ensuring accountability and proper use of funds. We have also accounted for the complexities faced by affected residents working through the assistance process and therefore embedded quality customer service and counseling options to help people understand their options and the impacts (financial and otherwise) of their decisions.

The City's strategy will balance speedy response with adequate planning, support equity, and take into account the distinct needs of different communities and abilities of those community members. For program operations, the City will maximize private and non-profit sector expertise and the deep experience of the housing infrastructure in NYC while putting appropriate accountability and oversight mechanisms in place.

Housing Programs

Overview

Based on lessons learned from past disasters, the City will have a single program with several permanent housing recovery paths that maximize coordination across agencies. In this way, the City's program will leverage scale, where possible, while providing solutions tailored for the different needs of homeowners or landlords in need of assistance (e.g., by geography, building type and size). Specifically, the City will have the following core paths to provide assistance to those who suffered damage from Sandy:

NYC Houses Rehabilitation – Grants for reconstruction or rehabilitation of homes that have been destroyed or damaged by Sandy. Assistance will incorporate resilience measures for homes that are destroyed or have substantial damage, as defined by the Department of Buildings.

Multi-family Building Rehabilitation – Grants, low interest loans, and/or credit support for rebuilding or rehabilitation of multi-family rental buildings that have suffered damage. Rebuilding or rehabilitation will incorporate resilience measures for those multi-family buildings that have been destroyed or have suffered major damage.

Definitions, eligibility requirements, and other specifics for each of these paths are described below. The City will prioritize core program paths, provide additional program paths as rehabilitation and redevelopment options – such as a buyout for single-family homes through the State and funds permitting may acquisition for redevelopment – and will consider further program activities described in this Action Plan to enhance investment in impacted areas listed, subject to sufficient funds. Additional funding may be used to support resilience measures for homes or multi-family buildings that suffered less severe damage and for undamaged properties within the FEMA Special Flood Hazard Areas (Zones A and V). More detail on these other types of assistance is provided in later sections.

Temporary relocation of tenants is a standard component of existing HPD rehab loan programs. Tenants always have the right to return. The City will leverage this policy for the housing CDBG-DR funded loans.

Summary of Program Priorities

The initial funding will allow the City to serve a segment of its targeted population, as follows:

- **NYC Houses:** With the initial \$350 million for houses, the City will prioritize assistance for those with the most severe damage and owners with the highest level of financial need. Accordingly, the City's first priority will be to assist up to 1,000 units of low-, moderate- and middle-income homeowners whose primary residences or rental properties with year-round tenants were destroyed or had major damage. The City will also assist up to 8,300 low-, moderate-, and middle-income households whose primary residences experienced moderate damage.
- **Multi-family buildings:** The city will invest an initial \$250 million in its multi-family housing stock – both affordable and market rate, capitalizing on the strong HPD and HDC institutional infrastructure. Through this first round of funding, the City will rehabilitate and enhance the resiliency of approximately 13,000 units of housing for low-, moderate-, and middle-income New Yorkers.

These priorities will be addressed through the various paths described below. These program paths will share unified program elements:

- Coordinated program administration
- Coordinated outreach and branding
- Common intake and processing staff and procedures
- Aggregated monitoring and reporting
- Geographic areas to be served

Coordinated outreach and branding

The City's housing recovery program will have a common outreach strategy, executed by the various participating City Housing agencies through a coordinated approach. This outreach will be supported by the Mayor's Office and other relevant City agencies and initiatives and will coordinate with the State outreach activities whenever appropriate. The City will also leverage the broad network of community service and volunteer organizations with well-established ties to our communities.

The program will have a single branding that will be leveraged in all its communication and outreach activities.

Common intake and processing staff and procedures

A single City program management entity will oversee intake and processing of all applications before applicants are connected directly with a specific program path and oversight agency. Program path decisions will be based on building type and an assessment of damage and financial need that will take place as part of the intake process. Existing affordable housing developments that have been previously assisted by HPD and/or HDC may be routed through separate intake procedures.

Geographic area to be served

The program will cover areas in all of the five boroughs of New York City that were affected by Hurricane Sandy.

Program Administration

For non-public housing, the City's permanent housing recovery program will be led by the City's agencies responsible housing preservation, rehabilitation and development, capital construction, and environmental protection for all building types (except public housing). These agencies include the Mayor's Office of Housing Recovery Operations (HRO), HPD, HDC, and DEP.

The City will structure the program to distribute work among these agencies along operational lines. Each agency will augment its capacity with contracted support as necessary.

- A combination of agencies including HRO, HPD, HDC and DEP will lead the NYC Houses Rehabilitation, with a dedicated team of City staff responsible for overall program administration.
- HPD will be the lead agency for administering multi-family rehabilitation assistance.

To support completion of the work in an efficient and effective manner, the team will use the City's procurement procedures to leverage the expertise and capabilities of private non-profits, community based organizations, community development financial institutions, and contractor and consultant support.

Of the funds allocated for housing recovery assistance, 5% of allocations for the Housing program will be set aside for program administration, with an additional amount of funds that may be used for planning activities (recognizing that planning activity funds cannot exceed 15% of the funds allocated for this activity).

Examples of administration activities include: general management, oversight and coordination; providing local officials and citizens with information about the CDBG-DR program (e.g., through preparation of reports and other HUD-required documents); Fair Housing activities; and submission of applications for Federal programs.

Examples of planning activities include: community development plans (including the Action Plan); functional plans for housing such as land use and urban environmental design; policy planning, management and capacity building activities; and other plans and studies (e.g., small area and neighborhood plans).

NYC Houses Rehabilitation (Core Paths)

PROGRAM OBJECTIVE AND DESCRIPTION: Under this program, the City will offer three core paths to provide different assistance types for owners of homes that fall into one of the following three categories:

- **Reconstruction:** Residential property that has been destroyed or is more expensive to rehabilitate than to reconstruct;
- **Major rehabilitation:** Residential property that is not destroyed but has substantial damage as assessed by the Department of Buildings; and
- **Rehabilitation:** Residential property that was damaged by Sandy, but is not destroyed and does not have substantial damage as determined by the Department of Buildings.

For these purposes, the City defines homes as single-family homes with 1 – 2 units that are either owner-occupied or occupied by a year-round tenant. This category also includes 3 – 4 unit buildings occupied by

the owner. Note that under the specific Notice for this disaster, CDBG-DR funds can only be used for primary residences, not second or vacation homes.

The property owner will receive access to a restricted grant upon signing an assistance agreement. A restricted grant is funding to specifically support rehabilitation efforts as described above and that will impose requirements on the property in order to meet program priorities and prevent fraud, waste, and abuse. Payments in the amount of the grant will go directly to a pool of qualified contractors managed as part of the City's programming. Direct payment to contractors will help ensure compliance with program priorities, prevent fraud, waste and abuse, and allow for scale. Restrictions on grants and direct payment procedures are based on lessons learned from previous disaster recovery programs.

In accordance with the standard practice at HPD, the City's residential programs will require that all rehabilitation, reconstruction, and new construction work adhere to the Enterprise Green Communities Standard. For rehabilitation work that cannot meet the Enterprise Green Communities Standard, the City will follow the guidelines specified in the HUD CPD Green Building Checklist.

Requirements associated with the restricted grant may include the following conditions:

1. Maintained Ownership: The property owner must maintain ownership of the home for a period of up to five years, starting at the date of completion of construction. The restricted period will decrease in cases where the estimated cost to rehabilitation is limited.
2. Flood Insurance: The property owner must maintain flood insurance in an amount not less than the amount of the assistance, up to the National Flood Insurance Program (NFIP) maximum.

The City will consider mechanisms to enforce the assistance agreement, such as an enforcement mortgage. The dollar amount associated with the restriction will be prorated based on the years met within the restricted period.

In certain circumstances and with very clearly-defined restrictions, the program may allow owners to choose their own contractors to reconstruct and rehabilitate residential properties in a custom manner. The program would pay these contractors directly. An owner would have to contribute a substantial amount relative to the overall cost to complete and make a commitment to achieve rehabilitation within a specified timeframe, adhering to standards determined by the City.

For all program paths, the support will be limited to needs unmet by other disaster recovery assistance. For purposes of program calculations, the unmet need is defined as the estimated cost to rehabilitate less any other assistance received or available for the same purpose (e.g., insurance, SBA loans, other federal assistance).

- Funds received and spent on rehabilitation or reconstruction efforts in line with program parameters should reduce the unmet need.
- Funds received and not yet spent on rehabilitation or reconstruction efforts will be pooled with the assistance provided through the program and disbursed to support the rehabilitation or reconstruction efforts in line with the program parameters.
- In instances where any funds already received and earmarked for housing rehabilitation or replacement have not been used for their intended purpose, the City will not replace that amount with grant funding. However, recognizing that the homeowner may thus require more funding to complete rehabilitation, the City may offer assistance such as no-interest loans, with restrictions

placed on the property, to meet objectives in a manner consistent with Duplication of Benefits requirements.

Reimbursement for work that has been completed with private resources will not be permissible under this program. However, in extremely limited circumstances and specifically for high-need families, the City may be able to use additional funding to support these homeowners with assistance for other eligible Sandy-related work such as resilience measures, where consistent with Duplication of Benefits requirements.

HUD ELIGIBILITY CATEGORY: Rehabilitation/Reconstruction of Residential Structures, Construction of New Replacement Housing, Construction of New Housing.

ELIGIBILITY CRITERIA: Owners of single-family (1-2 unit) homes in New York City who are legally present in the US and had their home impacted by Hurricane Sandy are eligible for assistance. This program category will also include 3-4 unit buildings that are owner-occupied. Landlord-owned buildings that are 3-4 units will be addressed by multi-family building rehabilitation assistance described below. There is no income limitation regarding eligibility; however, assistance will be prioritized based on income and level of damage. The program will prioritize those with lower incomes and more significant damage. Priorities are addressed below in "Program Priorities."

All residential buildings which act as a primary residence (whether owner-occupied, or renter-occupied year-round) and were impacted by damage from Hurricane Sandy will be eligible. Second homes as defined by IRS Publication 936 are not eligible for assistance.

Homes that have suffered substantial damage will also qualify for assistance to mitigate against future losses to comply with local building and zoning code as adjusted to address future flood risk. Homes with less severe damage may be eligible for assistance for resilience measures, funds permitting. The City is considering the viability of a more generally available mitigation program through funding mechanisms such as the Hazard Mitigation Grant Program, pending policy guidelines that will be put out by New York State. However, preliminary estimates suggest that available funding sources are far from adequate to support mitigation for homes beyond those that were the most severely impacted, with levels of damage requiring mitigation. As described below, the City will consider funding "discretionary resilience" for this category of properties if sufficient funding is made available. Some private associations may find that rehabilitation of their infrastructure is essential to the rebuilding of housing. In these cases, the infrastructure rehabilitation may be eligible for assistance.

PROGRAM PRIORITIES: In order to address the greatest need with the limited amount of funding available, program priorities have been established. These priorities allow the program to assist New Yorkers with the greatest need based on level of damage and area median-income (AMI). Income bands are based on the City's standard housing programmatic framework.

Eligible applications will be reviewed to establish priority groups. The priority groups are divided into a relationship of highest level of damage coupled with area median-income of the primary occupant(s). For the purposes of determining priority in the case of a single-family home (1-2 units) the income category of the entire building will be determined by the occupant with the lowest income.

- **Priority 1:** Destroyed or severely damaged properties with owners / tenants at or below 165% of AMI;

- Priority 2: Major-moderate damaged properties with owners / tenants at or below 80% of AMI;
- Priority 3: Major-moderate damage properties with whose owners / tenants between 80%-165% of AMI;
- Priority 4: All homes with damage whose owners / tenants have an income of more than 165% of AMI.

GRANT/LOAN SIZE LIMIT: For each path, the level of the support will be limited based on rehabilitation standards as predetermined by the program administration team. The maximum scope of work, with associated maximum unit pricing, will be defined during intake through the program and its administrative entities. Payments in the amount of the grant will go directly to the contractors. The City may consider replacing grants with low interest loans or placing other limits on assistance for higher-income applicants pending availability of future funds.

The scope of work will be defined as follows:

- **Reconstruction:** Assistance may consist of a choice among a set of pre-designed model homes whose size and features are determined based on a combination of the household size and the pre-storm square footage. Pre-designed model homes may be utilized to boost the speed of construction and contain costs. The program will seek to offer designs appropriate to the neighborhood character to meet the needs and preferences of households. The City may permit custom construction in limited cases if an owner agrees to contribute a substantial amount relative to the overall cost to complete and makes a commitment to achieve reconstruction within a timeframe and adhering to standards determined by the city. Assistance for homeowners willing to contribute personal funds towards reconstruction will be capped (i.e., limited to a percentage of the eligible grant amount for building a pre-designed model home).
- **Major Rehabilitation:** The level of assistance will be based on the cost to rehabilitate the property according to preset maximum unit pricing, using standard specifications for materials and level of quality as determined by private architects, engineers, and building contractors working with the Housing Recovery program. It will NOT be based on "in-kind" replacement. Subject to adherence to program timeline and processes, the property owner and the contractor can agree to minor modifications in the selection of fixtures and products, as long as these modifications do not impact the unmet need or the time to complete rehabilitation work. The property owner will also receive assistance based on the cost to add required resilience measures according to preset unit pricing. In cases where the rehabilitation may lead to the temporary displacement of the occupant, relocation and interim housing assistance may be provided through the program
- **Moderate Rehabilitation:** the level of assistance will be based on the cost to rehabilitate the property according to preset maximum unit pricing, using standard specifications for materials and level of quality as determined by private architects, engineers, and building contractors working with the Housing Recovery program. It will NOT be based on "in-kind" replacement.

PROJECTED ACCOMPLISHMENTS: Through this initial funding for assistance for NYC Houses, the City plans to serve a total of approximately 1,000 units of low-, moderate-, and/or middle-income homeowners whose primary residences or rental properties with year-round tenants were destroyed or had major damage. In addition, the City plans to provide assistance to up to 8,300 low-, moderate-, and middle-income households whose primary residences experienced moderate damage. Given subsequent additional funding, this assistance would serve up to an additional 13,000 units of this type of housing.

NATIONAL OBJECTIVE: The program serves populations that meet two National Objectives: those with an urgent need and those who have low- to moderate-income. All beneficiaries demonstrate an urgent need, as they live within a Presidentially-declared disaster zone. We expect that approximately 55% of funding for NYC Houses will be directed to Low/Moderate income households. This calculation is based on the self-reported income of damaged households who registered for FEMA assistance. 22% of funding is expected to be directed to extremely low income households, with less than 30% AMI, and another 33% of funding is expected to be directed to low income households, with income above 30% AMI but below 80% AMI. Further, within the pools of homeowners needing reconstruction, major rehabilitation, and moderate rehabilitation, each is expected to see greater than 50% of funding directed to Low/Moderate Income households.

PERFORMANCE SCHEDULE: The City of New York will begin preliminary outreach to homeowners during the Action Plan review process and anticipates that intake and processing will begin in the spring of 2013. However, each situation will need to be individually scoped and addressed, which means that the rehabilitation work will likely start in the summer of 2013. The City expects the work to continue well into 2014 and potentially 2015 for the major reconstruction situations.

Example of performance benchmarks may include:

- Number of applications received (% of target)
- Number of applications processed (% of received)
- Number of applications approved (% of processed)
- Value of grants awarded (% of total available)
- Average value of grants awarded
- Percent spent on LMI buildings and housing units
- Number of households assisted
- Number of buildings and housing units assisted
- Number of buildings and housing units with resilience assistance

NYC Houses Rehabilitation (Additional Paths)

For owners, these programs will be second priority options for owners to Core Paths for this funding allocation.

Buyouts

The City believes that buyouts can be an important component of an overall housing mitigation and resilience strategy in selected areas, alongside the resilience measures outlined elsewhere in this proposed Action Plan. The City has developed a set of risk-based criteria that would make areas eligible for buyouts in New York City, and will work closely with New York State on advancing the program included in their Action Plan in targeted areas that meet these criteria. As a result, the City does not currently need to allocate any of its CDBG-DR funding for buyouts. Applicants interested in pursuing this option and who own property in the targeted areas will be referred to the State program through the City's intake process. These applicants would be required to demonstrate that they will achieve a sustainable permanent housing

solution (i.e., have options and financial ability to sustain themselves in a new permanent housing solution).

Other additional paths

In addition to the core paths (rehabilitation and reconstruction assistance) described thus far, the City will provide other paths for assistance to owners of NYC Houses. These paths will be for limited assistance and targeted for specific areas to address clustered areas of damage with redevelopment that strengthens these communities against future risks or for, in very limited cases, owners seeking to undertake further resiliency measures and face a significant cost burden.

- **Acquisition for Redevelopment** – The City will consider funding to acquire properties for the redevelopment of a home or cluster of homes in ways that mitigate future risks. For example, the City could acquire homes or empty lots in an area where other homeowners have damaged properties but want to stay, then support a broader redevelopment effort there. Different from buyouts, these acquisitions would be made at prices based on post-Sandy fair market values. Such potential "smart" redevelopment would likely be limited to areas specifically targeted for this purpose by the City and community, and may include funding for relocation (e.g., moving costs, temporary housing assistance) and homeownership assistance (e.g., mortgage assistance).

Similar to buyouts, households that voluntarily take advantage of this path would be required to demonstrate that they will achieve a sustainable permanent housing solution. In cases where this is lacking, the City will consider providing interim assistance toward such a housing solution as part of an overall plan for "smart redevelopment." This interim assistance will include limited rental assistance or homeownership assistance.

- **Strategic Redevelopment** – In targeted areas, the City also intends to support redevelopment strategies for units or areas in which participating property owners request and envision a new density, structural, or design model, and organize around a specific solution. In these cases, there is not necessarily a change in landownership and all owners must voluntarily participate in the program.
- **Additional Cost Assistance:** In extremely limited cases, where owners can justify and document the level of property damages directly related to Hurricane Sandy, and show that federal resources have otherwise been leveraged and that prior personal funds have been expended to rehabilitate these eligible property damages, the City will consider supplemental emergency payments for specific future activities to be undertaken related to the property, such as resilience measures or improvements to the structure. These cases would be limited households that have a high level of financial need and be means tested. In cases where new program-funded rehabilitation and resilience measures are performed, payments will be provided to offset additional cost burdens such as Flood Insurance and, in extremely limited and time-specific instances, mortgage assistance. For example, interim assistance payments, if initiated, may be made in conjunction with a rehabilitation or reconstruction program during which a property is uninhabitable as described in 78 FR 43, p. 14345. These payments are subject to availability of funding and will not be considered until after higher priority needs, as described in this plan, have been addressed.
- **Rental Assistance for Extremely Low Income Households:** The City will use CDBG-DR to create a rental subsidy program to serve households displaced by Hurricane Sandy. The City will assist

households in finding apartments in the existing affordable housing portfolio. Clients will sign leases directly with the property owners, and will be responsible for paying up to 30% of income in rent. The City will use CDBG-DR to cover the gap between the contract rent and tenant share. We will also use CDBG-DR to cover first and last months' rent to facilitate lease up as smoothly as possible. To the extent practical, the program will be modeled to follow the regulations and procedures of Section 8 (units must pass Housing Quality Standards, etc.).

HPD successfully created a rental subsidy program from HOME funding to meet emergency rental assistance needs in the past, which was also based on the Section 8 model.

Rent subsidies will be limited to 24 months. The City will work with clients during that period to identify housing options that may be sustainable without subsidy, or, when available, to transition the households to HPD Section 8.

ELIGIBILITY CRITERIA: Eligibility will be limited to households which meet the following criteria:

- Have incomes at or below 50% of Area Median Income;
- Have not been offered placements in either Public Housing or through Section 8

Eligibility for FEMA Rental Assistance or the FEMA/HUD DHAP program is not a prerequisite for eligibility for Rental Assistance for Extremely Low Income Households.

OTHER FUNDING SOURCES: This rental subsidy program could operate in conjunction with a Disaster Housing Assistance Program (DHAP), if created by FEMA/HUD. The CDBG-DR rental assistance program would complement DHAP in two ways. First, it can bridge DHAP funding availability, both before DHAP dollars are available and after DHAP expires. Second, incentives such as first/last month's rent may help to draw landlords to DHAP, which could otherwise have limited landlord participation.

Although CDBG-DR funded rental assistance may bridge to DHAP or other rental subsidies, tenants may not receive more than one rental subsidy simultaneously.

In order to implement this rent subsidy program, we will ask HUD to waive the rule that limits income support payments to 90 days. The City will also seek a waiver to allow rental assistance for households not participating in a rehabilitation loan program.

HPD anticipates launching the rental subsidy program as soon as the above waivers are approved. Once CDBG-DR funds are available, we will reimburse costs retroactively.

PROGRAM ADMINISTRATION: The NYC Department of Housing Preservation and Development will be responsible for ensuring compliance with the following regulations:

- Duplication of benefits: following the established City procedure for checking insurance, FEMA, SBA payments and other sources, and documenting that no duplication of benefits has occurred.
- Income certification: collecting an affidavit from each household attesting to household size and income.

NATIONAL OBJECTIVE: The Rental Assistance for Extremely Low Income Households program will be limited to households which meet the Low/Moderate Income Housing national objective.

Subject to availability of additional CDBG-DR funds to meet NYC's highest priorities for recovery NYC will also choose to undertake further recovery-related activities to address the remaining highest-priority unmet needs and fund efforts for post-Sandy resilience and redevelopment of damaged areas. Such activities would include, but are not limited to:

- **Discretionary resilience measures:** Funding for homeowners in areas at risk of future damage, but who did not suffer enough damage from Hurricane Sandy to require resilience measures in their reconstruction / rehabilitation. Potential funds used for this purpose would extend to homes which were not damaged, but are now facing higher insurance premiums due to the new ABFE's and flood maps.
- **Investment incentives:** Funding for incentives to enhance investment in impacted neighborhoods. This potential funding would be used to encourage homeowners in these neighborhoods to purchase nearby lots, and encourage residents from other neighborhoods to purchase homes in an impacted neighborhood. It would also be used for targeted redevelopment of severely impacted neighborhoods. Such investment incentives might take various forms, such as down-payment or closing cost assistance.
- **Essential infrastructure:** Funding for infrastructure which is owned by private associations yet is essential to the rehabilitation or reconstruction of housing stock in a neighborhood.

HUD ELIGIBILITY CATEGORY: Rehabilitation/Reconstruction of Residential Structures, Construction of New Replacement Housing, Construction of New Housing, Acquisition (Buyout of Residential Properties), Acquisition of Property for Replacement Housing.

Typical Flow for NYC Houses Rehabilitation

Homeowner Intake and Case Management

Upon approval of this program, the City intends to undertake a broad three-pronged outreach strategy, building on efforts to date.

- Internet and media campaign to describe program parameters, announce program intake and provide guidance on how to apply
- Community outreach in neighborhoods that sustained damage, continuing to leverage public officials, not-for profit and local community groups
- Direct community-based meetings, discussions and forums to provide further guidance and capture feedback from impacted neighborhoods

Owners of properties damaged by Sandy are expected to register either online, via phone or by coming to any of the Housing Recovery Program designated locations. Once registered, they would be assigned a 'Housing Recovery Specialist' who will accompany the homeowner throughout the process.

The homeowner will then provide all required documentation to the 'Housing Recovery Specialist' to answer questions. The 'Housing Recovery Specialist' may also recommend partners that can provide an applicant technical counseling (legal, home finance, etc.).

The 'Housing Recovery Specialist' will also assign an assessment expert to visit the homeowner's property to assess the cost to complete rehabilitation. This expert will make an appointment with the homeowner to visit the property after registration is complete. The expert will document the required scope of work, type

of damage, property size, and calculate estimated costs for use by the program in determining the amount and type of assistance required.

Financial and Eligibility Review

The homeowner documentations will be thoroughly reviewed by a dedicated team that will perform the following reviews:

- Validate homeowner and property eligibility and determine their priority;
- Conduct all compliance and duplication of benefit reviews and analyses;
- Determine all activities required to finalize financial review (for example, determining follow-up required with SBA, Mortgage Servicer, etc.)

Examples of criteria for which documentation may be required include:

- Ownership (e.g., deed, mortgage documents)
- Citizenship / legal situation (e.g., passport, I-9 form)
- Residence of owner / tenant (where applicable) (e.g., utility bills)
- Level of available assistance, incremental to the City's Housing Recovery Program (e.g., letters from insurance providers, FEMA grant documentation, SBA loan documentation)
- Income (e.g., affidavits, tax forms)

The financial and eligibility review team will then share the results of their review with the 'Housing Recovery Specialist'.

Determination of Unmet Need and Rehabilitation Path

The 'Housing Recovery Specialist' will receive the cost to complete estimate from the assessment expert as well as the financial review file, documenting all resources and assistance already received by the homeowner. Based on these two inputs, the 'Housing Recovery Specialist' will determine the unmet need and will work with the homeowner to determine the most appropriate path for the property. For example, it might be determined by the 'Housing Recovery Specialist', with approval from program management, that reconstructing a property that requires major rehabilitation is more cost effective than rehabilitating it and increasing its resilience.

The 'Housing Recovery Specialist' will meet in person with the homeowner to describe the options and next steps. The 'Housing Recovery Specialist' will then transition the homeowner to the appropriate path and ensure a first contact has been made with the customer service representative associated with that path.

Ongoing Homeowner Point of Contact

Each path will provide specific 'customer service' and housing counseling to the homeowner throughout the rehabilitation / reconstruction process. However, the initial 'Housing Recovery Specialist' will remain an available homeowner point of contact throughout the entire process, allowing for continuity of service.

Examples of Expected Typical Scenarios

The four following examples illustrate how single-family homeowners might receive assistance via the NYC Houses Rehabilitation path. These examples are not comprehensive but are instead meant to provide illustrative experiences for homeowners.

- **Example 1:** A property needing reconstruction, for which funding (e.g., insurance) has already been received and set aside for its intended purpose
- **Example 2:** A property needing major rehabilitation for which no additional resources have been identified
- **Example 3:** A property needing moderate rehabilitation, for which enough additional resources have been identified that the unmet need is relatively small
- **Example 4:** A property needing reconstruction, where the homeowner has significant SBA loan funding available

Example 1: Rebuild, with insurance and other funding already received

Mrs. Smith's 1,800-square-foot, 2-bedroom, 2-bathroom home was destroyed by Hurricane Sandy. Her insurance company provided her \$150,000 in funding, of which \$110,000 was provided for the purpose of rebuilding her home.

After hearing about the City's assistance options at a neighborhood information session, Mrs. Smith registers for NYC Houses Rehabilitation assistance. She is immediately assigned a Housing Recovery Specialist and an assessment expert. She meets with the Housing Recovery Specialist to submit the documents which she needs to provide. After making an appointment, the assessment expert visits her home to estimate the required scope of work and potential costs.

- The documents Mrs. Smith provides demonstrate that she fulfills the eligibility requirements to receive assistance under the program. She has received \$31,900 from FEMA – \$20,000 of this was intended for the rebuild of her home (the remaining \$11,900 was intended for rental assistance). She also received \$20,000 from a New York State philanthropic fund. She has not used any of this money, nor the \$110,000 she received from her flood insurance company for rebuilding.
- The site visit results in an assessment confirming that the home was destroyed, and indicating that there are no special considerations resulting from the land or parcel conditions of the property. Based on the size of Mrs. Smith's household and the pre-storm square footage of her home, the assessment expert estimates that it would cost approximately \$200,000 to build a pre-designed model home for Mrs. Smith at the new advisory base flood elevation that incorporates the most current building codes.

The assessment and Mrs. Smith's documents form a complete application package, which is then reviewed by the financial review and eligibility team. The team determines that Mrs. Smith will receive a restricted grant of up to \$50,000 to fill her unmet need (based on the total \$200,000 construction costs minus \$150,000 in combined funding already received for the purpose of rebuilding her home). The Housing Recovery Specialist then meets with Mrs. Smith again, describes to her the details of her assistance offer, including the size of the grant along with associated restrictions. The Housing Recovery Specialist also explains any alternative options available (e.g., buyout from New York State).

The Housing Recovery Specialist may also preview a sample of potential designs for model homes that Mrs. Smith may choose from. If Mrs. Smith is not comfortable with deciding on her assistance path, the Housing Recovery Specialist can refer her to outside counseling for financial or legal guidance (e.g., financial

analysis of each option, including the possible costs of relocating and the fair market value of similar homes in her area).

Mrs. Smith decides to rebuild, utilizing the restricted grant program. Her \$150,000 in received funding is placed into escrow, along with the City's grant funding, for use in the rebuild. The Housing Recovery Specialist refers her file to the rebuild path for assistance and arranges a first meeting with the designated general contractor (GC).

Mrs. Smith and the designated contractor would then finalize the agreement for assistance and select an appropriate model home, including some options for customization (e.g., paint color, window design). Over the course of construction, construction supervisors will help ensure work is being done on time and to quality standards. The City will make direct payments to the contractor. The Housing Recovery Specialist will continue to check in with Mrs. Smith as the construction continues to ensure that she is satisfied with the assistance she has received.

Example 2: Major Rehabilitation, with insurance, but no other prior funding received

Mr. Jones' 2-bedroom, 1,200-square-foot bungalow-style home sustained substantial damage from flood waters during Hurricane Sandy. Mr. Jones, who has a mortgage on his home, has flood insurance.

After hearing about the City's options for assistance on the radio, Mr. Jones registers for NYC Houses Rehabilitation assistance. He is immediately assigned a Housing Recovery Specialist and an assessment expert. He meets with the Housing Recovery Specialist to submit the documents which he needs to provide. After making an appointment, the assessment expert visits his home to estimate the required scope of work and potential costs.

- The documents Mr. Jones provides demonstrate that he is eligible for assistance under the program. He has received \$10,000 from FEMA, all of which was intended for the rehabilitation of his home, and none of which has been spent. He has also received \$5,000 from philanthropic organizations, but it was for heating oil, not for rehabilitation. His insurance company has decided to award him \$70,000, though only \$40,000 of this award was intended for rehabilitation of his home. Finally, NYC's Rapid Repairs program completed \$15,000 worth of work on his home.
- The site visit results in an assessment estimating that it would cost \$75,000 to rehabilitate Mr. Jones' home, which is more than half of the estimated \$130,000 market value of the structure, thereby confirming that the home is "substantially damaged". Though the expert determines the scope of work does not require complex rehabilitation, this level of damage requires the home to be rehabilitated in compliance with current building codes and elevated above the floodplain. The assessment expert estimates that to do so would cost an additional \$50,000, for a total rehabilitation cost of \$125,000. The assessor also estimates that it would cost more than \$125,000 to demolish the existing structure and build a new home in its stead, thereby ruling out the option for assistance to rebuild instead of rehabilitate Mr. Jones' home.

Together the assessment and Mr. Jones' documents form a complete application package, which is then reviewed by the financial review and eligibility team. The team determines that Mr. Jones will receive a restricted grant of up to \$75,000 to fill his unmet need (based on the total \$125,000 construction costs minus the \$50,000 already received for the purpose of rehabilitating his home). The Housing Recovery Specialist then meets with Mr. Jones again, and describes to him the details of his assistance offer, including

the size of the grant along with associated restrictions. The Housing Recovery Specialist also explains any alternative options available (e.g., buyout from New York State).

If Mr. Jones is not comfortable with deciding on his assistance path, the Housing Recovery Specialist can refer him to outside counseling for financial or legal guidance (e.g., financial analysis of each option, including the possible costs of relocating and the fair market value of similar homes in his area).

Mr. Jones decides to accept rehabilitation assistance using the restricted grant program. His \$50,000 in received funding is placed into escrow for use in the rebuild, along with the City's \$75,000 grant. Given that the assessment has determined the rehabilitation effort required is not complex (compared to a rebuild), the Housing Recovery Specialist refers Mr. Jones' file to the moderate rehabilitation path for assistance, rather than the major rehabilitation path. The coordinator arranges a first meeting with the designated general contractor (the team managing the moderate rehabilitation path assigns the GC).

Mr. Jones and the designated contractor then finalize the agreement on the rehabilitation and resilience strategies and options, including any available options for customization (e.g., cabinet design), and the rehabilitation and resilience begin. Over the course of construction, construction supervisors will help ensure work is being done on time and to quality standards. The City will make direct payments to the contractor. The Housing Recovery Specialist will continue to check in with Mr. Jones as the construction continues to ensure that he is satisfied with the assistance she has received.

Example 3: Moderate Rehabilitation, relatively low amount of unmet need

Ms. Garcia's attached home sustained some water damage and flooding during Hurricane Sandy. Though the property was not previously in a flood hazard zone, Ms. Garcia did have flood insurance, and received an award in the amount of \$20,000. She also received FEMA IA assistance in the amount of \$5,000. Ms. Garcia did not sign up for NYC's Rapid Repairs program as her home was considered livable.

After reading about the City's assistance options on the internet, Ms. Garcia registers for NYC Houses Rehabilitation assistance. She is immediately assigned a Housing Recovery Specialist and an assessment expert. She meets with the Housing Recovery Specialist to submit the documents which she needs to provide. After making an appointment, the assessment expert visits her home to estimate the required scope of work and potential costs.

The documents Ms. Garcia provides demonstrate that she is eligible for assistance under the program. She has received \$5,000 from FEMA, all of which was intended for the rehabilitation of her home, and none of which has been spent. She expects to receive \$20,000 from her insurance company, but only \$10,000 of this money is intended for rehabilitation purposes.

The site visit results in an assessment estimating that it would cost \$18,000 to repair Ms. Garcia's home. Given that this is not greater than 50% of the value of the structure, Ms. Garcia is not required to elevate her home above the new advisory base flood elevation. The Housing Recovery Specialist tells Mrs. Garcia that the City is considering the viability of other programs intended to support resilience measures such as elevation and that the state may be obtaining funding for a program that could support mitigation, however preliminary estimates indicate that there is not sufficient funding sources available at this time to elevate homes that are not considered "substantially damaged".

Together the assessment and Ms. Garcia's documents form a complete application package, which is then reviewed by the financial review and eligibility team. The team determines that Ms. Garcia will receive a restricted grant of up to \$3,000 to fill her unmet need (based on the total \$18,000 construction costs minus \$15,000 already received for the same purpose). The Housing Recovery Specialist then meets with Ms. Garcia again, and describes to her the details of her assistance offer. These include the size of the grant along with associated restrictions, the list of prequalified contractors she may choose from, and any alternative options which are available. If Ms. Garcia is not comfortable with making the choice, the Housing Recovery Specialist can refer her to outside counseling for financial or legal guidance.

Ms. Garcia decides to accept rehabilitation using the restricted grant program. The Housing Recovery Specialist refers her file for assistance via the moderate rehabilitation path and arranges to have a construction supervisor assigned to her case. The Housing Recovery Specialist also provides Ms. Garcia with information on how to submit her invoice for payment once the work has been completed.

After the work is complete, Ms. Garcia submits her invoice for payment. The construction supervisor will be responsible to visit Ms. Garcia's home once to confirm that the work which the contractor invoiced has been completed, and then authorizes payment to that contractor.

The Housing Recovery Specialists will remain available as a point of contact for Ms. Garcia to ensure that she is satisfied with the assistance she has received.

Example 4: Rebuild, with significant SBA loan funding available

Mr. Lee's 4-bedroom, 2,500-square-foot home was destroyed by Hurricane Sandy. Mr. Lee had recently paid off his mortgage, and he had let his flood insurance lapse. He has received some assistance from FEMA IA and New York State. He also applied for a Small Business Administration (SBA) disaster loan.

After reading about the City's assistance options in the newspaper, Mr. Lee registers for NYC Houses Rehabilitation assistance. He is immediately assigned a Housing Recovery Specialist and an assessment expert. He meets with the Housing Recovery Specialist to submit the documents which he needs to provide, and the assessment expert visits his home.

The documents Mr. Lee provides demonstrate that he is eligible for assistance under the program. He has received \$31,900 from FEMA, with \$20,000 of this intended for the rebuild of his home. He also received \$20,000 from New York State philanthropic funds. Finally, he has been approved for the maximum \$200,000 from SBA for a low-interest disaster loan. He has not yet used any of this money available to him.

The site visit results in an assessment confirming that the home was destroyed, and indicating that there are no special considerations resulting from the land or parcel conditions of the property. Based on the size of Mr. Lee's household and the pre-storm square footage of his home, the assessment expert estimates that it would cost \$300,000 to build a pre-designed model home for Mr. Lee at the new advisory base flood elevation and incorporating the most current building codes.

Together the assessment and Mr. Lee's documents form a complete application package, which is then reviewed by the financial review and eligibility team. The team determines that Mr. Lee is eligible to receive a restricted grant of up to \$60,000 to fill his unmet need (based on the total \$300,000 construction costs minus \$240,000 funding already received for the same purpose). They refer the case to SBA for an increase in the loan size. SBA agrees with the assessment of the size of the unmet need, but declines to

increase the size of the loan. At this point, the financial and eligibility review team confirm that Mr. Lee will receive an offer for a restricted grant of up to \$60,000.

The Housing Recovery Specialist then meets with Mr. Lee again, and describes to him the details of his assistance offer. These include the size of the grant along with associated restrictions, some potential designs for modular homes he may choose, and any alternative options which are available (e.g., buyout from New York State, custom design, etc.). Due to his particular situation, the Housing Recovery Specialist may also present Mr. Lee with the option of choosing not to use the predesigned model homes, and instead supervising his own custom rebuild with either his designated contractor or a contractor of his choosing. If Mr. Lee is not comfortable with making any of these choices, the Housing Recovery Specialist can refer him to outside counseling for financial or legal assistance (i.e., financial analysis of each option, including the possible costs of relocating and the market value of similar homes in his area).

Mr. Lee decides to rebuild utilizing the restricted grant program, and selects the designated contractor. His \$240,000 in received funding is placed into escrow along with the grant for use in the rebuild. The Housing Recovery Specialist refers his file to the rebuild path for assistance and arranges a first meeting with the designated general contractor (the team managing the rebuild assistance path assigns the GC).

Mr. Lee and the designated contractor would then finalize the agreement for assistance and select an appropriate model home, including some options for customization (e.g., paint color, window design). Over the course of construction, construction supervisors will help ensure work is being done on time and to quality standards. The City will make direct payments to the contractor. And the Housing Recovery Specialist will continue to check in with Mr. Lee as the construction continues to ensure that he is satisfied with the assistance he has received.

Multi-family Building Rehabilitation

Overview

The City will allocate \$250M out of the initial CDBG-DR allocation for rehabilitation loans for multi-family (5 units or more) housing. This category will also include 3-4 unit, non-owner occupied buildings.

Funds will be used throughout the impacted zone, and will serve a wide range of housing types, including market-rate properties, HUD-assisted properties such as developments with section 202 or 236 contracts, permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. HPD will prioritize loans that assist vulnerable populations such as the pre-storm homeless. This includes restoration of existing supportive housing properties, and where viable, conversion of damaged class B properties to supportive housing.

The CDBG-DR funds will be conveyed as low- or no-interest loans, which may be forgiven depending on property specific circumstances, or as restricted grants.

CDBG-DR funds can be used to reconstruct/rehabilitate property damaged by Hurricane Sandy, and to implement resiliency measures. On a case by case basis, the City will also consider scopes of work that include non-storm related elements. Non-storm related scope items will be approved only when the work

is necessary to maintain the property as a viable housing resource in a storm impacted community. All work must meet Enterprise Green Communities standards for environmentally sustainable construction.

Lending Options

The City will employ three different mechanisms for making CDBG-DR funded rehabilitation loans.

1. **Direct lending**: The City will lend funds directly to owners of impacted buildings. The City will use CDBG-DR to expand three extremely successful, existing loan programs – the Article 8A loan program, the Participation Loan Program (PLP), and the Supportive Housing Loan Program – to meet the needs of buildings damaged during Sandy. Article 8A loans are public money only, and will serve buildings without capacity to absorb additional debt, while PLP loans blend private and public money to serve properties that can support debt service payments. The Supportive Housing Loan Program finances housing for special needs populations that includes on-site social services. In most cases, these programs will be used to serve buildings with more than 40 units, and which are not currently subject to affordability requirements.
2. **Bank-originated lending**: The City will use a “Request for Proposals” (RFP) process to identify a number of banks which will make loans to buildings of less than 20 units. The City will do lump sum draw-downs in accordance with CFR §570.513, and deposit funds with these banks. Banks will provide low-cost construction loans to finance rehabilitation, and CDBG-DR funds will be used for permanent financing. CDBG-DR funds may be combined with refinancing if restructuring of debt is necessary to ensure that the property remains a viable affordable housing resource for the impacted community.
3. **Housing Development Corporation (HDC) lending**: A portion of the CDBG-DR funds will be lent through HDC, a New York State public benefit corporation that finances multi-family affordable housing in New York City. HDC will use CDBG-DR funds to make direct loans to impacted affordable housing developments in the HPD and HDC asset management portfolios. All asset management properties should meet the low-/moderate-income threshold. HDC can also use CDBG-DR funds for credit support to facilitate private lending to impacted buildings, and as collateral to back a larger loan fund for properties doing resiliency and energy retrofit work.

The share of funds channeled through each lending mechanism will vary depending on the level of interest and need seen in different segments of the housing market.

In some cases, building owners may have self-funded emergency stabilization needs in the immediate aftermath of the storm. If the owner can document that building conditions represented an urgent threat to health and safety, meets all CDBG eligibility requirements, and that he/she received no other financial assistance (FEMA, SBA, insurance, charitable gifts) to pay for this work, CDBG-DR funds may be used to cover these costs. It is expected that very few buildings will qualify for this assistance.

In other instances, owners have self-funded rehabilitation work to address immediate needs after the storm that were critical to restoring habitability, but which do not meet the definition of emergency stabilization described above. In limited cases, where this has created financial hardships which jeopardize the owner's ability to make mortgage payments, HPD may use CDBG-DR funds to make loan payments for up to 12 months. Mortgage assistance will only be available to owners who are also receiving CDBG-DR funds to do additional rehab work to address unmet needs.

In addition to the funding mechanisms described above, the City will consider funding to acquire properties for the redevelopment of a building or cluster of buildings in ways that mitigate future risks. For example, the City could acquire buildings or empty lots in an area where other owners have damaged properties but want to stay, and then support a broader redevelopment effort. These acquisitions would be made at prices based on post-Sandy fair market values. Such potential "smart" redevelopment would likely be limited to areas specifically targeted for this purpose by the city and community, and may include funding for relocation (e.g., moving costs, temporary housing assistance) of tenants as necessary.

Regulatory Compliance

The originating lender (The City or the bank) will be responsible for ensuring compliance with the following regulations:

- Duplication of benefits: following the established City procedure for checking insurance, FEMA, SBA and other sources, and documenting that no duplication of benefits has occurred.
- Income certification: collecting an affidavit from each household attesting to household size and income.

The City will be responsible for ensuring compliance with the following:

- Environmental review: all projects must go through National Environmental Policy Act (NEPA) review.
- Davis Bacon: all contractors will have to submit payroll records to HPD for review. Any contractor not paying prevailing wages will have funds withheld, will be required to reimburse workers, and will potentially be subject to additional penalties.

This program will also include funding for City staff working on loan programs. Eligible titles include, but are not limited to, project managers to review loan underwriting, environmental review experts, labor monitors, construction/engineering staff, and attorneys.

ELIGIBILITY CRITERIA:

- Owners of rental properties, co-ops, and condos with five (5) units or more.
- Owners of 3-4 unit buildings that are not owner occupied.

All multi-family buildings, rentals, cooperatives or condominiums, located in the five boroughs of New York City and who have suffered damage from Hurricane Sandy will qualify for assistance to rebuild, rehabilitate and, in the case of buildings with substantial damage, mitigate against future losses to comply with local building and zoning code as adjusted to address future flood risk. Also, some private associations may find that rehabilitation of their infrastructure is essential to the rebuilding of housing. In these cases, the infrastructure rehabilitation may be eligible for assistance.

PROGRAM PRIORITIES:

- Properties requiring loans to restore basic habitability
- Significantly damaged buildings with basic services restored but in need of major rehabilitation
- Buildings serving the most at-risk demographic populations

GRANT/LOAN SIZE LIMIT: Loans will be capped at \$200,000 on a unit basis, including both rehabilitation and resiliency scope items. Exceptions may be granted as determined by the City program management. However, we anticipate that the average loan will be substantially smaller, approximately \$20,000/unit.

NATIONAL OBJECTIVE: Most of the multi-family rehabilitation loan program will meet the Low/Moderate Income Housing national objective. HPD, HDC, and financial institutions will attempt to collect income certifications from all tenants in buildings receiving CDBG-DR funded loans, but also anticipate that some buildings with largely higher income tenants will require assistance. In aggregate, we anticipate that approximately 67% of the 13,000 units will serve low- and moderate-income households.

If a property requires rehabilitation financing, but cannot meet the Low/Moderate Income Housing national objective, it will qualify as Urgent Need.

PROJECTED ACCOMPLISHMENTS: Approximately 13,000 units, including market-rate properties, HUD-assisted properties such as developments with 202 or 236 contracts, permanent housing for the homeless and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program.

PERFORMANCE SCHEDULE: New York City agencies will begin preliminary outreach to property owners during the Action Plan review process and anticipates that lending will begin in the summer of 2013. However, each project will need to be individually scoped and designed, and will require permits and in some cases zoning review. As a result, rehabilitation work will likely start fall 2013. In HPD's experience, large scale rehabilitation projects require an 18-24 month construction period (after the pre-development phase just described). In the course of construction, HPD typically holds back a portion of loan funds, as well as after construction is substantially complete as a tool to ensure that compliance requirements, such as filing of all Davis Bacon paperwork, Fair Housing requirements, etc. are met.

As a result, expenditures may lag construction. While the City will make every effort to ensure a speedy and effective program delivery, it is likely that we may need to seek an extension of the 24 month expenditure period.

Public Housing Rehabilitation and Resilience

Overview

Under this program, improvements will be made to the City's public housing infrastructure. These improvements are intended to make direct rehabilitation, replacement of critical systems and building infrastructure as well as installing new measures that will restore buildings systems and services to pre-storm conditions, strengthening the buildings by making the new systems more resilient, and further promoting the preservation of the public housing asset with the implementation of sustainable designs. The program elements have been designed to address the diverse building infrastructure in NYCHA's current portfolio.

The City will allocate \$120 million to design and construct improvements to public housing directly impacted by Hurricane Sandy. The first phase of this program is to install permanent emergency

generators at 100 of NYCHA's most vulnerable buildings that were impacted. Accordingly, a portion of this allocation will be used as the non-federal share for FEMA Public Assistance projects.

Improving resiliency by adding permanent emergency generators at the remaining critical NYCHA buildings in Zone A will cost an additional \$130 million and may be funded from future CDBG-DR tranches.

In addition, NYCHA is considering other efforts that include:

- Strengthening emergency response and preparedness for future floods with initiatives such as a new Emergency Operations Center, a standard Incident Command Structure (ICS) based system, and rehabilitating a total of 90 Community Centers located in Zone A.
- Increasing the resilience to mitigate future flood risk at NYCHA developments by implementing basic resiliency and mitigation measures (i.e. raised boilers and electrical switch gear) to all buildings in the new Zone A.

ELIGIBILITY CRITERIA: With a wide variety of building types in all five boroughs and a program with multiple priorities, threshold and other criteria for determining eligible properties may vary slightly. However, all NYCHA buildings that have been impacted by damage from Hurricane Sandy, are located within the flood zone or are otherwise vulnerable to future storms, in all five boroughs, may be eligible.

PROGRAM PRIORITIES: Each eligible property will be carefully assessed according to the program priorities. Criteria that will be considered for selection of properties include: level of building damage, number of residents, resident population (e.g. seniors, vulnerable populations), whether or not it is a high rise building, services potentially impacted, and location of critical equipment. Priority would be given to the most vulnerable of NYCHA's residences such as senior buildings, 504 apartments, buildings with life sustaining equipment, community/senior centers, etc.

NATIONAL OBJECTIVE: Funding for restoration and resiliency will provide direct and long lasting benefits to all residents of a building. For example, permanent emergency backup generators to power critical building systems will provide residents safe egress via elevators, enhance resident safety by providing emergency lighting and allow for sheltering to remain in place by ensuring domestic water, heat and hot water can continue to be delivered.

PROJECTED ACCOMPLISHMENTS: The program as a whole could have an impact on 300,000 NYCHA residents in nearly 180,000 units, benefits will be realized by approximately 80,000 residents who were significantly impacted by the storm. The first phase of this program is focused on 100 buildings with a population of approximately 20,000 residents.

PERFORMANCE SCHEDULE: NYCHA is currently preparing proposed design documents to address the rehabilitation and resiliency needs at each of the impacted NYCHA developments. It is anticipated that most resiliency measures will be implemented together with required rehabilitation work, with construction at some developments projected to begin as early as Spring 2013. Construction developments with more complex improvements could take more than a year to complete.