



# ONE CITY, REBUILDING TOGETHER

A Report on the City of New York's Response to Hurricane Sandy and the Path Forward



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Dear Mayor de Blasio,

Hurricane Sandy highlighted New York City's vulnerability to extreme weather events; a vulnerability that will only grow over time due to the impacts of a changing climate.

The storm caused more than \$19 billion in damage and lost economic activity, thousands of homes and businesses were destroyed or seriously impacted, infrastructure systems and vital services that serve millions were disrupted, and 44 New Yorkers tragically lost their lives. Sandy also exposed other underlying challenges in many neighborhoods, where many of the city's most vulnerable populations live, and where individuals and families are at even higher risk of disruption, dislocation, and displacement.

It is clear that without action by the city and its many partners, dramatic changes happening in our climate will continue to negatively affect our City's infrastructure and neighborhoods. Even as we continue to rebuild from Sandy, we must take action to reduce the vulnerabilities that exist in all five boroughs to future extreme weather events and a changing climate.

A few weeks ago, you asked your administration to provide an update on the city's housing recovery efforts through the Build It Back program and the city's broader efforts around resiliency management and planning. You requested an updated strategy that included diagnostics and specific recommendations to improve the city's recovery programs. The attached report is our response to this request.

This report highlights actions already taken by the City to address existing concerns with the Build it Back program and makes extensive recommendations for other necessary changes. While there are still many challenges that need to be met, since the beginning of 2014 a significant number of individuals and families that were affected by Hurricane Sandy have finally begun to make their way through the process so that critical work on their homes can begin. Since January 1, the program has increased by eight-fold the award offers made to applicants to nearly 4,000, with more than 900 accepting the offerings and moving forward with their awards. Design work has started on more than 190 homes. As a result of this administration's prioritization of housing recovery work, the first reimbursement checks have been mailed and construction work began in late March.

This report also provides an update on the newly created Mayor's Office of Recovery and Resiliency, formed to serve as the focal point for the coordination of the city's major capital investments, its long-term resiliency planning, and the management of the complex relationships with its federal, state and private partners. This office will oversee the implementation of the city's resiliency management and planning efforts and will be responsible for ensuring that we are less vulnerable in the years to come.

We look forward to providing you with future updates as we continue to make progress.

Sincerely,

William Goldstein

Senior Advisor for Recovery, Resiliency and Infrastructure

# EXECUTIVE SUMMARY

The report represents a major overhaul of currently active recovery programs, as well as details on the city's work to rebuild in a stronger, more resilient way to protect against future extreme weather.

This report outlines extensive steps the city will take to improve the rebuilding process to provide real financial relief for homeowners while better engaging local communities. This includes expediting the process for families and businesses currently rebuilding and expanding eligibility for immediate relief; using the rebuilding and recovery process to expand economic opportunity and create job pathways for more New Yorkers; and improving coordination within the city and across levels of government.

## **To provide financial relief and expedite recovery for homeowners, the city will:**

- Improve the experience of homeowners navigating the pre-construction process by
  - ◆ Better facilitating selection of the Acquisition and Choose-Your-Own-Contractor pathways
  - ◆ Assigning Department of Buildings inspectors to work out of Build it Back exclusively and expanding design consultation capacity
  - ◆ Committing to the goal of 500 construction starts and 500 reimbursement checks issued by the end of the summer
- Expand eligibility for acquisition and reimbursement so more households can get relief by
  - ◆ Eliminating priority levels to ensure that no applicant's income will be a reason to disqualify him or her from the rebuild, reimbursement, or acquisition pathways; this follows the administration's announcement in late March that it will eliminate priority levels for homes that must be rebuilt
- Provide additional financial support to impacted residents by
  - ◆ Developing a plan to better address temporary displacement during construction
  - ◆ Offering relief from city water bills for vacant homes
  - ◆ Partnering with state legislators and the Department of Finance to provide property tax relief to Sandy-impacted residents
  - ◆ Working with the American Red Cross to expand rental assistance to serve the needs of undocumented immigrants who were physically displaced from their homes by Sandy
- Enhance coordination between city agencies and with city, state, and federal partners by
  - ◆ Establishing the Sandy Community Improvement Initiative to expedite and coordinate city services and capital projects in impacted neighborhoods
  - ◆ Convening a regular interagency working group at City Hall to set priorities, streamline the recovery process, and resolve ongoing issues; hiring additional staff at relevant City agencies to expedite the design and construction process
  - ◆ Creating a regional group that brings together the United States Department of Housing and Urban Development, the Federal Emergency Management Agency, New Jersey, New York, and New York City to coordinate housing recovery activities, share best practices, and expedite services

- Improve the business recovery effort by
  - ◆ Evaluating ways to expand eligibility for the Hurricane Sandy Business Recovery Loan and Grant program, expedite processing, and expand intensive technical assistance for businesses affected by the storm that are seeking grants or loans
  - ◆ Working with HUD to increase the individual program award limit for businesses

**To better engage local communities directly in the rebuilding process, the city will:**

- Support a high-quality, local workforce in rebuilding efforts by
  - ◆ Creating a new position reporting to the Director of the Housing Recovery Office focused on workforce development and the employment of local residents, including public housing residents, through Section 3
  - ◆ Creating a working group including community groups, labor organizations, and other partners to advise on workforce development initiatives and help in developing solutions
  - ◆ Engaging local workforce development partners in coordinating Section 3 implementation
  - ◆ Partnering with local community groups and elected officials to hold recruitment events with unions, pre-apprenticeship programs, and workforce development programs to recruit local residents for construction careers
- Engage communities through the recovery process by
  - ◆ Appointing borough directors to increase community engagement and coordinate across city agencies
  - ◆ Bringing Build it Back staff directly into the community (including at elected officials' offices) and increasing the program's presence in underserved neighborhoods
  - ◆ Working with local non-profit organizations that can directly aid homeowners throughout the Build it Back process
- Improve public communication by
  - ◆ Developing a new web portal that allows applicants to track their status in real time, including by viewing and submitting paperwork
  - ◆ Releasing a user-friendly guidebook available online and in many languages

The report follows a number of other Build it Back improvements announced in late March that include

- The reallocation of \$100 million previously appropriated HUD Community Development Block Grant funds to ensure every home destroyed by Hurricane Sandy is rebuilt, regardless of an applicant's income or current program prioritization
- An immediate boost of Housing Recovery Office staff by 35 percent, by transferring skilled personnel from other agencies into HRO
- An acceleration of the design process for home repairs and rebuilds by moving design consultation to immediately after an offer is given to a homeowner
- An easier system for homeowners who have received prior benefits to engage with Build it Back and fully understand their options; homeowners will be able to fully proceed through the design process before needing to make transfer payments
- Allowing homeowners to set aside their transfer payments for temporary relocation expenses if they are displaced during construction
- The elimination of permit and procedural bottlenecks that are slowing repairs and rebuilds; for example, clearing outstanding Department of Building permits that have prevented some Sandy rebuilds and repairs from moving forward

Today's report also highlights the ways in which the Mayor's Office of Recovery and Resiliency will ensure that rebuilding and hazard mitigation efforts lead to a stronger, more resilient New York, including

- Enhanced policy and planning of long-term climate resiliency efforts across the city and the region and improved coordination between city agencies in the implementation of recovery and resiliency initiatives, securing funds, and disclosure of key information via the Sandy Tracker
- Expedited efforts to secure additional federal funding and expand resiliency upgrades through FEMA, HUD, the US Army Corps of Engineers, and other federal partners
- Continued collaboration with state recovery and resiliency planning processes
- Expanded economic opportunity for New Yorkers through recovery and resiliency efforts and more effective support for small businesses



# THE BUILD IT BACK PROGRAM

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The New York City Build it Back program was designed to assist homeowners, landlords, renters and tenants affected by Hurricane Sandy within the five boroughs. The program offers multiple pathways to assistance, including: property rehabilitation or reconstruction, reimbursement for repair work already carried out and acquisition of homes. Rental assistance is also provided for eligible New Yorkers affected by the storm. This assistance is drawn from roughly \$1.45 billion in Federal Disaster Recovery Grants. The program began processing applications on July 8, 2013, and registration closed on October 31, 2013. The City received approximately 26,000 inquiries about the program.

## BACKGROUND

The City of New York created the Housing Recovery Office within a week of Hurricane Sandy's landfall to work with city, state and federal partners to coordinate efforts to quickly return residents to their homes. These efforts included: creating a program known as Rapid Repairs, which enlisted contractors to help restore basic services in homes that were damaged but habitable, establishing an online Housing Portal to help families find temporary housing, and working with philanthropic and nonprofit partners to offer many other forms of assistance, including mold training and remediation.

### **Short-Term Recovery: the Rapid Repairs Program**

Within two weeks of the storm—on November 13, 2012—the city launched Rapid Repairs, a first-of-its-kind emergency sheltering program to provide essential repairs to thousands of homeowners left without heat, power, or hot water following Hurricane Sandy. The program was created in collaboration with the Federal Emergency Management Agency and was designed to allow homeowners to use their own homes as shelter in the storm's immediate aftermath. In less than 100 days, Rapid Repairs restored heat, power and hot water service to over 11,700 buildings—which included over 20,000 units—and addressed the needs of approximately 54,000 New Yorkers. The total cost of the Rapid Repairs program is estimated at approximately \$640 million, over \$604 million of which has already been paid out for direct construction costs and indirect program costs. FEMA's Public Assistance Program is reimbursing the city for approximately \$600 million, with the city looking to apply Community Development Block Grant Disaster Relief funding to the remaining balance.

### **Longer-Term Recovery: Origins of the Build it Back Program**

Although Rapid Repairs made essential repairs and kept residents in their neighborhoods, the recovery process had only begun — and it was clear that the city would need extensive help from the federal government to fund the rebuilding of homes and communities. This help has come primarily through the federal government's CDBG-DR grant, which is administered by the U.S Department of Housing and Urban Development.

CDBG-DR grants are resources allocated to help areas recover from presidentially-declared disasters. They are subject to the availability of supplemental appropriations. In mid-January 2013, Congress passed the Disaster Relief Appropriations Act, which was the legislative vehicle for distributing CDBG-DR grants to areas impacted by Hurricane Sandy. It is important to note that the funds were designated not only for Sandy relief, but also to cover any other federally-declared disaster that occurred in 2011, 2012 or 2013.

So far, the city has been granted \$3.22 billion in CDBG-DR money, which is currently being distributed through two separate allocations, which the federal government refers to as “tranches” of funding. Of that amount, \$1.695 billion is directed toward the city’s housing efforts, with \$1.45 billion specifically for the NYC Build it Back program, which serves homeowners, owners of rental buildings, and very low-income renters. The remainder in housing funds will go toward improvements to the public housing infrastructure that is managed by the New York City Housing Authority and was damaged by the hurricane.

The city’s other CDBG-DR funds cover programs that will address the storm’s impact on our businesses, repair critical infrastructure systems, and make investments in resiliency measures across New York City so that we are able to better withstand future weather events. These funds are coordinated by the new Office of Recovery and Resiliency, detailed in the next section of this report. Funds are also dedicated to covering the city’s substantial post-storm administrative costs.

The city is also expecting a third allocation of CDBG-DR funding — referred to as Tranche 3 — but HUD has not yet made its allocation.

CDBG-DR funds allocated to NYC and their current allocation program name	CDBG-DR Allocations		
	1st Allocation	2nd Allocation	Total
<b>Housing Programs</b>	<b>\$648,000,000</b>	<b>\$1,047,000,000</b>	<b>\$1,695,000,000</b>
Build it Back Rehabilitation and Reconstruction	\$381,000,000	\$641,000,000	\$1,022,000,000
Build it Back Multifamily Building	\$140,000,000	\$206,000,000	\$346,000,000
Rental Assistance	\$19,000,000	-	\$19,000,000
Public Housing Rehabilitation and Resilience	\$108,000,000	\$200,000,000	\$308,000,000
<b>Business Programs</b>	<b>\$293,000,000</b>	<b>(\$27,000,000)</b>	<b>\$266,000,000</b>
Business Loan and Grant Program	\$72,000,000	(\$30,000,000)	\$42,000,000
Business Resiliency Investment Program	\$90,000,000	\$20,000,000	\$110,000,000
Neighborhood Game Changer Investment	\$90,000,000	(\$6,000,000)	\$84,000,000
Resiliency Innovations for a Stronger Economy	\$41,000,000	(\$11,000,000)	\$30,000,000
<b>Infrastructure and Other City Services</b>	<b>\$360,000,000</b>	<b>\$445,000,000</b>	<b>\$805,000,000</b>
Public Services	\$237,000,000	\$130,000,000	\$367,000,000
Emergency Demolition	\$1,000,000	\$1,000,000	\$2,000,000
Debris Removal/Clearance	\$8,000,000	\$4,500,000	\$12,500,000
Code Enforcement	\$1,000,000	-	\$1,000,000
Rehabilitation/Reconstruction of Public Facilities	\$15,000,000	\$309,500,000	\$324,500,000
Interim Assistance	\$98,000,000	-	\$98,000,000
<b>Resiliency</b>	<b>\$294,000,000</b>	<b>\$10,000,000</b>	<b>\$284,000,000</b>
Coastal Protection	\$174,000,000	\$50,000,000	\$224,000,000
Residential Building Mitigation Program	\$120,000,000	(\$60,000,000)	\$60,000,000
<b>Citywide Administration and Planning</b>	<b>\$177,820,000</b>	<b>(\$8,000,000)</b>	<b>\$169,820,000</b>
Planning*	\$89,820,000)	(\$17,000,000)	\$72,820,000
Administration*	\$99,000,000	\$9,000,000	\$97,000,000
<b>TOTAL</b>	<b>\$1,772,820,000</b>	<b>\$1,447,000,000</b>	<b>\$3,219,820,000</b>

\* These allocations are based on the best data currently available and reflect projections of need to support the programs. It can be anticipated there will be future adjustments based on actual experience as programs are implemented; however, neither planning nor administrative expenses will surpass their statutory caps.

## PROGRAM OVERVIEW

The New York City Build it Back and Housing Recovery programs were designed to assist homeowners, landlords, and tenants in the five boroughs whose primary homes were damaged by Hurricane Sandy. The Build it Back program uses federal grant money to help affected residents return to safe, sustainable housing by addressing unmet housing recovery needs. Unmet need is defined as the total cost of remaining repairs, after any amount paid to the property owner from any other sources (such as insurance).

The city's program, as designed in 2013, is distinct from other disaster relief programs in significant ways. In other programs, participants do their own construction management and must then prove that the repairs were done according to federal standards. If they cannot meet those complex standards, participants may be forced to repay the funds back to the government, potentially leaving them in a worse position than when they started.

The Build it Back program was designed to avoid these and other challenges experienced by cities in post-disaster situations, especially New Orleans and much of the Gulf Coast following Hurricane Katrina. Many residents in those areas experienced contractor fraud, received poor construction services, or simply used grant funds on other ineligible purposes. As a result, despite the level of federal investment in these areas, many communities were still marked with extensive damage and erratic rebuilding years following the storm. In designing the Build it Back program, the city decided to take a different approach based on these lessons as well as the unique complexities of building in New York City. The goal of the program was to have the city administer all construction activities, ranging from relatively simple repairs to much more expensive and time consuming home elevations and reconstruction.

There were significant delays in establishing the program and getting funds to homeowners, a result of the program design and implementation. A city-managed construction process takes significantly longer to set up on the front end and provides no immediate financial relief to homeowners. Many homeowners, frustrated by the delay and needing to return to their homes and make them livable, started work on their own, at their own expense. They are now at risk of not being reimbursed or of having done work that was not in compliance with flood and other requirements, which means the work may need to be redone to make it compliant.

Changes in requirements for homeowners within the first months of program implementation, including new forms and redundant and unnecessary red tape, also resulted in delays. Inadequate early program design and implementation, requiring resubmission of forms and rescheduling of meetings, frustrated applicants. While direct involvement with community organizations could have helped residents navigate the process, no community organizations were included in the direct case management. The result is that no homeowners in the program saw financial relief or started design in 2013.

The city's program is divided into three core focus areas: single-family homeowners, multifamily dwelling owners and their tenants, and very low-income renter households. Participants in each of these categories are presented with different benefit options depending on their individual circumstances, including factors such as damage sustained, and their annual household income.

The single family program is designed to assist owners of properties with one to four units affected by Hurricane Sandy. Homeowners may be eligible for one or more of the program's pathways, including Repair, Repair with Elevation, Rebuild, Reimbursement, and Acquisition for Redevelopment.

The multifamily program is designed for properties with five or more units, including rentals, condominiums and cooperatives, and individual condominium and cooperative homeowners with multifamily properties. Financial assistance will be provided as a forgivable loan to cover unmet need for rehabilitation of buildings that sustained damage as a result of Hurricane Sandy. In addition, the city intends to strengthen multifamily housing infrastructure by identifying opportunities to increase resiliency against future events.

The Temporary Disaster Assistance Program serves very low-income renter households who were displaced from their homes as a result of Hurricane Sandy. TDAP is modeled after Section 8 and is a two-year rental assistance program for very low-income residents, those whose income is less than 50 percent Area Median Income. The TDAP rental subsidy is limited to two years and must be used within New York City. Households are required to pay 30 percent of their income toward rent.

### **Program Registration**

Program registration was open between June 1 and October 31, 2013. During that time, the program received 25,659 inquiries. The majority of registrations (59 percent) have led to intake meetings for the single family program, while smaller numbers have applied for TDAP assistance (8 percent), and the multifamily program (3 percent). As many as 30 percent of the registrations received by the program have not yet led to applications, either because they were duplicates, they were determined to be ineligible for benefits, they have been voluntarily withdrawn, or registrants have not responded to the program's repeated attempts to reach them.

### **Registration by Neighborhoods**

Program registration was available to New Yorkers across the five boroughs, with the majority of registrations coming from the hardest-hit neighborhoods. This includes The Rockaways, including Belle Harbor, Breezy Point, Far Rockaway, Broad Channel, Howard Beach, Old Howard Beach, and Hamilton Beach in Queens; Canarsie, Brighton Beach, Coney Island, Gerritsen Beach, Sheepshead Bay, Manhattan Beach, Sea Gate, Red Hook, and Mill Basin in Brooklyn; and New Dorp Beach, Midland Beach, and Tottenville in Staten Island. Of the total registrants, approximately 45 percent are located in Queens, 31 percent are in Brooklyn, and 23 percent are in Staten Island.

### **Program Pathways for the Single Family Program**

At the start of implementation in 2013, the program offered three major benefit types for the single family pathway: non-substantial repair of dwellings damaged during the storm; repair of substantial damage, along with elevation of the structure to increase resiliency against future storms; and construction of a new home.

**Repair:** If a property was damaged by Hurricane Sandy, the program will complete any eligible internal and external repairs.

**Repair with Elevation:** If the home was substantially damaged by Hurricane Sandy, the program will complete any remaining eligible repairs and also raise the home to comply with flood elevation standards.

**Rebuild:** If the home was destroyed or damaged beyond repair, the program will build a new home that will be elevated and will include resiliency improvements.

## Expanded Program Pathways for the Single Family Program - 2014

In 2014, two additional benefit types have been offered for those in the single family category: reimbursement of recovery work completed by applicants within the first year of the storm and acquisition for redevelopment.

**Reimbursement:** For repairs completed prior to October 29, 2013, homeowners will be reimbursed for out of pocket expenses not covered by other benefits at a rate of 60 percent.

**Acquisition for Redevelopment:** If the home needs to be rebuilt or elevated, the owner can voluntarily sell the home to the government. New York City Build it Back is partnering with New York State on this program.

### Prioritization

The city is required by law to expend at least 50 percent of its CDBG-DR funds on low-and moderate-income populations, which are households that are at or below 80 percent of the Area Median Income for the New York City region, a metric that is defined by HUD. This translates, for example, into a family of four with an income of \$68,700 or less; and a family of three that earns no more than \$61,850.

Household Size	Less than 80% AMI	Less than 165% AMI	Greater than 165% AMI
1	<\$48,100	<\$99,330	>\$99,330
2	<\$55,000	<\$113,520	>\$113,520
3	<\$61,850	<\$127,710	>\$127,710
4	<\$68,700	<\$141,735	>\$141,735
5	<\$74,200	<\$153,120	>\$153,120
6	<\$79,700	<\$164,505	>\$164,505
7	<\$85,200	<\$175,890	>\$175,890
8	<\$90,700	<\$187,110	>\$187,110

Working within this framework, the city designed its program around a complex prioritization system:

Project Pathway and Priority Levels as of January 1, 2014			
Project Pathway	Priority 1 <80% AMI	Priority 2 80 - 165% AMI	Priority 3 >165% AMI
Rebuild	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Repair with Elevation	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Repair	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Acquisition	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Reimbursement	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3

Key:	Funded
	Potential Funding Tranche 3

Note that for multifamily buildings, priority is based on the income level of the majority of tenants.

# PROGRAM DESIGN ISSUES

## Compliance with Federal Policies and Procedures

The city is required to comply with federal guidelines. The city's development of the program to comply with these guidelines has further complicated the process — introducing new forms, additional steps, prioritization levels, and confusing requirements. In particular:

- **Income Verification Process** - Because the program had not received adequate funds to cover all applicants in full, the city used the federal requirement to spend the majority of funds available (at least 50 percent) on New Yorkers who earn less than 80 percent of the AMI to introduce a complex prioritization system and to require an income verification process as part of the eligibility phase. The program design required multiple income verification check points and damage assessment to be completed to determine an applicant's priority, contributing to confusion over their status — which was further compounded by processing delays and missing documentation.
- **Prevention of Duplicate Benefits** - Federal law (the Stafford Act) obligates the city to ensure against a duplication of Federal benefits. To comply with this obligation, the city is performing a "coordination of benefits" process during the eligibility phase. The city is also required to collect "transfer payments" from applicants who are determined to have unspent relief funds or to have misspent funds previously allocated to them. The federal government holds the city responsible for independently vetting and verifying the participants' claims and supporting documentation. This process has added time and complexity to the pre-construction process.
- **Problematic SBA Loan Interaction** - Small Business Administration loans must be counted as a benefit received — regardless of whether or not the homeowner has drawn down the funds. This reduces the amount of unmet need these participants are eligible to receive compensation for and is a point of frustration for them since the SBA loan is a benefit that must be paid back. Of the 2,600 applicants who have received SBA loans, 1,800 have canceled their SBA loans. The program has implemented a procedure to limit the impact of canceled loans.
- **Time Limitations** - The federal government has only permitted reimbursement for expenses incurred within one year of Hurricane Sandy (up to October 29, 2013).
- **Environmental Review** - The program must meet federally-mandated environmental requirements, including a requirement for an environmental assessment. These assessments must be completed early in the pre-construction process to ensure the city can proceed with housing recovery work.
- **Flood Insurance Requirements** - Federal policy requires recipients of benefits under this program to purchase flood insurance. Uncertainty about flood insurance rates and requirements make it difficult for homeowners to decide whether or not to move forward with assistance. The passage of the Homeowner Flood Insurance Affordability Act of 2013 (HR 3370) has helped alleviate very steep increases in premiums, but there is still ambiguity about the long-term implications of flood insurance mitigation measures and FEMA's pricing of future risk.

- **Disqualifications from Irene Grant Technicality** - Many homeowners who might have been eligible for the program are disqualified by a technicality associated with grants received from FEMA after Hurricane Irene. At that time, the federal government offered low-value grants with the condition that homeowners purchase flood insurance afterward. People who failed to purchase flood insurance as stipulated by the Hurricane Irene grants are disqualified from assistance if they were impacted by Hurricane Sandy.
- **Tenant Information Needed** - Federal regulations require income certification forms for each tenant within each landlord building, which adds to the data that needs to be collected and steps that have to happen before multifamily projects can proceed (this also applies to homes that are rented or have rental tenants).

### **Applicants Dealing with Transfer Payments**

Payment of the transfer amount, an up-front payment to the city required in accordance with federal law, poses a problem for a large number of participants. While some are able to pay it and move forward with the process, some contest the city's assessment of the transfer amount required, some go back to collect paperwork to prove additional eligible expenses that would reduce their transfer amount, some lack the liquidity to make an up-front payment, and some owe such large transfer amounts that proceeding with the program may no longer make sense.

The city is able to provide some flexibility to help homeowners with transfer payments. For example, the city can proceed with an award to someone who is unable or unwilling to provide the transfer amount up front through a reduction in scope of work that will be performed. However, this is not always made clear to applicants, and it is not always feasible. The city's flexibility is limited by federal guidelines. For example, the city cannot allow a participant to pay their transfer amount over an extended period of time or convert it into a lien against their home.

Regardless of a participant's ability to pay his or her transfer amount, one of the key reasons why participants have delayed making a decision about proceeding with their benefit is because the program originally required payment of their transfer amount prior to the detailed scoping and design consultation phase.

Additionally, the program's original design did not allow the use of transfer amounts owed by homeowners to cover temporary relocation expenses during construction work.

### **Participants Seeking Clarity on New Options**

Many homeowners are waiting to learn more about their options through the reimbursement and acquisition pathways before making a decision. In some cases, homeowners are waiting for planning issues to be resolved, such as policies affecting acquisition or state buyouts in Staten Island, and policies for homes built in wetlands or over water.

## Other Hurdles

- **Coordination with the city's Department of Buildings:** Initial program guidelines require all past DOB permits to be closed out prior to proceeding with construction under the program. Some of these are old permits that were simply never closed out (for example, a participant who performed a renovation many years ago), while others are open permits connected with participant-sponsored repair work after Sandy. Additionally, all open permits can make it so that the value of work calculated goes beyond that of storm damage being repaired by the program leading to a different pathway designation than may be necessary. Almost 700 homeowners that have completed the option review meeting have open permits.
- **Coordination with the Board of Standards and Appeals (BSA):** In some of the Sandy-affected areas, the city's zoning regulations provide additional challenges to the rebuilding process. Many severely damaged and destroyed homes sat on narrow and/or shallow lots which will require variances as the new home may differ from the prior home's footprint dimension, location or size. Additional BSA waivers will be needed in order to rebuild certain properties and structures that pre-dated city zoning code. The variance and waiver requests must go through the BSA process which increase the pre-construction time, roughly an additional three to four months.
- **Coordination with the State Department of Environmental Conservation:** Wetlands permitting must be coordinated with the State DEC.
- **Site-Specific issues:** There are a range of site-specific issues that complicate moving forward with construction for a number of properties, requiring additional city or state approvals and design considerations. These issues include (i) narrow or shallow lots, (ii) unmapped streets, (iii) properties in wetlands, (iv) attached buildings, and (v) the existence of ongoing street redesign or sewer reconstruction work in progress.
- **On-going costs for homeowners:** Homeowners endure ongoing financial hardship as they continue to pay for utilities, taxes, and mortgages while they are unable to live in their homes.

## Impacts on NYCHA Residents and Properties

An estimated 80,000 public housing residents in hundreds of buildings across the city were affected by Hurricane Sandy. 402 buildings lost power and, with it, elevator and compactor service, while 386 buildings lost heat and hot water service. NYCHA buildings in Far Rockaway and Coney Island were especially impacted due to substantial sand and saltwater infiltration. Damage to buildings in other areas was caused predominantly by flooding. As many as 356 other buildings across the five boroughs sustained more moderate damage, caused most commonly by wind damage to roofs and building facades.

Damage to boilers is one of the most significant ongoing issues faced by NYCHA communities. A total of 60 boiler systems were significantly damaged, of which 54 are considered not repairable. Currently, 8,800 families at 110 NYCHA buildings are relying on mobile boilers.

NYCHA has developed a \$1.8 billion post-Sandy action plan to address vital repair, replacement, resiliency and mitigation needs. The implementation of this plan will meet urgent needs (such as replacing mobile boilers) as well as long-term planning goals (such as building redundant power systems and elevating boilers at developments that are in the 100-year floodplain). Funding for NYCHA's action plan is being covered in part by CDBG-DR resources, but additional funds are needed.

# PROGRESS

Since Mayor de Blasio took office, the Housing Recovery Office has made a series of improvements to serve New Yorkers more effectively and compassionately, prioritizing the fast and efficient delivery of relief with a real focus on rebuilds, repairs, and reimbursements. Steps were taken to improve efficiency and transparency, fix areas of delay, and plan comprehensively for future needs.

In late March, Mayor de Blasio appointed a new leadership team to work with affected communities and the administration to deliver much-needed relief to New Yorkers affected by Sandy. The Mayor appointed William Goldstein as Senior Advisor for Recovery, Resiliency and Infrastructure within the Mayor's Office. He will oversee and coordinate all aspects of recovery and be empowered to direct all city agencies working on the various recovery and resiliency programs to ensure productive collaboration, streamlined decision-making, and a holistic, strategic view of the city's investments.

Amy Peterson has been appointed as the new Director of the Housing Recovery Office. Amy will report directly to the Senior Advisor for Recovery, Resiliency and Infrastructure. She will assume direct accountability for the success of the Build it Back program.

In addition, staff working for First Deputy Mayor Tony Shorris and Deputy Mayor for Housing and Economic Development Alicia Glen have had hands-on involvement with Sandy recovery efforts to identify and resolve program concerns before they become problems. Top administration officials — including Housing Recovery Director Amy Peterson — have been making regular visits to Sandy-affected areas to view and report on progress with first-hand knowledge.

These changes are already showing results, with 194 projects in design, repairs newly underway, and reimbursement checks now in the hands of homeowners. The following progress has been made on the three different Build it Back programs:

## Progress on the Single Family Program

Over the last three months, the de Blasio administration has made significant progress in accelerating the single family program and expanding program offerings to better suit the needs of applicants. This began with removing red tape and streamlining the intake and project development process. To date, the following progress has been made:

- Nearly 10,000 damage assessments are complete, including 7,000 alone since January
- Conducted intake for over 14,000 participants
- Conducted income verification for 4,900 Priority 1 participants, insurance verification for 11,600 participant, and other benefits verification for over 7,000 participants. This is an important part of the duplication of benefits analysis
- Completed calls to 5,000 unresponsive participants, which have yielded an additional 1,200 participants interested in program re-entry.

Now that program operations are ramped up, Build it Back has presented over 3,500 participants with award pathways, with more than 3,000 of those offers made since January 1. More than 900 have accepted offerings and are now moving through the first stages of their award paths. Included in that number are over 100 repair participants who have moved to the next stage and are in the process of having their scope of work prepared, over 50 homes with elevation design process underway, and another 30 who require rebuilds and are engaged with developers on the designs for their new homes. The first construction began in late March.

More meetings are now being scheduled and completed every day. The estimated total value of awards that have been accepted is about \$40 million. The total value of awards that have been offered at this point to homeowners, but which have not yet all been accepted, is estimated to be over \$300 million.

Since January, the de Blasio Administration has operationalized a first-of-its-kind program to provide reimbursements to applicants who have already completed work. The city worked closely with state and federal partners to make this reimbursement option available for the first time as part of a CDBG-DR program. HRO has completed grant agreements with participants totaling \$560,000 in reimbursements and/or repair work. The first reimbursement checks were mailed out in late March.

By the Numbers							
	Intake Meeting	Damage Inspection	Option Review Meeting	Option Selected	Design Starts	Reimbursement Checks	Construction Starts
As of 12/31/13	11,066	2,566	451	-	-	-	-
As of 4/17/14	<b>14,064</b>	<b>10,103</b>	<b>3,927</b>	<b>935</b>	<b>194</b>	<b>30</b>	<b>9</b>

HRO has significantly improved its public engagement and participant service performance in the past several months. In January of this year, Build it Back opened a new center in Far Rockaway to make sure the program’s services are accessible to all impacted communities. Senior staff has been sent out to Build it Back centers to provide better direction and oversight. City staff is also working directly with participants to identify what documents they need to move through the process and explain their next steps. HRO has also translated all required forms and documents into the languages most commonly spoken by its participants and hired additional foreign language-speaking staff.

## Progress on the Multifamily Program

Intake has been completed for over 80 percent of about 700 active registrants and the rest are being actively completed at this time. These applicants are working directly with project managers in the program — from intake to closing and through the end of construction. About 40 percent of applications are for individual condominiums and cooperative units within multifamily properties and the remaining 60 percent of applicants represent buildings containing varying numbers of units, and are serving tenants across the city. This program is prioritizing funds for buildings that serve more low-income tenants.

The multifamily program has already closed on three loans, with construction underway, and the city anticipates 50 additional closings by June. The city has also dedicated a limited pool of Building Mitigation Funds to address resiliency efforts within high-need projects. With no existing Federal guidelines or standards for multifamily residential resiliency work, an interagency team has worked extensively—including engaging external stakeholders—to develop a program to implement these improvements.

## Progress on the Temporary Disaster Assistance Program

The city has reached out to all 2,306 applicants that registered for TDAP. 80 percent of that number could not be reached, did not meet basic program criteria, or declined assistance. Of the 467 active TDAP applicants, 240 coupons have been issued and 91 of those applicants have signed leases utilizing this benefit.

The city is expanding its eligibility requirements for this program to meet recently emerging needs of renters who had originally found housing right after Sandy but are now experiencing a significant rent hardship. The city will reach back out to those initially deemed ineligible upon HUD approval of the city's proposed amendment to the current Action Plan (Amendment 5 of the NYC Action Plan). In addition, HPD and the Mayor's Office of Immigrant Affairs is working to expand rental assistance with the American Red Cross to serve the needs of undocumented immigrants who were physically displaced from their homes by Sandy.

New Yorkers Served by the TDAP			
	Coupons Issued	Persons Served	Lease Ups
As of 12/31/13	143	345	38
As of 4/17/14	240	536	91

## Progress at NYCHA

The CDBG-DR program has allocated more than \$108 million to NYCHA to install emergency generators at all properties where they are needed, and to begin development of a standard emergency generator design.

NYCHA has also reached an agreement with FEMA that will allow for the expedited permanent replacement of 60 mobile boilers at 110 affected buildings. In the interim, NYCHA is upgrading the temporary boilers that were procured immediately after Hurricane Sandy. These will have built-in backups in case a boiler must be taken offline for maintenance or repair. As new temporary boilers are installed, NYCHA will switch the fuel source from oil to natural gas. Natural gas is a cleaner-burning and more environmentally-friendly fuel, and it is more efficient to use because NYCHA properties already receive natural gas through existing pipelines.

## Process and Policy Improvements

As announced in late March, the de Blasio administration has already implemented a first round of improvements to Build it Back's policies and procedures that will speed delivery of relief to its participants:

- The city will reallocate in a future Action Plan Amendment \$100 million previously appropriated for underperforming relief programs to ensure every home destroyed or severely damaged by Hurricane Sandy is rebuilt, regardless of an applicant's income or current program prioritization.
- The city is increasing the capacity of the Housing Recovery Office and increasing staff by 35 percent by transferring skilled personnel from other agencies into HRO.
- The city has accelerated the design process for home repairs by moving design consultation to immediately after an offer is given to a homeowner. Homeowners will be able to fully proceed through the design process before needing to make transfer payments.
- The city is offering financial relief to owners whose homes are getting rebuilt by allowing them to set aside their transfer payments for temporary relocation expenses if they are displaced during construction.
- The city is eliminating permit and procedural bottlenecks that are slowing repairs and rebuilds; for example, clearing outstanding DOB permits that have prevented some Sandy rebuilds and repairs from moving forward.

Individuals may learn if they are currently registered for the program by contacting Build it Back Customer Service at 212-615-8329, emailing the program at [housing@recovery.nyc.gov](mailto:housing@recovery.nyc.gov) or by visiting a Build it Back center. For those that are not registered, program representatives will maintain their information on file should registration reopen at a later date.

# LOOKING FORWARD

The city will continue to build on the momentum that has been gained since January 1 with an ongoing focus on improvements to the Build it Back program. To better serve its participants and expedite delivery of benefits to affected homeowners, the city has developed the following recommendations:

## Improve the experience of homeowners navigating the pre-construction process by

- Better facilitating selection of the Acquisition and Choose-Your-Own-Contractor pathways
- Assigning Department of Building inspectors exclusively to Build It Back
- Increasing resources to accelerate lead and asbestos reports required for scoping
- Expanding capacity for design consultation vendors
- Committing to the goal of 500 construction starts and 500 reimbursement checks issued by the end of the summer

## Expand eligibility for relief and reimbursement so more households can get relief by

- Eliminating priority levels for the single family reimbursement program — allow all homeowners awaiting repair to receive some reimbursement for eligible out of pocket rebuilding expenses incurred in the first year after the storm or before damage assessment, whichever is sooner
- Expanding options for single-family homeowners by increasing outreach and access to acquisition for eligible homeowners in substantially damaged homes regardless of income level
- Implement a reimbursement program for select multifamily applicants
- Expand rental assistance available for undocumented applicants by implementing a privately funded program

Project Pathway and Priority Levels as of January 1, 2014			
Project Pathway	Priority 1 <80% AMI	Priority 2 80 - 165% AMI	Priority 3 >165% AMI
Rebuild	Funded	Funded	Potential Funding Tranche 3
Repair with Elevation	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Repair	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Acquisition	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Reimbursement	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3

Recommended Project Pathway and Priority Levels			
Project Pathway	Priority 1 <80% AMI	Priority 2 80 - 165% AMI	Priority 3 >165% AMI
Rebuild	Funded	Funded	Funded
Repair with Elevation	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Repair	Funded	Potential Funding Tranche 3	Potential Funding Tranche 3
Acquisition	Funded	Funded	Funded
Reimbursement	Funded	Funded	Funded

Key:	Funded
	Potential Funding Tranche 3

**Through this expansion of the reimbursement and acquisition for redevelopment programs, the city is working to ensure that more applicants with unmet need have at least one option available to them today.**

- All homeowners whose homes were damaged by less than 50 percent of the pre-storm value of their home, who have unreimbursed repair expenses from the first year after the storm, are now eligible to receive some reimbursement, regardless of income level.
- All homeowners whose homes were damaged by more than 50 percent will be eligible for Acquisition for Redevelopment, regardless of income level.
- And as previously announced, all homeowners whose homes were destroyed will have their homes rebuilt, regardless of income.

**Provide additional financial relief support to impacted homeowners by**

- Developing a plan to better address temporary displacement during construction
- Offering relief from NYC water bills for vacant homes
- Partnering with state legislators and the Department of Finance to provide property tax relief to Sandy-impacted homeowners

**Enhance coordination between city agencies and with city, state, and federal partners by**

- Establishing the Sandy Community Improvement Initiative to expedite and coordinate city services and small capital projects in impacted neighborhoods
- Convening a regular interagency working group at City Hall to set priorities, streamline the recovery process, and resolve ongoing issues
- Working with our partners in HUD and FEMA to convene a group from New Jersey, New York, and New York City focused on housing recovery to coordinate activities, share best practices, and expedite delivery of services
- Hiring or assigning additional staff at DOB, OMB, and HPD to assist with oversight and management of the design and construction process, and expedite these assignments
- Identifying small capital projects that can be accelerated to help neighborhoods, including street and parks projects
- Increasing city services to neighborhoods by working with the NYC Department of Sanitation to continue and prioritize the clean-up of affected areas
- Developing a plan for providing services on vacant lots by identifying vacant lots and prioritizing clean up and security of these areas

## **Supporting a high-quality, local workforce in rebuilding efforts by**

- Creating a new position reporting to the Director of the Housing Recovery Office focused on workforce development and the employment of local residents, including public housing residents, through Section 3
- Creating a working group including community groups and labor organizations, in partnership with the Mayor's Office of Workforce Development to advise on workforce development initiatives and help in developing solutions
- Engaging local workforce development partners in coordinating Section 3 implementation
- Partnering with local community groups and elected officials to hold recruitment events with unions, pre-apprenticeship programs, and workforce development programs to recruit local residents for construction careers
- Engaging and coordinating with volunteer organizations providing home repairs
- Establishing a process to track Section 3 compliance across the program
- Educating contractors and subcontractors about MWBE and Section 3 (local construction) requirements

## **Engage communities through the recovery process by**

- Appointing borough directors to increase community engagement and coordinate across city agencies
- Engaging community partners in participant advocacy and workforce development in partnership with the Mayor's Office of Workforce Development
- Locating Build it Back staff within the community, including locating staff part-time at key elected officials district offices
- Engaging with local community groups to provide services including advocacy for participants as necessary from application through construction
- Identifying locations that are not currently accessible to a Build it Back center and establishing a regular presence of Build It Back staff to serve that community (e.g. provide Build it Back staff at the Rosedale Library.)
- Establishing an advocate at each center to ensure that participants leaving are satisfied with their services and have someone to report issues to immediately
- Engaging in a neighborhood-based housing recovery effort, working to coordinate options for elevation and rebuilding across neighborhoods and housing developments where feasible and necessary

## **Improving communication by**

- Developing a new web portal that allows applicants to track their status in real time, including by viewing and submitting paperwork
- Releasing a user-friendly guidebook for the program that is available online and translated into languages spoken by potential applicants

## **Facilitating participant selection of the Acquisition Pathway by**

- Preparing outreach materials about this option
- Collaborating with community organizations, neighborhood groups, and elected officials to publicize this opportunity, focusing on neighborhoods with high interest and complicated planning and infrastructure issues
- Supporting a strategic application of this pathway by showing the areas in which homeowners have selected this pathway to help other homeowners make decisions accordingly

# THE OFFICE OF RECOVERY AND RESILIENCY

## BACKGROUND AND PROGRAM OVERVIEW

### Sandy and the Risks of a Changing Climate: Building a Stronger, More Resilient New York

In the wake of Sandy, the city realized that it would need a comprehensive plan to guide the long-term rebuilding efforts across the five boroughs. It was also imperative that the city not just rebuild what had existed before the storm, but look ahead to other future risks and build back better and smarter. The Special Initiative for Rebuilding and Resiliency (SIRR) was established to develop that plan. Using the best available science from the New York City Panel on Climate Change (NPCC), the city conducted a comprehensive analysis of New York City’s vulnerability to extreme weather events and climate change, including chronic stressors like higher temperatures, increased precipitation, and sea level rise, as well as acute impacts like coastal flooding and storm surges, higher intensity rain and wind, and heat waves.

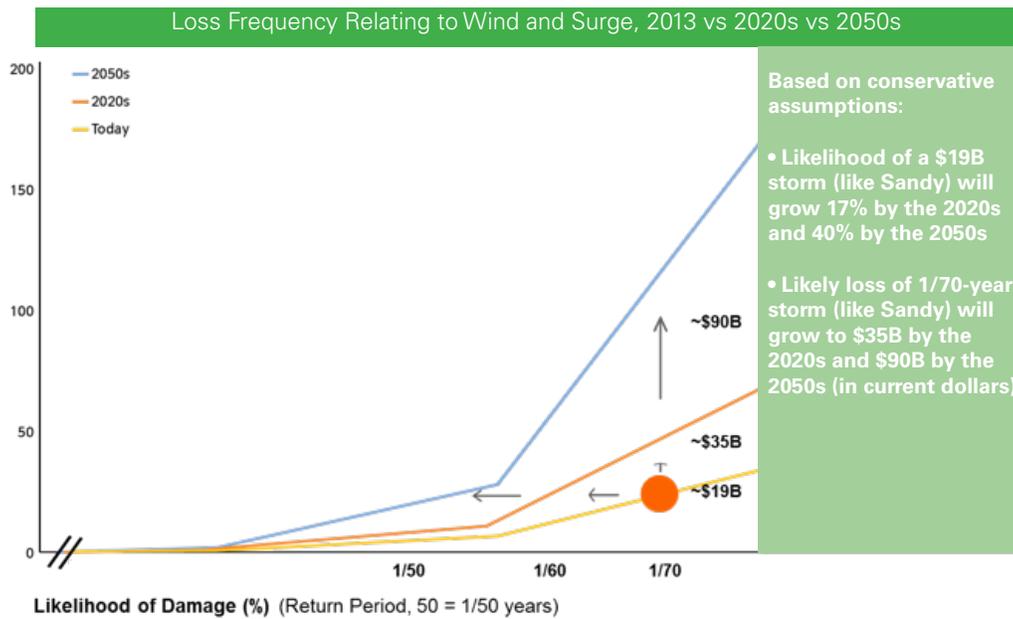
EXTREME EVENTS		Baseline (1971-2000)	2020s		2050s	
			Middle Range (25th - 75th percentile)	High End (90th percentile)	Middle Range (25th - 75th percentile)	High End (90th percentile)
Hot Days and Heat Waves	Days per year $\geq$ 90 F	18	26 to 31	33	39 to 52	57
	Heat waves per year	2	3 to 4	4	5 to 7	7
Intense Precipitation	Days per year with rainfall >2 in.	2	3 to 4	5	4	5
Coastal Floods at the Battery*	Future annual fre- quency of today’s 100-year flood	1.0%	1.2% to 1.5%	1.6%	1.7% to 2.9%	4.5%
	Flood heights from a 100-year flood (feet above NAVD88)	15.0	15.3 to 15.7	15.8	15.9 to 16.8	17.5

**Source: NPCC; for more details, see Climate Risk Information 2013**

\*Baseline period for sea level rise projections is 2000-2004.

*Like all projections, the NPCC climate projections have uncertainty embedded within them. Sources of uncertainty include data and modeling constraints, the random nature of some parts of the climate system, and limited understanding of some physical processes. The NPCC characterizes levels of uncertainty using state-of-the-art climate models, multiple scenarios of future greenhouse gas concentrations, and recent peer-reviewed literature. Even so, the projections are not true probabilities, and the potential for error should be acknowledged.*

The cost of inaction, in lost lives and destroyed neighborhoods, could be high. Initial loss-modeling conducted by the city working with Swiss Re, the reinsurance firm, shows a future Sandy-like storm could cost the city and its residents more than \$90 billion in damage by the 2050s. Fortunately, according to FEMA, every \$1 spent on mitigation and resiliency can save \$4 in avoided future damages and recovery costs. At this exact moment in time, the city faces a unique opportunity to leverage available federal resources to ‘buy down’ this future risk and ensure safer and more livable neighborhoods in all five boroughs well into the future.



Based on this understanding, SIRR developed a comprehensive action plan to improve New York City’s preparedness for the risks that future extreme weather events and climate change will bring. The plan, released in June of 2013, and known as “A Stronger, More Resilient New York,” included 257 cost-effective and achievable initiatives to strengthen the coast, upgrade the city’s building stock, protect the city’s critical infrastructure and services, and make New York’s neighborhoods safer and more resilient. This includes a variety of physical resiliency investments across all infrastructure sectors, but also requires a coordinated set of economic and social resiliency efforts, coupled with important policy changes, to achieve its goals.

CHRONIC HAZARDS	Baseline (1971-2000)	2020s		2050s	
		Middle Range (25th - 75th Percentile)	High End (90th Percentile)	Middle Range (25th - 75th Percentile)	High End (90th Percentile)
Average Temperature	54° F	+2.0° F to +2.8° F	+3.2° F	+4.1° F to +5.7° F	+6.6° F
Precipitation	50.1 in	+1% to +8%	+11%	+4% to + 11%	+13%
Sea Level Rise*	0	4 to 8 in	10 in	11 to 21 in	30 in
Humidity**	0	+7% to +10%	+11%	+13% to +19%	+25%

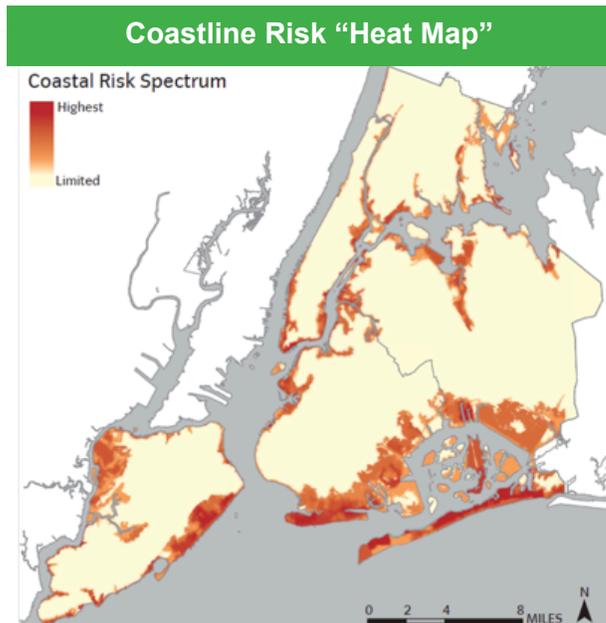
**Source: NPCC; for more details, see Climate Risk Information 2013**

\*Baseline period for sea level rise projections is 2000-2004

\*\* Based on 30 GCMs and two Representative Concentration Pathways. Shown are the middle range and high estimate 30-year mean values from model-based outcomes.

*Like all projections, the NPCC climate projections have uncertainty embedded within them. Sources of uncertainty include data and modeling constraints, the random nature of some parts of the climate system, and limited understanding of some physical processes. The NPCC characterizes levels of uncertainty using state-of-the-art climate models, multiple scenarios of future greenhouse gas concentrations, and recent peer-reviewed literature. Even so, the projections are not true probabilities, and the potential for error should be acknowledged.*

These efforts focus on areas identified as the highest risk for coastal flooding and wave action based on storm surge probability, most “floodable FAR” and density, the most critical infrastructure, and the most vulnerable populations. Other climate risks are treated in a similar manner.



- Highest priorities are areas with:
- Highest storm surge probability
  - Most “floodable FAR” and density
  - Most critical infrastructure
  - Most vulnerable populations



*Invest first in areas of highest risk*

## PROGRESS

To date, these initiatives have been coordinated out of the Office of Long-Term Planning and Sustainability. Dozens of these initiatives have been completed, and almost 200 others have been initiated and are in progress. A comprehensive progress report on each of the plan’s initiatives will be released in the coming months and will show extensive early progress toward achieving the goals set out in “A Stronger, More Resilient New York.”

Recent victories include the initiation of projects within the first phase of a \$3.7 billion investment in coastal protection measures for critical areas, including early coastal protection measures in the Rockaways and Jamaica Bay, Coney Island and Sea Gate, and Staten Island, successfully advocating for reforms to the National Flood Insurance Program to protect New York City residents from punishing rate increases, securing substantial funds for utility resiliency upgrades, and improving the quality of the built environment with 17 local laws making changes to the building code to ensure resilient construction and adopting resiliency into the city’s plans.

### **Initiation of \$3.7 Billion Investment in Coastal Protection**

“A Stronger, More Resilient New York” outlined a \$3.7 billion first phase of 37 coastal protection initiatives designed to protect vulnerable neighborhoods and infrastructure from storm surge and sea level rise. These initiatives are based on four key strategies: (i) increase coastal edge elevations; (ii) minimize upland wave zones; (iii) protect against storm surge; and (iii) improve coastal design and governance.

Emergency beach nourishment and bulkhead repair projects, undertaken by the city’s Department of Parks and Recreation (DPR), have been completed and additional coastal protection measures have been initiated. In Staten Island, DPR installed over 26,000 linear feet of interim reinforced dunes from South Beach to Conference House Park. The US Army Corps of Engineers completed its Plumb Beach protections adjacent to the Belt Parkway and placed 1.2 million cubic

yards of emergency sand in the Rockaways and Coney Island. DPR and USACE are also coordinating on the placement of another 2.9 million cubic yards on Rockaway beaches that will be completed in 2014. The city has worked with the USACE to reinvigorate existing projects in the Rockaways and Jamaica Bay, in Coney Island and Sea Gate, and along the east and south Shores of Staten Island. Further, the city is working jointly with the USACE on its comprehensive study, which is evaluating vulnerable coastal communities in the region and could lead to further Congressional authorizations and funding to expand coastal protections throughout the city.

The city is also launching feasibility studies for other coastal protection initiatives identified in the resiliency plan that will minimize impacts of inundation on vulnerable residents through the construction of various flood protection structures in and adjacent to Newtown Creek, the Gowanus Canal, Coney Island Creek, and other areas. The city will also evaluate locations and invest citywide in shoreline improvement projects, and will launch several efforts to improve the management of the city's shoreline infrastructure.

In addition to moving forward its own projects, New York City took formal steps to establish a leadership role in advancing coastal protection initiatives. This involved a high level of coordination with federal and state funding and regulatory agencies including USACE, HUD, FEMA and New York State DEC. Leadership has also been established on the city level through the Coastal Protection Working Group, which brings senior level agency designees together to coordinate protection initiatives. In addition, the office has worked closely with the several HUD-sponsored Rebuild by Design teams and the New York Rising Community Reconstruction Program to ensure federal and state funded projects through these programs are aligned with and advance the city's coastal protection priorities.

### **National Flood Insurance Program Reforms**

On March 4, 2014, the U.S. House of Representatives passed the Homeowner Flood Insurance Affordability Act (H.R. 3370) by a 306-91 vote.

On March 13, 2014 the U.S. Senate passed the same bill by a 72-22 vote, which was signed into law by President Barack Obama on March 21, 2014. Throughout the past 17 months, the city advocated for, and provided expert advice and technical assistance toward, new legislation to reverse aspects of the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12). Among other things, the bill stipulates retroactive refunds to property owners who have seen large flood insurance rate increases due to the sale or purchase of a home, caps average annual premium increases at 15 to 18 percent, and allows subsidies for insurance rates that are based on current flood maps.

The city worked with lawmakers to ensure the Homeowner Flood Insurance Affordability Act aligns directly with broader key city resiliency initiatives, including provisions that emphasize: an affordability framework, promoting optional high-deductible policies that could reduce premiums, designating a flood insurance advocate at the federal level, and developing alternate methods of mitigation other than building elevation – a method that is not feasible for many urban building types.

The passage of this bill will – over time – save New Yorkers millions of dollars in high premiums, improve risk communication, and increase options for homeowners to mitigate their homes against damage.

## Utility Resiliency Upgrades

In February of 2014, an agreement between New York State's Public Service Commission (PSC), the city and Con Edison was approved, providing for an historic multi-year rate case settlement for electricity, steam and natural gas rates. This agreement essentially holds Con Edison delivery costs flat for the next few years, thereby providing a material benefit to consumer and business ratepayers. At the same time, the settlement terms will ensure that the most critical Con Edison facilities, such as substations and other infrastructure elements, will be hardened and made sufficiently resilient to meet the latest federal flooding projections plus an allowance for sea level rise. Beyond this, the city completed a study to assess the relative value and cost of selectively undergrounding parts of the overhead system.

## Improving the Quality of the Built Environment through Local Laws

The city has adopted changes to the zoning code as well as implemented targeted legislation to changes in the city's building codes. On October 9, 2013 the City Council adopted the Flood Resilience Zoning Text Amendment that clarified building and mechanical equipment elevation and measurement, freeboard, alternative uses of ground floor space, and parking issues. These zoning text changes reconciled the zoning codes with the building codes to properly implement flood-resistant construction, and these regulations are now in effect. Also in 2013, the City Council passed several local laws designed to accomplish the above stated purpose, including: Local Law 83, which is designed to prevent the back-flow of sewage during a flood; Local Law 96, regarding the adoption of best available flood maps; Local Law 99, which removes regulatory hurdles around the elevation of certain building systems in flood-prone areas including telecommunications cabling and fuel storage tanks; and Local Law 111 which expands the use of natural gas for standby power systems. Additionally, the City Council has amended the Building Code through 2013's Local Law 101 to clarify current wind-resistance specifications for facade elements and passed Local Law 81, which will require a study to be complete by 2015 that focuses on five key analyses related to wind risk.

Even with these successes, there is still much work remaining to be done to strengthen our communities against the threats of climate change and to build a stronger, more resilient New York. It is clear that these efforts will take additional resources and will require concerted effort from many levels of government, the private sector, and philanthropic organizations.



# THE WAY FORWARD

## Creating The Mayor's Office of Recovery and Resiliency

To continue this work, the city is creating a new, dedicated Mayor's Office of Recovery and Resiliency to lead the city's infrastructure recovery and resiliency efforts. This office will be led by Daniel Zarrilli as Director of the Mayor's Office of Recovery and Resiliency, who will report directly to the senior advisor for Recovery, Resiliency and Infrastructure.

This office will continue the implementation efforts of "A Stronger, More Resilient New York," and will take on new responsibilities as well. The office will also work with federal and state partners, with other infrastructure providers, businesses, and philanthropic partners to ensure that we build the physical, economic, and social infrastructure necessary to improve the resiliency of critical systems and operations to allow all New Yorkers to live more safely in stronger communities in the face of climate change.

The office will improve current operations in four key areas:

- 1) Enhanced policy and planning of long-term climate resiliency efforts across the city and the region and improved coordination between city agencies in the implementation of recovery and resiliency initiatives, securing funds, and disclosure of key information via the Sandy Tracker
- 2) Expedited efforts to secure additional federal funding and expand resiliency upgrades through FEMA, HUD, USACE, and other federal partners
- 3) Continued collaboration with state recovery and resiliency planning processes
- 4) Expanded economic opportunity for New Yorkers through recovery and resiliency efforts and more effective support for small businesses

## Coordinate Resiliency Strategy and Projects Across City Agencies

*Continue to track progress and coordinate efforts across agencies and take the lead on key initiatives*

The Office of Recovery and Resiliency will continue to plan, develop, track and coordinate all recovery and resiliency efforts across all city agencies and will provide a coordinated voice for the city's resiliency efforts.

The Office will also provide leadership toward:

- Ensuring place-based coordination of strategic land use and infrastructure investments that are happening at all levels of government through a variety of programs and initiatives, including an evaluation of the feasibility of expanding the acquisition for redevelopment programs in appropriate neighborhoods
- Developing consistent standards for resilient design that are consistent with climate change projections, working with agencies to identify asset criticality and lifespans to guide climate change adaptation efforts
- Providing policy direction to the city's offices and agencies making infrastructure investments to ensure outcomes related to resiliency
- Coordinating city capital budget planning to leverage existing spending for recovery and resiliency, utilizing new resiliency design standards
- Advocating for relevant regulatory, policy, and legislative reforms at city, state, and federal levels

- Exploring alternative financing mechanisms for recovery and resiliency investments
- Supporting the FEMA Flood Insurance Rate Map update process and its related impacts on flood insurance policies across the city
- Engaging with regional infrastructure providers (e.g. USACE, ConEd, PANYNJ, MTA) on resiliency investments through the Climate Change Adaptation Task Force and other regional forums
- Managing the city's interaction with the Science and Resilience Institute at Jamaica Bay, C40, 100 Resilient Cities, and the New York City Panel on Climate Change, and providing close coordination with the Sustainability Advisory Board and the Waterfront Management Advisory Board
- Coordinating with existing city agency waterfront management efforts that impact coastal protection and resiliency efforts
- Leading a public engagement process to share information, hear local concerns, and incorporate local planning efforts in advance of a revision to the city's resiliency plan in 2015

In addition, they will take the lead on important areas that have no natural agency home, such as coastal protection and waterfronts, food system resiliency, the built environment, energy, and liquid fuels.

#### *Coordinate citywide public assistance FEMA reimbursement and prioritization*

Many resiliency upgrades are eligible for substantial FEMA public assistance. This includes money to replace damaged facilities and systems with more resilient alternatives and opportunities to secure funding for larger-scale consolidated resiliency efforts that harden multiple buildings or systems at once.

Under Section 406 of the Stafford Act, the federal law governing many FEMA operations, replacement costs for disaster-damaged facilities and systems are eligible for FEMA reimbursement. The act allows for reimbursement of costs incurred to add supplemental resiliency measures as well. Damaged facilities or infrastructure may be eligible for reimbursement for resiliency measures equal to (i) 15 percent of replacement cost or (ii) 100 percent or more of certain approved cost-effective resiliency measures, such as flood-proofing, wind shutters, anchoring of critical systems, or bracing. In addition, a new section to the Stafford Act, 428, authorizes flexible alternative procedures for FEMA assistance. These 428 procedures allow grants based on projected eligible assistance, and the consolidation of multiple reimbursable resiliency activities into single larger projects, efficiently protecting several structures or systems at once.

Appropriately managed and structured, these FEMA programs could yield hundreds of millions of dollars to resiliency upgrades across the city. City efforts to secure these are currently decentralized and fragmented, with individual agencies seeking reimbursements across several FEMA programs, in consultation with the Office of Management and Budget and the Office of Emergency Management. These efforts have been limited in some cases because the absence of a strong central coordinator with the authority to guide agency actions. Opportunities for coordination across agencies and functions, particularly under the 428 alternative procedures, are not being fully realized.

The Office of Recovery and Resiliency will be the lead coordinator on these efforts going forward. The office, working closely with OMB and OEM, will take a strong lead in coordinating and securing FEMA public assistance to ensure that high quality eligible projects are identified and eligible projects are receiving the money they need. The office will ensure these projects support and reinforce other city resiliency efforts.

In addition, the office will serve as the city's liaison to the FEMA regional coordination process. This FEMA-led effort ensures that FEMA projects, under the governance of the city, are coordinated with state, federal, and private actors receiving FEMA aid. A unified and coordinated set of city FEMA priorities and projects will ensure that the office can speak with a single voice and be a strong advocate in this process.

*Improve the quality of the public disclosure of Sandy-related funds and the "Sandy Funding Tracker"*

The Sandy Funding Tracker database provides public access to all city contracts for the allocation and expenditure of federal disaster relief funds, including contract vendor information. Currently, the website provides the number of Build it Back participants registered and processed by a variety of geographies, including Council District, as well as program milestones and details of executed city procurement contracts for NYC Build it Back.

Over the coming months, the Office of Recovery and Resiliency, in close partnership with OMB and the Mayor's Office of Data Analytics, will post even more detailed information on contracts, grants, and loans funded with federal recovery dollars, both via CDBG-DR and the FEMA Public Assistance program. The information will include details such as: funding totals, amounts expended to date, the estimated start and end dates of projects, and the location of construction projects, as well as modeling the employment impact of recovery funding. The office will continue ensure a transparent and effective use of federal funds and will work with the City Council to provide available information on contracts, employment, and wages.

**Work with the Federal Government to Secure Federal Reimbursement, Expand Federal Investments, and Coordinate Efforts**

*Secure funding for resiliency upgrades through other Federal programs including the HUD CDBG-DR program, and the USACE*

Beyond FEMA reimbursements, New York City's resiliency program is eligible for hundreds of millions of dollars or more of additional funding through Federal grants and projects. The Office will work closely with HUD to secure additional dollars through the Community Development Block Grant Disaster Recovery program, including funding for vital and innovative projects through the HUD "Rebuild by Design" competition. In addition, the office will work to secure additional USACE project authorizations and funds, to secure resiliency grants from the Department of Interior, and to continue to work to identify and secure other federal sources. These investments are targeted toward projects that will reduce the impact of future disasters, saving the federal government tens of billions of dollars in future disaster allocations, suggesting that further allocations and investments may be warranted now.

*Speed up and expand the scope of US ACE work to analyze and protect more of New York City's vulnerable neighborhoods*

The USACE has been an important partner for the city and is currently working on and evaluating a number of vitally important coastal infrastructure projects in the Rockaways and Jamaica Bay, Coney Island and Sea Gate, and Staten Island. These projects have been outstanding for some time, and need to be expedited in every way possible. These projects, however, only account for a portion of the coastal risk areas across the five boroughs — and so we also need to expand our coastal protections in many other areas of vulnerable New York neighborhoods with no active USACE projects, such as Gowanus, Red Hook, Sunset Park, Newtown Creek, Hunts Point, East Harlem, southern Manhattan, the North Shore of Staten Island and other areas. The Office of Recovery and Resiliency will work with Congress and the USACE

to streamline and improve the pace of USACE projects and expand the geographic scope for which USACE has authorization and appropriations to develop coastal protections. The office will also serve as the city's primary contact with the USACE for all city studies and projects.

*Continue to work with FEMA to improve flood insurance programs to protect low-income residents and account for New York City's dense, urban-style residential buildings*

The office will work with FEMA to develop flood protection standards for existing urban buildings and offer premium credits for alternative resiliency measures. The recently-enacted federal Homeowner Flood Insurance Affordability Act, which the city had actively supported and provided technical support for, reduces the burden of sharp flood insurance increases on vulnerable New Yorkers. The office will continue to actively analyze the consequences of new flood risks and flood maps on mandatory insurance premiums and develop policies and solutions for FEMA implementation that ensure fairness and affordability of new federal standards.

*Develop a regional liquid fuels strategy with the US Department of Energy.*

Much of New York City's liquid fuel supply chain is privately-owned and lies within vulnerable floodplains in New Jersey, where New York City and New York State have no regulatory or legislative authority to intervene. Ensuring these resources are protected requires coordination across several states and between local, state, federal, and the private sector.

### **Steer Vital Projects Through the State Approval Process and Coordinate Resiliency Efforts with the State**

*Steer vital resiliency projects through state approval bottlenecks*

More than 40 valuable resiliency project submissions to Federal hazard mitigation grant programs are currently stalled, waiting for New York State to review, approve, and send applications on to FEMA for final consideration.

These vital projects include:

- **NYCHA Resiliency** – More than \$175 million in resiliency upgrades for New York City public housing, including waterproof boilers, the installation of emergency generators in public housing complexes in the 100-year floodplain, and new heat and power systems in flood-prone complexes.
- **Hospital and Health Care Systems Resiliency** – More than \$100 million in hardening and flood barriers for hospital facilities in flood zones across the city.
- **Flood Protection** – More than \$100 million in flood barriers, tide gates, and sustainable shoreline improvements, and flood protection improvements at critical city facilities including the Staten Island Ferry Terminal, and the Vernon Bain prison facility.
- **Emergency Planning and Resiliency Capacity for Neighborhoods and Emergency Operations** – More than \$20 million in emergency planning and the protection of critical services and resiliency improvements to police precincts.
- **Storm Water Management** – More than \$30 million in storm water management improvements like bioswales and permeable pavement in flood-prone areas.

These initiatives represent more than \$500 million based on city resiliency goals, projected benefit and cost feasibility, and alignment with state and federal priorities. The office will work to ensure these projects are considered and moved through the state process.

*Contribute and collaborate with the state's community planning and resiliency process.*

The Office of Recovery and Resiliency will continue the city's collaboration with the New York Rising Community Reconstruction Program, the state's community planning and resiliency process, and with other elements of the state's storm recovery efforts. The office will collaborate with the state to craft projects that will improve the safety of New Yorkers and complement ongoing work by city agencies and the priorities developed during the SIRR effort.

### **Ensure Economic Opportunities for all New Yorkers through the Recovery and Resiliency Efforts**

*Expand workforce development partnerships and local hiring procedures*

With potentially billions of dollars of infrastructure investment coming to the region in the next several years, it is imperative that the city take this opportunity to ensure that New Yorkers in all five boroughs benefit from the jobs that will be created and the economic opportunities that will be generated. These rebuilding and resiliency efforts create an opportunity for workforce development and local job creation so the economic benefits of rebuilding and resiliency can be broadly shared.

The Mayor's Office of Recovery and Resiliency, along with the Mayor's Office of Workforce Development, will work to develop partnerships with workforce development programs across the city, as well as with educational, philanthropic, and private sector organizations. The office will aim to connect local workers with projects that will let them acquire skills and cultivate career skills in a range of fields related to resiliency and rebuilding. The office will work to hire local residents for particular projects when possible, and identify opportunities for partnerships with high quality community organizations for recruitment and staffing from local communities and public housing residents.

The office will engage infrastructure project construction contractors, in collaboration with NYCEDC and NYC Department of Small Business Services to encourage local hiring and meeting federal guidelines for minority and women-owned business participation.

*Continually reassess and re-evaluate business recovery and resiliency programs to ensure effective support for small businesses.*

The city, through the Department of Small Business Services and NYCEDC, has launched several business recovery and resiliency programs to support small businesses and economic development activity within the Sandy-impacted areas. These programs are intended to provide working capital support to impacted businesses, develop effective resiliency technologies to support and protect physical assets, incentivize investments in building upgrades, and identify catalytic economic development projects in our coastal communities.

The city has already distributed \$23.4 million in direct loan and grant assistance to more than 650 businesses through two previous Hurricane Sandy relief programs and more than \$2.8 million in tax exemptions through the New York City Industrial Development Agency. New York businesses have also received aid through other federal programs, including SBA Disaster Loan Program assistance provided directly from the Federal Small Business Administration. NYC Business Solutions Centers have also provided technical assistance to businesses with regard to insurance applications, space matching, and workforce training in response to Hurricane Sandy. The administration is also working with HUD to increase the individual program award limit for businesses.

With CDBG-DR funds, the Hurricane Sandy Business Loan and Grant Program has an allocation of \$42 million as a measure of last resort to help small businesses with unmet needs as they recover from the storm. So far, \$2.5 million has been awarded to eight businesses. Beyond the initial eight, there are 69 completed applications currently in underwriting with the lender and 42 applications are under final review by NYC Business Solutions account managers to make sure they are complete and ready to submit to the lender. In addition, 161 businesses have passed initial core eligibility review, and NYC Business Solutions account managers are working with them to gather the necessary documentation and package an application. The Department of Small Business Services is exploring ways to expand eligibility for this program, expedite processing, and expand intensive technical assistance for businesses affected by the storm that are seeking grants or loans.

In addition, in January, NYCEDC announced the launch of Resiliency Innovations for a Stronger Economy (RISE : NYC), a competition to help small businesses impacted by Hurricane Sandy prepare for future storms, sea level rise and other effects of climate change. Thus far, through stage one of the program, NYCEDC has received over 100 applications from around the country and the world with innovative technologies that could be used to assist small business owners in New York City improve the resiliency of their businesses. These applications have been narrowed down to approximately 35 finalists, with winning technologies set to be announced this fall. An additional 100 small businesses that were impacted by Hurricane Sandy across all five boroughs have submitted applications to become installation sites for selected technologies, and those selected will receive installations of resiliency technologies at no cost.

Since these programs were launched, they have been reassessed and improved to ensure that the city is effectively serving small businesses and improving social and economic resiliency needs of the city. The office will continue this effort, aggressively monitoring and evaluating the suite of business recovery and resiliency programs, and revising the action plan as necessary to ensure that small business across the five boroughs receive the support they need.