



**TESTIMONY OF THE MAYOR’S OFFICE OF HOUSING RECOVERY OPERATIONS
BEFORE THE NEW YORK CITY COUNCIL
COMMITTEE ON RESILIENCY AND WATERFRONTS**
Monday, February 10, 2020

Good Morning Chair Brannan and members of the Committee on Resiliency and Waterfronts. I am Amy Peterson, Director of the Mayor’s Office of Housing Recovery Operations (HRO). I would like to acknowledge my colleague Calvin Johnson, Assistant Director, Community Development Block Grant - Disaster Recovery, at the Office of Management and Budget. He is available to join me in answering your questions. Thank you for inviting me to testify today.

Through the City’s Hurricane Sandy Housing Recovery Program, Build It Back, the City has prioritized helping homeowners remain in their affordable long-standing waterfront communities – ensuring that these New Yorkers have the resources necessary to recover and make their homes and communities more resilient. Through its Single-Family Program, Build It Back has helped 8,300 homeowners and landlords of 1-4 unit homes, housing a total of 12,500 families. Build It Back rebuilt and elevated almost 1,400 homes to today’s stringent regulations for flood compliance. Approximately 250 homes have been acquired through a combination of buy-out and acquisition programs. An additional 6,650 homeowners with moderate Sandy damage were assisted with repair and reimbursement - helping neighborhoods that were not in the FEMA 100-year floodplain when Sandy hit. We have distributed \$135 million in reimbursement checks to over 6,100 families. Additionally, the Department of Housing Preservation and Development (HPD) has accelerated relief to multifamily households. To date, over 14,000 units across 287 developments have completed repairs or received reimbursements.

Some of our hardest hit neighborhoods are now complete. Howard Beach, Hamilton Beach, Broad Channel, Breezy Point, Edgemere, Canarsie, Brighton Beach, Tottenville, Great Kills, and New Dorp Beach are all construction complete.

Funded by the US Department of Housing and Urban Development (HUD), the Build It Back Single-Family program accounts for \$2.2 billion of the total \$4.2 billion post-Sandy federal Community Development Block Grant - Disaster Recovery (CDBG-DR) dollars given to the City and overseen by the HRO in coordination with HPD and the Department of Design and Construction (DDC). CDBG-DR funds provide assistance to homeowners after all other forms of disaster assistance have been exhausted.

The Preliminary Financial Plan reflects \$42 million in City funds for the initial close-out of the Build It Back Single-Family program spread across DDC (\$17.5 million), HRO (\$16.8 million),

and HPD (\$7.7 million). This additional funding will cover remaining payments for construction and other vendors and completion of disposition of acquisition and buyout properties. On Friday, the City issued an Action Plan Amendment outlining the reallocation of \$50 million in Federal funding to the Single-Family Build It Back program. Increased costs which will be covered by these funds include:

- Contractor insurance - Insurance programs were put in place to attract the widest pool of contractors and establish program wide safety protocols and procedures. Insurance costs, while high, provide significant benefit to the City in the form of reduced overall claim risk.
- Costs associated with finding the best resilient neighborhood use for properties purchased through City Acquisition and Buy-out programs, in lieu of public auction.
- Close out costs for construction, management, design, and inspection, including costs related to City regulatory requirements.

As has been reported recently, some contractors disputing payment amounts have placed liens on homes. I want to be clear that at no time has a contractor not been paid because of a funding issue. These payments are in dispute because of standard auditing practice. Placing liens on homes is the contractor's tactic to apply pressure to the City. It is unacceptable and inappropriate for contractors to place liens on the properties of Sandy-impacted homeowners. Build It Back was designed specifically so that payment obligations would run between the City and its construction managers, limiting the risk to homeowners during payment disputes. As with any City contract, contractors have multiple legal remedies other than placing liens on homes and clear contractual procedures to dispute payments without burdening homeowners.

As construction is completed and final closeout of the program continues, the City continues to focus on lessons learned. HRO is working with NYC Emergency Management (NYCEM), the Mayor's Office of Resiliency (MOR), and other partners on what is required for housing recovery preparedness and how the City will respond to the next storm.

I would encourage you to tour these neighborhoods if you haven't already. Two Queens neighborhoods that show the collaboration between our work and on-going neighborhood planning and resiliency are Edgemere and Broad Channel. In Edgemere, Queens, Build It Back undertook an extensive outreach campaign to help preserve and improve the affordable and Sandy-damaged housing stock in the neighborhood, focused on the elevation of attached homes. In 2016, HRO and HPD collaborated to pilot a relocation program for homeowners with substantially damaged homes in the most vulnerable portion of Edgemere's bayfront. We worked with residents to facilitate relocation away from extreme flood hazard. The program's acquisition of storm-damaged property in Edgemere supports future development, open space, and coastal protection features. A neighborhood like Broad Channel, Queens, with its multiple marshland restoration projects by DEP and Parks, street raising and resilient infrastructure projects by DDC, a new elevated and resilient school being built by SCA, a yard expansion program for neighbors of acquired properties offered by HPD, and over 250 rebuilt or elevated homes through Build It Back, shows the many ways we are ensuring our coastal communities are focused on resiliency.

In conclusion, I would like to thank the Committee on Resiliency and Waterfronts for allowing me to testify here today and I am now happy to answer any questions you may have at this time.