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**LISC NYC Submitted Testimony on Build It Back  
Hearing of the New York City Council Committee on Recovery and Resiliency**

**Submitted September 25, 2015**

Thank you Chair Treyger, and Recovery and Resiliency Committee members, for considering this testimony about our disaster recovery and relief efforts through the Build it Back Program. My name is Edward Ubiera, Director of Policy for Local Initiatives Support Corporation’s New York City Program. I am submitting this written testimony on behalf of LISC New York City.

**About NYC LISC**

LISC NYC is dedicated to helping nonprofit, community development corporations (CDCs) and locally based organizations transform distressed neighborhoods into sustainable communities of choice and opportunity with good places to work, do business and raise children. Over the last 35 years, LISC New York City has been instrumental in securing over \$2 billion in public and private investments for our neighborhoods, resulting in over 36,000 units of affordable housing and apartments constructed or preserved, and in more than 2 million sq. ft. of community and commercial space developed.

## **LISC's role in Hurricane Sandy—Filling Service Delivery Gaps**

Disasters by their very nature test not only individuals, but entire systems. Hurricane Sandy was an unprecedented event in New York City's history. In addition to claiming the lives of 44 New Yorkers, the storm stressed the City's critical infrastructure beyond its design capacities, disrupting vital services and damaging essential facilities citywide. Congress allocated over \$50 billion to fund recovery efforts, including more than \$13 billion for projects in New York City. Government at all levels — federal, state, and city — grappled with the challenge of meeting the urgent needs of hundreds of thousands of affected New Yorkers, while trying to avoid the headline-grabbing misuse and wasteful spending of prior storms, such as Hurricane Katrina. As a result, affected individuals encountered a confusing array of programs, each with their unique — and often daunting — processes.

One of the lessons we took away from the Sandy response was that service delivery gaps are a feature, not a bug, in the aftermath of a disaster. As a community development intermediary, LISC NYC was in a unique position to identify and bridge some of those gaps. Our Hurricane Sandy Initiative deployed almost \$54 million in public and private resources, in coordination with our funders and public sector partners. Building on its 35-year track record of forging public-private partnerships, LISC rapidly scaled and adapted its existing capacities — and those of its partner organizations — to tackle the challenges presented by Hurricane Sandy.

## **Privately-Funded Programs**

Approximately two-thirds of LISC NYC's Hurricane Sandy Initiative was comprised of private donations, with the major donors being the Mayor's Fund to Advance NYC, American Red Cross, the Robin Hood Foundation, and JPMorgan Chase. Private funding had the benefit of being committed and deployed quickly and flexibly. The goal of these dollars was to fill service delivery gaps in the public system, by connecting individuals to publicly-funded programs (like Build It Back) and putting in place housing rehabilitation programs that rapidly deployed resources to individuals who could not be served by Build It Back or other official programs.

## Emergency Relief Fund

Immediately following the storm, NYC LISC created the Emergency Relief Fund to enable community-based organizations in storm-devastated neighborhoods help residents navigate publicly funded programs. Among the many outcomes were the following:

1. NYC LISC dispersed nearly \$2.5 million to thirteen community-based organizations and connected over 10,000 residents to case management services and referrals;
2. Community-based organizations provided over 4,500 homeowners with Build it Back information and status updates;
3. CBOs assisted 613 individuals to enroll in Built It Back; and
4. 517 homeowners not eligible for Build It Back were referred to other repair programs.

### Sandy HelpDesk

NYC LISC, and an array of community-based organizations, collaborated with New York City's Office of Housing Recovery Operations and the Department of Housing Preservation and Development on a series of HelpDesks. The HelpDesk was a three-day workshop, held in five locations in New York, to provide free one-on-one consultation to homeowners on building code, zoning, design and resiliency-related issues for buildings in Sandy-affected neighborhoods. Among the many outcomes were the following:

1. 280 property owners attended Sandy HelpDesks;
2. 188 property owners were assisted with Build It Back information and status updates; and
3. 103 homeowners were assisted with flood insurance information.

### Mold Treatment

A \$15 million Mold Treatment Program, at no cost to homeowners, was created to treat mold in single-family homes in the Bronx, Brooklyn, Queens, and Staten Island. This program closed in January 2014 with almost 2,000 homes successfully treated for mold.

### Home Repair

Following the completion of the Mold program, LISC NYC implemented a \$19.9 million Home Repair program to provide low-income homeowners of one- to four-unit homes, at no cost, with a range of structural and non-structural repair work options for damages caused by the storm. The program targeted low-income New Yorkers who were not eligible for Build It Back, for a variety of reasons. Over half of the homes LISC NYC worked with included elderly household

members, and over two hundred included residents who were disabled. By integrating construction management and homeowner engagement, LISC NYC was to process applications, scope out the work and complete construction within a four-month timeframe for each home. This program closed in August 2015 with 501 single-family homes successfully repaired.

Our experience with privately funded initiatives is that the dollars were committed and deployed relatively quickly. Reporting to various private funders was considerable, but less stringent than publicly funded programs, which include many compliance and paperwork challenges. However, the downside of the private programs is that their scale and duration are limited, particularly in relation to the need. All of our private funding for Sandy-related programs has dried up. Sources like the Mayor's Fund, American Red Cross, and Robin Hood were the recipients of an outpouring of support for New York City and Sandy-affected areas, but disaster recovery philanthropy cannot be counted on as a long-term support. For sustained commitment to rebuilding, we need to look to the public sector, and the billions of dollars that have been committed through various sources, including Community Development Block Grant – Disaster Recovery dollars.

### **Publicly Funded Programs**

Approximately one-third of LISC NYC's Hurricane Sandy Initiative was funded by public sources, including a special allocation of Section 4 capacity building funds from the U.S. Department of Housing and Urban Development (HUD) which was used to complement our private funds for the Emergency Relief Fund (see above).

## **NYC LISC and the Build It Back (BIB) Multifamily Program**

Due to our longstanding institutional relationship with New York City Department of Housing Preservation & Development (HPD) and recognition of our capacity, in December 2013, LISC NYC became a sub-recipient of \$15 million of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds. Funds are administered through an agreement established with HPD and structured to assist in the rehabilitation of multifamily buildings that were impacted by Sandy.

The program provides funding for repairs and resiliency improvements to eligible multifamily properties that sustained damage due to Hurricane Sandy. The program offers “evaporating loans” and grants with zero payments and zero interest to cover the cost of work to repair damage from the storm and improve the resilience of residential buildings to future storms. Loans evaporate at the end of five- to 15-year terms and no repayment is required unless the property is sold or refinanced during the loan term. Eligible properties include rental buildings, condominiums, and co-operatives within New York City. Additionally, reimbursement assistance may be provided to eligible property owners who completed Hurricane Sandy repair work with personal funds.

LISC’s role in NYC’s Build it Back Multifamily program is currently ongoing. Progress has been steady and impactful. As of August 2015, LISC has disbursed roughly 25% of our Build It Back allocation. To date, funds have been used to rehabilitate and provide resiliency improvements to 45 projects assisting 438 households.

The ramp-up of Build It Back Multifamily has been taken more time than our Mold and Home Repair Programs. This is a largely a result of the challenges in deploying CDBG-DR funds, relative to private funds. Federal funds require additional layers of due diligence concerning eligibility requirements, inspection reports, work and designs scopes, and mortgagee approvals. We have worked diligently with our partner HPD in accelerating review and approvals. Based on LISC NYC's remaining pipeline of 40 projects, we expect to close on our remaining projects by the summer of 2017. Build It Back Multifamily has also become a vehicle to incorporate resiliency measures into multifamily properties, as eligible building owners are engaging with experts to upgrade buildings to help them weather future storms, including elevation of electrical systems, relocation of mechanical systems, and creation of emergency building plans.

The Build It Back Program continues to be a powerful tool in the City's recovery efforts. Without it, many multifamily property owners would have nowhere to turn. The design and implementation of the BIB Multifamily program illustrates NYC LISC's ability to partner with community development groups and local contractors to maximize the effectiveness of public dollars. In addition, most of the contactors used under the BIB Multifamily program came from NYC LISC's Home Repair program, further highlighting the benefit of local relationships with community development partners and contractors.

### **LISC NYC and Lessons Learned**

Through its Hurricane Sandy Initiative, LISC NYC has a unique perspective that spans both privately-funded and publicly-funded efforts. Some key takeaways:

1. In the aftermath of a disaster, service delivery gaps are a feature, not a bug. Disasters by their very nature test not only individuals, but entire systems. Local governments are in an unenviable position to meet the urgent needs of individuals with often newly-created programs that are funded with federal funds that bring their own complexity.
2. Entities like LISC NYC are uniquely positioned to fill some of these gaps. Intermediaries bring existing networks of community-based organizations, relationships with philanthropy and the public sector, and the ability to adapt existing programs and capacities to a post-disaster context.
3. Private funding can be deployed quickly to fill these gaps, but these resources are limited.
4. Public funding by its nature takes more time to deploy, but operates at the scale and over a sustained timeframe. Intermediaries like LISC NYC can play a key role in working with public agencies to implement programs, as we have with BIB Multifamily.

We are in the process of quantifying and analyzing best practices in a white paper and we invite the members of this committee to attend the public release. Please stay tuned.

Thank you for the opportunity to testify. We look forward to continue to work with the City Council and the de Blasio Administration on completing our Sandy recovery initiatives and in strengthening New York City's disaster resiliency measures.

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