



BIPARTISAN TASK FORCE ON  
Hurricane Sandy  
**RECOVERY**



Preliminary  
Response & Recovery Report

SENATOR DEAN G. SKELOS  
Majority Coalition Leader

SENATOR JEFFREY D. KLEIN  
Majority Coalition Leader

SENATOR ANDREW LANZA

SENATOR MALCOLM SMITH

Co-Chairs

February 2013

**Task Force Members**

Senator Diane Savino (D-Staten Island/Brooklyn), Senator Charles J. Fuschillo, Jr. (R-Merrick),  
Senator James Sanders, Jr. (D-Queens), Senator Jack Martins (R-Mineola), Senator David Carlucci  
(D-Rockland), Senator Martin J. Golden (R-Brooklyn), Senator Joseph Addabbo, Jr. (D-Queens),  
Senator Lee Zeldin (R-Shirley), Senator Phillip M. Boyle (R-East Islip)

## INTRODUCTION

Superstorm Sandy (“Sandy”) was a storm of unprecedented strength and destruction in New York State. Sandy made landfall in Long Island and New York City on October 29, 2012 and quickly caused severe damage to much of the downstate region. The hardest hit areas were New York City and the counties of Suffolk, Nassau, Westchester, and Rockland. In total, \$32 billion is the estimated total cost to New York of response and recovery for Superstorm Sandy.

The human toll of Sandy was significant. Of the 146 deaths nationwide attributed to Superstorm Sandy, sixty of those were in New York. Sandy also destroyed or damaged 305,000 homes, temporarily displacing 40,000 in New York City alone. In Breezy Point, Queens, floodwaters caused an electrical shortage that started a fire that destroyed 126 homes and damaged 22.<sup>i</sup>

Estimates indicate the storm caused roughly \$8.1 billion in damage to private housing. Three months later, the impact of Sandy is still being felt by many. Some of the homes that were not destroyed remain uninhabitable due to mold and lack of heat. As a result, thousands of families are still living in temporary housing arranged by the Federal Emergency Management Agency (FEMA), or living in homes that still require major repairs.

Sandy also had devastating impacts on businesses. It is estimated that 265,300 businesses were affected, resulting in approximately \$6 billion in damage due to losses of revenue and repairs. As a result of the destruction to homes and businesses, local governments will soon be facing large declines in property tax values, which have negative implications for these local budgets.

Sandy also caused severe damage to utility and transportation networks. The wind and flooding caused widespread power outages in all of the affected counties. Power for 2.19 million households was out for days, weeks, and even months. Downed lines were the primary cause of the outages in Nassau, Suffolk, and Westchester counties while flooded electrical equipment was the primary cause in New York City. The high winds and flooding from the storm also forced the closure of most of the tunnels and bridges serving Manhattan and Long Island. The Metropolitan Transportation Authority (MTA) alone incurred about \$5 billion in damage.

On December 10, 2012, the Senators Dean G. Skelos and Jeffrey D. Klein announced the formation of a bipartisan Task Force for Hurricane Sandy Recovery (“Task Force”).

The three major goals of the Task Force are to:

- Identify areas most in need of recovery assistance;
- Review rebuilding and storm planning policies to ensure better storm-preparedness in the future; and
- Develop legislative solutions that will make New York State better prepared for a future severe weather event.

## TASK FORCE TOURS & ROUNDTABLES

The Task Force conducted the following tours and roundtables:

- Rockaways (December 10, 2012): Tour and Roundtable.
- Long Island (January 3, 2013): Tour of Freeport, Island Park and Oceanside and Roundtable.
- Hudson Valley (January 25, 2013): Roundtable.
- New York City (January 31, 2013): Tour of Staten Island, Brooklyn and Manhattan and Roundtable.

The tours presented a unique opportunity for Task Force members to see the affected areas of New York firsthand; they were able to speak to homeowners directly and tour Sandy-ravaged homes. In the Rockaways, members were able to walk along the shore and inspect the damage Sandy did to the boardwalk as pieces were still left almost two city blocks away. In Long Island, they were able to see homes that were still damaged and see firsthand the effects of mold as it began to take hold of residences. In Staten Island, they spoke to homeowners who were still waiting to find out if they should build, how they should build and what resources they were getting to rebuild. These unique firsthand observations and conversations reminded all of the work that still had to be done and the level of coordination and effort that existed in our New York communities.

Participants at the roundtables discussed many issues, including relief for homeowners and businesses, repairing and rebuilding necessary infrastructure, coordination and communication between Federal, State and local officials and emergency responders, mold remediation, actions taken by utility companies during and after Sandy, and insurance and banking concerns. This section outlines the various issues raised at each roundtable.

## Rockaways Roundtable (December 10, 2012)

### Attendees

#### Rockaway Community Members

Danny Ruscillo, President of the 100th Precinct Community Council; Rev. Les Mullings, Church of the Nazarene in Far Rockaway; Kevin Alexander, President of the Rockaway Development & Revitalization Corp.; Captain Allegra, 100th Precinct; Tom Galante, Peninsula Library; Gerry Romski, Developer of Arverne by the Sea; Dolores Orr, Chairwoman of Community Board 14; Jonathan Gaska, District Manager of Community Board 14

### Topics Discussed

#### Business Sector Concerns

Members of the business community expressed concern regarding the lack of federal assistance for business owners. Under federal programs, businesses are able only to obtain Small Business Administration (SBA) loans to help defray the costs of damage caused by disasters; the federal government does not provide grants to businesses. Participants stated that federal loans are insufficient, because many businesses cannot afford additional loans, and they feared that businesses will fail or not restart without grant money.

Additionally, participants suggested reducing red tape and streamlining communication between State officials and business owners. One participant noted that there needs to be a strong partnership between government and the business community to ensure the peninsula's business community can rebuild. There was also a desire to encourage not-for-profits to help businesses rebuild.

#### Mold Remediation

Mold remediation is a significant concern to those in the affected areas. Many are eager to get back in their homes as quickly as possible but are unable to do so because of mold. To compound this problem, NYC Rapid Repair, which is a New York City program that assists homeowners in making essential repairs, will not enter a house unless the mold has been remediated. Co-Chairman Senator Andrew Lanza (Staten Island) noted that many citizens do not realize that anything that has a porous surface and has been touched by water needs to be removed from the house as soon as possible because of mold.

A volunteer at the roundtable recommended giving city workers the day off to assist with the demolition portion of the process. He felt it was important to coordinate a citywide push to get volunteers out to the Rockaways. He inquired if there was a rapid way to train volunteers to deal with issues in relation to the aftermath of the storm, i.e. mold removal. Senator Diane J. Savino (Staten Island/Brooklyn) emphasized that mold is dangerous and if removed improperly, residents and volunteers could be faced with serious health concerns. It is important that if rapid training is happening that it is done properly, and people are given the proper equipment to protect their health.

## **Social Services & Health**

Senator Savino expressed the need for the Social Services Department to provide community outreach services in affected areas to enable residents to sign up for Supplemental Nutrition Assistance Programs (SNAP). SNAP allows residents in affected zip codes to be automatically given food stamps, but they need to register in person to be eligible.

# Long Island Roundtable (January 3, 2013)

## **Attendees**

### **Roundtable Participants**

Bill Biondi, Mayor, Village of Mastic Beach; Peter Casserly, Deputy Mayor, Village of Amityville; Randi Shubin Dresner, Executive Director, Island Harvest; Denise Ford, Nassau County Legislator; Kevin Hannifan, Commissioner of Highway, Town of Oyster Bay; Andrew Hardwick, Mayor, Village of Freeport; Marc Herbst, Executive Director, Long Island Contractors Association; Kendall Lampkin, Executive Assistant to Supervisor Murray, Town of Hempstead; Raymond Maguire, Executive Director, Freeport Fire Department; Hal Mayer, Representing Supervisor Venditto, Town of Oyster Bay; Justin McCaffery, Commissioner of Public Safety, Town of Oyster Bay; Thomas McDonough, Director of Emergency Management, Town of North Hempstead; John Miller, CEO, American Red Cross, Greater Long Island Region; Edward Moltzen, Assistant to Suffolk County Executive Bellone; Frank Nocerino, Commissioner of Parks, Town of Oyster Bay; Paule Pachter, Executive Director, Long Island Cares; James Ruzicka, Mayor, Village of Island Park; Jack Schnirman, City Manager, City of Long Beach; Warren Tackenberg, Executive Director, Nassau County Village Officials Association; Robert Walker, Chief Deputy Nassau County Executive; Michael Watt, Executive Director, Long Island Gas and Retailers Association

## Topics Discussed

### Infrastructure Repair

A major concern for many attendees was infrastructure repair and hardening. Attendees expressed the need to set priorities when it came to infrastructure repair. The infrastructures most in need of attention are: water and sewer treatment facilities, barrier beaches, roads, and bridges.

**Waste and Sewer Treatment Facilities:** Participants noted that strengthening water and sewage treatment facilities should be a priority going forward. Several local officials stated that their communities experienced significant problems with sewer treatment facilities during and immediately following the storm. Many of these treatment facilities are located near waterways and therefore were affected to some extent by the storm surge. As a result of the storm, millions of gallons of raw and partly raw sewage from damaged sewage treatment plants have flowed into New York waterways. Estimates indicate it will take years and millions of dollars to repair and strengthen the impacted waste and sewer treatment facilities.<sup>ii</sup> Chief Deputy Nassau County Executive Robert Walker spoke specifically of Bay Park and Long Beach, stating that had these systems completely failed, approximately 540,000 residents would have been affected. Luckily, the operators of these facilities were able to keep these systems running despite the systems incurring damage. Other communities in Nassau County, however, were not as fortunate.

**Barrier Beaches:** Coastal residents expressed the importance of repairing and maintaining barrier beaches, like Fire Island. Where they exist, barrier islands are the first line of defense during storms and reduce the damaging effects of wind and storm surges. Edward Motzen, Assistant to Suffolk County Executive Bellone, emphasized that local officials need to work closely with State officials, Federal representatives, and the Army Corps of Engineers to rebuild barrier islands to strengthen the State's barrier islands, especially in areas prone to storm surges and flooding.

**Roads and Bridges:** Participants indicated that many roads and bridges sustained significant damage. For example, Ocean Parkway provides access to popular recreational sites and residential communities along a stretch of Long Island's southern shore. It sustained unprecedented damage during Superstorm Sandy; preliminary estimates indicate restoration costs could amount to \$35 million. In addition, many bridges throughout Long Island were damaged by the heavy winds and storm surges. Most have reopened by this point, but a few remain closed due to severe damage. One such bridge is the Bayville Bridge on the north shore of Long Island. Due to the extent of the damage, it is estimated that it will not reopen until this summer, at the earliest.

## **Rebuilding Smarter, Safer, Stronger**

Many local officials noted there are many homes in their communities that are in need of rehabilitation. Mayor Andrew Hardwick of Freeport estimated that three thousand homes will need moderate to major rehabilitation in his community. Long Beach City Manager Jack Schnirman estimated that one to two hundred homes sustained such significant damage that the homes would be unlivable until major restoration was completed.

Many panelists plan to use the anticipated Superstorm Sandy Federal relief monies to help rebuild boardwalks, parks, beaches and other public areas. As a result, municipalities expressed a need to better understand the money they will receive to budget properly for repair costs.

Panelists want to rebuild at an expedited pace but want to ensure that rebuilt structures are not destroyed during the next major storm. There have been two very strong storms – Hurricane Irene and Superstorm Sandy – to hit this area in two years. Attendees posed the question of whether it made sense to rebuild in certain areas that are constantly flooding. Senator Jack Martins (Mineola) emphasized that resources for rebuilding efforts are limited and recognized that we must ensure we spend those resources wisely in a way to get people back into their homes quickly and that prevents these types of impacts in the future.

Participants noted that some residents want to rebuild while others would like to be bought out by the government. For those who want to rebuild, attendees believed that steps should be taken to help mitigate against potential future flooding. In addition, officials should examine ways to rebuild homes that would be able to withstand strong winds and storm surges. A few of the participants suggested looking to other areas of the country that regularly deal with flooding and strong storms to see what designs and materials they use to make their homes more resilient.

For those who are looking to relocate, some participants suggested the State Legislature consider a buy-out program. It was suggested that the abandoned lands remain undeveloped and the communities in which the land is located should look into natural or artificial flood mitigation tools, such as wetlands, barriers, storm surge walls, and reforestation.

## **Emergency Responders and Emergency Management Plans**

Emergency responders – EMS, National Guard, and firefighters – played a key role in the preparation and response efforts taken during Superstorm Sandy. Raymond Maguire, Executive Director, Freeport Fire Department, stated there is a need for universal training for firemen that teaches basic training as well as special operations training. Many of the firehouses on Long Island are run entirely by volunteers. A benefit of having volunteer firefighting squads is the ability to mobilize firefighters quickly without needing to consider significant overtime costs. However, because of funding constraints, many of Long Island's volunteer firefighting squads have not had the opportunity to get specialized training to deal with situations such as a

hurricane. Executive Director Maguire requested that money come from the State and the Department of Homeland Security Emergency Services (DHSES) to fund the fire academies.

Some participants noted there is also a need for more amphibious vehicles to assist evacuation efforts. In Mastic Beach, there were dozens of phone calls from citizens seeking to be rescued. The National Guard only had one heavy vehicle big enough and strong enough to travel into flooded waters for these rescues. Senator Lee Zeldin (Shirley) emphasized that coordinating resources in the hours leading up to and after the storm hits is important, because Mastic Beach is one example of a town that did not have enough necessary resources to respond adequately to the storm. Senator Martin J. Golden (Brooklyn) added that municipalities need to work together to ensure all officials know during disasters what assets are available and where the assets are located. Mr. Maguire recommended stock piling equipment near coastal and designated areas to allow easier access and faster response times.

Several local officials and participants highly commended the work and dedication of the emergency responders on Long Island. As Long Island residents themselves, a majority of these first responders suffered damage to their own homes during Superstorm Sandy, yet the first responders put their residents' needs before their own.

## **Communication**

Panelists noted that on Long Island, one of the main objectives post-Superstorm Sandy should be to focus on improving municipalities' communication plans as well as improving and strengthening their communication infrastructure.

Some participants stated that municipalities must improve their methods of communication during and after an emergency. Mastic Beach Mayor Biondi said that most of the fire and EMS personnel were using 'direct connect,' a push-to-talk service. However, most EMS personnel using this method did not have access a generator for recharging. They used battery backup, which lasts about 8 hours on a normal day. It was also suggested that cell towers be required to have backup generators to reduce service outages and provide EMS personnel an alternative mode of communication.

Furthermore, panelists noted municipalities need to have a system to provide information to citizens when cell phones and landlines are not working. The idea of using a large screen television at a central location that would broadcast public service messages for residents without power was proposed. Nassau County Legislator Denise Ford and Long Beach City Manager Schnirman both said their communities relied on SWIFT 911 and Reverse 911 but it was not effective because many people's landlines and cell phones were not working. SWIFT 911 is a high speed notification program that delivers recorded messages to the entire community, via telephone, email, text or pager. The Reverse 911 program sends out electronic messages to cell phones within a particular geographic area.

## Local Rebuilding Efforts

Local elected officials were asked about how and when they would start to rebuild. Most acknowledged they had begun the process of demolition for the damaged areas. However, they also noted that how and when they began to rebuild would be directly tied to when and how much money the municipality received from the Federal and State governments. Nassau Chief Deputy County Executive Robert Walker estimated that the municipalities combined had already spent an estimated \$300 to \$400 million on recovery efforts.

Several participants recommended that there be future plans addressing what to do with debris and garbage created by a natural disaster. Two months after the storm there is still a substantial amount of debris that had not been removed, due in part, to the difficulties municipalities are having in finding places to dispose of their garbage and debris. The main problem is that there is nowhere for municipalities to put their garbage. The existing sites are far past capacity. The DEC has permitted certain municipalities to establish temporary dumping sites, but Senator Charles J. Fuschillo, Jr. (Merrick) pointed out that these sites have proved problematic. For example, these temporary sites are only a short-term fix; municipalities will be required to clear and rehabilitate the land in the future. Also, many of the communities that have established these temporary dump sites have faced opposition from residents living near the sites.

Municipalities have also requested money from the Federal government in order to help replenish the money used in social services efforts, such as housing displaced residents. Municipalities all over Long Island operated emergency shelters during and after Sandy. The shelters held many people, sometimes for extended periods of time. At the time of this roundtable, there were still some families residing in shelters because their homes remain uninhabitable. This has been a significant cost to municipalities.

There were few expressed complaints about the emergency response from the Long Island officials. Amityville Deputy Mayor Casserly and Long Beach City Manager Schnirman both described the inter-municipal support as being outstanding. Many participants stated that the villages and towns worked together to provide resources to others municipalities that were hit the hardest by Superstorm Sandy. Nevertheless, Mr. Moltzen, and others, requested that the State Legislature help make it easier for villages and towns to enter into formal inter-municipal agreements to expedite recovery and rebuilding in storm affected areas.

## Municipal Financing

Municipal officials and contractors repeatedly stated it was vitally important that any Federal money makes it to the municipalities directly. They stated municipalities know the communities the best and will know better ways to use the money efficiently and effectively.

**Block Grants, Federal Relief:** Nassau County Legislator Denise Ford and Chief Deputy Nassau County Executive Walker both stated that finding a funding source that would help small business owners get their businesses operational again was crucial to the regions recovery. Long Beach City Manager Schnirman spoke specifically to his city's need for block grant funding for

its businesses so they will be operational in time for the summer season, their busiest time of the year.

Many small business owners lost both their homes and sources of income. While employees were able to get unemployment insurance from the state, many of the owners did not qualify. On top of that, owners of small businesses usually are not earning enough money to be able to restore their homes or businesses on their own. Many also cannot turn to loans because they cannot afford to take on any more debt.

**FEMA:** During the Long Island Roundtable, many panelists expressed frustration and confusion at FEMA's policies and the implementation of those policies. Several panelists expressed a need for more concise and consistent messages from FEMA. Panelists stated that residents are getting different messages from different inspectors regarding what they need to do or what paperwork they need to provide. Mayor Biondi shared the story of his deputy mayor who lost his business and his home. He had five different FEMA inspectors there who all gave him five different stories of what was going to happen and what actions he should take.

## **Insurance**

Many of the panelists who spoke at the roundtable testified to experiencing difficulties with insurance. The biggest problem was the delay in payments to those who have insurance. The delays are due to a variety of circumstances from insurance inspectors being unable to obtain hotel rooms to inspect houses (most likely because displaced residents are staying in the hotels) to restrictions that are placed by the companies on who can do the work on the house (e.g. specifying that a general contractor must oversee all aspects of the work being done rather than allowing several people do specific tasks independently). There have also been delays because insurance companies are asking for what has been described as excessive documentation in order to have their claims accepted.

Mayor Biondi also testified that several residents in his village have asserted that their claims have been denied on the basis that the structure was not properly built in the first place, even though the local planning board had signed off on the building plans at the time of construction.

There is also the problem of people having no insurance or being under insured and being ineligible for FEMA assistance. Some residents who were affected by Hurricane Irene were given FEMA assistance and as a condition of future assistance residents would have to purchase flood insurance. There are many who did not. Those residents are not eligible for assistance by FEMA this time around.

One recommendation that was made was the creation of regional check clearing centers for insurance checks. When an insurance company writes a check to a customer, there is often a lag time before the check can be cashed locally because the check has to clear the insurance company's bank. Some residents on Long Island have experienced lag times of up to a few weeks. The proposed clearing centers would have the authority to certify the soundness of a

check coming from a reputable insurance company, which would allow for the check to be cashed even before the formal clearing process is complete.

## **Mold Remediation**

At the time of the roundtable meeting, many homes remained untouched waiting for the necessary funds to begin repairs. Standing water and water-damaged items are breeding grounds for mold. The local officials had a difficult time determining how many houses had mold problems but estimated the number was in the thousands.

Panelists expressed the need for citizens and contractors to be educated on proper mold remediation. Senator David Carlucci (Rockland) also emphasized the importance of mold mitigation when rebuilding. Marc Herbst, Executive Director of the Long Island Contractors Association, testified that many of Long Island's contractors are familiar with proper mold removal and treatment; however, what is being seen on Long Island is homeowners themselves doing the repairs to save money on hiring a skilled contractor. Homeowners generally do not have the expertise to remove properly and prevent the spread of the mold. For that reason, it is imperative for citizens to know that if there has been standing water in the house then anything the standing water has touched that has a porous surface (such as drywall) needs to come out of the house. There are no other options other than complete removal. Executive Director Maguire recommended that towns and villages, as part of the process when issuing building permits, ask homeowners about how they disposed of the mold and to ensure that they have taken care of the mold in the proper way in order to prevent serious health problems.

## **Evacuation Processes**

Many people in Superstorm Sandy's path refused to evacuate when urged to do so and as a result many of them had to be rescued by emergency responders. This not only put emergency responders in danger, but it prevented them from focusing their efforts on more vulnerable populations. Participants also stated that there was confusion concerning what areas were designated Level 1 (mandatory evacuation) and Level 2 (recommended evacuation). There was also concern that some areas should have been designated mandatory evacuation areas. FEMA is in the process of designing new maps with predicted flood levels to reduce this in the future.

# Hudson Valley Roundtable (January 25, 2013)

## Attendees

### Hudson Valley Officials

Assemblyman Ken Zebrowski; Assemblyman James Skoufis; Assemblywoman Ellen Jaffee; Dana Levenberg, Chief of Staff to Assemblywoman Sandy Galef; Sarah Murray, representative, Assemblywoman Annie Rabbit's office; Alex Gromack, Supervisor, Town of Clarkstown; Andy Stewart, Supervisor, Town of Orangetown; Sue Donnelly, Supervisor, Town of Ossining; Christopher St. Lawrence, Supervisor, Town of Ramapo; Howard Phillips, Supervisor, Town of Haverstraw; Jim McDonnell, Councilman, Town of Stony Point; Jennifer White, Mayor, Village of Nyack; Tish Dubow, Mayor, Village of South Nyack; William R. Hanauer, Mayor, Village of Ossining; Sylvia Welch, Representative from Piermont Mayor's Office

### Hudson Valley Agencies, Utilities, Services

Lou Falco, Sheriff, Rockland County; Chris Jensen, Program Coordinator, Rockland County Office of Fire & Emergency Services; Frank Peverly, Vice President, Orange and Rockland Utilities; Mike Pointing, General Manager, United Water New York Division; Steve Reich, Representative of Laborers Local 754; Steve Kaye, Ambulance Chief, Spring Hill; Ruth Ann Norton, Executive Director, Coalition to End Childhood Lead Poisoning; Andy Bicking, Director of Public Policy & Special Projects, Scenic Hudson

## Topics Discussed

### Utilities

Most local officials expressed their dissatisfaction with their local utility companies, specifically Orange and Rockland Utilities (O&R) and ConEdison, regarding their lack of communication, disorganization, poor customer service, and slow response time. A few officials had a good experience with their local utility company, noting that O&R was "very responsive."

Municipal officials' also stated that the utility companies' mutual aid program needs to be better coordinated and must reach all affected areas for storm response services. For example, Haverstraw Supervisor Howard Phillips stated the mutual aid representatives did not arrive in his town until five days after the storm. When they arrived, time was wasted waiting for assignments from the utility company, and the representatives were not familiar with the area

and had a difficult time determining where they needed to go. Additionally, many towns stated they had their own crews ready to work with the utility crews for storm clean up, such as clearing downed trees, but many times did not receive utility company cooperation.

Panelists expressed a shared sentiment that utility companies, whether privatized or public entities, need to be held accountable for storm response and communications with local officials, face stronger penalties for noncompliance, and have more oversight. They stated the Public Service Commission (PSC), or a like entity, needs to be given more authority to prosecute utility companies and assess higher fines for their lack of response and slow response time to storms. Also, the PSC or a like entity needs to be held accountable for adhering to their own rules and regulations.

Roundtable participants also stated they believe there is a need for the utility companies to upgrade their system to allow for quicker, more efficient response to specific situations. For example, Clarkstown Supervisor Gormack stated that his town faced an issue with traffic lights being out for several days. O&R was unable to adequately respond to the specific problem, which forced the town to use local police and State Troopers to direct traffic until the utility company could resolve the problem. Attendees stated that ambulance corps and police stations should be placed on the utility companies' priority lists to ensure quick power restoration.

Further, participants stated repeatedly that their local utility company has been slow to respond and nonresponsive to local municipalities' needs for the past three major storms to hit the area. They expressed their belief that the utilities' current emergency management plans are not working. They also stated the utility companies should educate residents/customers on how to prepare for and what to do during a storm; for example, guidance should be provided on proper use of a generator.

**Utilities' Response:** Frank Peverly, Vice President of Operations for O&R, stated the company had made changes to its plans following the 2011 storm. He stated that during Superstorm Sandy, the utility had a 99 percent answer rate for calls from customers, it had twice as many people performing storm response services than ever before, it had a 40 percent quicker response rate from the previous winter storm, and a 30 percent quicker response rate than during Hurricane Irene. Mr. Peverly stated that O&R is working on its customer service to relay information to customers as needed, providing necessary tools to workers to respond to storms, updating its management system, and modifying systems to help serve customers better. Regarding storm resilience, he stated its system is 30 percent underground and the utility is working on "hardening" its system, which may include placing more power lines underground and removing more trees. Further, Mr. Peverly stated utilities need government resources to help serve customers. He suggested training the National Guard and individuals to help utilities during disasters.

Mike Pointing, General Manager of United Water New York Division, stated that the company's investment in infrastructure and planning is key to recovery efforts. He stated during the past five storms only 200 of its 750,000 customers were without water. No one was without water for more than four hours. He stated the company regularly practices recovery and response plans and has contingency plans in place.

## **Emergency Responders & Emergency Management Plans**

Most local officials stated a need for better communications between municipalities, utility companies, and residents. The towns all had daily conference calls and pre- and post-storm meetings. They expressed a need for more cooperation between counties, towns and utilities; a need for staff with the authority to make decisions and provide information to attend meetings/calls; and a need for utility representatives to be available in each affected area at all hours, as storm response does not happen only during working hours.

Attendees, including emergency responders, expressed a need for an investment in a storm response priority list, registration system, and plan for people with special needs, such as elderly, homebound, and disabled people. They believed this plan should encompass communication procedures, with and without power or phones, as well as a plan for storing medications and medical supplies that need refrigeration or a power supply for residents without power.

The Mayors of Nyack and South Nyack stated they had an effective communications and emergency management plan that allowed them to disseminate daily information to residents via town hall meetings and updates posted outside of village hall. The villages also attributed their successful communications plan with requesting early and receiving a field representative from the local utility company who was able to provide the village officials with daily updates regarding the company's storm response initiatives.

## **Municipal Financing**

Local officials stated they need financial assistance to continue storm clean-up efforts, rebuilding efforts, and to prepare for future storms. Funding would allow localities to purchase more generators and supplies for shelters and warming stations. It was also expressed that each town needs a shelter or additional shelters with full kitchens and baths and financing may be needed to secure locations.

Ossining Mayor Bill Hanauer suggested the 2% property tax cap be amended to remove storm-related work from the cap to allow a funding source to localities for storm response efforts. Local officials also shared the sentiment that the Legislature needs to look at revenue sources for municipalities.

Funding is needed for small businesses affected by the storm. These businesses cannot receive FEMA funding. Sylvia Welch, town of Piermont, suggested that FEMA's regulations and their authority to help small businesses be studied.

## **Rebuilding Smarter, Safer, Stronger**

Participants expressed the need to incorporate policies to protect municipalities along the Hudson River from future flooding. They stated that Rockland County has not been included in FEMA's flood maps and asked for assistance from the Legislature to have the county included in the maps, which FEMA is currently updating.

Laborers Local 754 representative, Steve Reich, stated the union has a volunteer workers list and plans to assist in future storm response efforts. He suggested utilities and municipalities make an investment in new technologies, place more infrastructure underground, and take down more trees to better prepare for future storms.

It was also suggested, as a public safety issue, to mandate that adult homes have generators onsite to provide for the safety of the elderly residents and that gas stations have generators to ensure residents are able to obtain gas for their vehicles and generators.

Andy Bicking, Director of Public Policy and Special Projects for Scenic Hudson, spoke to the environmental perspective of rebuilding and future planning. He stated that investments should protect the quality of life, natural resources, and incorporate economic development. He stated policies should incorporate the Hudson River watershed, should focus on built and natural structures, coastal policies should incorporate climate change, and a sea level rise plan should be developed. He also stated that for proper planning, towns need to have reliable elevation data to understand the water and suggested better communications with the State Department of Environmental Conservation and towns to provide such data and better collaboration between state, federal and local officials to understand and implement a coastal plan to rebuild communities.

## New York City Roundtable (January 31, 2013)

### Attendees

#### State Officials

Benjamin Lawsky, Superintendent, NYS Department of Financial Services; Marty Schwartzman, Senior Advisor to the Superintendent, NYS Department of Financial Services

#### NYC Officials

Caroline Kretz, FDNY; Steve Geraghty, FDNY; Gregorio Mayers, Special Initiative for Rebuilding and Resiliency; Sandra Chapman, Deputy Borough President, Brooklyn; Nan Blackshear, Brooklyn Borough President's Office

#### Community/Business Groups

Gary LaBarbera, President, Building & Construction Trades Council of Greater NY; Dr. William Fritz, Interim President, College of Staten Island, CUNY; Josh Lockwood, CEO, American Red Cross; Alexander Lutz, Jr., American Red Cross; Margaret Becker, Staten Island Legal Services; Jennifer Ching, Queens Legal Services; Richard Melnyk, Continental Home Loans; Derek Tabacco, Staten Island Sandy Relief Citizens Committee; Stuart Gruskin, Chief Conservation and External Affairs Officer, The Nature Conservancy; Regis Androvic, Regis Royal Restaurant; Bobby Digi, Staten Island Business Association; Leticia Remauro, Chair, Staten Island Community Board 1; Kristina Baldwin, Assistant Vice President, Property Casualty Insurers Association of America; Jeff Greenfield, Council of Insurance Brokers of Greater NY; Gary Henning, Regional Vice President, Northeast Region, American Insurance Association; Ellen Melchionni, President, New York Insurance Association, Inc.

### Topics Discussed

#### Banking and Insurance

While all Task Force Members present at the final roundtable commended the work of the Department of Financial Services (Department) in dealing with the unprecedented amount of claims that have been filed due to damage caused by Superstorm Sandy, even Superintendent Lawsky expressed that there are many issues that still need to be resolved with regards to processing insurance claims. The first issue identified was that while insurance companies in his

estimate are getting the checks out in a timely manner for many New York residents now,<sup>1</sup> there is a concern now with banks processing insurance checks. Since many of the homeowners making claims have mortgages, the insurance checks are being written to the banks that hold the mortgage. Unfortunately, as Superintendant Lawskey pointed out, the time it takes for the bank to cash the checks and get the funds to the homeowner is taking an inordinate amount of time. This delay is preventing many from rebuilding and is the focus of the Department's efforts as it moves forward.

The second issue raised by Superintendant Lawskey is the issue of anti-concurrent clauses. Unfortunately, for many homes damaged by Superstorm Sandy, the source of the damage came from two concurrent events. For example, one home could have damages stemming both from a surge and sewage. Many homeowners' policies contain an anti-concurrent causation clause, which provides that if an insured event, such as sewage, happens about the same time, as an event excluded in your policy, such as a surge, neither is covered. In many cases, home insurers treated these two kinds of losses separately, so the anti-concurrent causation clause does not have an impact. But when home insurers treated property damage as a single loss triggered by sewage and water, it often results in complete denial of coverage because of the anti-concurrent causation clause.

## **Emergency Responders & Emergency Management Plans**

The importance of an emergency management plan was raised once again during the New York City Roundtable just as it was when the Task Force went to Rockland County. Attendees spoke that in the aftermath of Sandy or any future disaster it is crucial to mobilize people efficiently to initiate the cleanup and restoration of damaged areas. Gary LaBarbera, President of the Building and Trades Construction Council of Greater New York, expressed the need to get contractors quickly to work in the most damaged areas to repair homes, roadways and other vital infrastructure. He noted, however, that during Sandy there were countless laborers ready to be of service but had no way of knowing where to go. To complicate the situation further, laborers had to wait for contracts of more than 100 pages to be written and negotiated before they could commence work.

To best expedite and streamline New York City's response to future natural disasters, it was proposed to create a Master List on which the names of people in various construction trades could be easily contacted and dispatched to hard hit areas. When Senator Savino wanted more information on how to put a plan like this together, Mr. LaBarbera recommended having contracts already written up and agreed to among various trades in order to speed up response time. He further suggested that all of these contractors be pre-vetted by New York City so there would be no question of their integrity when the time came to deploy them. Senator Golden expounded on that idea suggesting such a Master List of this nature should have the names of people trained in emergency personnel fields as well.

---

<sup>1</sup> Ellen D. Melchionni, President of New York Insurance Association, Inc. pointed out that currently there have been 385,000 claims processed in New York with 90 percent being closed. Furthermore, the complaint ratio is less than 1 percent. The number of claims processed is second only to Katrina in her estimate.

Leticia Remauro, Chair of Community Board One in Staten Island, stated the importance of a Master List that not only included contractors but also equipment inventories and public adjusters. Ms. Remauro, along with others in attendance, highlighted that many utility trucks or contractors ran out of needed supplies for repairs in the days following Sandy; a master inventory list would help mitigate this problem. Furthermore, delays due to waiting for public adjusters could be avoided by having a list of available and certified public adjusters that would streamline and accelerate the timeline of getting much-needed funds.

## **Business Sector Concerns**

As was first pointed out in the Rockaways Roundtable, businesses are very concerned that they are being treated differently than homeowners in the wake of Superstorm Sandy. As New York State and New York City begin to develop plans to spend federally appropriated money, representatives from the business community wanted to ensure that the Task Force recognized the dire straits they are in and that they need relief as well. Senator Savino reiterated this point in her opening remarks as she recognized that the impact to the industrial waterfront on the North Shore was just as devastating as the damage to the residential areas on the South Shore of Staten Island. Furthermore, many businesses in the affected areas are still managing debt incurred during Hurricane Irene and taking out additional loans – even ones with good rates – is impossible and not feasible.

Bobby Digi, representing the Staten Island North Shore Business Association, relayed issues businesses in his association were facing as they try to rebuild after Superstorm Sandy. Many of the businesses who were present had one similar issue--the lack of funding available for businesses to rebuild. Mr. Digi recounted stories of businesses that could not get SBA loans because they would have to use their personal residences as collateral, which in many cases are all they have left. And while they felt the SBA was doing a good job in administering the loans available to them, many felt that even loans with a 1 percent rate and 6 months grace period are too much in light of the financial struggles they are facing.<sup>2</sup> They recommended direct grants similar to what homeowners are anticipating they will receive from Sandy relief money. Mr. Digi also suggested that the State consider a superfund for businesses who are suffering due to a natural disaster.

## **Charitable Donations**

Natural disasters such as Sandy result in clothes, food and money being donated to various charities and organizations. Tremendous amounts of money have been raised for victims in the wake of Superstorm Sandy. As of December 2012, the American Red Cross had received more than \$180 million in donations and the Robin Hood Foundation had received more than \$60 million. Senator Lanza and others expressed that while some organizations, such as the Red Cross and Robin Hood Foundation, are responsible in reporting how these funds are distributed,

---

<sup>2</sup> Regis Androvic, owner of Regis Royal Restaurant, recounted his issues with being denied loans because he cannot guarantee payment due to the fact that his restaurant still has no power and going through arduous paper work which takes months and months to do only to learn that your loan is denied.

there seems to be a lack of knowledge regarding what other groups are doing with funds raised for victims of Superstorm Sandy.

While the New York Attorney General's website offers information on 89 charitable organizations that are connected with Sandy relief funds, it does not ensure that funds are being evenly dispersed. It does provide information on how much money was raised and general answers on what each charitable organization is doing with the money and what types of groups or individuals are getting this money. However, there is no coordination in the State thus far in ensuring that funds are distributed evenly to all affected communities and not just the ones who may be more adept getting grants and funding.

Concerns were also raised about the perceived levels of bureaucracy that are in place to receive money from some of these charitable organizations. For example, some charitable organizations donate their money to about 140 organizations and not directly to families or businesses of need. Senator Lanza explained how this makes it more difficult for people to get needed funds by creating an extra step. Another issue is that many of these organizations only donate their funds to 501(c)(3) groups. However, many businesses, community groups, and individuals are not 501(c)(3) certified, making it more difficult for them to receive relief.

Finally, the last issue that was discussed in regards to charitable donations was the fact that many charitable donations are not directed to small business owners. Mr. Digi spoke of the devastation that small businesses have experienced and that charitable donations are paramount to helping rebuild to ensure that these small businesses can operate again. Mr. Digi brought up the possibility of the American Red Cross helping small businesses. Josh Lockwood, CEO of American Red Cross Greater New York Region, explained that currently the Red Cross does not give donations to businesses, but they would be willing to discuss the possibility of doing so in the future.

## **Infrastructure Repair**

While one focus of the Roundtable was listening to those who are in need and figuring out how to get them relief in the quickest time and most effective way possible, another focus of the discussions centered on how New York City should look in the future. As Senator Savino pointed out at the Roundtable, we want to say let's rebuild quickly, but we cannot rebuild New York City like how it was the day before Sandy hit. We have to build smarter and sounder and in some cases and in certain areas consider not building at all. This was the focus of two guests at the Roundtable, Dr. William Fritz, Interim President of the College of Staten Island and Stuart F. Gruskin, Chief Conservation and External Affairs Officer for The Nature Conservancy.

Dr. William Fritz, laid out a five point plan regarding how we begin preparing for our future which included protecting our existing dunes, marshes, wetlands and barriers whenever possible. He also encouraged the State to rebuild and restore coastal dune field sand marshes. According to Dr. Fritz, "barrier islands, marshes, coastal dune fields, estuaries and bay's are nature's sponges that absorb the energy of a storm surge and stores water that mitigates damage and flooding." The emphasis on "natural" barriers was expounded upon by Stuart Gruskin, Chief Conservation and External Affairs Officer of the Nature Conservancy, who encouraged the State

to take advantage of the geography that it had at its disposal and to consider the use of incorporating nature when hardening the infrastructure of New York to withstand any future storms.

Both also pointed out that at some point decisions were made to build in areas that would have acted as a natural barrier had it not been hardscaped with development. These natural barriers should be considered at the beginning and during rebuilding efforts.

With regards to hardscaping, discussions were brought up about the appropriate use of hard barriers in shoring up New York City for further natural disasters. Seawalls, floodgates and other engineering solutions were brought up as possibilities with one caveat. Many times these engineering solutions end up protecting one area at the expense of another and should be carefully considered before investing time and more importantly funds to develop.

## **Flood Mapping**

Currently FEMA is in the process of updating flood maps based upon the impacted areas from Sandy. Senators Golden and Savino raised concerns about getting these updated maps out to people who are rebuilding their homes in a timely manner. Senator Savino explained how people want to put their lives back together as quickly as possible and may not be aware of the updated maps, which would greatly effect how they rebuild their home and what changes will need to be made to their structure. Senator Golden wanted to know who would inform homeowners about such changes and how best to rebuild.

In addition to getting the updated maps out to homeowners, various representatives from insurance agencies warned that these new maps would result in higher insurance premiums. Senator Savino stated that some families could move back into or rebuild their home, only to see insurance premiums skyrocket because of the updated maps, leaving some to not be able to afford to live in their newly renovated homes.

Dr. Fritz and Mr. Gruskin highlighted the importance of accurate mapping as part of an educated approach in dealing with future disasters like Sandy. Dr. Fritz suggested considering rezoning high-risk areas for day use and recreational purposes as part of a five-point plan for dealing with future events. Mr. Gruskin said how important it was that when updating these maps that scientists take into account climate changes. He further highlighted the fact that a flood map by today's standards will be quite different years from now. In reality, he believed New York residents should be rebuilding with the future global climate in mind.

## **Community Innovations**

One of the unique aspects of the Roundtables the Senate Task Force convened throughout New York, is that it was not only comprised of elected officials and agencies, but it also involved community stakeholders who not only have a vested interest in the community they represent but also suffered through the same losses the Task Force is trying to remedy. Putting forth common-sense solutions to uncommon problems, the community stakeholders at the NYC Roundtable, shared ideas on how communities can more effectively work together to prevent the loss of life and property. Dennis McKeon, Executive Director of Where To Turn, suggested having one college in each of the five boroughs, set up an emergency network station to broadcast news and instructions to borough residents in the event of another storm related power outage. In addition, Mr. McKeon also put forth the possibility of identifying churches, temples, and community centers that served as relief centers and supplying them with generators and walk in refrigerators so they could be adequately prepared to provide relief assistance in the future.

Derek Tabacco of the Staten Island Sandy Relief Citizens Committee discussed what it was like days after the storm when nobody knew where to go and what to do and information dissemination was at an all time low. He suggested creating hubs as close to coastal communities as possible where information could be disseminated from and local homeowners would know to go to when a natural disaster strikes. The proximity to the shore is due to the fact that while many shelters are set up as far away from the coastline as possible, with gas shortages, many were not able to access those shelters and remained cut off from information.

## REVIEW OF EXECUTIVE COMMISSIONS

In November 2012, Governor Cuomo established three commissions in response to Superstorm Sandy:

- **NYS 2100 Commission:** This commission has been tasked with finding ways to strengthen the State's infrastructure (including transportation and energy) in order to better withstand future natural disasters or other emergencies.
- **NYS Respond Commission:** This commission is charged with focusing on reforming the current emergency response system to ensure more efficient and effective responses in the future. It will examine the areas of planning, training, and resource commitment statewide and draft recommendations on how to improve them.
- **NYS Ready Commission:** This commission is charged with finding ways to ensure that the State's critical systems and services (such as health care, transportation, energy, supplies, and communications) are adequately prepared for future emergencies. The commission will search for vulnerabilities and recommend new strategies to ensure better overall preparedness.

### NYS 2100 Commission

The NYS 2100 Commission ("2100 Commission") published its findings on January 11, 2013. The 2100 Commission identified four key vulnerabilities that the state must address in order to be prepared for future storm emergencies: transportation; energy; land use; and insurance. It also recommended some broad measures – called cross-cutting measures – that are designed to strengthen multiple aspects of the State's overall resilience through reprioritization and investment in infrastructure. The report concluded with some ideas as to how these improvements could be financed.

## Sector Specific Recommendations

### Transportation

The 2100 Commission made four recommendations as to how the State can improve the resilience of its transportation sector.

First, the 2100 Commission recommended that the State conduct a risk assessment analysis of its transportation infrastructure to pinpoint the most vulnerable weaknesses and have communities or regions designate select transportation networks that provide regions with a guaranteed form of transportation even in the event of a severe weather event. Second, the 2100 Commission recommended strengthening existing transportation infrastructure, including, creating flood proof tunnel systems, performing rigorous maintenance on roads, railroads, bridges, tunnels, and culverts, and retrofitting bridges and subways to withstand seismic activity. Third, the 2100 Commission recommended that the current transportation network be expanded to create redundancies, which would make the overall system more flexible and adaptive. Fourth, the 2100 Commission recommended that the State and local agencies change the way they “plan, design, build, manage, maintain and pay for our transportation network in light of the increased occurrences of severe events.”<sup>iii</sup>

### Energy

To secure the State energy infrastructure for the future, the 2100 Commission recommended strengthening critical energy infrastructure, such as electrical lines, substations, power plants, and fuel distribution thermals. It suggested running lines underground, elevating susceptible infrastructure, creating redundancies in key fuel distribution terminals, and building a long-term capital stock of critical utility equipment and backup power sources. As with transportation systems, the 2100 Commission views that creating redundancies in the networks will strengthen the system’s resiliency. In addition, the 2100 Commission found that much of the current system is running on outdated technology. Therefore, it suggested the implementation of an accelerated plan of modernization. Finally, in addressing the lack of qualified utility workers, it suggested training incentives to encourage workers to enter this sector and to provide additional training to those already in the field.

### Land Use

Superstorm Sandy exposed critical vulnerabilities in New York’s coastal regions and waterways. To reduce or prevent damage to infrastructure and natural landscapes during future extreme weather events, the 2100 Commission made several recommendations designed to strengthen the State’s coastal and inland regions.

For coastal regions, the 2100 Commission recommended the following measures: restoring natural barriers along the coastlines (reefs, oyster beds, wetlands, and sand dunes); constructing man-made barriers (e.g. levees); and hardening infrastructure near the coast, particularly wastewater treatment facilities. To protect inland regions, it recommended: expanding wetland protection in flood prone areas; the creation of urban forests; and strengthening dams and levees to reduce flood damage. New York Works has a program designed specifically to fund flood-control projects that has already been used to strengthen private and state-owned dams and levees throughout the State.<sup>iv</sup> Finally, the 2100 Commission asserted that there needs to be better and more complete hazard and risk mappings that account for superstorms like Sandy.

## **Insurance**

In addition to strengthening infrastructure, the 2100 Commission also stressed that the State must take steps to ensure that sufficient funding for relief, recovery, and reconstruction is readily available to both state and private entities. Such funds would allow the State and private businesses to become operational faster after an emergency, which would benefit the State's economy. The continued closure of Wall Street and other private businesses after Sandy cost the State millions in revenue and devastated business. With regards to private infrastructure, the Commission recommended the State should look into ensuring that New York policyholders have adequate coverage. Sandy exposed the fact that many landowners were not adequately covered for the damage caused, especially for flood damage.

Lastly, the 2100 Commission recommended legislation that would prevent policyholders from losing coverage during or soon after an extreme weather event, reduce time period for the commencement of claims processing, permit policyholders to document losses in situations where an immediate cleanup is necessary to protect health and safety, and expedite the process for issuing temporary adjustor licenses to-out-of state adjusters in emergencies.

## **Cross-Cutting Recommendations**

In addition to the sector specific recommendations laid out above, the 2100 Commission also addressed some broader, cross-sector, measures that should be taken to make the State more resilient overall. The 2100 Commission recommended design and technology upgrades to existing infrastructure and implementing a system that would ensure long-term regular updates. Current policies do not require that regular upgrades and maintenance of existing critical infrastructure be made.

The 2100 Commission also highlighted shortcomings in how the State plans for and responds to emergencies. It recommended that policies be enacted that increase coordination at both the state and local levels and that encourage more complete emergency preparedness and response planning. To achieve this, the 2100 Commission suggested creating a Chief Risk Officer or unit that could coordinate between state and local entities in emergency situations to

ensure efficient and cost effective responses to emergencies. In addition, it also recommended: the creation of shared equipment and resource reserves throughout the state; promoting the use of green and natural infrastructure; and expanding the labor pool of workers trained to develop and maintain more resilient infrastructure techniques.

## Infrastructure Finance

Generally, the 2100 Commission recommended the State develop an improved systematic approach to capital investment, including adopting a standard set of criteria for project selection, prioritization to maximize the use of resources statewide and developing a wide range of sources of revenue and cash flow. To meet these goals, the 2100 Commission recommended the creation of an “Infrastructure Bank” (“the Bank”).

The 2100 Commission recommended the Bank should adopt a standard set of criteria for project selection and prioritization, assess and prioritize infrastructure projects across agencies, manage capital, including receipt of federal and state funds and investments, structure and negotiate opportunities for private sector investment to maximize public benefit, and finance approved projects. Initially the Bank should focus on transportation, energy, environmental resources, and emergency response. Some potential funding sources would be federal funds, diverted or created revenue, proceeds from the sale of long-term debt, and credit enhancements from other State entities. The State and the Bank should also consider public-private partnerships as a means of, at least partially, financing large infrastructure projects (see new Tappan Zee Bridge project). If the establishment of the Bank is successful, the other second and third recommendation listed above would be incorporated into the Bank’s operations.

The 2100 Commission also emphasized the importance of continuing to improve the enabling environment in New York State. The 2100 Commission’s suggestions on how to accomplish this are to enhance the state procurement processes, encourage and make profitable private-public partnerships, expedite permitting on prioritized infrastructure projects, create a tax abatement scheme, and expand participant pool in financial guaranty protection by allowing multi-line insurers to provide financing coverage.

## NYS Ready & Respond Commissions

On November 15, 2012, Governor Cuomo also convened the NYS Ready and NYS Respond Commission.<sup>v</sup> The task given to the NYS Ready Commission (hereinafter “Ready Commission”) was to prepare the State’s networks, systems, and structures to better withstand an extreme weather event. The NYS Respond Commission (hereinafter “Respond Commission”) was tasked with ensuring that the State has the ability and capacity to respond to a weather emergency. Both commissions presented preliminary findings to Governor Cuomo on January 3, 2012.

### **The Ready Commission recommended:**

- Requiring emergency response training for state and local officials;
- Encouraging emergency response training for private individuals and private entities that engage in disaster relief;
- Hardening of critical infrastructure to make it more resilient against severe weather; and
- Ensuring access to fuel by requiring strategically placed gas stations to have on-site power backup and by creating a state-operated “Strategic Fuel Reserve.”

### **The Respond Committee recommended:**

- Specialized training in emergency response for National Guard members;
- The establishment of a “Civilian Emergency Response Corps” made up of workers who specialize in electrical and structure repair;
- Creation of a statewide volunteer corps;
- The establishment of a state stockpile of essential supplies and equipment; and
- Establishment of communication networks to keep the citizenry informed about emergency events.

## FEDERAL AID & EXECUTIVE BUDGET

The Executive anticipates New York State will receive \$30 billion from the \$60 billion Federal Disaster Relief Aid Package. Federal reimbursement is expected for all \$6 billion of FEMA eligible projects.

Of the \$30 billion in Federal assistance, the Executive assumes \$13.9 billion will flow through the State Budget and \$16.1 billion will be distributed directly to recipients. The estimated Sandy relief spending through the State Budget for SFY 2012-13 is \$1.5 billion and \$5.1 billion in SFY 2013-14. Federal funding is only available through 2017.

The Executive is requesting the following federal aid based on need totaling \$32.9 billion, reflected in the table below. These costs are largely reflective of damage done to homes, businesses, transportation facilities and infrastructure.

| Estimated Cost of Response and Recovery in New York<br>(in millions)                                          |  | Estimated Costs |
|---------------------------------------------------------------------------------------------------------------|--|-----------------|
| State Agency Public Assistance (PA), Individual Assistance, (IA) Federal Highway Administration (FHWA) Claims |  | \$1,393         |
| State Housing Relief Program                                                                                  |  | \$100           |
| Local Government PA Claims                                                                                    |  | \$4,230         |
|                                                                                                               |  | <i>non-NYC</i>  |
|                                                                                                               |  | \$2,014         |
|                                                                                                               |  | <i>NYC</i>      |
|                                                                                                               |  | \$2,216         |
| New York City Housing Authority (NYCHA) PA Claims                                                             |  | \$1,550         |
| Health and Hospital Corporation (HHC) PA Claims                                                               |  | \$800           |
| Transit Authority PA Claims                                                                                   |  | \$5,864         |
| Non-Profit Health Institutions PA Claims                                                                      |  | \$2,045         |
| Utilities                                                                                                     |  | \$1,504         |
| Federal Emergency Management Agency (FEMA) IA-- Housing                                                       |  | \$843           |
| Housing Losses                                                                                                |  | \$8,122         |
| Business Losses                                                                                               |  | \$6,000         |
| Government Operating Revenue Loss                                                                             |  | \$462           |
| <b>TOTAL COST</b>                                                                                             |  | <b>\$32,913</b> |
| <i>Source: Division of Budget (DoB) January 2013</i>                                                          |  |                 |

## Federal Aid for Superstorm Sandy

On January 29, 2013, The President signed into law House Resolution (H.R.) 152. The enacted legislation covers all impacted states and totals \$50.7 billion in Sandy relief funding. With the exception of \$5.4 billion allocated to the Federal Emergency Management Agency (FEMA) all spending is designated as “emergency” and therefore exempt from discretionary caps.

The Department of Housing and Urban Development (HUD) will receive a majority of the funds, with a large portion dedicated to long term recovery, restoration, infrastructure, housing and economic revitalization in the most distressed areas. Eligible projects include those caused by Superstorm Sandy and disaster events in calendar years 2011, 2012 and 2013 (including storms Lee and Irene). Funding will remain available through fiscal year 2017.

In addition to H.R. 152, in early January H.R. 41 was enacted. This bill increased the National Flood Insurance Program’s borrowing authority by \$9.7 billion in response to approximately 115,000 claims awaiting processing from Superstorm Sandy. House Resolutions 152 and 41 together commit roughly \$60 billion to Sandy relief.

FEMA and the Federal Transit Authority (FTA) Emergency Relief Fund were granted the second and third largest allocations, with \$11.8 billion and \$10.9 billion, respectively. More than half of the total storm damage occurred in New York resulting in the expectation that the State will receive \$30 billion, or half of the relief funding. The table at the bottom of the page outlines the funding by Federal agencies.

The Task Force toured areas hardest hit by the storm. The members of the Task Force held roundtables in the Rockaways on December 10, 2012 and damaged regions of Long Island on January 3, 2013. Additionally, the Task Force held a Hudson Valley roundtable in Rockland County on January 25, 2013 and held a roundtable on January 31, 2013 while also touring Brooklyn, Lower Manhattan and Staten Island.

| All Federal Sandy Relief Aid by Federal Agency         |                 |                                                                                                                                    |
|--------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------|
| (in millions of dollars)                               |                 |                                                                                                                                    |
| Agency                                                 | Amount          | Purpose                                                                                                                            |
| Housing and Urban Development                          | \$16,000        | Community Development Fund                                                                                                         |
| Federal Emergency Management Agency (FEMA)             | \$11,800        |                                                                                                                                    |
| Federal Transit Authority Emergency Relief             | \$10,900        | Split between NY and NJ; \$5.4b for reducing future risk                                                                           |
| Army Corps of Engineers                                | \$5,350         | \$3.5b for projects already under construction, \$1b for flood control                                                             |
| Emergency Highway Relief                               | \$2,000         |                                                                                                                                    |
| Interior Department                                    | \$836           | Repair of national parks, lands and facilities                                                                                     |
| Social Services                                        | \$800           | Health and Human Services                                                                                                          |
| Environmental Protection Agency (EPA)                  | \$608           | State and Tribal Assistance Grants                                                                                                 |
| Small Business Administration                          | \$805           | Disaster loans                                                                                                                     |
| National Oceanic and Atmospheric Administration (NOAA) | \$476           | For research, operations and facilities                                                                                            |
| Other Homeland Security Department Funding             | \$278           | U.S. Coast Guard                                                                                                                   |
| Veterans & Other Defense                               | \$236           |                                                                                                                                    |
| Other Transportation Department Spending               | \$116           | \$86m to Amtrak, \$30m to FAA                                                                                                      |
| Other Defense Spending                                 | \$112           | \$5m for Army, \$40m for Navy, \$9m for Air Force                                                                                  |
| Other Funding                                          | \$49            | \$2m for the Smithsonian, \$25m to Labor Department, \$7m to the General Services Administration, \$15m to damaged NASA facilities |
| Justice Department & Legal Services                    | \$22            | FBI and Federal Prison System buildings - \$10m each                                                                               |
| Agriculture Department                                 | \$224           | Assistance to food banks                                                                                                           |
| <b>Total in H.R. 152</b>                               | <b>\$50,612</b> |                                                                                                                                    |
| H.R. 41                                                | \$9,700         | National Flood Insurance (over 115,000 claims made)                                                                                |
| <b>Total (H.R. 41 &amp; H.R. 152)</b>                  | <b>\$60,312</b> |                                                                                                                                    |

## Executive SFY 2013-14 Proposed Funding

Federal aid totaling \$16.1 billion will be directly disbursed by the New York State Housing Trust Fund Corporation, the Army Corps of Engineers, and FEMA. Federal Disaster funding requiring State appropriation spending authority totals \$20.6 million. The Executive includes appropriations of \$12.6 million to reflect the full amount of FEMA Public Assistance Aid anticipated, and to account for 15 percent under the Hazardous Mitigation (Section 406) of the Stafford Act. The table at the top of the next page shows categories of the estimated \$30 billion in aid.

New Federal Aid to Localities appropriations of \$20.6 billion are proposed in the SFY 2013-14 State Budget specifically for Superstorm Sandy:

- **\$12.6 billion** – For Recovery and Mitigation projects and reimbursement through the State to local governments, public authorities, and non-profits; and
- **\$8 billion** – For all other Federal disaster relief anticipated funding.

The Executive Budget proposes \$450 million for Capital expenses to repair State facilities and roads and to support the State share of the Federal Highway Administration (FHWA) projects.

In addition, the Executive Budget includes \$350 million, an increase of \$200 million from SFY 2012-13 levels, for disaster assistance. These funds will be used to provide the State's share of Public Assistance, Individual Assistance, Hazard Mitigation and FHWA operating expenses; and local share costs, from natural or man-made disasters. Federal reimbursement of 90 percent is expected for all FEMA eligible projects.

| SFY 2013-14 ANTICIPATED NEW YORK FEDERAL DISASTER RELIEF AID                                                                                                                                                     |                                |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------|
| Program                                                                                                                                                                                                          | Estimated Aid<br>(in millions) | Recommended 2013-14<br>Appropriations |
| <b>Federal State Appropriations</b>                                                                                                                                                                              |                                |                                       |
| Disaster Relief Fund *                                                                                                                                                                                           | \$6,000                        | \$12,650                              |
| Transportation and Transit                                                                                                                                                                                       | \$6,700                        | \$8,000                               |
| Agriculture and Environment                                                                                                                                                                                      | \$540                          |                                       |
| Employment and Small Business                                                                                                                                                                                    | \$300                          |                                       |
| Public Health / Social Services                                                                                                                                                                                  | \$350                          |                                       |
| <b>Subtotal</b>                                                                                                                                                                                                  | <b>\$13,890</b>                | <b>\$20,650</b>                       |
| <b>Funding Which Does Not Require Appropriation Authority</b>                                                                                                                                                    |                                |                                       |
| Army Corps of Engineers                                                                                                                                                                                          | \$2,900                        |                                       |
| Community Development Block Grant (CDBG) **                                                                                                                                                                      | \$8,700                        |                                       |
| National Flood Program ***                                                                                                                                                                                       | \$4,500                        |                                       |
| <b>Subtotal</b>                                                                                                                                                                                                  | <b>\$16,100</b>                |                                       |
| <b>Grand Total</b>                                                                                                                                                                                               | <b>\$30,000</b>                |                                       |
| * The \$12.6 billion appropriation reflects the full amount of FEMA Public Assistance Aid anticipated for Superstorm Sandy. This includes 15 percent for Hazardous Mitigation (Section 406) of the Stafford Act. |                                |                                       |
| ** The CDBG funding assumes an even split between New York and New Jersey. New York City could potentially receive a direct allocation of half of New York's total.                                              |                                |                                       |
| *** The National Flood Program assumes that one half of the funds authorized in the Sandy Recovery package would benefit the State.                                                                              |                                |                                       |
| Source: Division of Budget (DoB) January 2013                                                                                                                                                                    |                                |                                       |

## Recovery and Preparedness Implementation

The Executive maintains that other than the appropriation bills, recovery efforts will not require legislation. The following is a list of Sandy related legislation included in the SFY 2013-14 Executive Budget.

**Design Build:** The SFY 2013-14 Executive proposal includes language to authorize the utilization of Design-Build financing. This is an alternative project delivery method wherein one company is responsible for financing, designing, and construction of a project. Design Build is expected to speed up completion of projects and reduce costs by 20 percent.

**Moreland Commission:** The Executive Budget proposes legislation to implement several recommendations of the Moreland Commission, which was established in response to Superstorm Sandy. Among the recommendations are increased oversight and enforcement powers for the Public Service Commission (PSC) to allow the PSC to administratively impose higher civil penalties; review utility plans following natural disasters or other emergencies, and revoke licenses of utilities in the State.

**Intermutual Aid Program (IMAP) for Disaster Response for Schools:** The SFY 2012-13 Enacted Budget included legislation to allow local governments to better prepare for and respond to disasters. The Legislature included provisions to direct the Division of Homeland Security and Emergency Services (DHSES) to evaluate and make recommendations related to including school districts and Boards of Cooperative Educational Services (BOCES) as participants within the IMAP program. The Executive proposal allows for school districts (based on DHSES recommendations) participation in short-term immediate disaster response operations.

## Additional Executive Initiatives

The following is a list of initiatives that are included in the recovery program and that the Executive believes do not need Article VII legislation. The Executive assumes that these programs can be administered without legislative approval, although the funding is included in the SFY 2013-14 Executive Budget.

- Community Reconstruction and Mitigation Plans
- The Recreate NY Smart Home and Recreate NY Home Buy-Out Programs
- Rebuilding and Hardening of Critical Infrastructure
- Repair and Build Natural Infrastructure to Protect Coastal Communities
- Repair and Rebuilding Health Care Systems
- Financial Assistance to Businesses and Local Governments
- Energy Sector Worker Training
- Universal Protocols for Emergency Response
- A New “Resilient Information System”
- Specialized Training for National Guard Members
- Pre-Positioned Stockpiles of Essential Equipment
- A Statewide Volunteer Network
- A Citizen Education Campaign
- Establishment of Vulnerable Population Databases

# **TASKFORCE RECOMMENDATIONS**

## **Preliminary Task Force Recommendations**

1. The Legislature must work to ensure that critical relief funding for Sandy victims finds its way to the hardest hit businesses. The Task Force's community interaction yielded a strong ambivalence from businesses regarding fair, correctly targeted distribution of resources from Washington as well as disbelief that their input would matter. We must take action that proves them wrong. The current Federal disaster relief business loan program has so far proven inadequate. For that reason, we believe that the State Legislature should explore a direct grant system in which needed recovery dollars flow directly to hard-hit businesses for whom a loan may be inadequate.
2. The Legislature must work with the Department of Financial Services to streamline processing of insurance checks. After a natural disaster such as Superstorm Sandy, insurance companies send recovery funds to homeowners by way of the home's mortgagee, which is typically a bank or other loan provider. At several Task Force roundtables, it was revealed that some banks and loan providers are not issuing recovery funds to homeowners in an adequate timeframe. As a result, thousands of homeowners are currently without the funds required to rebuild their homes. In the coming weeks and months, the Task Force will work with the Department of Financial Services to negotiate with financial institutions a more effective system in processing insurance claim checks and ensure policyholders receive adequate claims settlements from their insurance providers.
3. The Legislature must ensure that as we rebuild, we keep in consideration the natural barriers of our geography that can be used to mitigate future storm damage. While the use of hard infrastructure (sea walls and gates) and underground infrastructure should be explored, it is imperative that we start to create a plan for rebuilding that takes into consideration utilization of natural barriers.
4. Perhaps more than any other issue, mold has emerged as an expensive and complicated long-term problem for affected homeowners. The lack of proper mold remediation can lead to increased healthcare concerns and costs in the future. The Legislature should consider certification and licensing of mold remediators as New York homeowners prepare to move into their homes post-Sandy.
5. The Legislature must ensure that first responders have the tools and training needed to properly handle future disasters. At times we ask our first responders to do more with less, but as we begin to identify areas where we can be better prepared, ensuring proper training and equipment be available must be a priority as emergency response plans are developed and updated. Needed equipment will likely include police boats and sea carriers for critical rescue operations along coastline areas during major storms.

6. The Legislature must work with local governments, first responders, and other interested parties to ensure that planning and coordination are in place before another natural disaster hits New York. Appropriate directories must be created and kept up-to-date of available tradespeople in all areas to respond to disasters. We must ensure State and local governments have adequate access to these directories.
7. The Legislature must work to identify ways to increase communication and education capabilities throughout the State during a natural disaster. Whether it is through dedicated radio stations, television broadcasts or employing a high-speed notification system, we must implement alternative communication methods that can more efficiently optimize community and volunteer engagement.
8. The Legislature must ensure that utility companies are responsive not only to homeowners in a timely manner but to local towns and governments during and after the storm as well. In the future, local officials' and utilities' response and relief efforts should not be hampered due to miscommunication, lack of information or an unwillingness to work together.
9. The Legislature must ensure that as new flood maps are released by FEMA, the affected communities are timely notified, educated about the implications of the changes, and rebuild taking into consideration any new requirements.
10. The Legislature must explore the possibility of expanding gasoline priority lists for those who provide critical services outside of first responder status, whether additional requirements are necessary to ensure efficient distribution of fuel during and after natural disasters, and potential incentives to help mitigate increased costs associated with such requirements.

---

<sup>i</sup> N.R. Kleinfield, Battered Seaside Haven Recalls Its Trial by Fire, *N.Y. Times*, Dec. 25, 2012 at A1.

<sup>ii</sup> Michael Schwartz, Sewage Flows After Storm Exposes Flaw in System, *N.Y. Times*, Nov. 30, 2012, at A1.

<sup>iii</sup> NYS 2100 Commission Report, Recommendations to Improve the Strength and Resilience of the Empire State's Infrastructure, at 44 (January 11, 2013).

<sup>iv</sup> *Id.* at 133.

<sup>v</sup> Response Commission and Ready Commission Powerpoint (presented January 3, 2012).