

TESTIMONY BEFORE THE NEW YORK CITY COUNCIL FINANCE COMMITTEE
Thaddeus Hackworth, General Counsel, Mayor's Office of Housing Recovery Operations
November 15, 2013

Good morning. I am Thaddeus Hackworth, General Counsel at the Mayor's Office of Housing Recovery Operations ("HRO"). Among other Sandy-related housing efforts, HRO is responsible for the operations of the NYC Build it Back Program, which, in keeping with HRO's mission, ensures that NYC homeowners, landlords, and tenants whose homes and properties were damaged by Sandy are able to return to permanent, safe, and sustainable housing. The program's operations include the direct provision of residential rehabilitation and reconstruction through agreements with contractors and developers for 1-4 unit and multi-family buildings and rental assistance for low income displaced tenants. Funding for these activities is being provided through a Community Development Block Grant – Disaster Recovery ("CDBG-DR") administered by the U.S. Department of Housing and Urban Development.

I thank you for the opportunity to testify today on Proposed Intro 1040-A, a local law seeking the creation of a public database to track the expenditure of funds in connection with recovery efforts following the devastation of Hurricane Sandy.

A key goal of the proposed legislation is increased transparency—letting New Yorkers know how and where Sandy recovery dollars are being spent—and the Bloomberg Administration fully supports that. In fact, New Yorkers can already get a wealth of information about Sandy recovery efforts through NYC.gov, and 26,000 New Yorkers have already signed up for our Build It Back recovery program.

To enhance these efforts, we are developing a website, modeled on the Stimulus Tracker website that the City maintains in connection with the American Reinvestment and Recovery Act—that will detail the spending of both FEMA funds and the Community Development Block Grant funds that Congress appropriated through the Sandy recovery act. We are looking at what elements of Intro 1040 could be included on the site, and we welcome the Council's input. We expect to be able to launch the Sandy recovery Tracker sometime before Thanksgiving.

It is our hope that the Sandy Tracker could obviate the need for this legislation; in the meantime, I want to discuss some significant concerns we have with the bill as currently drafted.

The bill raises significant privacy concerns for renters and homeowners who choose to participate in our housing recovery programs, including the Build it Back program. The bill's definition of a "recipient" includes individual homeowners and renters who are awarded grants for home rehabilitation, reconstruction, or rental assistance. Thus, the bill could be construed to require these individual New Yorkers to have their personal information posted to an online,

public database for all to see, simply because they received disaster recovery assistance from our program. Under the proposed bill, this information could include each homeowner's address, the value of the disaster recovery grant or loan, and even the homeowner's qualifications for the receipt of a grant made using Hurricane Sandy funds. Disclosures such as these, if they are indeed required, are not only intrusive, but could be potentially stigmatizing for program participants, who had no expectation that their acceptance of needed disaster relief would be shared publicly and could inadvertently provide a convenient source of information—indeed a mailing list—to those that might try to take advantage of Sandy victims.

By contrast, those who accept disaster assistance directly from FEMA are protected by federal law from the disclosure of their personal information, with potential criminal penalties for unauthorized disclosure. As drafted, the proposed bill potentially undermines this protection.

The proposed legislation also requires the City to provide information that it does not currently have and would be very difficult to collect. The vast majority of the contracts for the program, and certainly those for construction services and case management services, have been procured under applicable law and subsequently registered with the Comptroller. There are no provisions in those contracts that require the contractors to report data on job creation and retention, let alone at the level of granularity set forth in the proposed legislation—which includes not only a project-by-project reporting of job creation and retention, but also whether those jobs are permanent or temporary, full-time or part-time, the income of each employee, the percentage of employees on each project with employer-provided health care, and the borough of residence for each employee on the project.

While the City can certainly ask our contractors to provide this type of information, they have no contractual obligation to provide it. The only way for the City to obligate contractors to provide this data would be to negotiate a modification to the contracts, which would impose significant expensive and time-consuming burdens on the contractors—many small local businesses—who will work on this program. To address this additional cost, the program would need to reallocate some of its limited CDBG-DR funding from repairing and rebuilding homes to reporting about them. It is also unclear whether the City could be reimbursed for such costs using CDBG-DR dollars, which would have a further impact on City taxpayers.

This is not to suggest that the City's use of Sandy-related disaster recovery funds should not be clear and transparent. That's why we're developing the Sandy Recovery Tracker, which we believe provide much of the information the public needs, and that the bill seeks to get.

I believe we all share the goal of helping as many New Yorkers as possible recover from this disaster, while also making complete and accurate information available regarding the funding

provided to the City from federal sources, and how that money is being spent to benefit New Yorkers—both now and in the future.

I would like to thank the Council Finance Committee for providing me with this opportunity to discuss this proposed legislation. I am happy to answer any questions you have at this time.

Testimony of The Legal Aid Society Before the New York City Council Committee on Finance regarding the creation of a database to track the expenditures of funds in connection with recover efforts in the wake of Hurricane Sandy (Int. No. 1040-A).

November 15, 2013

Thank you Chairperson Recchia and members of the Committee on Finance for the opportunity to provide testimony today.

The Legal Aid Society and Hurricane Sandy

The Legal Aid Society is the oldest and largest legal services provider for low income families and individuals in the United States. Annually, the Society handles more than 300,000 cases and legal matters for low-income New Yorkers with civil, criminal and juvenile rights problems, including more than 44,000 individual civil matters as well as law reform cases which benefit about two million low-income families and individuals.

Through a network of sixteen neighborhood and courthouse-based offices in all five boroughs and 22 city-wide and special projects, the Society's Civil Practice provides direct legal assistance to low-income individuals. In addition to individual assistance, The Legal Aid Society represents clients in law reform litigation, advocacy and neighborhood initiatives, and provides extensive back up support and technical assistance for community organizations.

In the immediate aftermath of Sandy, Legal Aid staff members helped hundreds of Sandy victims in areas such as Coney Island, Red Hook, Far Rockaway and Staten Island. In order to provide comprehensive disaster relief assistance Legal Aid staff was on site at disaster centers, used its disaster relief hotline to connect with clients and in order to reach families in isolated communities, we utilized our Mobile Justice Unit vehicle to conduct outreach and intake. Since the storm, requests for our civil legal aid has increased exponentially and one year after the storm, the need has not subsided. As of October 2013, Legal Aid has directly assisted more than

5,800 families affected by the storm. Despite billions of dollars in public and private emergency aid, many of our clients - which include senior citizens, persons with disabilities, undocumented immigrants, small business owners, low-income renters and low-income homeowners - remain homeless, displaced or on the verge of foreclosure. We are here today to make sure that these individuals are not left behind in recovery efforts.

Introduction

The Legal Aid Society strongly supports the Sandy Tracker Bill (Int. No. 1040-A) and urges the Committee to bring the bill to the full body of the City Council for swift passage into law. In our testimony today, we will describe the experiences of our clients and client communities in the aftermath of Sandy to explain why this bill is so necessary. Additionally, we have several recommendations to further enhance the protections for our clients in this bill.

We believe that Int. No. 1040-A will provide critical accountability and oversight in disaster fund tracking. This bill contains important protections to the low-and mid-income families who have been disproportionately affected by the storm . We need to learn lessons from other jurisdictions and their experiences recovering from disasters. For example, during our recent Disaster Lawyering conference, we learned that eight years after Hurricane Katrina, low-and mid-income families in New Orleans are still struggling to re-build. 100,000 people have not returned and the \$700 million CDGB-DR grant awarded to help Katrina victims has been unaccounted for.¹ The result of New Orleans' failure to effectively use this grant is that now the federal government is demanding that those funds that were unspent, misspent or undocumented

¹ Office of Inspector General, Memorandum 2013-IE-0803, *Follow-Up of the Inspections and Evaluations Division on Its Inspection of the state of Louisiana's Road Home Elevation Incentive Program Homeowner Compliance*, Mar. 29, 2013 at <http://www.hudoig.gov/sites/def>

be returned.² Families in New Orleans did not have a law to protect them, such as the one proposed today. We hope that New York City can learn from this and become an example of best practices for post-disaster fund accountability.

Problems that have arisen in recovery and rebuilding efforts

Through our work in affected communities, it is clear that there have been problems with the recovery and rebuilding of NYC after Hurricane Sandy. There is no transparency about where and how Sandy recovery dollars are being spent. Further, there is no way to assess whether recovery money is helping to re-build economic resiliency in vulnerable communities that were struggling before the storm. Legal Aid would like to highlight four major areas of concern:

1. Affordable Housing

The hardest hit by the storm were very low-income renters who made on average \$18,000 per year.³ According to FEMA, this group comprised 55% of the surge victims, the majority of whom were housed in public housing units along the coasts of Coney Island, Red Hook, Alphabet City, and the Rockaways.⁴ We are concerned that without the proposed bill there will be little fiscal accountability and affordable housing units will not be re-built in historically underserved communities. For example, the Rockaway peninsula is split from east to west along historic socioeconomic lines. The poverty rate in Far Rockaway to the east, which is densely populated with public housing developments and nursing homes, is 22 %. Whereas the poverty rate in Breezy Point to the west, is 2 %. We are concerned that Far Rockaway will be

² Bill Quigley, Keynote Address: *Disaster Lawyering Conference: SuperStorm Sandy*, Sponsored by The Legal Aid Society, ProBono.net, the City Bar Justice Center, Oct. 17, 2013.

³ FURMAN CENTER FOR REAL ESTATE AND URBAN POLICY, *SANDY'S EFFECTS ON HOUSING IN NEW YORK CITY* (March 2013), <http://furmancenter.org/files/publications/SandysEffectsOnHousingInNYC.pdf>.

⁴ Jonathan Mahler, *How the Coastline became a Place to Keep the Poor*, N.Y. TIMES (Dec. 12, 2012), http://www.nytimes.com/2012/12/04/nyregion/how-new-york-citys-coastline-became-home-to-the-poor.html?pagewanted=2&smid=tw-nytimes&partner=rss&emc=rss&_r=1&pagewanted=all&.

overlooked and become more isolated and underserved than it already is. The lack of funding sent to Far Rockaway for rebuilding will lead to the loss of affordable housing.

2. Contractor Fraud

In New York City, home improvement contractors must be licensed by the Department of Consumer Affairs. However, many of our low-income homeowner clients fell victim to unlicensed contractors who used the disaster as an opportunity to inflate estimates in order to cash in on FEMA funds and insurance proceeds.⁵ We have been working with numerous clients who paid unlicensed contractors thousands of dollars and received sub-par and sometimes non-existent repairs. Many of these families have used up their repair funds and are now desperately waiting to see if they qualify for the City's "Build it Back" program.⁶ However, that program is only expected to assist a small group of individuals and families with extreme damage to their home. Without assistance, these families will have to sell their homes or use up their limited savings.

3. Build it Back

The City's "Build it Back" program was introduced in Spring 2013 and is supposed to provide assistance to homeowners, renters and landlords impacted by Sandy. The program has received \$348 million in Federal funding via a CDBG-DR grant. Registration for the program began in July 2013 and as of November 1, 2013, 24,000 residents have applied for home repair or rental assistance. However, as of two weeks ago, only 1 person has been provided funding through this program. After the example of New Orleans, it is essential that we spend the funds given to New York for rebuilding. We do not want to be in the same situation as New Orleans is

⁵ CBS NY, Aug. 22, 2103, "Sandy Victims Say They're Being Scammed By Contractors", <http://newyork.cbslocal.com/2013/08/22/unscrupulous-contractors-scramming-sandy-victims/>. Also See, Chris Francescani, Reuters, Nov. 23, 2012, "Crooked Contractors are Cashing in on Sandy Victims", <http://www.businessinsider.com/contractor-fraud-after-sandy-2012-11>.

⁶ <http://www.nyc.gov/html/recovery/html/homeowners/homeowners.shtml>

now where the federal government is now demanding that unaccounted funds be returned. We believe that Intro. No. 1040-A will hold New York City accountable for its CDBG-DR funds and ensure that the funds are actually used to repair homes so the money actually stays in NYC.

4. Low-Income Workers

After the storm, many businesses were forced to lay off employees or reduce their employees' hours. The Bureau of Labor Statistics reported that 31 extended mass layoff events related to Hurricane Sandy led to 6,759 worker separations in the months following the disaster.⁷ In November 2012, the month after Sandy, the number of workers who filed unemployment claims for the first time was 33% higher than the average number per month during the prior year. Many workers filed claims because they did not receive their wages for the week prior to Sandy since their businesses shut down and many records were destroyed. While billions of dollars in federal aid for rebuilding New York City is expected to create more jobs, it is uncertain whether working and low-income New Yorkers, who lost their jobs due to Sandy will be provided job opportunities to help rebuild after the storm. We are concerned that without this proposed bill New York City will emulate New Orleans post-Katrina, where much of the federal aid went to corporations, oil companies and developers who were not directly affected by the storm.⁸

For all these reasons, we support this bill as we believe that it will provide the necessary transparency and accountability to assist the City's most vulnerable individuals.

Client Story

Ms. M's story illustrates the challenges and difficulties our clients have faced with fraudulent contractors and the need for the proposed bill. Ms. M, a client of The Legal Aid

⁷ Press Release, Bureau of Labor Statistics, Extended Mass Layoffs -- Fourth Quarter 2012 (Feb. 14, 2013), available at http://www.bls.gov/news.release/archives/mslo_02142013.pdf.

⁸ Bill Quigley, Keynote Address: *Disaster Lawyering Conference: SuperStorm Sandy*, Sponsored by The Legal Aid Society, ProBono.net, the City Bar Justice Center, Oct. 17, 2013.

Society who is single, makes \$32,000 per year and has worked as a special education aid at the New York City Board of Education for the past 14 years. Ms. M was in the midst of a divorce and lived in her Staten Island home when the storm hit. Ms. M fortunately had homeowners and flood insurance coverage. After her home was destroyed by Sandy, she employed a licensed contractor who took \$33,700 of her insurance proceeds and completed minimal work (approximately \$5,000 worth). Ms. M's home remained infested with mold and was completely uninhabitable. Ms. M could not live in her home and so she was forced to expend resources she did not have to rent an apartment. These unexpected expenses resulted in foreclosure proceedings and so she left the rented apartment and entered the City's Hotel Program. She is currently living in the Ramada Inn under the hotel program for Sandy evacuees.

The proposed bill would effectively reduce the number of cases like Ms. M by holding contractors accountable. It would deter fraudulent contractors who take advantage of disaster recovery funds and encourage competent contractors who provide quality service.

Legal Aid's Recommendations to Enhance the Protections of Int. No. 1040-A

The Legal Aid Society would like to offer the following recommendations to further enhance the protections in this important piece of legislation:

1. Under §6-138(1) of the current bill, we recommend that the monetary value of "Hurricane Sandy Funds" be **lowered from \$100,000 to \$20,000**. If this does not occur, many low- and mid-income individuals will be left out of this process. The maximum amount of funds that a family can receive from FEMA is \$31,900. Further, many of our low-income homeowner clients received less than \$30,000 in insurance proceeds after Sandy;

2. Under §3 of the current bill, we recommend that the effective date be **lowered from 90 to 30 days** after its enactment into law, since time is of the essence in re-building the homes and lives of Sandy victims;
3. We recommend that the Department of Finance **create a mediation program for victims of Sandy-related contractor fraud** that is similar to the New York State Department of Financial Services' mediation program for disputed or denied insurance claims for Storm Sandy Homeowners that was introduced by Governor Cuomo in February 2013.⁹ Mediation is a low-cost alternative to litigation for both homeowners and contractors. This program could potentially provide recourse to many low and mid income New Yorkers.

Conclusion

Thank you for the opportunity to testify before the New York City Council Committee on Finance today on this incredibly important issue. The Legal Aid Society strongly support Intro. No. 1040-A. We believe that the implementation and enforcement of the proposed bill will go a long way to protect the rights of low- and mid-income New Yorkers who have been disproportionately victimized in the aftermath of Sandy. We look forward to working with all Council Members on these issues.

Respectfully submitted,

Fazeela Siddiqui, Esq.
The Legal Aid Society
Queens Neighborhood office
120-46 Queens Blvd.
Kew Gardens, NY 11415
T: (718) 286-2465
fsiddiqui@legal-aid.org

⁹ Governor Cuomo Announces DFS Mediation Program for Disputed or Denied Insurance Claims for Storm Sandy Homeowners, Feb. 25, 2013. <http://www.governor.ny.gov/press/02252013-%20dfs-mediation-program-for-disputed-or-denied-insurance-claims>



50 Broadway, 29th Floor
New York, NY 10004
T 212 631 0886
F 888 370 3085
www.ALIGNny.org

**Testimony to the New York City Council Committee on Finance regarding the
creation of a database to track expenditure of funds in connection with recovery
efforts in the wake of Hurricane Sandy (Intro. 1040-A)
November 15, 2013**

Good morning Chairperson Recchia and members of the Finance Committee. Thank you for the opportunity to provide testimony today. My name is Josh Kellermann and I am a Senior Policy and Research Analyst at ALIGN: the Alliance for a Greater New York. ALIGN is permanent alliance of community and labor organizations united for a just and sustainable New York.

I am here to express ALIGN's strong support for the Sandy Tracker Bill (Intro. 1040-A) and to urge the City Council to pass this bill without delay. I would also like to offer recommendations to further improve this important piece of legislation.

Best Practices

Intro. 1040-A will provide much-needed centralization of information and comprehensive, project-specific reporting on Sandy recovery and rebuilding investments. NYC's Sandy Tracker Bill reflects several best practices that are already in place in many programs around the country, including here in New York City. Requirements stipulated in Intro. 1040-A are not precedent setting, burdensome, or unparalleled. Rather, these are essential, basic steps to ensure money is well-spent, that public resources meet expressed objectives, and that New Yorkers get their money's worth from recovery and rebuilding investments.

New Jersey's Sandy Transparency online database is a clear and simple example of how to provide essential information to the public and to decision makers on this spending.¹ New Jersey's one-stop web site has easy to understand pie charts, and allows users to view fund allocations and expenditures, as well as program descriptions by federal agency, state agency, county, and municipality. In certain cases it provides individual project information.

The Federal government's website, recovery.gov, which tracked spending under the American Recovery and Reinvestment Act of 2009, provides another useful example of transparent spending. [Recovery.gov](http://recovery.gov) allows the user to search projects by address, zip code, city, or county. The information available includes the aid recipient's name, funding received, completion status, and the jobs created by quarter.

The New York City Economic Development Corporation's Local Law 62 Project Information Spreadsheet provides data on current recipients of NYCIDA funds.² Among the 126 columns of information, the NYCEDC provides the following information on recipients:

¹ <http://nj.gov/comptroller/sandytransparency/>

² <http://www.nycedc.com/about-nycedc/financial-public-documents>

name of recipient, address of project, type of assistance provided prior to the current year, in the current year, and total amount to be received over the life of the subsidy, estimated job creation and actual job creation by part-time and full-time, temporary and permanent positions, percent of workers earning below \$25,000, \$25,001-\$40,000, \$40,001-\$50,000, and more than \$50,001. Lastly, it includes the percent of workers that are New York City residents and whether the recipient provides health benefits to its full time and part time workers.

These three websites clearly point to the fact that the information being requested by Intro. 1040-A is already part of functioning systems in NYC and around the country, and should be enacted without delay.

Recommendation: Zip Code Data

The current version of the Sandy Tracker bill does not require the collection of employment information by zip code, but only requires borough-level reporting. Job creation data by zip code would allow New Yorkers to track whether employment opportunities are being created in low-income areas of the city, whereas borough-wide data would prevent the ability to draw such conclusions. This is important for understanding the impact of this spending on low-income New Yorkers, but also for understanding whether employers are complying with Section 3 of the Housing and Urban Development Act, which mandates that low-income workers make up 30% of new hires.

As a practical consideration, if a business must report the borough of residence of its employees, it surely has the zip code of those employees as well. In addition, most CDBG funding requires the payment of prevailing wages by prime contractors and subcontractors. Documentation must be supplied through certified payroll, which includes the address and zip code of workers. Accordingly, zip-code data is easily accessible and already available. We urge the committee to consider changing the requirement of borough-level reporting to zip-code level reporting on employment information.

Recommendation: Technology

I'd also like to raise a point about technology. It is unclear from the proposed legislation whether data will be available in a non-proprietary, downloadable database. One way to do this is to ensure that the interface for the Tracker is created with input from NYC's tech community, with particular attention to usability.

It is essential that the Sandy Tracker comply with NYC Administrative Code, Title 23, Chapter 5: Accessibility to Public Data Set (NYC's open data law). The datasets that are accessible through the database interface should also be fully available on the NYC Open Data portal (nyc.gov/data) in disaggregate form. Data on the open data site should be updated every time the Tracker database is updated (or reasonable frequency, ideally weekly).

Recommendation: Accountability

Lastly, there does not appear to be an enforcement mechanism included in this legislation. What is to prevent a business from simply refusing to provide data to the city? We suggest adding a reasonable penalty to this law that compels compliance.

Although I've identified some recommendations that would improve this bill as currently written, I believe it represents a great step forward towards ensuring a more just and

equitable rebuilding. ALIGN strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.



Testimony to the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

November 15, 2013

Good afternoon Chairperson Recchia and members of the New York City Council Committee on Finance. Thank you for the opportunity to speak in front of you today. My name is **Valeria Treves** and I am **Executive Director** at **New Immigrant Community Empowerment-NICE**. We are a community-based, non-profit organization dedicated to immigrant workers rights in Jackson Heights, Queens working primarily with day laborers and domestic workers.

I am here to express New Immigrant Community Empowerment's/NICE's strong support of the Sandy Tracker Bill (Intro. 1040-A) and to urge its passage into law. We also have some recommendations we ask that you consider to improve and better protect workers.

Following Hurricane Sandy many day laborers in the area of Jackson Heights and members of NICE, were among the first to respond in the clean-up efforts of the storm in the Rockaways. They performed some of the most dangerous jobs in the aftermath, like removing water from flooded basements, cleaning up debris and even uninstalling boilers and other home infrastructures. In doing so, day laborers put their lives on the line. They worked handling hazardous materials and at fragile and unstable work sites. Since last year, NICE has learned of the many conditions to which workers were exposed in relief efforts as well as the short and long term effects of such exposure.

As an organization whose members are at the forefront of rebuilding efforts we have seen several problems emerge in recovery and rebuilding in the wake of Hurricane Sandy.

- **Among the largest challenges is that to date, it is unclear to New Yorkers and community based organizations how and where Sandy recovery dollars are being spent and there is not a system in place that tells us where funds are being allocated. As a worker center that works with NYC construction workers, we are invested in seeing local job creation and economic opportunities for NYC residents. Yet our members have reported that many of the reconstruction jobs have been outsourced to contracting companies and to workers outside of the tri-state area.**
- **Additionally, workers have experience high numbers of wage theft in Sandy Recovery work. Many of our members have reported that during clean-up and rebuilding efforts their wages were underpaid or not paid at all by contractors in the Rockaways. Day laborers got involved in Sandy recovery work because they saw that there was a need. They were hired because of the state of emergency,**

and were told they were getting a salary. There was no one to regulate these contractors when they failed to obey the labor laws.

- Finally, there were and continue to be many violations of Health and Safety codes in the construction industry. There were not only accidents but also unsupervised jobs with high risks that led to accidents. This summer, we surveyed some of our members and received valuable insight into the hazards to which they were exposed. One of our members, for instance, reported that there was no protection or supervision as he removed boilers from flooded basements in the Rockaways. Often times, these boilers were connected to gas lines that if miss-handled could cause severe fires and kill them. Additionally there were no requirements for protection for work on roofs or scaffolds where the danger of falls exists. Some members who did demolition, experienced illnesses such as stomach viruses, headaches and dizziness especially when exposed to mold and asbestos in buildings and homes.

We ask that any bill require comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City.

Like my colleagues here today, we also recommend:

- That the Sandy Transparency bill require the collection of employment information by zip code which will enable more detailed analysis of whether the most economically vulnerable neighbourhoods are getting adequate aid and economic opportunities.
- That the data collected through the legislation be available to the public through a downloadable database, such as excel to allow for easy analysis.
- We encourage the committee to also ensure reporting enforcing mechanisms are clearly put in place.

New Immigrant Community Empowerment-NICE, strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.



Testimony to the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

November 15, 2013

Good afternoon Chairperson Recchia and members of the New York City Council Committee on Finance. Thank you for the opportunity to provide testimony today. My name is Melissa McCrumb and I am the Sandy Response Coordinator at Make the Road New York. MRNY is a membership based organization with 14,000 members across New York City and State, for over 15 years we have been working for strong protections for workers.

I am here to express Make the Road New York's strong support of the Sandy Tracker Bill (Intro. 1040-A) and urge the committee to bring the bill to the full body of the City Council for swift passage into law. We would also like to present some recommendations to further improve the bill for your consideration.

Immediately after the hurricane, MRNY began extensive canvass and outreach efforts to reach vulnerable populations and connect them to available resources. MRNY's legal team began providing disaster assistance legal services to victims across the five boroughs and Long Island, we quickly began focusing our resources in Suffolk-affected areas and in Staten Island, where the need was great and few legal services providers are available. Because we were in the front lines, helping people apply for emergency relief, we were first-hand witnesses to the abuse and exploitation suffered by many workers employed in Sandy rebuilding construction work. Other clients have experienced contractor fraud and seen their rebuilding money whisked away by fly by night contractors. We have and will continue to advocate for strict enforcement of the labor laws.

Our workforce development team has also been extremely active since the storm to prepare low-income and immigrant workers with the skills necessary to benefit from the jobs being created by the recovery effort. In the immediate aftermath of the storm we held OSHA trainings for 100 workers in our offices. We also partnered with Queens College to develop a curriculum focused on the particular hazards in Sandy recovery sites, during the training each worker also receives a kit of personal protective equipment, and a short exam by a medical professional. To date 518 workers have gone through this training. Some of the workers who attended the training experienced exploitation on Sandy worksites, have since been connected to our legal department to pursue wage theft and other cases

Several problems have arisen in recovery and rebuilding in the wake of Hurricane Sandy. It is unclear to New Yorkers how and where Sandy recovery dollars are being spent. There are too many reports of wage theft and unsafe working conditions in recovery work. It is not easy to monitor whether Sandy-impacted communities are getting adequate aid or whether the most economically vulnerable communities are gaining jobs through recovery and rebuilding investments.

- Wage theft has become rampant in Sandy recovery work. A recent Baruch College study showed that 82% of day laborers conducting Sandy rebuilding work suffered unpaid wages. MRNY is fighting this wage theft epidemic by asking for additional resources for the NYSDOL and partnering with the Attorney General's office to refer cases where contractors who work on the rebuilding efforts are victimizing workers.
- Health and safety violations in the construction industry in the wake of Hurricane Sandy are widespread. One study showed that 91% of day laborers conducting Sandy rebuilding work were exposed to hazardous materials, while 64% experienced accidents related to the job. At the same time, over one-in-four workers were not given adequate safety and health equipment on the job.¹⁴¹ To make matters worse, there are efforts by the

BROOKLYN 301 GROVE STREET BROOKLYN, NY 11237 TEL 718 418 7690 FAX 718 418 9635	QUEENS 92-10 ROOSEVELT AVENUE JACKSON HEIGHTS, NY 11372 TEL 718 565 8500 FAX 718 565 0646	STATEN ISLAND 161 PORT RICHMOND AVENUE STATEN ISLAND, NY 10302 TEL 718 727 1222 FAX 718 981 8077	LONG ISLAND 1090 SUFFOLK AVENUE BRENTWOOD, NY 11717 TEL 631 231 2220 FAX 631 231 2229
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construction industry to try and repeal some of the very few laws that protect workers' safety in these sites, such as the scaffold law that makes employers liable for accidents of their employees when they have failed to provide them with personal protective equipment or have failed to provide required safety and health training. Similarly to the issues of wage theft, the agencies charged with enforcing these laws are underfunded to truly be able to monitor these sites.

- The potential for fraud and waste is high, as experiences with post-Katrina spending have shown. An Inspector General report in April 2013, found that \$700 million awarded to help Hurricane Katrina victims is unaccounted for. We see this on a daily basis and are pursuing a number of cases against fraudulent contractors.
- There is no easy way to assess whether investments are building economic resiliency in high-need, vulnerable communities that were struggling even before the storm hit. With billions of dollars in rebuilding and resiliency investments on the way, it is important to assess whether Sandy recovery dollars are creating economic benefits for vulnerable communities, particularly focusing on good jobs.

Comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step toward achieving a just and equitable recovery for all. Enactment of the Hurricane Sandy Tracker Bill will promote the use of responsible employers and the protection of workers' dignity in publicly-funded rebuilding projects. In addition, the bill will provide an important tool for communities to monitor how and where rebuilding is occurring, and the ability to gauge if benefits, including job opportunities, are adequately reaching them and whether employers are abiding by labor and worker protection laws.

We would like to offer the following recommendations for further improvement of this important piece of legislation:

- The current version of the bill does not require reporting of prevailing wage schedules that apply. The bill should require that applicable prevailing wage schedules are published along-side the actual wages paid so that it is immediately clear if the schedules were followed.
- By far the biggest abuse faced by workers is wage theft. The bill should explicitly require that the website include if a recipient had ever violated local, state or federal laws regarding the payment of wages.
- The bill should also require that the website include if a recipient had ever been debarred from any public works contract under city, state or federal laws.
- The current version of the Sandy Transparency bill does not require the collection of employment information by zip code, but only requires borough-level reporting. Zip code-level reporting is important to enable more detailed analysis of whether the most economically vulnerable neighborhoods are both getting adequate aid and actively gaining on economic benefits in the shape of jobs. This information is readily available through payroll information and has been done on other citywide projects. We encourage the Committee to change this requirement to be reported at the zip code level.
- It is unclear from the proposed legislation whether it will allow the data to be available in a non-proprietary, downloadable database. Online databases are most useful if the data can be easily downloaded into an excel document that can be sorted and analyzed. We encourage this to be included in the legislation.
- We encourage the committee to also ensure reporting enforcing mechanisms are clearly put in place.

MRNY strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.



11 Park Place, #701
New York, NY 10007
212.721.7996 goodjobsny.org

Testimony before the New York City Council Committee on Finance

Proposed Int. 1040-A, A Local Law to amend the administrative code of the city of New York, in relation to the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy

November 15, 2013

Comments of Bettina Damiani, Good Jobs New York

Thank you for the invitation to testify today. My name is Bettina Damiani and I direct Good Jobs New York, a project of Good Jobs First based in Washington, DC in partnership with the Fiscal Policy Institute with offices in Albany and New York City.

Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies. Since our launch in 2000, we have worked to improve public participation in and transparency of these subsidy programs including the vast expansion of a searchable database of deals approved by the Industrial Development Agency (IDA) and city's largest as-of-right economic development program, the Industrial and Commercial Incentive Program.

Our Database of Deals is available on our website, www.goodjobsny.org. We have also expanded a new section on our website "Eye on Hurricane Sandy Money" with news, resources, upcoming events and other materials related to promoting a transparent and equitable rebuilding. Since Hurricane Sandy we have provided technical assistance to and are actively engaged with the grassroots groups Alliance for a Just Rebuilding and the Sandy Regional Assembly.

At Good Jobs New York we feel uniquely qualified to work on rebuilding issues because after the attacks on Lower Manhattan in 2001 we became the go-to organization for various non-profits, elected officials and media to learn more about the proposed use of federal rebuilding funds via our Reconstruction Watch project. In addition, our parent organization, Good Jobs First, based in Washington, DC did a study on Gulf Opportunity Zone Bonds after Hurricane Katrina.

GJNY did our best to track the use of disaster funds after the attack of September 11, 2001. It was never easy as the Lower Manhattan Development Corporation's process for deciding how to allocated funds were opaque, at best. That experience taught us that spending billions of dollars from behind closed doors does little to assure taxpayers that recovery resources are helping those impacted by a disaster that need it most.

We also learned that these types of resources can take years to allocate, and be easily spent on projects that have the most political support from the real estate industry rather than from a democratic planning process.¹ It doesn't have to be this way: New Yorkers deserve the right to know how billions of dollars in federal aid are being spent, who is benefitting, and what promises were made in exchange for the aid. And most importantly, communities and taxpayers deserve to know whether those promises were kept.

In fact, New York City has made leaps and bounds in its transparency efforts since 9/11. Thanks to the council Local Law 62 and sponsored by Council Member Reyna, the city has the nation's most comprehensive, publicly accessible database of discretionary corporate subsidies.²

After reviewing the proposed bill GJNY has two suggestions and a clarification:

According to the US Department of Housing and Urban Development, (and amplified in August's report released by the Hurricane Sandy Rebuilding Task Force: Hurricane Sandy Rebuilding Strategy *Stronger Communities, A Resilient Region*), priorities for allocating funds focus on keeping neighborhoods affordable and expanding existing workforce programs. The best way to determine if residents are benefiting from disaster funds is to identify where employees live that were hired as a result of the relief funds. The proposed bill requires employees be listed by which borough they live in which is too broad of a measure for a city with such huge economic disparity.³ We suggest that more accurate way to establish if low-income New Yorkers are accessing jobs created by Sandy funds is to identify them by zip code.

A point worth clarifying regarding the database: The proposed bill states the database "shall be updated on a monthly basis". It is unclear if that means entries already in the database will be updated on a regular basis or just that new entries will be added monthly. We urge the council to ensure taxpayers can track the hiring practices of individual firms. For example: if a company receives funds and promises to create 10 jobs, will the database reflect a firm's hiring practices on a regular basis?

From the bill, it is unclear how the Sandy database would interact with other databases such as the Open Data Law and the EDC's Annual Investment Projects Report, mandated by LL62. To ensure taxpayers are provided with comprehensive subsidy information, Good Jobs New York recommends incorporating the data in this report into the existing one which will reinforce this council's commitment to transparency and accountability.

As an organization dedicated to making economic development subsidies more transparent GJNY is pleased that the council is moving forward to lift the veil that is currently on the allocation of Sandy-related public resources. A comprehensive Sandy tracker would be an invaluable tool for all New Yorkers, including members of the council, to help create an authentic dialogue between communities and rebuilding officials.

¹ Reports and analysis on Community Development Block Grants and Liberty Bonds can be found on GJNY's "Reconstruction Watch" section of our website: <http://goodjobsny.org/economic-development/reconstruction-watch>

² Available at the Economic Development Corporation's website: <http://www.nycedc.com/about-nycedc/financial-public-documents> and Good Jobs New York "Database of Deals" <http://goodjobsny.org/subsidy-database>.

³ Section 4 "the borough of the residence of employees on Hurricane Sandy funded projects..."



103-04 39TH AVENUE #105
CORONA, NY 11368
718-426-6564

15 November 2013

Re: Support for Int 1040-A, the Sandy Tracker Bill

Dear Honorable Members of the New York City Council Committee on Finance:

On behalf of 7,500 faith leaders, congregations, and survivors of Hurricane Sandy in Far Rockaway, Rockaway Beach, Howard Beach, Broad Channel, and Coney Island, please accept the **strong support of Faith in New York for Intro 1040-A, the Sandy Tracker Bill.**

Faith in New York is a growing interfaith, multicultural federation of 53 congregations representing 60,000 families in 16 City Council districts in Queens, Brooklyn, and Manhattan. Over the past 13 months, Faith in New York has directly assisted over 11,000 victims of Hurricane Sandy, many of whom are still struggling over a year after the storm to recover as a result of high levels of poverty, unemployment, rising rents, substandard living conditions, legal documentation of immigrants, and still damaged neighborhood-level infrastructure. On September 29, 2013, over 500 faith leaders and Sandy survivors with Faith in New York led a tour of the Rockaways with our allies from the Alliance for a Just Rebuilding and mayoral candidate Bill de Blasio, where he and his wife Chirlane saw and heard firsthand the ongoing pressures facing thousands in a community that was struggling economically before the storm hit.

We support this common sense legislation for the following reasons:

1. Int 1040-A would **restore confidence** in the city's leadership that it will be responsive to the needs of Sandy victims. The recovery effort to-date has been painfully slow:
 - a. **Rapid Repair:** in Far Rockaway, over 8,000 homes were still without heat well into the cold winter month of December 2012 as the Rapid Repair Program dealt with contractor and logistical challenges
 - b. **Build it Back:** thousands of homeowners have signed up for the program but are still waiting for help to arrive as the program has been delayed since August 2013. Families evicted from hotels in September have moved back to still-damaged homes, and are depleting their savings to fix their homes in time for the cold winter months.

Sandy survivors and taxpayers are losing faith every passing day that the city's leadership will deliver on commitments it made to prioritize billions in federal aid for the hardest hit communities.



103-04 39TH AVENUE #105
CORONA, NY 11368
718-426-6564

2. Int 1040-A would **shine a light** on how billions of dollars in federal Sandy aid are directly benefitting communities hardest hit by Sandy. The communities struggling the most before Sandy are now suffering the most. Sandy victims and taxpayers across the city deserve to know how those who continue to suffer will tangibly benefit from our promised collective investment of public resources.
3. Int 1040-A would **incentivize city agencies and contractors** to ensure that billions in federal aid benefit the middle and low-income communities ravaged by Sandy. According to Senator Charles Schumer, \$6.3 billion in federal Sandy aid will be appropriated to New York in 2014 alone. Those funds should be invested to reduce growing economic inequality in NYC and create long-term opportunity for Sandy victims through good local jobs, job training opportunities, and safe working conditions.

We also offer one improvement to the bill that would increase its effectiveness and transparency:

1. The bill should provide more detail about which neighborhoods workers live. Currently, the bill only details the borough of residence of jobs created with Sandy funds. The bill **should require transparency of the Zip Codes of residence of employees** on Hurricane Sandy projects because it would further incentivize contractors to hire from communities hardest hit by Sandy, where high levels of poverty and unemployment persist.

Faith in New York urges the honorable members of the City Council Committee on Finance to support Int 1040-A with the above amendment so that Sandy victims and New Yorkers are given confidence that billions in Sandy funds will actually benefit those hardest hit and who continue to struggle.

Thanks and blessings upon your work,

Joseph McKellar
Executive Director



November 15, 2013

Testimony to the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

Good afternoon, my name is Charlene Obernauer and I'm the Executive Director of Long Island Jobs with Justice, a coalition-based organization of workers, community groups, people of faith, and students that organizes for workers' rights.

I am here to express Long Island Jobs with Justice's strong support for the Sandy Tracker Bill (Intro. 1040-A). As the Director of a Long Island-based organization, some of you might be wondering why I'm here in New York City giving testimony. Just as there is little transparency and many problems behind disaster recovery dollars in New York City, there are similar problems on Long Island.

We began doing Sandy recovery work when workers based on Fire Island contacted us shortly after the Storm because they were experiencing wage theft. We heard story after story of workers being hired at a certain wage, and paid for less. Other workers were employed for 40 hours a week and only paid for 10. After we raised awareness of this issue, dozens of different agencies launched investigations of Sandy recovery dollars, as opposed to having one centralized database, which would save valuable government staff time and resources.

Unfortunately, wage theft is not unique to Long Island. A recent Baruch College study showed that 82% of day laborers conducting Sandy-rebuilding work suffered unpaid wages. Increased transparency and public reporting of Sandy recovery dollars shines a spotlight on contractors who take advantage of disaster situations to exploit workers and maximize their own profits. Passing a simple, common sense bill like the Sandy Tracker Bill will help ensure the efficient and transparent spending of rebuilding funds and promote the use of responsible employers and the protection of workers' rights. Contractors with histories of wage theft and health and safety violations will no longer be able to hide in the shadows. There should be no secrets about how public money is spent.

The Sandy Tracker bill—which we are near gaining approval for on Long Island—creates an easily accessible online database listing vital and detailed information about projects, including specifics on job creation and job quality, whether recipients abide by labor and worker protection laws. If contractors have a history of wage theft and OSHA violations, that history will be made public, helping to protect workers and prevent law-breaking contractors from being awarded government contracts.

In New York City and all over New York State, local governments are working together to prevent future damage to their communities from natural disasters. This bill is a critical step in the right direction to ensuring that we have a just and equitable recovery for New York City, all New Yorkers, and in all of our neighborhoods.

Long Island Jobs with Justice strongly encourages the movement of this bill into the full body of the City Council and its passage into law. If you have any questions about the similar Executive Order moving through on Long Island, or otherwise, feel free to contact me.

Thank you.

Charlene Obernauer
Executive Director
Long Island Jobs with Justice
390 Rabro Drive
Hauppauge, NY 11788
631-524-3922



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Capital Area District
Washington 202.387.3211
Baltimore 410.244.5970
Virginia 703.845.7760

Connecticut District
Hartford 860.560.8674
Stamford 203.602.6615

District 1201
215.923.5488

Florida District
305.672.7071

Hudson Valley District
914.637.7000

Mid-Atlantic District
215.226.3600

**National Conference of
Firemen and Oilers**
202.962.0981

New Jersey District
973.824.3225

Western Pennsylvania District
412.471.0690

Testimony of Shirley Aldebol
Vice President, SEIU 32BJ
NYC Council Committee on Finance
November 15, 2013
Sandy Tracking Bill, Intro. 1040-A

Good morning Chairperson Recchia and members of the New York City Council Committee on Finance. Thank you for the opportunity to provide testimony today. My name is Shirley Aldebol and I am a Vice President at the Service Employees International Union Local 32BJ.

32BJ strongly supports the Sandy Tracker Bill (Intro. 1040-A) and I urge the committee to bring the bill to vote before the full body of the City Council.

I am here today because I want to make sure the City is making the best use of the public aid dollars going towards the recovery effort and, at the same time, is laying a strong foundation for how we deal with natural disasters, like Hurricane Sandy, in the future.

The public dollars should be distributed *equitably* to rebuild strong and resilient communities in all impacted boroughs. The funds should be used to provide *good jobs* for those doing the difficult work of rebuilding this City. And the funds should be distributed in a *transparent* manner.

However, this is not currently happening. In addition to the lack of transparency around how funds are being used, wage theft and worker safety violations have been widespread in post-Sandy rebuilding. Studies have shown that as much as 82% of workers have suffered unpaid wages, 64% have experienced accidents on the job, and one-in-four were not provided adequate health and safety equipment.¹

This speaks to the need for strong standards in place for public contracting dollars. The City has the responsibility to ensure they are contracting with high road businesses that will give the City the best value for its recovery dollars. This means contractors that will comply with wage and safety standards and provide high quality employment opportunities.

¹ <http://ndlon.altopolimigra.com/en/resources/research-reports/itemlist/tag/Baruch%20College>

Comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step in the right direction.

By including information on job creation, wage rates, prevailing wage standards, and the track record of the contractors receiving over \$150,000 of public recovery funds, the Hurricane Sandy Tracker Bill will help promote the use of responsible employers and the protection of workers' dignity in publicly-funded rebuilding projects.

It will also allow New Yorkers to see where aid money is being spent, so we can ensure it is being distributed equitably to those who need it most.

We encourage the committee to also ensure reporting enforcing mechanisms are clearly put in place.

Superstorm Sandy was an eye opener for New York City. It revealed just how unprepared we are to deal with our changing climate. We should learn from the experiences of post-Katrina New Orleans and post-9/11 recovery spending and ensure that our aid dollars do not go unaccounted for. We now have the opportunity to put in place good protocols, like the Sandy Tracker Bill, to make our current and future recovery efforts more transparent and inclusive.

32BJ strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.



Testimony of the Alliance for a Just Rebuilding before the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

November 15, 2013

Good afternoon Chairperson Recchia and members of the Finance Committee. Thank you for the opportunity to provide testimony today. My name is Nathalie Alegre and I am Coordinator of the Alliance for a Just Rebuilding (AJR). The Alliance for a Just Rebuilding is a citywide coalition of over 40 labor unions, worker centers, and community, faith-based, environmental and policy organizations advocating for a just and equitable short-term recovery and long-term rebuilding in the wake of Hurricane Sandy. Our member organizations collectively represent some of most vulnerable New Yorkers in the areas most affected by Hurricane Sandy and across the five boroughs: low-income homeowners and renters, public housing residents, day laborers, and undocumented immigrants.

I am here to express AJR's strong support for the Intro. 1040A-2013, also known as the "Sandy Tracker bill," and urge the committee to bring the bill to the full body of the City Council for swift passage into law.

It is unclear to New Yorkers how and where Sandy recovery dollars are being spent. It's been over one year after the disaster, and many months after millions of dollars have been awarded to the City. And more money is on the way: the U.S. Department of Housing and Urban Development (HUD) recently announced another allocation of \$1.3 billion to New York City. Yet, to date, there is no easily accessible report on the City's allocation of Sandy recovery funds. While HUD does require reporting from recipients of CDBG money, reporting is confined to funds coming from HUD and the City has not yet issued a report. Moreover, we know from past experience with post-disaster federal aid that these reports are often inaccessible, overwhelming, infrequent, and don't provide data that is useful to the public. A centralized and easily accessible database like that mandated by Intro.1040-A would greatly improve the ability of both the public and elected officials to monitor whether Sandy-impacted communities are getting adequate aid. We know the potential for foul play is high, as experiences with post-Katrina disaster spending have shown. Sandy survivors and workers involved in the recovery should be protected by a transparent and accountable reporting system that prevents waste, fraud, abuse, and wage theft.

Additionally, New Yorkers should be able to assess whether recovery investments are building economic resiliency in high-need, vulnerable communities that were struggling before the storm hit. Hurricane Sandy exposed and exacerbated deep inequities felt across New York City. Many neighborhoods affected by Sandy were already among some of the most economically vulnerable. For example, Far Rockaway, Queens, had 11% unemployment and a median household income of \$38,415 before Sandy made landfall.¹ After Sandy, these neighborhoods are experiencing even more pronounced economic setbacks. With billions of dollars in rebuilding and resiliency investments on the way, it is critical to assess whether

¹ 2007-2011 American Community Survey. Zip code 11691 used as proxy for the neighborhood of Far Rockaway.

Sandy recovery dollars are creating economic benefits for vulnerable communities, particularly in the shape of good jobs. The detailed reporting provisions stipulated in the Sandy Tracker bill will greatly help achieve this aim.

Comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step toward achieving a just and equitable recovery for all.

I would also like to note that NYC's Sandy Tracker Bill draws from and builds upon several reporting best practices that are already in place in many programs around the country, including some here in New York City. We would like to offer the following recommendations for further improvement of this important piece of legislation:

- To allow New Yorkers to track whether employment opportunities are being created in low-income areas of the city, employment information must be collected at the zip code level, not borough -level.
- Clarify that data would be available in a non-proprietary, downloadable database that provides the public and elected officials with the ability to better analyze information.
- Ensure reporting enforcement mechanisms are clearly put in place.

Although I have identified some recommendations that would improve this bill as currently written, I believe it represents a great step forward towards ensuring a more just and equitable rebuilding. Again, the Alliance for a Just Rebuilding strongly encourages the movement of this bill into the City Council and its passage into law.

Thank you for your time.

Nathalie Alegre
Coordinator
Alliance for a Just Rebuilding
c/o ALIGN
50 Broadway, 29th Floor
New York, NY 10004
Phone: (212) 701-9472

www.rebuildajustny.org

Alliance for a Just Rebuilding members include: 32BJ SEIU, 350.org, ALIGN, Arts & Democracy, CAAAV: Organizing Asian Communities, Center for Popular Democracy, Center for Social Inclusion, Coalition for the Homeless, Community Development Project at the Urban Justice Center, Community Environmental Center, Community Voices Heard, Consortium for Worker Education, El Centro del Inmigrante, Faith in New York, Families United for Racial and Economic Equality (FUREE), Good Jobs New York, Greater New York Labor-Religion Coalition, Hunger Action Network of NY State, Legal Aid Society, LiUNA Local 10, LiUNA Local 78 Asbestos Lead & Hazardous Waste Workers, Long Island Civic Engagement Table, Long Island Jobs with Justice, Make the Road NY, Mutual Housing Association of NY, National Day Laborer Organizing Network (NDLON), National Domestic Workers Alliance, New Economy Project, New Immigrant Community Empowerment (NICE), New York Committee for Occupational Safety and Health (NYCOSH), New York Communities for Change, New Yorkers for Fiscal Fairness, New York State Nurses Association (NYSNA), Occupy Sandy, Participatory Budgeting Project, Physicians for a National Health Program-NY Metro, Pratt Center for Community Development, Queens Legal Services, Red Hook Initiative, Respond & Rebuild, Retail Wholesale and Department Stores Union (RWDSU), Solidarity NYC, TWU Local 100, VOCAL-NY

Hurricane Sandy devastated the lives of thousands of New Yorkers. In response to this unprecedented disaster, the federal government committed billions of dollars to New York City for rebuilding and resiliency. It is essential that New York City steward these critical recovery and rebuilding investments efficiently and transparently.

THE PROBLEM

It is unclear to New Yorkers how and where Sandy recovery dollars are being spent. There are too many reports of wage theft and unsafe working conditions in recovery work. Currently, there is no centralized and accessible database tracking Sandy spending or the impacts on recovery and rebuilding jobs in particular.

Wage theft is rampant in Sandy recovery work. Public money used to rebuild NYC should be used to create good jobs for New Yorkers and workers should be protected from wage theft.

- A recent Baruch College study showed that 82% of day laborers conducting Sandy rebuilding work suffered unpaid wages.¹
- Construction workers who rebuilt three hospitals after Hurricane Sandy (Bellevue, Coney Island and Coler-Goldwater Memorial) reported over \$500,000 in unpaid wages which resulted in an investigation by the Office of the NYS Attorney General.²
- A Sandy clean-up and demolition contractor doing work in four retail stores in NYC and Long Island agreed to pay \$65,000 in back wages to more than 100 workers who had been hired from as far as Louisiana and Chicago.³ There are many more cases in which workers continue to be deprived of their wages.

Public reporting on Hurricane-Sandy spending is poor. Reporting is needed to ensure that the public, as well as elected representatives, have the most up-to-date information on the expenditure of public dollars, the impacts of that spending, and whether investments are building economic resiliency in long-struggling communities.

- To date, there is no report that highlights the number of jobs created, where workers are coming from, and the quality of jobs for Sandy recovery and rebuilding projects. NYC is required to file a quarterly report to HUD on the expenditure of funds. Over one year after the disaster, there is still no report and there is no indication that a report is coming soon.
- Reports from other CDBG recipients are often inaccessible, overwhelming, and don't provide data that is useful to the public. In addition, reporting on job data is infrequent and unclear.⁴

Health and safety violations in the construction industry in the wake of Hurricane Sandy are widespread. Public money used to rebuild NYC should not be given to unscrupulous contractors. The public should be aware of contractors with high numbers of worker health and safety violations.

- One study showed that 91% of day laborers conducting Sandy rebuilding work were exposed to hazardous materials, while 64% experienced accidents related to the job. At the same time, over one-in-four workers were not given adequate safety and health equipment on the job.⁵

The potential for fraud and waste is high, as experiences with post-Katrina spending have shown. Tax payer money used for rebuilding efforts should have the highest standards to prevent fraud and waste. Sandy survivors should be protected by an open and accountable reporting system that prevents fraudulent activities.

- An Inspector General report in April 2013, found that \$700 million awarded to help Hurricane Katrina victims

¹ *Day Labor, Worker Center & Disaster Relief Work in the Aftermath of Hurricane Sandy*, Hector Cordero-Guzman et al., Baruch College School of Public Affairs, Oct. 30, 2013, at <http://ndlon.org/en/resources/item/997-report-day-labor-worker-center-disaster-relief-work-in-the-aftermath-of-hurricane-sandy>

² *Contractor Agrees to Pay Hurricane Sandy Recovery Workers \$500G in Back Wages*, Kenneth Lovett, Daily News, Sept. 20, 2013, at <http://www.nydailynews.com/new-york/sandy-recovery-contractor-agrees-pay-500g-back-pay-article-1.1462147>

³ *Contractor to Pay \$65G in Back Wages for Post Sandy Work*, Sarah Crichton, Newsday, Aug. 1, 2013, at <http://www.newsday.com/long-island/nassau/contractor-to-pay-65g-in-back-wages-for-post-sandy-work-1.5814982?p=801070>

⁴ See, for example, Texas' Disaster Recovery Quarterly Reports to HUD, <http://www.glo.texas.gov/GLO/disaster-recovery/reports/index.html>

⁵ *Ibid.*, 1

fortify their homes from future floods is unaccounted for.⁶

- Some organizations report that more than 65% of their clients suffered contractor fraud, and some are still living in gutted or partially built houses, 8 years after Hurricane Katrina.⁷

THE SOLUTION: CITY COUNCIL INT. 1040-A

Int. 1040-A mandates all Sandy-related projects receiving \$100,000 or more to transparently report information on jobs and safety. Information will be easy to access through a public website maintained by New York City and updated monthly.

Contractors and other recipients of Sandy recovery funds will report:

- Number of jobs created and whether they are full-time or part-time, temporary or permanent, and whether they are contracted positions, and a list of subcontractors
- The percentage of employees making up to \$20k/yr, \$20k-\$35k/yr, \$35k-\$50k/yr, and more than \$50k/yr
- Percentage of workers receiving health benefits
- Borough of New York City where each employee resides
- Violations of OSHA, unemployment, worker's compensation, misclassification, employment discrimination, disability, and other labor laws
- Whether contractor is using union apprenticeship or other workforce development programs
- Whether contractor is subject to and in compliance with federal, state, or local prevailing wage laws
- Whether contractor is subject to and in compliance with Section 3 targeted hiring requirements

WHY THIS CAN WORK: EXAMPLES OF BEST PRACTICES

These three websites demonstrate how to effectively and efficiently track public investments in recovery and economic development.

New Jersey's Sandy Transparency online database. This one-stop web site has easy to understand pie charts, and allows users to view fund allocations and expenditures, as well as program descriptions by federal and state agencies, and by counties, and municipalities. In certain cases it provides individual project information.⁸

The Federal government's website, recovery.gov. This database tracks spending under the American Recovery and Reinvestment Act of 2009. Recovery.gov allows the user to search projects by address, zip code, city, or county, and to view all projects in that area. The information available includes the aid recipient's name, funding received, completion status, and the jobs created by quarter.

The New York City Economic Development Corporation's Local Law 62 Project Information Spreadsheet. This database provides information on current recipients of NYCIDA funds. Among the 126 columns of information, the NYCEDC provides the following information on recipients: name of recipient, address of project, type of assistance provided up to current year, in current year, and total amount to be received, estimated job creation and actual job creation by part-time and full-time, temporary and permanent positions, percent of workers earning below \$25,000, \$25,001-\$40,000, \$40,001-\$50,000, and more than \$50,001, percent of workers that are NYC residents and whether the recipient provides health benefits.⁹

The Alliance for a Just Rebuilding urges passage of Int.1040-A to ensure efficient and transparent spending of post-Sandy rebuilding funds and to promote the creation of good local jobs in Sandy-affected communities. For more info, contact Nathalie Alegre at nathalie@alignny.org or (212) 701-9472 or visit www.rebuildajustny.org.

⁶ Office of Inspector General, Memorandum 2013-IE-0803, *Follow-Up of the Inspections and Evaluations Division on Its Inspection of the State of Louisiana's Road Home Elevation Incentive Program Homeowner Compliance*, Mar. 29, 2013, at http://www.hudoiig.gov/sites/default/files/Audit_Reports/2013-IE-0803.pdf

⁷ *Hurricane Katrina was 8 Years Ago, and Still Homes Need to be Rebuilt: Zack Rosenburg*, Times-Picayune, Aug. 28, 2013, at http://www.nola.com/opinions/index.ssf/2013/08/hurricane_katrina_was_8_years.html

⁸ <http://nj.gov/comptroller/sandytransparency/>

⁹ <http://www.nycedc.com/about-nycedc/financial-public-documents>

Contractor to pay \$65G in back wages for post-Sandy work

August 1, 2013 by SARAH CRICHTON / sarah.crichton@newsday.com

A contractor who hired workers for Sandy cleanup and demolition at four retail stores, including one in Nassau County, has agreed to pay back wages and other promised allowances totaling \$65,000 to more than 100 people after an investigation by a nonprofit law firm and the New York attorney general's office.

InStar Services Group LP failed to pay workers their promised wages and overtime, according to a ruling by the attorney general's labor bureau.

After Sandy, it hired subcontractors to supply workers. One, Tennessee-based LA Construction, hired about 150 people to perform duties such as cleaning, demolition and removal of damaged inventory at a Michaels store in Queens, two Staples stores -- one in Lawrence and one on Staten Island -- and a Fairway Supermarket in Brooklyn.

Doris Rivera, 45, a mother of five from upstate Rochester, was one such worker. She said a recruiter told her and about 20 others from Rochester they would be paid \$14 an hour, be put up in a hotel room and given a \$25 allowance a week for food.

"He told us: 'You're going for four months,' " she said, adding the choice to take the job was tough but she did it "because I needed the money."

Once downstate, the story changed, Rivera said. She worked three 10- to 12-hour days and survived on food from the Red Cross. She spent one night in a hotel room -- with eight others. "We slept four nights in our car -- five of us in cold weather -- other people had six in a car. "

Other workers she spoke with had traveled from Miami, Louisiana, Atlanta, Chicago, Albany and Syracuse.

At one point she was directed to the Staples store in Nassau, she said. "They told us, 'It's a complete disaster, you have to clean up, wash floors and walls,' that sort of thing." When they arrived on site, however, the company had hired others to work for \$10 an hour, she said.

Rivera said she was never paid. Workers were told they would be reimbursed for tolls and gas, but that, too, never materialized, she said. Rivera and others documented what they saw with pictures and provided those to the Empire Justice Center, a nonprofit law firm, which investigated and alerted the attorney general's office.

The attorney general's office found there was sufficient evidence to conclude InStar violated New York State labor law, executive law, the Fair Labor Standards Act and other state codes and regulations. While the company neither admitted nor denied the findings, it agreed to pay \$65,000 in back wages and the additional money it had promised workers.

Headquartered in Michigan, InStar provided disaster response to commercial clients nationwide until December, when it was sold. A representative and the company's attorney could not be reached Thursday.

Reyna Ramolette Hayashi, with the Empire Justice Center, said disasters such as Sandy are ripe for wage theft. "I admire these workers for giving voice to so many who are driven into the underground economies that power our cities, that most of us take for granted, especially in times of crisis," she said.



\$700 Million in Katrina Relief Missing, Report Shows

By JEFF ZELENY April 3, 2013 6:19 PM

A new inspector general's report found that about \$700 million awarded to help Hurricane Katrina victims fortify their homes from future floods is unaccounted for, which Congressional leaders say is a troubling sign of the need for tighter controls as Superstorm Sandy rebuilding efforts intensify this spring.

The Department of Housing and Urban Development is pressing the state of Louisiana to recover the money given to homeowners to elevate their houses. But David Montoya, the inspector general of the agency, told ABC News that the likelihood of reclaiming the money was "slim, at best."

"We have \$700 million that we can't account for and that certainly did not go to elevating homes and preventing future damage from storms," Montoya said in an interview in his office in Washington.

"This is money we can't afford to lose. This is money that we don't get back and this is money that we can't put toward other disaster victims."

The cases of government waste and fraud have steadily piled up since Hurricane Katrina ravaged the Gulf Coast in 2005. Federal prosecutors are pursuing criminal charges in New Orleans, including one instance last week in which a New Orleans woman pleaded guilty to making false statements after taking government grants and failing to fix her home.

The Louisiana Road Home program, which allocated \$1 billion to elevate and repair homes to protect them from flooding and storms, was part of the \$29 billion Hurricane Katrina relief effort approved at the time by Congress. The government investigation found that 70 percent of the money has not been accounted for. More than 24,000 homeowners who each accepted grants of \$30,000 were unable to show they used the money to fix their houses.

"There is fault all the way around. Clearly the homeowner accepting up to \$30,000 to elevate their home is at fault for not using the money that it was intended for," HUD's Montoya said.

He added, "Clearly the state's at fault for not doing a better job of due diligence if you will for ensuring that these homes were being elevated."

The state of Louisiana acknowledges that hundreds of millions of dollars from the program have not been accounted for, but officials told ABC News they are working to recover the money and pushing homeowners to restore their houses in hopes of minimizing damage from the next round of floods and storms. Since the federal investigation began last year, the state says that it has already tracked down 5,000 more people who have fixed their homes.

"We are working aggressively with HUD to get the remaining 19,000 homeowners in compliance," said Pat Forbes, who oversees disaster recovery in the administration of Gov. Bobby Jindal of Louisiana.

Sen. Tom Coburn, a member of the Homeland Security and Governmental Affairs Committee, said the lessons from Hurricane Katrina's relief efforts should stand as a stark warning as Hurricane Sandy rebuilding efforts intensify this spring in New Jersey and New York. He said the Obama administration should take steps now to avoid repeating the mistakes of Hurricane Katrina.

Coburn, an Oklahoma Republican who is among the loudest critics on Capitol Hill of government waste, outlined his concerns this week to Housing Secretary Shaun Donovan. In [a two-page letter obtained by ABC News](#), he bluntly declared: "HUD must work to not repeat mistakes from previous programs."

Coburn said HUD should have a plan in place to ensure that people who receive grants use the money for its intended purpose. He said one area of particular concern is the \$16 billion community development block grant program in the Hurricane Sandy aid package, which was signed into law earlier this year by President Obama after intense debate in Congress.

Senior officials at the Housing Department told ABC News that tighter controls are already in place for the Sandy rebuilding effort that were not operative during Hurricane Katrina.

"In the years since Hurricane Katrina, HUD has already implemented a number of the recommendations made by the Inspector General, including additional controls to ensure recovery funds are used properly," said Jerry Brown, a spokesman for the Housing Department.

But the call for stricter accountability in government spending rings hollow in the Gentilly neighborhood of New Orleans, where dilapidated houses remain an eyesore for Felicia Higgins, who said she went through a very "arduous process" to qualify for a government grant to elevate her home.

She believes some of her former neighbors are guilty of fraud.

"It hits you in the face every time you walk out the front door," Higgins said in an interview this week, standing outside her house that sits near abandoned and dilapidated property. "If they aren't going to spend the money for what it was intended, then they need to give it back."

Tina Marquardt, who works at Beacon of Hope, a community organization created to help New Orleans residents rebuild after Hurricane Katrina, said the people who received money from the Road Home Elevation Program should have been monitored to see if they were following the guidelines of the program.

"There needs to be a physical inspection of every property that received Road Home money," Marquardt said, adding that the damage is still taking a toll on New Orleans. "It decreases the quality of life in the neighborhood. It's an eyesore and it decreases the value of your own property."

More than seven years after Hurricanes Katrina and Rita struck the Gulf Coast, the rebuilding still continues, but the effort is underway with more urgency for the victims of Hurricane Sandy. Complicated bureaucratic rules that made it difficult for some homeowners to follow the guidelines of the program have been streamlined, officials said.

In an interview with ABC News, the inspector general said the home elevation programs were valid, but perhaps the owners should receive the money after they have completed their work on their property.

"Before you pay out funding such as this, up to \$30,000 with a promise to do something," Montoya said, "we'd like to see the disbursement of these funds happen after the projects are done; almost a reimbursement to the state where inspections have been done to ensure that the homes were elevated."



New York City Environmental Justice Alliance

**166A 22nd Street
Brooklyn, NY 11232
347-841-4410
nyceja@gmail.com
www.NYC-EJA.org**

Testimony before the New York City Council Committee on Finance:

Proposed Int. 1040-A, A Local Law to amend the administrative code of the city of New York, in relation to the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy.

November 15, 2013

Comments of Natasha Dwyer, New York City Environmental Justice Alliance (NYC-EJA)

Thank you for the opportunity to testify today. My name is Natasha Dwyer and I work as a Policy Organizer for the New York City Environmental Justice Alliance (NYC-EJA).

The New York City Environmental Justice Alliance (NYC-EJA) is a non-profit, citywide membership network linking grassroots organizations from low-income neighborhoods and communities of color in their struggle for environmental justice. In 2010, NYC-EJA launched our Waterfront Justice Project, New York City's first citywide community resiliency campaign to promote climate adaptation strategies in industrial waterfront neighborhoods. In January 2013, NYC-EJA helped convene the Sandy Regional Assembly, a coalition of over 40 community, environmental justice, labor and civic groups from neighborhoods most impacted by Superstorm Sandy (and most vulnerable to future storm surges).

Over the last year the Sandy Regional Assembly has advocated for grassroots-led strategies on how to implement the Sandy rebuilding and promote long-term community resiliency. The Sandy Regional Assembly Recovery Agenda, released in April 2013, included a mix of suggested capital projects and policy recommendations in order to advance the following goals: integrate regional rebuilding efforts with local resiliency priorities; strengthen vulnerable communities and reduce public health threats; and expand community-based climate change planning, disaster preparedness & response.¹

We would like to commend the New York City Council for its efforts to create a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy. The proposed Sandy expenditure database will promote public

¹ The Sandy Regional Assembly Recovery Agenda is available on NYC-EJA's website: http://nyc-eja.org/?page_id=453

engagement in the rebuilding, foster inclusive decision-making, and help to hold recovery projects accountable.

The proposed Sandy expenditure database is also in keeping with the rebuilding principles endorsed by the Sandy Regional Assembly. Most specifically, the Sandy Regional Assembly has called for implementing transparent and democratic decision-making processes throughout the recovery. The Sandy Regional Assembly released an assessment of the Mayors' Special Initiative for Rebuilding and Resiliency (SIRR) Plan and recommendations for the federal Hurricane Sandy Rebuilding Task Force in July 2013.² At that time, we recommended that resiliency and planning operations be required to meet the following criteria:

- Provide regular updates on projects in a public manner (website, community board meetings, etc.); and
- Disseminate information describing the allocation of federal funds, and public status reports on the implementation of recovery and resiliency building projects.

NYC-EJA would also like to endorse the recommendations made by Good Jobs New York, a fellow member of the Sandy Regional Assembly:

- Identify employees in jobs created by Sandy funds by the zip code in which they live instead of by borough;
- Clarify whether current entries already in the database will be updated on a monthly basis; and
- Incorporate data from the Sandy database into EDC's Annual Investments Project report.

Thank you for the opportunity to testify today.

² The Sandy Regional Assembly SIRR Analysis can be found here:
https://dl.dropboxusercontent.com/u/4969505/NYC-EJA/SRA/SandyRegionalAssembly_SIRRAAnalysis_072313.pdf

WORKERS JUSTICE PROJECT | PROYECTO DE JUSTICIA LABORAL

Testimony to the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

November 15, 2013

Good afternoon Chairperson Recchia and members of the New York City Council Committee on Finance. Thank you for the opportunity to provide testimony today.

My name is Ligia Gualpa and I am the Executive Director at the Workers Justice Project (WJP). The mission of the Workers Justice Project is to empower low-wage immigrant workers to gain a voice in the workplace and build strong and economically sustainable communities through education, organizing, leadership development, and the growth of grassroots economic alternatives.

I am here to express Workers Justice Project's strong support of the Sandy Tracker Bill (Intro. 1040-A) and urge the committee to bring the bill to the full body of the City Council for swift passage into law. We would also like to present some recommendations to further improve the bill for your consideration.

When Hurricane Sandy struck our shores in South Brooklyn, the Workers Justice Project (WJP) was among the first community organizations to respond to workers' safety needs, ensuring access to safety training and personal protective equipment – including gloves, masks, helmets, jackets and earplugs – to help protect workers from hazardous conditions and dangerous chemicals.

Hiring sites such as the Parkway Community Job Center go a long way to improve working conditions. The center facilitates fair, living wage jobs between employers and workers, offers trainings and workshops and connects workers with community resources. In the last six months alone, the center facilitated a total of 678 jobs, resulting in more than \$270,000 in salaries with fair wages and dignified conditions.

Despite these efforts, several problems have arisen in recovery and rebuilding in the wake of Hurricane Sandy. During the reconstruction, the hiring of immigrant workers by contractors and subcontractors became more prevalent as New York City made the first Sandy aid package available to restore or rebuild homes. Unscrupulous contractors and subcontractors, who paid even less than individual homeowners, abused and overworked workers, compromising their health and safety. For instance, the New York Daily News recently reported that subcontractors hired by Signal Restoration Services, a national company, paid workers \$10-12 per hour with no overtime for post-Hurricane Sandy restoration work. According to the report, the workers should have been paid at least \$16.99 an hour and \$25 to \$49 an hour for overtime.

There are too many reports of wage theft and unsafe working conditions in recovery work. Currently, there is no centralized and easily accessible database for both the public and elected officials to track Sandy spending. It is not easy monitor whether Sandy-impacted communities are getting adequate aid or whether the most economically vulnerable communities are actively gaining on benefits in the shape of jobs through recovery and rebuilding investments.

Wage theft has become rampant in Sandy recovery work. A recent Baruch College study that the Workers Justice Project participated showed that 82% of day laborers conducting Sandy-rebuilding work suffered unpaid wages. In one prominent example, a Sandy clean-up and demolition contractor doing work in four retail stores in NYC and Long Island agreed to pay \$65,000 in back wages to more than 100 workers who had been hired from as far as Louisiana and Chicago.

WORKERS JUSTICE PROJECT | PROYECTO DE JUSTICIA LABORAL

Health and safety violations in the construction industry in the wake of Hurricane Sandy are widespread. One study showed that 91% of day laborers conducting Sandy-rebuilding work were exposed to hazardous materials, while 64% experienced accidents related to the job. At the same time, over one-in-four workers were not given adequate safety and health equipment on the job.

There is no easy way to assess whether investments are building economic resiliency in high-need, vulnerable communities that were struggling even before the storm hit. Hurricane Sandy exposed and exacerbated deep inequities felt across New York City. Many neighborhoods affected by Sandy were already among some of the most economically vulnerable. For example, Far Rockaway, Queens, had 11% unemployment and a median household income of \$38,415 before Sandy made landfall. After Sandy, these neighborhoods are experiencing even more pronounced economic setbacks. With billions of dollars in rebuilding and resiliency investments on the way, it is important to assess whether Sandy recovery dollars are creating economic benefits for vulnerable communities, particularly focusing on good jobs.

Comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step toward achieving a just and equitable recovery for all. Enactment of the Hurricane Sandy Tracker Bill will ensure efficient and transparent spending of post-Sandy rebuilding funds and promote the use of responsible employers and the protection of workers' dignity in publicly-funded rebuilding projects. In addition, the bill will provide an important tool for communities to monitor how and where rebuilding is occurring, and the ability to gauge if benefits, including job opportunities, are adequately reaching them. The Hurricane Sandy Tracker bill addresses many of the problems outlined by creating an easily accessible online database listing vital and detailed information about projects, including specifics on job creation and job quality, whether recipients abide to labor and worker protection laws, Section 3 targeted hiring compliance, among others. NYC's Sandy Tracker Bill draws from and builds upon several reporting best practices that are already in place in many programs around the country, including some here in New York City.

We would like to offer the following recommendations for further improvement of this important piece of legislation:

- The current version of the Sandy Transparency bill does not require the collection of employment information by zip code, but only requires borough-level reporting. Zip code-level reporting is important to enable more detailed analysis of whether the most economically vulnerable neighborhoods are both getting adequate aid and actively gaining on economic benefits in the shape of jobs. This information is readily available through payroll information and has been done on other citywide projects. We encourage the Committee to change this requirement to be reported at the zip code level.
- It is unclear from the proposed legislation whether it will allow the data to be available in a non-proprietary, downloadable database. Online databases are most useful if the data can be easily downloaded into an excel document that can be sorted and analyzed. We encourage this to be included in the legislation.
- We encourage the committee to also ensure reporting enforcing mechanisms are clearly put in place.

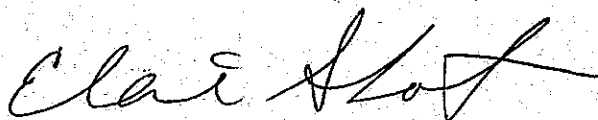
The Workers Justice Project strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.

Good Morning, Chairperson Recchia and members of the City Council, my name is Elaine Short I am a residence of the Far Rockaway area and a member of the Organization Faith in New York. I am in favor of the int.1040-A bill which mandates all of Sandy related projects be tracked.

Sandy created a despair desolated gloomy Far Rockaway due to hundreds of people losing their jobs, business being destroyed, homes ruined. Jobs must be created and tracked in our area. For in the Far Rockaway area people were put to work to renovate or rebuild some homes and businesses (not a lot) but before the work was completed the local workers who lived in the area lost their jobs while other workers who lived outside of the Rockaway area retained their job.

Health and safety violations are very important not only to the employees to insure that they are given adequate and safe equipment, but there should also be some type of tracking done to insure that the air quality is being controlled. When projects are being done or demolitions take place instead of leaving molding debris or hazardous materials on the sidewalk, maybe it could be covered, or removed immediately. This action will create jobs, in having a team to remove debris during the same time the construction is taking place. Some type of reporting mechanism should be tracked and enforce to ensure the health and safety of the community residence and the laborers.

So Faith in New York and the residence of the Rockaways fully recommends the passage of this bill into law.

A handwritten signature in cursive script, appearing to read "Elaine Short". The signature is written in dark ink on a light-colored background.



LOCAL 78

ASBESTOS, LEAD & HAZARDOUS WASTE LABORERS

30 CLIFF STREET, 6th FLOOR
NEW YORK, NY 10038-2825

Tel. (212) 227-4803
Fax: (212) 406-1800

**Testimony to the New York City Council Committee on Finance
regarding the creation of a database to track the expenditure of funds
in connection with recovery efforts in the wake of Hurricane Sandy
(Intro. 1040-A)**

New York City Council
250 Broadway
New York, NY 10007

November 15, 2013

Good afternoon Chairperson Recchia and members of the New York City Council Committee on Finance. Thank you for the opportunity to provide testimony today. My name is Stephen Benavides and I am the Director of Research at Local 78 --Asbestos, Lead, Hazardous Waste Laborer's, which is part of the 500,000 member strong Laborers' International Union of North America(LIUNA).

LIUNA Local 78 represents asbestos, lead and hazardous waste handlers, including disaster response in New York City, Long Island and New Jersey. Local 78's 4,000 members are the hard-working employees for nearly 200 signatory environmental contractors, performing 90% of all asbestos and hazardous waste removal in the area.

Our mission is to ensure that when disaster strikes, whether it is in the form of a terrorist attack or a natural disaster, that workers who respond first are trained, equipped and certified to do the job required. In doing so we protect the public at large from exposure to hazardous and cancer causing contaminants and waste released during these types of events. We ensure that residents, government agencies, and companies are protected from fraud, and that the job is done right the first time. We ensure that workers receive the pay they deserve for such dangerous work, and are protected from exposure to hazardous materials.

I am here to express Local 78's strong support of the Sandy Tracker Bill (Intro. 1040-A) and urge the committee to bring the bill to the full body of the City Council for swift passage into law. We would also like to present some recommendations to further improve the bill for your consideration.

When Hurricane Sandy struck New York City, Long Island, and New Jersey, Local 78 put all of its' members to work around the clock in order to clean up the catastrophic damage caused. We worked alongside out of state contractors who sent workers into toxic disaster sites without training or protection, violated health and safety standards, paid workers cash under the table or did not pay them at all, provided low quality and unprofessional work, and then watched them escape back to where they had come. These out of state contractors extracted income and resources which may have gone to affected communities, decreased or eliminated tax revenue for the city, and were effectively held irresponsible for the exploitation of residents and workers.

Comprehensive public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step toward achieving a just and equitable recovery for all.

Enactment of the Hurricane Sandy Tracker Bill will ensure efficient and transparent spending of post-Sandy rebuilding funds and promote the use of responsible employers and the protection of workers' dignity in publicly-funded rebuilding projects. In addition, the bill will provide an important tool for communities to monitor how and where rebuilding is occurring, and the ability to gauge if benefits, including job opportunities, are adequately reaching them. The Hurricane Sandy Tracker bill addresses many of the problems outlined by creating an easily accessible online database listing vital and detailed information about projects, including specifics on job creation and job quality, whether recipients abide to labor and worker protection laws, Section 3 targeted hiring compliance, among others. NYC's Sandy Tracker Bill draws from and builds upon several reporting best practices that are already in place in many programs around the country, including some here in New York City.

We would like to offer the following recommendations for further improvement of this important piece of legislation:

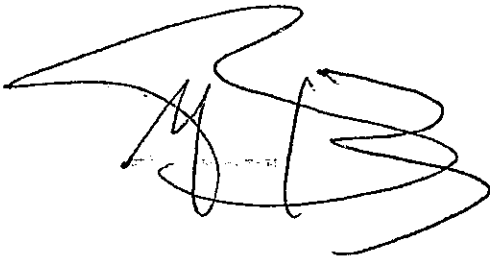
- Local 78 recommends that local, state, and federal funds distributed to contractors for any and all Hurricane Sandy funded projects are tracked retroactively to day zero. This is to ensure that all funds are accounted for, not just those allocated directly before or after passage of the Sandy Tracker Bill (Intro. 1040-A). This will help identify potentially

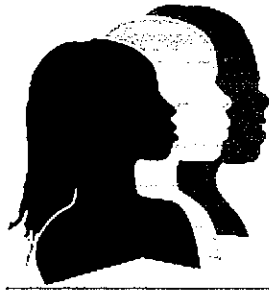
predatory and fraudulent contractors during the cities most vulnerable early days, and throughout the rebuilding and rehabilitation process.

- Local 78 recommends that all subcontractors performing work on the project be subject to the same reporting requirements as the primary recipient or contractor. This is to ensure that workers employed by sub-contractors are protected from wage theft, health and safety violations, and receive proper training, certification or licensing, as required by law. It also protects residents from low quality and unprofessional work, and that the job is done right the first time.
- Local 78 recommends that in addition to reporting whether or not a contractor has been found by a court or a government agency to have violated federal, state or local laws relating to occupational safety and health, unemployment, workers compensation, employee misclassification, employment discrimination, employment disability, or other labor laws; that contractors also be required to report participation and/or membership in any and all disaster response or emergency management associations and/or organizations.

Laborers' Local 78 strongly encourages the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue. Thank you for your time.

Stephen Benavides
Director of Research
Laborers' Local 78
30 Cliff St. 6th Fl.
New York, NY 10038

A handwritten signature in black ink, appearing to be 'S Benavides', written over a faint, illegible stamp or watermark.



**COMMUNITY
VOICES HEARD**

fighting for our families. fighting for our communities. fighting for ourselves.

www.CVHaction.org

**Testimony to the New York City Council Committee on Finance
Regarding the Creation of a Database to Track the Expenditure of Funds
In Connection with Recovery Efforts in the Wake of Hurricane Sandy (Intro. 1040-A)**

November 15, 2013

Hello. My name is Danielette Horton and I am a member of Community Voices Heard (CVH) and a resident of Hammel Houses in The Rockaways. Thank you for the opportunity to provide testimony today.

Community Voices Heard is a member organization of low-income people building power in New York City and State to improve the lives of our families and communities. CVH brings together public housing residents from all five boroughs of the City to fight to maintain and improve public housing. Since Hurricane Sandy, CVH has been working with public housing residents in The Rockaways, Coney Island and Red Hook...making sure that our voices and needs are not forgotten in the rebuilding effort.

I am here to express Community Voices Heard's support of the Sandy Tracker Bill (Intro. 1040-A) and urge the finance committee to bring the bill to the full body of the City Council for quick passage into law.

We want transparency on how money is spent in the rebuilding process. We need transparency. We deserve transparency.

We've been through a lot. I evacuated during Sandy. My daughter and granddaughter stayed in The Rockaways. They were terrified. I came back two days after the Hurricane. When I came back, there were no lights, no stores, no food; everything was down. The community was devastated. We had no hot water and heat for three weeks. We had to get food from handouts.

A year has passed since the Hurricane, but we still haven't fully recovered. There's still a lot of work to be done to rebuild.

I went to a teach-in about Sandy money. Public housing got over \$100 Million. NYCHA supposedly is getting money for emergency repairs and increasing resiliency for future floods.

New York City (main office)
115 East 106th St.,
3rd Floor
New York, NY 10029
Tel: 212-860-6001
Fax: 212-996-9481

Yonkers
28 N Broadway,
2nd Floor
Yonkers, NY 10701
Tel: 914-751-2641
Fax: 914-751-2642

Newburgh
98 Grand St.
Newburgh, NY 12550
Tel: 845-562-2020
Fax: 845-562-2030

Poughkeepsie
29 North Hamilton St.,
Suite L03
Poughkeepsie, NY 12601
Tel: 845-790-5945
Fax: 845-790-5946

I don't know what's happening with the money. They're not coming to fix stuff. With the storm that hit us, we need our infrastructure updated and fixed. One of the maintenance men told me they are supposed to be putting up a new green roof. At the last meeting NYCHA called, they were talking about doing the manhole we have, and fixing the boiler room from the ground floor to higher ground, etc. They are supposed to be fixing the community center. Cabinets need replacing. Walls need painting. Floors need polishing and waxing. Rats need exterminating.

But I haven't seen anybody working. I saw someone fix a manhole under the building. That was about it.

They keep saying they don't have any supplies and they're short staffed.

With Sandy, we need the infrastructure rebuilt and updated.

We don't know where the money is. We want to know what they're going to do. If they're going to hire more people, how are they going to do that?

The people in the community – the young men and young ladies that are unemployed - should be able to get jobs. We need to make sure that the City is following Section 3 and that public housing residents are getting a good share of the jobs on projects in our developments.

We want to see how the federal money coming in is spent and what it's spent on. We want transparency on how the housing money is going to be spent. And we want people hired in our community.

There is currently no way to tell if people and places that need support the most are getting it. Millions of dollars have been sent to the City and millions more are on their way. Yet, there is no easy way for us to know where the money is going, who is getting the rebuilding jobs, and if these jobs are good jobs.

We need to make sure that money is going to the communities and places that need it most.

Public reporting of the use of federal funds in post-Sandy recovery and rebuilding in New York City is a critical first step toward achieving a just and equitable recovery for all.

For this reason, Community Voices Heard and public housing residents strongly encourage the movement of this bill into the full body of the City Council and its passage into law. We look forward to working with all Council Members to support this issue.

Thank you for your time.

WORKERS JUSTICE PROJECT | PROYECTO DE JUSTICIA LABORAL

Testimony to the New York City Council Committee on Finance regarding the creation of a database to track the expenditure of funds in connection with recovery efforts in the wake of Hurricane Sandy (Intro. 1040-A)

November 15, 2013

Good morning everyone!

My name is Antonio Sanchez, father of two children. I am a member of The Bay Parkway Community Job center, which is part Worker Justice Project. Also, I am representing the Alliance for a Just Rebuilding.

A few days after Hurricane Sandy hit our shores, I worked in Manhattan Beach and Coney Island, pumping dark water, removing sand, wet clothes, damaged furniture, demolishing moldy walls from the homes that were flooded. I worked more than 10 hours per day, earning \$ 10 an hour. I had removed debris and filled the dumpsters with no gloves, no masks, no boots, or any other basic protective equipment.

While I was doing this work I did not know what I was being exposed to. No local, state or federal agency ever approached me to inform me about the dangerous working conditions I was being exposed. I was not train how to protect myself or nor provided the most basic personal protective equipment.

Like myself, hundreds of other immigrant workers were among the first to respond to the cleanup and reconstruction in most affected areas. A month later, the Worker Justice Project provided health and safety training to ensure workers are protected when being exposed to hazardous working conditions. This type of unsafe conditions and wage theft are very common in the construction industry and immigrant laborers like me, are the most vulnerable to these injustices.

Also violations of health and safety laws are very common. And I'm not the only one to suffer these injustices. In a recent study on day laborers we found that 82% of the workers who participated in rebuilding after Sandy, have been victims of wage theft and 91% were exposed to hazardous materials.

PUBLIC MONEY USED TO REBUILD NYC SHOULD NOT GO TO UNSCRUPULOUS CONTRACTORS WHO DO NOT RESPECT OUR RIGHTS. OPENING UP THE BOOKS ON SANDY RECOVERY WORK IS EXTREMELY CRITICAL TO PROMOTE THE USE OF RESPONSIBLE CONTRACTORS WHO WILL RESPECT US. Knowing where the money is going, who is getting the contracts, and obtaining specific information on jobs and health and safety violations will help our city assess whether Sandy investments are taking care of people or further perpetuating the abuse of the most vulnerable.

I stand in supporting of the Sandy Tracker Bill Intro 1040-A and urge its quick passage into law.



November 15, 2013
Council Member Domenic Recchia
New York City Council
City Hall
New York, NY 10007

Dear Council Member Recchia:

We write today as active supporters of New York State's open data efforts to support the creation of transparency sites and databases that increase spending and fiscal transparency by New York City and State agencies. Accordingly, we think creating such a database for Sandy-related spending contracting expenditures is publicly beneficial.

We recommend that such a database:

- Comply with NYC Administrative Code, Title 23, Chapter 5: Accessibility to Public Data Sets (i.e. NYC's Open Data Law). The datasets that are accessible through the database interface should also be fully available on the NYC Open Data portal in disaggregate form.
- Be updated every time the Sandy-related spending database is updated, or with reasonable frequency.
- Be created with input from NYC's technology community, with particular attention to usability.

Thank you for considering our request, and thank you for taking up this important issue for discussion.

Sincerely,

Noel Hidalgo
Executive Director
BetaNYC, a Code for America Brigade

Dick Dadey
Executive Director
Citizens Union

Susan Lerner
Executive Director
Common Cause NY

Ashton Stewart
Executive Director
NYC League of Women Voters

Gene Russianoff
Senior Attorney
NY Public Interest Research Group

Frank Hebbert
Executive Director
OpenPlans

John Kaehny
Executive Director
Reinvent Albany

Hon. Domenic M. Recchia, Jr., Chair
Committee on Finance
New York City Council
250 Broadway, Suite 1785
New York, NY 10007

Re: Int. 1040-A, Database to Track Expenditure of Sandy Recovery Funds

Dear Council Member Recchia:

I write to urge your support for Int. 1040-A, which would advance important accountability and policy goals in connection with the significant expenditure of public funds associated with efforts to recover from Hurricane Sandy. As set forth in more detail below, adoption of 1040-A would, among other things, enable the City to address a pressing need to prevent wage theft in the construction sector. Further, collecting the data required under 1040-A would bring the City into line with best practices nationwide for tracking outcomes associated with government-funded economic development and construction projects.

The Community Benefits Law Center has worked with countless organizations and local governments on measures to ensure greater levels of accountability in connection with publicly-funded economic development, construction and other projects. The Center's attorneys have negotiated, designed and helped implement systems in multiple cities for monitoring of job quality, employer responsibility, job access and fiscal impact. Based on that experience, we believe Int. 1040-A would create a modest but effective tool for accountability to an appropriate set of outcome measures for the expenditures associated with Sandy recovery projects.

Through our work in construction, we have come to appreciate the rampant nature of wage theft in that sector. Over the last decade, a series of localized and national studies of construction work have painted a consistent picture: a substantial share of construction workers, especially day laborers, are paid less than what they were promised and less than what the law requires. Int. 1040-A would put in place a vital safeguard against this kind of wage theft in the form of effective, specific, publicly-available reporting of wages and benefits by contractors working on Sandy projects.

Reporting of the type required under Int. 1040-A has been widely and successfully used on publicly funded construction projects. In particular, laws, policies and agreements currently governing billions of dollars worth of construction and economic development assistance require the reporting of the same or similar measures of job quality, employer responsibility and worker residency. Cities such as Austin, Los Angeles, Milwaukee, Memphis, Oakland, Portland and Seattle have all adopted measures requiring precisely this type of reporting to ensure genuine accountability in meeting core goals of creating good jobs for local and disadvantaged residents and doing business with responsible companies. Several of these localities have used online

reporting tools to effectively enable all interested parties to verify the outcomes achieved through the expenditure of public funds.

For these reasons, I respectfully request your support for Int. 1040-A. Thank you for your consideration of our views on this important piece of legislation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Benjamin S. Beach". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Benjamin S. Beach
Director

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040-A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Natasha Dnyo

Address: 1616 Beverly Rd BROOKLYN

I represent: NYC Environmental Justice Alliance

Address: 166A 22nd St Brooklyn NY 11232

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 10/15/13

(PLEASE PRINT)

Name: Antonio Sanchez

Address: 667 49 St Brooklyn NY

I represent: Bay Parkway Center Job

Address: 8973 Bay Parkway Brooklyn NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040A Res. No. _____

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: Joseph McVollor

Address: 10304 39th Ave Corona, 11368

I represent: Faith in New York

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040-A Res. No. _____

in favor in opposition

Date: 11/15/2013

(PLEASE PRINT)

Name: NATASHA DWYER
Address: 166A 22nd ST. BROOKLYN NY 11232

I represent: NEW YORK CITY ENVIRONMENTAL JUSTICE
Address: Alliance

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040-A Res. No. _____

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: Eldine Shortt
Address: 324 Beach 57th Street

I represent: Faith In New York
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040-A Res. No. _____

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: Fazeela Siddiqui
Address: 120-46 Queens Blvd, Kew Gardens

I represent: The Legal Aid Society
Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. _____

in favor in opposition

Date: _____

Name: Bettina Damiani (PLEASE PRINT)

Address: _____

I represent: Good Jobs New York

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. _____

in favor in opposition

Date: _____

Name: Josh Kellermann (PLEASE PRINT)

Address: 20 Broadway, NY, NY

I represent: ALIGN

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

Name: Melissa McCrumb (PLEASE PRINT)

Address: _____

I represent: Make the Road NY

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 104040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: LIGIA GUALLIPAN + Antonio Sanchez

Address: _____

I represent: WORKERS JUSTICE PROJECT

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: VALERIA TREVES + NATALIA NAVAS

Address: _____

I represent: NEW IMMIGRANT COMMUNITY EMPOWERMENT

Address: _____ (NICE)

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: CHARLENE OBERNAUER

Address: _____

I represent: LONG ISLAND JOBS WITH JUSTICE

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 110410 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: DANIEL E. HORTON

Address: _____

I represent: COMMUNITY VOICES HEARD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: NATALIE ALEGRE

Address: NATALIE ALEGRE

I represent: ALLIANCE FOR A JUST REBUILDING

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: FAZEELA SIDDIQUI

Address: NATALIE ALEGRE

I represent: LEGAL AID SOCIETY

Address: _____

Please complete this card and return to the Sergeant-at-Arms.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 4040 Res. No. A

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: JENNIFER SCHMIDT

Address: _____

I represent: QUEENSAIDE GARAGE SERVICES

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: GUSTAVO DUARTE

Address: _____

I represent: M & G CONSTRUCTION

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: BETTINA DAMIANI

Address: _____

I represent: GOOD JOBS NY

Address: _____

▶ Please complete this card and return to the Sergeant-at-Arms ◀

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: SHIRLEY ALDEBOL

Address: _____

I represent: SEIU 32BJ

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: STEPHEN BENAVIDES

Address: _____

I represent: LIUNA LABORERS LOCAL 78

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1040 Res. No. A

in favor in opposition

Date: 11/15/13

(PLEASE PRINT)

Name: JOSH KELLERMAN

Address: _____

I represent: ALIGN: THE ALLIANCE FOR A GREATER
NEW YORK

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Rev. Dr. Cheryl Anthony

Address: 141 Rogers Avenue

Judaah International Christian Center

I represent: Brooklyn Longterm Recovery Group / chair

Address: Brooklyn, NY 11216

Please complete this card and return to the Sergeant-at-Arms