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City short-changed on Sandy aid

Two years after Hurricane Sandy devastated New York, the city is still waiting for over 80 percent of Government-promised rebuilding money.

The bulk of the \$10.6 billion in earmarked federal aid is still trickling its way through bureaucratic red tape, according to a report from the New York Building Congress.

"As anyone in the construction industry can tell you, one of the biggest challenges of building in New York City is dealing with the bureaucracy, even in normal situations," noted Building Congress president Richard T. Anderson.

"These issues only get magnified in the aftermath of an extreme weather event, which requires brand new government aid and recovery programs."

However, the construction industry leader said Mayor Bill de Blasio's recent effort to kick-start the Build It Back campaign to help New Yorkers rebuild could be the silver lining many property owners have been looking for.

"The Mayor's recent successes with Build It Back demonstrate the process can be made more efficient if the political will is there," said Anderson.

"The goal right now is to create mechanisms for the more expeditious distribution of promised federal aid to the government agencies, businesses, and residents who need

it—both to enable continued recovery from the previous storm and to better protect against future weather events."

According to the analysis by NYBC, of the \$10.6 billion in anticipated federal money that will flow directly to the New York City government to aid in its response to Superstorm Sandy, as of June 30,

\$5.6 billion had been awarded or allocated, and only \$934 million (or 17 percent of the funds) had actually been delivered to the city.

This is despite the fact that the City government has already spent \$2.7 billion of taxpayer money on projects and programs that are eligible for federal reimbursement.

While the majority of federal aid

will flow through the City government, about \$2.8 billion of previously awarded or allocated City aid will be administered by federal and New York State agencies. In all, federal funds of \$8.4 billion have been awarded or allocated to New York City residents, businesses, and government entities for Hurricane

Continued on Page B8

City short-changed on Sandy money

Continued from Page B7

recovery and restoration through June 30.

When all federal money flowing directly to New York City and through programs administered by federal and New York State agencies is considered, the City might eventually be awarded more than \$15 billion of the \$30 billion that was pledged to New York State in the aftermath of Superstorm Sandy.

Of the \$5.6 billion in disaster recovery funding that has been awarded or allocated to the City government, \$3.2 billion comes from the U.S. Department of Housing and Urban Development (HUD)'s Community Development Block Grant program. The program was created to provide a source of funding for New York City government-led housing, business, infrastructure, and resiliency programs.

Of the HUD money, \$1.7 billion has been allocated to the "Build it Back" housing program. Another \$805 million has been allocated for infrastructure and other city services; \$284 million will ultimately be devoted to projects to improve resiliency, and another \$266 million will be devoted to small businesses.

While HUD has allocated \$3.2 billion, as of June 30, the agency had actually delivered just \$201 million to the City for these purposes. This is despite the City itself having already expended \$445 million of its own funds on these programs.

The City ultimately expects to receive \$4.2

billion in HUD money for disaster recovery and preparedness.

The other major source of funding to the City government comes from the Federal Emergency Management Administration (FEMA) public assistance program, which was designed to provide supplemental Federal disaster grant assistance for debris removal, emergency protective measures, and the repair, replacement, or restoration of disaster-damaged and publicly-owned facilities.

In addition, the program is expected to serve as a source of funding for projects designed to make the City's infrastructure more resilient to future flooding and natural disasters.

As of June 30, FEMA had awarded \$2.2 billion in public assistance money to the New York City government but had only delivered \$722 million, despite the City spending \$2.2 billion in the areas covered by the program.

Another \$190 million in federal dollars (unrelated to the HUD and FEMA programs) have been awarded or allocated to the New York City government. Of those commitments, the vast majority of which will flow to the City's Department of Transportation, just \$11.3 million had been received as of June 30.

Approximately \$1.9 billion in federal assistance that had been awarded or allocated as of June 30 is being administered by New York State. Of that total, \$1.3 billion is earmarked for mass transit with most of the rest going to homeowners for buyouts or to communities for rebuilding.

An additional \$924 million of Sandy money, which had been awarded or allocated as of June 30, is being administered directly by the United States government. Half of that amount went (or will go) to private individuals from FEMA. Most of the remaining portion is earmarked for loans to individuals from the Small Business Administration.

According to the NYBC, there is not enough publicly-available data to accurately track how much of the awarded or allocated money has been received and spent by State and federal agencies.

In June 2013, the Bloomberg administration announced the creation of NYC Build It Back, which was designed to assist homeowners, landlords, and tenants in the five boroughs repair and rebuild homes damaged by Superstorm Sandy. Eight months after the announcement, and despite 20,000 applications, no repairs or reimbursements had been issued, according to the administration of Mayor Bill de Blasio.

In April of this year, de Blasio made a public commitment to kick-start the program, and he has largely succeeded.

On October 20, the Mayor reported that, to date, 6,400 owners had been accepted into the program. He also reported that work had begun on 727 homes and 878 homeowners had been reimbursed to date. At that press conference, the Mayor stated a goal of starting construction on at least 1,000 homes and issuing reimbursement checks to 1,500 residents by the end of the year.