

**TESTIMONY OF THE MAYOR’S OFFICE OF HOUSING RECOVERY OPERATIONS
BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON RECOVERY AND
RESILIENCY**

Thursday, September 22, 2016

Good Afternoon Chairperson Treyger and members of the Committee on Recovery and Resiliency. I am Amy Peterson, Director of the Mayor’s Office of Housing Recovery. Thank you for having us here today to provide an update on the continued progress of Build it Back.

MAYOR’S GOAL - ALL RESOURCES FOCUSED ON COMPLETING PROGRAM

Mayor de Blasio set an ambitious goal for Build It Back completion that has helped many aspects of Build It Back. The results include:

- Focus by all contractors, designers, CMs, developers on completion
- Focus by all City agencies to bring all resources to effort
- Innovative regulatory approvals – unmapped streets, builders pavement plans
- DOB 48 hour turnaround – co-location with design teams
- Build It Back Construction Completion War Room and Field Coordination Offices staffed with representatives from City agencies (DDC, DOB, DEP, DOT, HRO, FDNY)

The City is working hard to get these projects done and return these homeowners to safe and resilient housing. The numbers continue to increase with faster designs, approvals, increased capacity, and over 1,000 tradesmen and tradeswomen building these houses.

As we move all homes into construction, there are areas we continue to work to improve:

- Communication with homeowners - especially during construction;
- Speed of construction;
- Coordination with utilities;
- Regulatory inspections and approvals; and
- Addressing changes due to field conditions.

BUILD IT BACK CONSTRUCTION COMPLETION WAR ROOM AND FIELD COORDINATION OFFICES

In order to coordinate and expedite construction across agencies and utility companies, this summer Build It Back launched the HRO War Room. This group—which includes HRO, HPD, DDC, DOB, DOT, DEP, DCAS, and FDNY, along with National Grid, Con Edison and PSE&G—is dedicated to supporting the program agencies from construction start through final completion and closeout. The team is structured to assist construction managers, general contractors and subcontractors to: (1) coordinate work in the neighborhoods; (2) expedite agency, special inspection and utility needs; and (3) provide strategic assistance on issues that need to be escalated.

Working together in one room at the HRO Offices and in construction trailers in three high-construction neighborhoods, the team is identifying efficiencies across agency partners for all

homes and creating tools to help contractors navigate the many requirements during and after construction.

The Program has established a utility coordination team that works as a facilitator between the Program's contractors and the private utility companies providing service to applicants' homes. This team works to expedite disconnections, reconnections, and electrical line hazard mitigation, ahead of other work in the City. Specialized processes have been established for each of the companies, and field crews have been dedicated specifically for the Program in most cases. The coordination team works with homeowner service teams and contractors to facilitate requests, provide prioritization of schedules, and access to sites. Additionally, they coordinate field meetings to review safety conditions associated with utilities.

SAFETY

We are especially focused on safety as more homes move into construction. The agencies involved in the Build It Back program have worked to coordinate safety reviews, and make sure we are taking extra steps not only to protect the construction sites, but also the neighborhoods where Build It Back is working. The managing agencies—HPD, DDC and HRO—have safety teams that inspect the construction sites for all appropriate standards. HRO brought on some additional safety teams to monitor the construction's impact to the streets. They observe for tidiness around the sidewalks, fence maintenance and security, coordination of street closures and deliveries, and other impacts in the neighborhoods. In July, HRO also brought on a team of FDNY chiefs to monitor safety by patrolling the neighborhoods. They look to make sure that construction deliveries and site activities don't block access for emergency vehicles to get through the streets. They have also helped review any utility power lines that may become safety hazards as a result of elevated homes. Most recently, we activated a larger FDNY team to help check homes that were elevated when preparing for Hurricane Hermine's potential impact to the city.

This coordinated team of agency safety personnel, neighborhood safety oversight, and FDNY help to make sure we are protecting our sites, our streets, and are being mindful to not be a negative impact to the community. Agency safety inspectors and FDNY work together to quickly resolve any observed deficiencies. Both teams meet daily and share valuable information relating to overall conditions and upcoming activities.

On June 22nd, one of DDC's homes undergoing elevation in Gerritsen Beach collapsed within the fenced in property. There were no injuries related to the collapse. The home had recently been set back down on a newly constructed first floor, which is a unique design rarely used in the program. Immediately, HRO, DDC, DOB, FDNY, the Office of Emergency Management, Department of Investigation and DDC's construction manager and builders mobilized on the site. Over the course of 12 hours, the portion of the building that collapsed was removed.

Working closely with DOI and DOB, enhancements to safety, inspections, and site control have been implemented. DDC deployed additional oversight and quality inspections on homes undergoing elevation, focusing on the period when homes are elevated and sitting on cribbing until foundation work is completed and the houses are set. DDC has increased its safety

professionals in each borough, deployed enhanced procedures for monitoring lift and setting operations, and improved field operations activities and interagency coordination. As required the program has increased the professional engineers' oversight of projects as they proceed with these key activities. There has also been an increased focus on site control, neighborhood and site safety, and job-site management.

DEPARTMENT OF BUILDINGS AND REGULATORY REVIEWS AND APPROVALS

To assist affected property owners with the rebuilding process, the Department of Buildings (DOB) has assigned additional DOB-Build It Back dedicated personnel throughout the impacted areas including three staffers to Build It Back Field Coordination trailers, plan examiners at two Construction Managers' offices (Queens and Brooklyn), as well as plan examiners at the DOB borough offices in Queens, Brooklyn and Staten Island. Through this effort, DOB plan examiners have achieved and maintained service levels of 48 hour review for first submissions, and a 3-5 day turnaround for second submissions.

The Build It Back program searches for ways to expedite various agency requirements. The Department of Environmental Protection has placed inspectors in the field to be able to do inspections within 24 hours. They also have an online portal to submit some of the required paperwork. Additionally they have allowed engineers to self-certify that items have been installed according to plans. All of these help to expedite the program. DOB has expedited permitting reviews, removing some of the supporting documentation requirements. DOB is allowing our contractors to work after hours and weekends in order to maximize construction time. They are available to assist our contractors as they work through the DOB process.

In partnership with the Mayor's Office of Operations, DOB, DOT, BSA, and other partners, the City has provided expedited processing and bulk waivers for many processes including GCL 35 and 36 waivers to permit building on street widening lines and unmapped streets, and BPP waivers for streets without any sidewalks and/or improvements.

DOB has conducted demo filing presentations, provided face-to-face demo application reviews by appointment, assigned a Project Manager and Community Assistant to review violations, developed a streamlined process for Certificate of Correction of violations as well as provided the capability for septic applications to be filed online.

There are approximately 400 wetland permits needed from the New York State Department of Environmental Conservation. In partnership with DEC, the Build It Back program has entered into multiple general permits covering rebuilds and elevations, providing clear requirements for wetland protection while expediting the process. Additionally through an expedited consent order process, homeowners can handle past DEC issues to allow their homes to fall under the General Permit, minimizing delays related to prior conditions.

ATTACHED HOMES

Hundreds of attached homes were damaged by Hurricane Sandy, presenting Build It Back with a unique challenge unlike any other storm recovery program. Attached homes pose a unique

design and engineering challenge. Build It Back brought on new design and construction capacity to focus on attached homes. In summer 2015, DDC CMs began engineering analysis and collection of information for homes.

Construction on attached homes requires the coordination of multiple homeowners. In some scenarios multiple neighbors can agree to rebuild or elevate their homes together. Another option is to obtain the consent of one or more neighbors to allow construction to be done to shared building elements (party walls, roofs, or siding) through a Construction License Agreement.

In summer 2015, Build It Back created a pilot in Edgemere to open Build It Back registration to attached neighbors of homeowners already in Build It Back, and to re-engage attached neighbors that had withdrawn. Through these efforts, 31 additional attached homes elevation projects are proceeding in Edgemere and seven new homeowners have been brought into the program. This effort was expanded citywide last winter to include semi-attached homes. Build It Back began extensive outreach to all attached homeowners and neighbors to obtain license agreements and gauge interest in program participation. Because of the special circumstances, we conducted extensive outreach through July--including additional door knocking, phone calls, neighborhood open houses and individual meetings--to ensure that all neighbors were reached. We received additional resources and support from many elected officials including Councilmembers Treyger and Richards, and Assemblymember Pam Harris.

Through coordination with federal partners, including HUD and FEMA, and with DOB, Build It Back is able to offer alternative mitigation measures focusing on the elevation of utilities to attached homeowners that are not able to mitigate through elevation.

DEADLINES AND HELPING HOMEOWNERS WITH HARDSHIPS

In Summer 2015, in order to move applicants through the *application processing phase* of the Program, Build It Back imposed a series of deadlines for applicants to complete the eligibility process and select a pathway and a contractor. One year later, in summer 2016, to move applicants through the *design phase* of the Program, Build It Back imposed a series of deadlines for applicants to schedule Design Consultation, sign Schematic Designs, HICS, TPAs and Grant Agreements, and move out.

Throughout the program, Build It Back has established deadlines to ensure that homeowners can advance through the process. From case management to design to construction, at each stage Build It Back has given homeowners deadline extensions due to hardships related to medical issues, financial hardships, and other issues.

Build It Back has established multiple partnerships to help homeowners overcome obstacles relying on City resources, including Department of Aging and other agencies, our contractor Center for New York City Neighborhoods (CNYCN) and the extensive network of Disaster Case Managers and nonprofits supporting Sandy recovery.

To help remove obstacles to applicant participation in the Program, Build It Back contracted with the Center for New York City Neighborhoods (CNYCN), a non-profit agency that partners with local community-based organizations to provide housing, counseling, and legal services to homeowners. Counselors were out-stationed in the Build It Back Centers and to date, have served more than 4,000 applicants. The most utilized types of counseling are related to:

- Transfer Amounts and Coordination of Benefits (30%),
- SBA disaster loan cancellation (18%),
- Temporary Relocation Assistance and Tenant Advisory Services (17%), Mortgage, Foreclosure and Ownership issues (13%), and
- Pathway and Benefit Selection (10%).

Build It Back forged a strong partnership with the Disaster Case Management Program. Through cross-training, information exchange and regular case conferencing, Build It Back applicants had access to a wide range of social services to meet their post-disaster needs. Moreover, applicants, with help of their Disaster Case Managers, were able to access over \$5 million in financial aid through the Unmet Needs Roundtable that was used to meet needs that could not be met using CDBG-DR funds.

Over the past two years, Build It Back has responded quickly and effectively to the needs of homeowners in the construction program. When we heard that homeowners displaced by construction were struggling to pay their mortgage and rent, we established a rental reimbursement program. We paid rent levels above the fair market and worked with community leaders to increase the stock of temporary rental units. When we heard that some homeowners needed direct assistance locating housing and covering the upfront costs, we partnered with NY Interfaith Disaster Services (NYDIS) to create a pilot program combining government and charitable funds. The pilot program demonstrated emerging needs, so earlier this year we released an RFP and selected the Center for New York City Neighborhoods, along with NYDIS, to expand temporary housing services. We are pleased to announce that the new program is up and running. The Build It Back Centers are staffed with dedicated Temporary Housing Desks. The Temporary Housing Hotline is reaching out to homeowners to offer services. New units are being added to the clearinghouse every day. Direct rent payments to landlords and brokers are being processed. Over the next several weeks, the program will also begin to assist homeowners with additional storage costs when construction goes beyond six months. We encourage all homeowners displaced by Build It Back construction to take advantage of this exciting new program.

WORKFORCE

Build It Back has worked to ensure that as our City builds back, Sandy-impacted New Yorkers are among the builders. Last year, the Build It Back program negotiated a Project Labor Agreement (PLA) with the Building and Construction Trades Council of Greater New York (BCTC) that included a commitment to place 100 Sandy-impacted residents in union apprenticeship programs. This PLA also included an ambitious goal of recruiting 20% of all Build It Back union construction workers from Sandy-impacted neighborhoods. The City's contracts with our construction management contractors also include an emphasis on hiring Sandy impacted residents with a 20% goal for all positions, including office staff and

supervisors. In partnership with the Department of Small Business Services (SBS), we've worked with the City's new Sandy Recovery Workforce1 system, the unions, and our contractors, to connect local residents to the job opportunities created by the recovery work. To date, 5,369 people have been served through the Sandy Recovery Workforce1 system, and 724 people from Sandy-impacted communities are working specifically on the Build It Back effort.

In addition, the City has embarked on an innovative workforce development model connecting your constituents to City funded vouchers for free pre-apprenticeship training and placement. To date, 108 successful graduates from programs such as the Edward J. Malloy Initiative for Construction Skills, Nontraditional Employment for Women (NEW), NYC District Council of Carpenters BuildingWorks, and NYC Helmets to Hardhats, have gained the opportunity for direct entry into the City's trade unions. With 108 new union members, the BCTC has exceeded its commitment to the City. The following unions have accepted many of these Build It Back training participants into their ranks: Laborers Local 79; Painters District Council 9; Roofers Local 8; Tile, Marble & Terrazzo Local 7; IBEW Electricians Local 3; Sheet Metal Workers Local 28; Metallic Lathers Local 46; and the NYC District Council of Carpenters, which alone, so far, has taken in 85 residents of Sandy-impacted residents. In addition, many of the unions just mentioned, as well as the Plumbers Local 1, have accepted local workers into their membership for the Build It Back work through their own, unique community outreach programs. I would also like to thank NYCHA, and our community partners including Faith in NY, for their strong participation in this program's recruitment efforts in NYCHA communities and at local churches throughout these neighborhoods.

There is a short video online that features two participants of this training program.

The Far Rockaway resident interviewed in the video, Jamel Dickerson, is now a card-carrying union Carpenter working on a high rise on the far West Side of Manhattan. Today, his union membership offers him middle class wages and benefits, a pension, annuity, and, someday maybe even a college scholarship for his son, who last year asked for a hardhat for Christmas.

ADDITIONAL NEEDS AND DRAFT ACTION PLAN

The City's goal is to invest and create resilient neighborhoods. Through the Build It Back program, the City is committed to serve all eligible applicants and we've identified additional needs required to accomplish this goal. Tomorrow the City is publishing a proposed amendment to its Action Plan allocating \$500 million in additional funding to Build It Back. The money allocated will help us move homeowners into more resilient housing without sacrificing any of our current resiliency or non-resiliency projects.

Funding transferred to Housing for capital projects will be fully replaced with City Capital dollars already committed as part of the September 2016 Capital Commitment Plan. All current planned projects will move forward without delays or gaps in funding (\$350 million). Certain disaster response expenses, incurred by the City in prior fiscal years, will no longer be reimbursed with CDBG-DR funding (\$150 million).

The additional needs are related to the following:

Design and Construction Requirements above 2013 *Post-Sandy Housing Reconstruction Analysis* prepared by HRO in partnership with FEMA:

- Regulatory requirements including residential sprinklers, septic systems and compliance with updated 2014 New York City Building Code requirements for life-safety
- ADA requests for access to elevated homes through the use of vertical platforms and stair lifts
- Enhanced structural requirements due to soil conditions, site constraints, high water table, flood zones, location adjacent to major bodies of water that require the use of enhanced helical piles, dewatering and drainage.
- Increased construction complexity to address issues such as lead based paint, asbestos and the poor-quality and age of existing housing stock
- Inability of the Program to reuse existing foundations and the need for complete foundation demolition and the installation of multiple, deep helical piles for new foundations due to soil conditions
- Community driven design adaptations including providing a second means of egress, enclosed foundations, and over-elevation

Market conditions and cost escalation

- The City's use of additional contract capacity to ensure construction schedules that could assist all homeowners in their recovery in a timeframe to meet HUD-mandated obligation and expenditure deadlines
- Strengthening market conditions throughout the Tri-State area have led to increased construction costs through competition for materials, skilled labor and professional services - the construction industry in New York is at its highest level of industry employment in more than 40 years
- New York City building costs are over three times greater than the average of twenty of the largest cities in the U.S. (Engineering News Record, November 9, 2015)
- Expanded insurance requirements and the use of Contractor Controlled Insurance Policies that were purchased to expand contractor and skilled labor capacity to reduce overall program schedule.

Increased Homeowner Assistance

- Temporary rental assistance and added services in Temporary Housing Services contract
- City allowed homeowners credit against insurance and other benefits by expanding allowable expenses to include temporary repairs, design costs, temporary housing, and other disaster related expenses
- Additional reimbursement to SBA loan population
- Lower than anticipated transfer amounts from NFIP payments and SBA loans

More options for homeowners and focus on community recovery

- City created and funded an acquisition and buyout program (\$46M) to ensure that anyone who wanted acquisition could be bought out after State limited program. This includes unbuildable sites, strategic locations, and sites that didn't meet State criteria or State deadline

- Considering offering additional incentives for acquisition – up to \$150k linked to buying a new home/ LMI/ and moving out of flood plain - to expand interest in remaining construction pipeline (more difficult to elevate/ rebuild due to wetlands and other site constraints)
- Allowed additional intake to bring neighbors of attached homes into program – focus on Edgemere and Arverne

Throughout the last two years, the City has worked to adapt a formerly rigid program to meet the needs of the Sandy impacted communities and homeowners by offering additional program options and increased flexibility in pathway options.

While the City and State acquisition programs have attracted interest, there are still homeowners that are proceeding with construction for homes with complex site conditions and construction issues. Through their commitment to the construction option it is clear they remain committed to maintaining homeownership in New York City. The City will explore interest in a new Acquisition incentive program for these homeowners. The City's Draft Action Plan will propose supplemental resettlement incentives. In order to defray the high cost of purchasing replacement housing in New York City and in order to encourage resettlement within the City, the Program may offer one or more supplemental resettlement incentives for projects currently in a construction pathway and which meet objective cost-effectiveness criteria, including, but not limited to, projects with complex designs, unusual site conditions, etc. Supplemental Resettlement Incentives will only be made available to applicants who purchase a new home in New York City for resettlement and the amount of all resettlement incentives, together with property acquisition costs, cannot exceed the purchase price of the applicant's new home together with closing costs, taxes, fees, and other purchase-related costs. The NYC Residency Resettlement proposed is \$50,000 to owner-occupants who sell their property to the Program, subsequently resettle within New York City, and agree to maintain ownership of their new home for a period of five (5) years. This resettlement incentive may be combined with an additional incentive in the amount of \$50,000 provided to homeowners who also agree to a new home located in New York City that is located outside of the 100-year floodplain. The Program may provide an incentive in the amount of \$50,000 to homeowners whose households meet the Program's low to moderate income criteria.

HPD AND MULTI-FAMILY PROGRAM

The Department of Housing Preservation and Development (HPD) administers the Multifamily Storm Recovery Program, which provides financial assistance to properties with five or more apartment units, including rental buildings, condominiums, and co-operatives, as well as individual condo and co-op units that sustained damage from Sandy. Financial assistance is provided to cover unmet need for repairs and reimbursement as well as comprehensive resiliency retrofits in targeted developments.

Over the course of the last year, the Multifamily Storm Recovery Program has crossed significant milestones and made impactful changes to its Program to increase the pace of assistance. As of September 22, 2016, the Program has completed all Coordination of Benefit analysis. Where bottlenecks occur, the Program has continually made adjustments to ensure

more applicants can be assisted. For example, in order to expedite closing on assistance the Program has streamlined the General Contractor Selection and Bid Review Process saving time and resources.

The Multifamily Program will preserve and maintain affordability where the Program is implementing resiliency retrofits and also addressing other needs.

The Multifamily Program developed a series of comprehensive guidelines for resiliency retrofits on multifamily developments, which has allowed building owners receiving this assistance to move forward more quickly when creating scopes of work. Through its resiliency strategies, the Program will be helping protect critical systems and residents in developments across the City. Resiliency scopes of work include measures such as elevation of critical building systems, dry flood-proofing of below grade spaces, and provision of emergency power. Developed in consultation with resiliency engineering experts, retrofit measures are designed as a comprehensive resiliency strategy to protect buildings and residents from future flood events.

Thank you for allowing me to testify today, and I look forward to your questions.