

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON CAPITAL BUDGET JOINTLY WITH  
COMMITTEE ON RESILIENCY AND WATERFRONTS

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January 30, 2020  
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B E F O R E: Vanessa L. Gibson  
Chairperson

Justin L. Brannan  
Chairperson

COUNCIL MEMBERS: Costa G. Constantinides  
Ruben Diaz, Sr.  
Deborah L. Rose  
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Mark Gjonaj  
Barry S. Grodenchik  
Steven Matteo  
Helen K. Rosenthal

## A P P E A R A N C E S (CONTINUED)

Jainey Bavishi, Director, Mayor's Office of Recovery

Christopher Blanco, Mayor's Office of Management and Budget, Senior Assistant Director for FEMA Disaster Recovery and Homeland Security Grants

Calvin Johnson, Mayor's Office of Management and Budget, Senior Assistant Director for Community Development Block Grant Disaster Recovery

Amy Peterson, Director, Mayor's Office of Housing Recovery Operations

Karen Imas, Senior Director of Programs, Waterfront Alliance

Pria Molgankar, Resiliency Planner, New York City Environmental Justice Alliance NYEJA

Catherine Hughes, Financial District Neighborhood Association

1 SUBCOMMITTEE ON CAPITAL BUDGET JOINTLY WITH  
2 COMMITTEE ON RESILIENCY AND WATERFRONTS

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2 (sound check) (pause) (gavel)

3 CHAIRPERSON GIBSON: Good morning ladies  
4 and gentlemen. Welcome to the City Council Chambers.  
5 I am Council Member Vanessa Gibson. I'm proud to  
6 represent District 16 in the Borough of the Bronx,  
7 and I serve here in the City Council as the Chair of  
8 the Subcommittee on Capital Budget, and I am glad to  
9 be joined by my wonderful co-chair, Chair Justin  
10 Brannan who is the Chair of the City Council's  
11 Committee on Resiliency and Waterfronts. Today, we  
12 will examine a topic of wide interest and importance  
13 to the entire City of New York namely the progress of  
14 spending the federal funds allocated to the City of  
15 New York after Super Storm Sandy struck in October of  
16 2012. It's hard to believe that over seven years  
17 have passed since Super Storm Sandy ravaged our city  
18 causing \$19 billion in physical damage across the  
19 five boroughs. Yet, during those intervening years  
20 this Administration has worked extremely hard  
21 ensuring that billions of federal dollars flowed into  
22 the city's coffers to make a significant dent in the  
23 funding that we truly need to rebuild and strengthen  
24 for future extreme weather events. And to their  
25 credit, the Administration delivered with nearly \$17

3 billion in federal funding from various sources being  
4 allocated to the City of New York for storm recovery  
5 and resilience work. Today's hearing this morning  
6 will focus on the portion of that funding that is  
7 directly administered by the city and more  
8 specifically, the two largest pots of funding, which  
9 are the Federal Emergency Management Agency's Public  
10 Assistance better known as a FEMA PA grant as well  
11 as the Community Development Block Grant Disaster  
12 Recovery better known as CDBGDR Funds. In total,  
13 following the Super Storm Sandy, the city was awarded  
14 \$9.9 billion in FEMA PA Grants, and \$4.2 billion in  
15 CDBGDR funds. In coordination with our state and  
16 federal officials, the city has decided how to divide  
17 this funding between agencies and program areas. In  
18 order to obtain authority to spend the FEMA PA funds,  
19 the Administration has had to complete hundreds of  
20 project worksheets one for each separate project  
21 being funded, and each detailing the scope of work  
22 and the estimated cost of the project. For the  
23 CDBGDR funds, the Administration compiled and then  
24 amended over 20 times a comprehensive action plan  
25 specifying the programs and projects that will be  
completed using that money. There is no denying the

3 painstaking amount of work and tens of thousands if  
4 not more, of pages of documents and paperwork that  
5 have gone into guaranteeing that the City of New York  
6 maximize the federal dollars that it has received,  
7 and we commend the Administration on a job well done.  
8 What we here to examine today now that we have  
9 federal funding secured, and now that the project  
10 worksheets and the action plans have been approved,  
11 what is our city doing to ensure that the dollars are  
12 being deployed as quickly as possible, and  
13 efficiently as possible so that the city residents  
14 who live in our great city who are still suffering as  
15 a result of Sandy can truly feel the relief from  
16 completed projects. Seven years has passed since  
17 Sandy hit, and yet in many instances we are still  
18 waiting to initiate or proceed with federally funded  
19 capital projects. Only around 51% of the FEMA PA  
20 funds have been expended, but whereas some agencies,  
21 as an example DSNY Sanitation has spent over 80% of  
22 their funding. Others like Health and Hospitals and  
23 NYCHA are lagging behind. While about 82% of the  
24 CDBGDR funds have been spent, we recognize there is a  
25 September 2022 deadline to spend the rest. So,  
today, we hope to be assured by the Administration

3 that all steps are being taken to spend the federal  
4 funds as soon as possible and to hear the plans and  
5 the timelines for doing so. Before I turn the mic  
6 over to my Co-Chair, I'd like to thank the Finance  
7 Division and the staff who prepared for today's  
8 hearing, and put together a number of data and all  
9 the paperwork that we are truly grateful for as the  
10 Council. Our Senior Counsel Rebecca Chasen, our  
11 Senior Financial Analyst Jonathan Seltzer. We also  
12 want to thank your Deputy Director Nathan Toth, and  
13 all of the Finance Division for their work. We also  
14 want to thank the staff of the Committee on  
15 Resiliency and Waterfronts for their work as well. I  
16 also want to acknowledge that we've been joined by  
17 our colleagues on the Subcommittee, our Miniority  
18 Leader Steve Matteo, Council Member Barry Grodenchik,  
19 and Council Member Helen Rosenthal, and throughout  
20 the morning we will be joined by other members of  
21 both committees, and with that, I turn this hearing  
22 over to my wonder Co-Chair, the Chair of the  
23 Committee on Resiliency and Waterfronts, Council  
24 Member Justin Brannan.

24 CHAIRPERSON BRANNAN: Thank you so much,  
25 Chair. Good morning everyone. My name is Justin

3 Brannan, and I have the privilege of chairing the  
4 Committee on Resiliency and Waterfronts. I want to  
5 also welcome you to our hearing regarding an update  
6 on Super Storm Sandy Federal Funding today. I also  
7 want to extend my thanks to Chair Gibson. I'm excited  
8 to hold this hearing together with her in the  
9 Subcommittee on Capital Budget. This hearing today  
10 will provide our committees with an opportunity to  
11 hear from the City's Housing Recovery Office, the  
12 Office of Resiliency, the Office of Management and  
13 Budget about the \$15 billion in federal funding the  
14 city received after Super Storm Sandy, and how that  
15 funding has been spent thus far. When Super Storm  
16 Sandy hit the city on October 29, 2012, it's massive  
17 storm surge and wind and the resultant flooding left  
18 many communities throughout the five boroughs under  
19 water. Approximately 300 homes were destroyed, 44  
20 lives were lost, and it caused an estimated \$19  
21 billion in damages and lost economic activity. On  
22 January 29, 2013, President Obama signed into law the  
23 Sandy Recovery Improvement Act of 2013 and the  
24 Disaster Relief Appropriations Act, which authorized  
25 approximately \$60 billion for disaster relief  
agencies in the areas affected by Sandy. The city

3 received \$17 billion of that, which approximately \$15  
4 billion to be used for recovery and resiliency  
5 projects. Of this, \$4.2 billion is funded through  
6 HUD, through the Urban Development—the Community  
7 Development Block Grant Disaster Recovery Program,  
8 and of the \$4.2 billion, approximately \$473 million  
9 has been allocated for Coastal Resiliency Projects.  
10 This is a reimbursement program and the city must  
11 spend the money by September 30, 2022 or it will be  
12 forfeited. Some projects include the East Side  
13 Coastal Resiliency Project, which Coastal Resiliency  
14 Project, which is expected to break ground this  
15 spring raising shorelines, and the Hunts Point  
16 Lifelines Project, and Resiliency Project  
17 improvements in Coney Island, Breezy Point and  
18 Sheepshead Bay. However, the city has spent less  
19 than \$80 million so far. That's less than 20% of  
20 what the city must spend. If we don't spend it, we  
21 will lose this grant allocation, and even though many  
22 of the housing, business, and infrastructure programs  
23 around are at or near completion, the Resiliency  
24 Programs, which are critical to protect the people  
25 and infrastructure in the city are either still in  
the planning stages, or have not yet seen significant



3 investment or reimbursement. The majority of the  
4 CDBGDR allocation is for housing recovery, of which  
5 \$2.6 billion has been allocated for the Build It Back  
6 program. Although approximately 99% of homeowners  
7 who remained in the program have received their full  
8 benefit through construction reimbursement, rental  
9 assistance or acquisition of their home, Build It  
10 Back encountered many issues at the outset, and the  
11 city is seeking additional funding to close out the  
12 program. Today, we'll have the opportunity and look  
13 forward to discussing this program in greater depth  
14 at our committee's hearing on February—next month,  
15 February 10<sup>th</sup>. The majority of federal funds the  
16 city was awarded from FEMA the \$9.9 billion was \$8.2  
17 billion for permanent work like resiliency projects,  
18 but the city has only spent half of this amount so  
19 far. We want to know why. It's now more than seven  
20 years since Super Storm Sandy hit the city, and even  
21 though the FEMA grants do not have a deadline by  
22 which we must spend the money, by delaying the use of  
23 funds already earmarked for the city's use, we are in  
24 jeopardy of being unprepared when the next storm  
25 inevitably hits because we all know it's not a  
question of if but of when. Today we look forward to

3 hearing Administration's testimony and answering our  
4 questions about the city's progress in spending the  
5 federal funds and how funding for these projects has  
6 been prioritized. Before we begin, I want to thank  
7 my committee staff, Committee Counsel Jessica  
8 Steinberg Albin, Senior Policy Analyst Patrick  
9 Mulvihill, Senior Finance Analyst Jonathan Seltzer  
10 and my Senior Advisor John Yennan (sp?) and, of  
11 course, Council staff from the Subcommittee on  
12 Capital Budget for all their hard works behind-behind  
13 the scenes in putting this hearing together, and with  
14 that I will hand it back over to Chair Gibson.

15 CHAIRPERSON GIBSON: Thank you, Chair  
16 Brannan, and once again, welcome, good morning. We  
17 will now hear testimony from Jainey Bavishi from the  
18 Mayor's Office of Recovery and Resilience after you  
19 are sworn in by our Counsel, and we also want to  
20 acknowledge that we are joined by Christopher Blanco,  
21 and Calvin Johnson from the Mayor's Office of  
22 Management and Budget as well as Amy Peterson from  
23 the Housing Recovery Office who are present here  
24 today to answer any questions that my colleagues and  
25 I may have. Welcome and thank you for being here and

3 now we will have our Counsel Swear you in for today's  
4 testimony. Thank you.

5 LEGAL COUNSEL: Do you affirm that your  
6 testimony will be truthful to the best of your  
7 knowledge, information and belief?

8 FEMALE SPEAKER: [off mic] I do.

9 CHAIRPERSON GIBSON: (off mic) You may  
10 begin.

11 JAINEY BAVISHI: Good morning. I am  
12 Jainey Bavishi, Director of the Mayor's Office of  
13 Resiliency. I would like to thank Chair Brannan of  
14 the Resiliency and Waterfronts Committee and Chair  
15 Gibson from the Capital Budget Subcommittee for the  
16 opportunity to testify here today. I would also like  
17 to acknowledge my colleagues Calvin Johnson and Chris  
18 Blanco from the Office of Management and Budget, and  
19 Amy Peterson, Director of the Mayor's Office of  
20 Housing Recovery Operations. They'll be joining me in  
21 answering your questions. The Office of Management  
22 and Budget in particular plays a critical role in  
23 managing New York City's federal Disaster Recovery  
24 Funds, and tracking how these funds are spent by a  
25 wide variety of city agencies. As you know,  
Hurricane Sandy Hurricane Sandy was the most

3 catastrophic natural disaster in New York City's  
4 history. The storm's strong winds and immense storm  
5 surge devastated entire communities cause \$19 billion  
6 in damages and tragically taking the lives of 44 New  
7 Yorkers. Given the immensity of the damage, it was  
8 immediately clear that the federal—that federal  
9 assistance would be required to help New York City  
10 recover. Congress agreed and through a series of  
11 appropriations allocated over \$14 billion in grants  
12 for Sandy recovery and to increase the resiliency of  
13 vulnerable areas to the future impacts climate  
14 change. These grants are managed by two federal  
15 agencies: The U.S. Department of Housing and Urban  
16 Development or HUD, and the Federal Emergency  
17 Management Agency or FEMA. Now, I will summarize the  
18 different sources of funding the city has secured  
19 from each of these federal agencies starting first  
20 with HUD. In January 2013, Congress approved \$4.4  
21 billion of disaster relief funding for New York City  
22 through HUD's Community Development Block Grant  
23 Disaster Recovery Program, or CDBGDR. Due to the  
24 requirements set by this program the vast majority of  
25 these funds, \$4.2 billion only became available to  
the city in April 2015 one HUD had approved the

3 City's Action Plan. The city also received a second  
4 smaller funding package from HUD two years late in  
5 January 2017. This package totaling \$176 million  
6 came from the National Disaster Resilience  
7 Competition or CDBGDR. Much CDBGDR funded work is  
8 now complete, and 82% of the CDBGDR funds have been  
9 dispersed to the City of New York from the Federal  
10 Treasury. This is ahead of the national average for  
11 this program, and New York City has the smallest  
12 remaining grant balance of the large Sandy grantees.  
13 The city has also secured over \$9.9 billion in FEMA  
14 public assistance or PA grants. We gain access to  
15 the majority of FEMA funding in 2015. Since then, we  
16 have continued to pursue and secure additional PA  
17 grants for resiliency whenever possible including  
18 almost \$700 million over the last 2-1/2 years. To  
19 date, we have spent just over \$5 billion on projects  
20 funded by FEMA PA Grants. As a result of more  
21 projects moving into the construction phase, rates of  
22 spending have increased by 30% over the last year.  
23 In addition to the HUD and FEMA grants the city has  
24 secured, there is one other major source of federal  
25 funding I would like to highlight here. The U.S.  
Army Corps of Engineers receives its own dedicated

3 funding to build its projects all across the country  
4 including here in New York City. The Army Corps is  
5 an important partner in building our resiliency to  
6 climate change, and is advancing major projects in  
7 Staten Island, and on the Rockaway Peninsula.

8 However, the funds they are using for these projects  
9 are not administered by the city and, therefore, do  
10 not pass through the city budget. Tracking

11 expenditures is the responsibility of the Office of

12 Management and Budget. In 2013, Council passed Local

13 Law 140, which focused on ensuring transparency for

14 the Federal Sandy Recovery Grants. In response to

15 this Local Law, my colleagues at OMB created the

16 Sandy Funding Tracker website, (door bangs) displays

17 detailed information on the grant award spending and

18 reimbursement progress of the city's federal grants.

19 All of this information is publicly accessible and is

20 presented through an easy to use interface. Since

21 Local Law 140 of 2013 was passed, Council has

22 continuously provided feedback and worked closely

23 with the Administration on this reporting tool. We

24 continually strive to present accurate and timely

25 information to the public, and look forward to

continuing to partner with Council closely into the

3 future. Looking ahead we will continue to advance  
4 critical resiliency projects in all five boroughs.  
5 Within the next year, New Yorkers in Staten Island,  
6 the Rockaways and on the east side of Manhattan will  
7 be able to look out their windows and see crews  
8 beginning work on major projects. The projects  
9 happening in these areas are pieces of meter  
10 infrastructure that are without precedent anywhere in  
11 the world. Taken together they cost more \$2 billion  
12 and they are the kind of bold long-term solutions  
13 that will help ensure the city can withstand the  
14 coming impacts of climate change—the coming impacts  
15 of the climate crisis and emerge even stronger. The  
16 hard truth is that these impacts will only continue  
17 growing worse until the world breaks its addiction to  
18 fossil fuels and achieves carbon neutrality. We all  
19 know that will not be easy, and it won't happen  
20 overnight. Increasing our resiliency is a long-term  
21 process and it will likely be the work of many  
22 generations of designers, engineers and public  
23 servants. The investments we are making now are a  
24 down payment to secure our future. Our next  
25 challenge, however, will be to identify new sources  
of funding for the next generation of resiliency

3 projects. With 520 miles of coastline there is no  
4 shortage of work to be done in New York City. We hope  
5 to work with Council to advocate for federal policies  
6 that invest in resiliency before a disaster strikes,  
7 and to identify and secure other innovative funding  
8 sources for New York City. In conclusion, I would  
9 like to thank the Committee on Resiliency and  
10 Waterfronts and the Subcommittee and Capital Budget  
11 for allowing me to testify here today. My colleagues  
12 and I are now happy to answer any questions you may  
13 have at this time.

14 CHAIRPERSON GIBSON: Thank you so much,  
15 Ms. Bavishi. I appreciate you being here along with  
16 OMB. I guess I will start with a series of questions  
17 and turn it over to my Co-Chair and then my other  
18 colleagues will have questions. I was hoping that in  
19 this morning's testimony you would be able to provide  
20 more of an insight to the Council on why some of our  
21 larger capital projects are delayed, and the  
22 testimony actually gave us an overview of the federal  
23 funding and the different funding streams, which we  
24 are aware. So, I guess I'm a little disappointed  
25 because the testimony doesn't really provide much.  
So, that only means that I have even more questions



2 for you. So, I apologize for that. So, I'm going to  
3 first ask if you can provide an overview of how many  
4 staff are at currently OMB that are assigned to work  
5 on the Sandy Grant Management Program?

6 JAINEY BAVISHI: I'll defer to my  
7 colleagues at OMB to answer that question.

8 CHAIRPERSON GIBSON: Great.

9 CHRISTOPHER BLANCO: CALVIN JOHNSON:  
10 Thank you. So, on the FEMA side we have 20 dedicated  
11 staff who are dedicated to full-time Sandy work in  
12 addition to the regular task forces who so the  
13 reviews and the budgeting, and I'll pass it over to  
14 Calvin to respond on it on the other side

15 CALVIN JOHNSON: Thank you. I have  
16 similar numbers at OMB We've got about two dozen  
17 staff. It's specifically dedicated to the  
18 Administering the CDBGDR Grant and as Chris  
19 mentioned, that that's building off of existing staff  
20 at OMB who work with agencies for day-to-day  
21 operations, and as well as working with agency  
22 partners across the board.

23 CHAIRPERSON GIBSON: Okay. So you said  
24 almost two dozen, and you said 20?

25 CHRISTOPHER BLANCO: Uh-hm.

3 CHAIRPERSON GIBSON: Okay, are these  
4 staff dedicated to only doing Sandy work or do they  
5 have other responsibilities?

6 CHRISTOPHER BLANCO: Only—only Sandy  
7 work.

8 CHAIRPERSON GIBSON: Okay and could you  
9 just provide your name for the record?

10 CHRISTOPHER BLANCO: I'm Christopher  
11 Blanco, Senior Assistant Director for FEMA Disaster  
12 Recovery and Homeland Security Grants.

13 CHAIRPERSON GIBSON: Okay.

14 CALVIN JOHNSON: And Calvin Johnson,  
15 Senior Assistant Director for Community Development  
16 Block Grant Disaster Recovery.

17 CHAIRPERSON GIBSON: Okay, thank you, and  
18 so as both the Chair and I have noted, the city has  
19 \$9.9 billion in FEMA PA funds and about \$4.2 billion  
20 in the CDBGDR funds. They were all really allocated  
21 to various projects across the city. What I wanted  
22 to understand specifically is are you able to provide  
23 a breakdown of both sets of funding streams as it  
24 relates to each of the boroughs because I think when  
25 you talk about some of the boroughs that were hit  
much worse through Sandy than others we want to get

3 an understanding of what that breakdown is. So would  
4 you have that information to provide today?

5 CALVIN JOHNSON: So, that...that  
6 information is available on the Sandy Funding  
7 Tracker. We'd be happy to work with your staff to  
8 follow up and present it in potentially different  
9 ways, and we're happy to continue the conversation.

10 CHAIRPERSON GIBSON: You said it's  
11 available on the Tracker?

12 CALVIN JOHNSON: That's correct.

13 CHAIRPERSON GIBSON: Okay. Here it's in  
14 bold. Okay. With the understanding that the city  
15 should use federal monies in lieu of our city  
16 spending wherever and whenever possible, I wanted to  
17 understand how we balance being fiscally responsible  
18 while also accelerating the protections for many New  
19 Yorkers that live in vulnerable neighborhoods in our  
20 city. Along waterfronts, those that were most hit  
21 hard by Sandy, what would be our goal and are there  
22 ever any situations where city capital spending  
23 dollars would supersede federal funding dollars to  
24 address those protections? Right? So we spend  
25 federal dollars as much as we can, but are there any

3 scenarios where we would draw down on city funds that  
4 would supersede federal dollars?

5 JAINEY BAVISHI: Maybe I can start this  
6 question and see if my colleagues at OMB have  
7 anything to add.

8 CHAIRPERSON GIBSON: Okay.

9 JAINEY BAVISHI: I-I-I think our goal  
10 here is to allocate resources to the most vulnerable  
11 communities, and no matter what those resources are.  
12 There are times when there's some restrictions with  
13 federal dollars, and we may incorporate city funding  
14 into the mix of funding that we are allocating to  
15 these projects. The city has spent over \$5 billion  
16 in this resiliency program after Sandy. So, we've  
17 been talking about the over \$14 billion of federal  
18 funding here at this hearing, but there's also  
19 another \$5 billion of city funding that is-is part of  
20 this mix. So, you know, I think that's just to say  
21 that, um, the city is also making a considerable  
22 investment into resiliency not only in terms of  
23 capital spending, but also in terms of the, um,  
24 policy direction that we're taking on a number of  
25 different funds.

3 CHAIRPERSON GIBSON: Okay. So, since you  
4 brought up the city dollars that we have invested  
5 ourselves, you said \$5 billion, the two questions I  
6 have are related to our overall Capital Commitment  
7 Plan that this committee has been working very hard  
8 on with the Administration. Does any of the federal  
9 Sandy funding show up in our Capital Commitment Plan,  
10 and then also the \$5 billion we have invested would  
11 that also have shown up? Since it's been over several  
12 years would that be reflective in our Commitment Plan  
13 as well? This as it relates—as it relates to  
14 capital. This is not expense.

15 CHAIRPERSON BRANNAN: So, as it relates  
16 to the FEMA funded projects all that funding is in  
17 the Capital part.

18 CHAIRPERSON GIBSON: Okay, the FEMA  
19 funding, and what about our city dollars?

20 CHRISTOPHER BLANCO: The city dollars  
21 have been investments that take various forms. So  
22 some of those are supporting capital projects for  
23 example with the East Side Coastal Resiliency Project  
24 is—

25 CHAIRPERSON GIBSON: Okay.

3 CHRISTOPHER BLANCO: --receiving HUD  
4 funding in addition to city capital. That project is  
5 an example of one that is reflected in the City  
6 Capital Budget. Other investments have been made  
7 through the Expense Budget, and--and also as you  
8 mentioned, those investments really do go back  
9 starting shortly after Hurricane Sandy in 2012. So,  
10 not all of those investments are reflected in our  
11 current forward looking Capital Commitment Plan, but  
12 if you go back over the--over the last several years  
13 that reflects the spending.

14 CHAIRPERSON GIBSON: And would the City  
15 Council be able to track the city's planned  
16 commitments from both the FEMA and CDBG money using  
17 the Sandy Tracker or is there another mechanism where  
18 we--we would be able to track some of the capital  
19 commitments?

20 JAINEY BAVISHI: Yes, the, City Council  
21 can track the spending from the--both the FEMA and  
22 CDBGDR funds through the Sandy Tracker.

23 CHRISTOPHER BLANCO: The Sandy Tracker,  
24 an what about, what about planned spending? So the  
25 Tracker is obviously ongoing spending, but what about

3 future planned spending of the money? Would that be  
4 available as well?

5 CHRISTOPHER BLANCO: Um, as new funding  
6 is identified and as new projects come online, the  
7 Sandy Tracker is updated to reflect those projects as  
8 well, too.

9 CHAIRPERSON GIBSON: Okay. Do the capital  
10 project contracts that we get that are funded by and  
11 through the federal grants do they go through the  
12 normal city's procurement process or is there a  
13 different process?

14 CHRISTOPHER BLANCO: So, so it goes  
15 through the normal city procurement process. There  
16 are additional steps, and those differ between FEMA  
17 and HUD. So, as you're aware, the federal government  
18 has additional regulations to ensure a fair and open  
19 competition.

20 CHAIRPERSON GIBSON: Okay.

21 CHRISTOPHER BLANCO: So, um, you know,  
22 there are additional riders that are included as part  
23 of the contracts. I'll turn it over to Calvin to talk  
24 a little bit about more about the HUD side because  
25 there are some additional policy considerations as  
well.

3 CHAIRPERSON GIBSON: Okay.

4 CALVIN JOHNSON: That's right. Thank you  
5 for your—for your questions, Chair Gibson as I think  
6 really and—and as you mentioned in your opening  
7 statement is that there are thousands of pages of  
8 supporting documentation.

9 CHAIRPERSON GIBSON: I wish—I wish we  
10 would go paperless.

11 CALVIN JOHNSON: Yeah, um--

12 CHAIRPERSON GIBSON: Too much paper.

13 CALVIN JOHNSON: --but, um, the—as—as  
14 Chris mentioned, it's sort of federal requirements  
15 layered on top of existing city requirements. We  
16 can't use federal funding as a means of being laxer  
17 on our existing policies. We take financial  
18 management and contract management procurement very,  
19 very seriously. Some of the additional requirements  
20 that HUD has are particularly around prevailing wages  
21 so ensuring for construction work, um, that the  
22 individuals who are performing work on that the  
23 federal wage rate determined by the Davis Bacon and  
24 related acts. There are additional requirements for  
25 HUD under what's called the Section 3 Program, which  
sets targets to provide assistance for disadvantaged



3 New Yorkers, and low to moderate income communities.

4 Um, and—and their additional transparency

5 requirements that come with, um, community

6 development funds, and really sort of the notion of

7 the benefits going into the community, and then

8 that's one of the really key features of the HUD

9 grant.

10 CHAIRPERSON GIBSON: Okay, are there any  
11 provisions specified on MWBE?

12 CALVIN JOHNSON: The Section 3 Policy is  
13 very much overlapped with MWBE, and it's the same  
14 commitments that the city has to assisting minority  
15 and Women owned business enterprises that—that we  
16 work on, that we use this funding for.

17 CHAIRPERSON GIBSON: Okay, but you said  
18 it's overlapped with two separate categories. So, it  
19 doesn't have to be an MWBE firm that hires or  
20 individuals with disabilities. You can satisfy both  
21 categories separately, and not necessarily  
22 overlapping right?

23 CALVIN JOHNSON: Yeah, but we would also  
24 want to be consistent with city policy.

25 CHAIRPERSON GIBSON: Okay.

3 CALVIN JOHNSON: So, so there's--there's a  
4 policy overlap on the federal program and on what we  
5 want to do on the city side. We really do look at  
6 the--the federal funding as an opportunity to build  
7 off of what we're doing with minority and Women-Owned  
8 Business Enterprises Act is. So, we're not doing  
9 less because of federal funding. We're doing even  
10 more.

11 CHAIRPERSON GIBSON: Okay. I had two  
12 questions about the spending approvals, and I think I  
13 alluded to that in my opening. In order to spend the  
14 FEMA PA Funds, the city has to have an approved  
15 project worksheet, more paper. Have the project  
16 worksheets been completed for all of the FEMA PA  
17 funds that have been allocated to the city, and do  
18 you believe that amendments are still being made to  
19 the worksheet?

20 CALVIN JOHNSON: Thank you for your  
21 question, Chair Gibson. So, at this point we believe  
22 all projects have a project worksheet. I think you  
23 hit the nail on the head with the question on the  
24 amendment. So, PWs are written off a version. So, any  
25 time there is a change to the cost or through the  
scope of work, we need to submit an amendment to New

3 York State and to FEMA, and so, we've processed I'd  
4 say over a thousand amendments across the board. We  
5 anticipate an additional 1,000 as every single grant  
6 requires a closeout version, and so, these will  
7 happen as projects are completed, as we get actual  
8 costs and reconciliation, and we find additional site  
9 conditions.

10 CHAIRPERSON GIBSON: Okay, and in  
11 reference to the CDBGDR, the action plan has been  
12 changed over 20 times. Most recently there was a new  
13 change that took effect January 8<sup>th</sup> of this year. I  
14 wondered if you anticipate needing to amend the  
15 Action Plan again, and if so, what areas may need to  
16 be revised, and who gets notified when the Action  
17 Plan is actually amended and how do you propose  
18 amendments?

19 CALVIN JOHNSON: A great question and  
20 thank you. The—the amendment process is—is really  
21 built into the Community Development Block Grant  
22 Funds. The city received those funds from HUD as a—  
23 as a block grant, which gives us a fair amount of  
24 discretion to program those funds to address specific  
25 recovery needs, and as the recovery has gone on, we  
get new information. We see what needs are still

3 remaining. We see where there is still  
4 vulnerabilities, and we see where some of the work  
5 that needs to be performed is covered by other  
6 sources. You're absolutely right. The--the Action  
7 Plan has been amended 20 times to date. We are going  
8 to be proposing another Action Plan amendment very  
9 soon. It's set to be released next week, and there's  
10 already an oversight hearing scheduled for February  
11 10<sup>th</sup> on the Build It Back Program, which will be a  
12 significant component--

13 CHAIRPERSON GIBSON: Yes.

14 CHRISTOPHER BLANCO: --of what that  
15 Action Plan Amendment addresses. The Action Plan  
16 Amendment process is, um, by intent designed to be  
17 public. There is a 30-day public comment period that  
18 accompanies each proposed amendment. The city hold  
19 public hearings, we collect feedback from community  
20 members, from Council Members from--from members of  
21 the public and other stakeholders. All of that  
22 feedback is taken into account before the city  
23 submits its amendment to HUD for approval. So, what  
24 we propose and what we submit for approval can change  
25 as a result of the input coming through that--that  
public amendment process, and as you noted, to date

3 HUD has approved the 20 amendments that the city has  
4 made to the Action Plan Amendment, and we anticipate  
5 continuing to make amendments up-up through the  
6 completion of the-of the block grant.

7 CHAIRPERSON GIBSON: And who's notified  
8 when the amendments are done or approved?

9 CHRISTOPHER BLANCO: Um, to the public—we  
10 would be reaching out to members and to staff on your  
11 team to-to go over the details. There's a public  
12 notice published in a variety of-of newspapers, and  
13 we're happy to-to answer questions you've got about  
14 specifics when that-when that amendment is out there.

15 CHAIRPERSON GIBSON: Okay, and the City  
16 Council is also on that notification list, correct?

17 CHRISTOPHER BLANCO: That's correct.

18 CHAIRPERSON GIBSON: Okay, okay. I think  
19 one of our staff confirmed that that is true. Okay.  
20 Just want to make sure. So, with both the project  
21 worksheets and the action plans in place does any  
22 other entity other than the city have control over  
23 the pace of our spending? Because as I understand  
24 with some of the money it's funneled through the  
25 State Homeland Security, which then comes down to the

3 city of New York. So, does any other entity have  
4 control over our spending?

5 CHRISTOPHER BLANCO: So, with regards to  
6 the reimbursement process, the state doesn't have  
7 control over our spending. They do have, um, they-  
8 they are responsible for the timing of  
9 reimbursements, which the city moves forward with  
10 spending regardless of reimbursement timelines. In  
11 addition to the project work sheets as well as the  
12 Action Plan, however, we do have to complete  
13 additional environmental reviews, which need to be  
14 approved by in my case FEMA and in Calvin's case HUD.  
15 So, these are additional steps that-that must be  
16 taken before we're able to spend money.

17 CHAIRPERSON GIBSON: Okay, okay thank  
18 you. I have additional questions, but I'm going to  
19 circle back to my Co-Chair and then allow members of  
20 the committee to ask questions. So, thank you so  
21 much. I'm turn it over to Chair Justin Brannan.

22 CHAIRPERSON BRANNAN: Thank you, Chair.  
23 So, the-the city has approved the, um, the Project  
24 Worksheets for the \$9.9 billion in awarded FEMA PA  
25 Grants. It's begun spending funds in about 81% of  
these projects. So, I want to get an idea of the

3 wisdom behind how the Administration has prioritized  
4 which projects start first, and which projects are  
5 funded first.

6 CHRISTOPHER BLANCO: Um, so I think with  
7 regards to which projects have started first it's  
8 really been determined by a variety of factors. I  
9 think funding is number one, right, which is when was  
10 the project actually able to proceed from the federal  
11 level? I think on top of that, when you—when you  
12 look at the projects across the board, you know,  
13 some—the FEMA portfolio is fairly diverse, and so we  
14 have some more straight forward projects. We have  
15 some that are significantly more complex. As you—as  
16 you can imagine the—the projects that have  
17 significant more complexities require additional  
18 studies, require additional design and environmental  
19 review. So, those all add to the timelines and we're  
20 talking about kind of the larger scale resiliency  
21 projects.

22 CHAIRPERSON BRANNAN: But how do you  
23 triage, you know, where to start? Like where do you  
24 start? Why—how do you decide which one is most  
25 important to start with versus the fourth or fifth or  
sixth?

3 CHRISTOPHER BLANCO: I think we're moving  
4 forward with all projects as fast as possible, and I  
5 certainly don't think we are delaying any projects.  
6 To the extent that we're able to move forward we are  
7 moving forward with whatever steps are necessary, and  
8 it, you know, there are different lead times when it  
9 comes to approval to groundbreaking just depending on  
10 the project.

11 CHAIRPERSON BRANNAN: I don't love that  
12 answer. Um, like I have two dogs, right? When I  
13 feed my dogs in this morning, I have to decide which  
14 one to feed first. So, how do you decide which  
15 project are you going to start first, and why?

16 JAINEY BAVISHI: We have, um, taken an  
17 unprecedented approach here, and have invested in  
18 projects all across the city, and are moving  
19 projects, advancing projects all across the city  
20 simultaneously. I think what Chris is saying is that  
21 different projects require different lead time to get  
22 to ground breaking. Different projects are different  
23 in terms of level of complexity. That's why  
24 different projects are on different timelines, but  
25 in terms of picking which projects start first, we-we  
actually have put in—we've been advancing many, many,



3 many projects all at the same time. So, it's not a  
4 question of which one is number one or which one is  
5 number five. It's a question of how quickly can we  
6 move the entire portfolio all at once.

7 CHAIRPERSON BRANNAN: Uh-hm. The, um the  
8 CDBGDR programs include reimbursements. There's five  
9 categories. It's Coastal Resiliency, Housing,  
10 Business, Infrastructure and City Services, and  
11 Planning and Administration. Of the five categories,  
12 the city has, um, been allocated approximately \$473  
13 million for Coastal Resiliency projects, but out of  
14 the \$473 million the city has only spent about \$80  
15 million. So, why has the city spent just 17% of that  
16 allocation?

17 JAINEY BAVISHI: Yeah, let me start this  
18 answer, and then I'll turn it over to Calvin. These  
19 projects are incredibly complex coastal resilience  
20 projects, and they're unprecedented. We are really  
21 taking on the task of transforming our waterfront and  
22 integrating flood resiliency into the many other uses  
23 we rely on our waterfront for. These are incredibly  
24 complex coordination exercise among many city  
25 agencies unlike other partners, and we take community  
engagement really seriously. We want to make sure

3 that we're creating plenty of time and space for  
4 communities to have input into what their waterfront  
5 looks like going forward to rise to the challenge  
6 that climate change presents. So, that--that's part of  
7 the reason that it's taken some time to get to  
8 groundbreaking. We're really excited that this year  
9 we'll be breaking ground on three different projects  
10 in three different boroughs, major coastal  
11 protections projects in Manhattan, Staten Island, and  
12 --and the Rockaway Peninsula, and--and we expect that  
13 we will spend down the money faster once construction  
14 begins.

14 CALVIN JOHNSON: Thank you, Jenny.

15 That's right and to build off of that, too, from the  
16 Federal Government perspective HUD did not allocate  
17 all of the CDBGDR funding to the city of New York  
18 upfront at once. As Jaaney mentioned in her  
19 testimony, it wasn't until 2015 that we had full  
20 approval to use funds. The funding that came latest  
21 was the funding for resiliency, and the idea being  
22 the first allocation is heavily targeted towards  
23 housing recovery, emergency services after the storm,  
24 assistance to small businesses, and to--to plant the  
25 seed for what came next, but we--we didn't receive

3 federal allocations for a significant portion of the  
4 Resiliency Portfolio until relatively late in the  
5 game. As Jainey mentioned, they are amongst the most  
6 complicated projects bringing in many stakeholders  
7 from very different areas, and also spanning across  
8 jurisdictions. These are project that don't just  
9 touch any one city agency. It's really been an  
10 opportunity to bring many different focuses together.  
11 That's given the complexity we want to get things  
12 right, and really have been committed to working as  
13 fast as possible to—to deliver those resiliency  
14 projects. I hope that answers your question is why—  
15 why the spending in that category might not be at the  
16 same level as—as spending you're seeing in other  
17 categories.

18 CHAIRPERSON BRANNAN: So, is there—is  
19 there a clear planned strategy here for how the city  
20 is going to spend the remaining 83% before September  
21 2022—2022?

22 CALVIN JOHNSON: Yeah. We're committed to  
23 moving as quickly as possible. I think certainly for  
24 the resiliency projects once there are  
25 groundbreakings and we are in construction is when  
the vast majority of those funds will be moving. Um,

3 we—we certainly to date spent money on the planning  
4 work, the engineering, the feasibility, community  
5 engagement, the designs, but as—as—as is typical with  
6 capital projects at large those are smaller portions  
7 of the overall project budgets. Once—once we're in  
8 construction money will—will move quickly and we  
9 anticipate, um, that we'll be able to—to—to, you  
10 know, draw down the funding from the federal  
11 government as quickly as possible.

12 CHAIRPERSON BRANNAN: So, you're  
13 confident by September 2022 you'll--?

14 CALVIN JOHNSON: We're moving as quickly  
15 as possible and—and certainly are continuously  
16 assessing to—we are doing everything we can do to—to  
17 meet federal deadlines that—that we're cognizant of  
18 what they are, and—and have certainly seen subsequent  
19 disasters nationwide similar Congressional deadlines  
20 haven't been in place. So, there's recognition of  
21 the—of the complexity and challenge and the time  
22 associated with—with moving these—these complicated  
23 projects forward, but we're moving as quickly as  
24 possible

25 CHAIRPERSON BRANNAN: In the Mayor's  
Preliminary Budget it states that progress is being

3 made advancing significant projects in Lower  
4 Manhattan, and the Lower East Side, and across other  
5 neighborhoods throughout the city. Can you detail  
6 where the other neighborhoods are located, and what  
7 these projects are?

8 JAINEY BAVISHI: Sure. I mean there are  
9 many projects across all five boroughs. I think in  
10 the Preliminary Budget specifically he's referring to  
11 projects—he was referring to Eastside Coastal  
12 Resiliency Project, the Staten Island Coastal Storm  
13 Risk Management Project on the east side of Staten  
14 Island, and the Rockaway Reformulation Project on the  
15 Rockaway Peninsula.

16 CHAIRPERSON BRANNAN: And what—what  
17 funding sources will be used to—to fund these  
18 projects?

19 JAINEY BAVISHI: For Eastside Coastal  
20 Resiliency it's HUD CDBGDR money as well as a city  
21 capital commitment. In Staten Island it's a cost  
22 shared project between the Army Corps of Engineers,  
23 the State DEC, and the city, and in the Rockaways  
24 it's 100% federally funded project by the Army Corps  
25 of Engineers. In the Preliminary Budget, the city  
also committed a much smaller capital commitment in

3 order to make the project more effective and safer  
4 for residents.

5 CHAIRPERSON BRANNAN: So, how far along  
6 are we on the Staten Island or Rockaway project  
7 versus the Lower Manhattan Projects?

8 JAINEY BAVISHI: We expect to break  
9 ground on all three projects this year.

10 CHAIRPERSON BRANNAN: I just have one or  
11 two more and I want to hand it over to my colleagues.  
12 Getting back to the—talking—staying on the East Side  
13 Coastal Resiliency Project, it was approved by  
14 Council here in November. It has \$260 million of a  
15 total \$338 million in allocation left to be spent.  
16 According to recent presentations by the  
17 Administration we were talking about the project  
18 isn't expected to be completed until 2025. The  
19 concern there is that the CDBGDR funding must be  
20 drawn down by September of '22. So, how is that  
21 going to work?

22 JAINEY BAVISHI: The—the project is a  
23 \$1.45 billion dollar project, and the CDBGDR  
24 contribution to that is \$338 million. We expect to  
25 draw down the HUD funding first in order to meet the  
26 deadline, and then we will draw down the city capital

3 after that, and by the way the flood protection for  
4 the project will be completed by—before the hurricane  
5 season of 2023, and the other parts of the project  
6 will be completed by 2025.

7 CHAIRPERSON BRANNAN: Okay, I just have  
8 one. HUD regularly audits how the city uses the city  
9 uses the CDBGDR funds, and as a result of a recent  
10 audit I know the city was required to pay an  
11 allocation because of quote, quote/unquote "generally  
12 unsupported costs. Could you explain what these  
13 unsupported costs were?

14 JAINEY BAVISHI: I will defer to Calvin  
15 on that.

16 CALVIN JOHNSON: Thank you for the  
17 question, Chair Brannan. Absolutely right. The HUD  
18 Office of Inspector General has a responsibility of  
19 conducting the audits on CDBGDR funded programs. The  
20 City of New York has been audited multiple times over  
21 the last several years from OIG. The areas that  
22 they've looked into are involving recovery associated  
23 with the Health and Hospital Corporation, associated  
24 with Small Business Loan and Grant Program,  
25 associated with Build It Back. The overall  
administration of funds and the like. When OIG comes,

3 they'll make a audit determination to say these costs  
4 that we're seeing aren't supported, and they'll—  
5 they'll come forward with recommendations. I think  
6 what we've seen is many of the audits they just  
7 didn't see supporting documentation. We've been able  
8 to furnish that, and demonstrate to them that  
9 actually that documentation does exist. We are very  
10 proud of our audit record. We have some audits that  
11 are clean audits with no recommendations on program  
12 improvements, and I think they really see the  
13 financial management and due diligence work that  
14 we're doing and taking very seriously. To date we've  
15 been successful in defending audits. We're saying  
16 there is recommended recapture. To date, we've—we've  
17 not paid back funding for the vast majority of the  
18 audits we've received, and, you know, I'll give one  
19 example for—for Build It Back: At the end of the day,  
20 we'll be repaying \$5,000 of questioned costs. It's a  
21 fraction of a—of a percentage of what—of what they've  
22 seen. So, um, we—we do take the financial management  
23 responsibilities very seriously, but they have  
24 ultimately been able to demonstrate to the Office of  
25 Inspector General that we disagree with their audit



3 findings and—and have been able to hold onto to those  
4 federal dollars for the city of New York.

5 CHAIRPERSON BRANNAN: But can you give me  
6 a—can you—yeah, and example of what unsupported—what  
7 they consider unsupported costs?

8 CALVIN JOHNSON: Yeah, they might come in  
9 and say okay we see you've spent these dollars on a  
10 particular construction project, but we didn't see  
11 invoices to our satisfaction. So, say well we know  
12 what you did overall, but we don't know the specific.  
13 You know, this dollar tied t that expenditure. If  
14 something on payroll, say okay we've seen you've been  
15 able to, you know, pay this out at large for staff.  
16 We've been able to come back and say no actually we  
17 have all those documents, and there have been other  
18 instances where they have alleged that, you know, a  
19 certain small business might not have been entitled  
20 to the program—to the funding that they received, and  
21 we've able to demonstrate all the reasons why it was  
22 necessary and supported and allowable under the  
23 Federal Regulations and absolutely appropriate that  
24 we paid out what we did.

25 CHAIRPERSON BRANNAN: Alright, I'm going  
to hand it back over to Chair Gibson.

3 CHAIRPERSON GIBSON: Thank you, Chairs.

4 Before I get to questions, I want to acknowledge the  
5 presence of our colleague Council Member Costa  
6 Constantinides. Thank you for being here, and now we  
7 will have questions beginning with our Minority  
8 Leader who represents Staten Island Steve Matteo.

9 MINORITY LEADER MATTEO: Thank you, Chair  
10 Gibson and Chair Brannan. Real quick just on the  
11 East Shore Resiliency Project, I just for the record  
12 can you tell me how much the city share is of the  
13 project?

14 JAINY BAVISHI: The city's share is \$65  
15 million.

16 MINORITY LEADER MATTEO: \$65 million.  
17 Okay, thanks, and I would like to ask you a few  
18 questions. So, Build It Back is completely done on  
19 Staten Island? Do we have a few left?

20 JAINY BAVISHI: On Staten Island there  
21 are four homeowners who still need to move home two  
22 of whom we've kind of let back into the program and  
23 help do work after they have been CYOC, one that has  
24 a complicated buildings issue, and then another one  
25 that we're just trying to close out a permit.

3 MINORITY LEADER MATTEO: So, how-how are  
4 they going-the staff is still available?

5 JAINEY BAVISHI: Yeah, we so, we've been  
6 stepping down over time obviously but there is still  
7 the construction team is working. All of the homes  
8 have a one-year warranty period, and there's punch  
9 list issues. So, we are prioritizing working with all  
10 the homeowners that have not yet to get them home.

11 MINORITY LEADER MATTEO: So, even when  
12 these four are completed if there are any remaining  
13 issues-

14 JAINEY BAVISHI: Yeah, we're-we're--

15 MINORITY LEADER MATTEO: --you probably  
16 have the same staff or your office

17 JAINEY BAVISHI: Yeah, that has-is going  
18 to have a long administrative tail related to the  
19 fact that it's federal funding. It's a \$2.2 billion  
20 construction program. So the core construction team  
21 certainly the audit invoice payment team, people who  
22 can respond to homeowners will remain in place for  
23 this-for now.

24 MINORITY LEADER MATTEO: Alright, good.  
25 and obviously we'll-we'll talk. If I have issues  
I'll-I'll bring them to you directly. So, the issue

3 that we brought to your attention about the liens  
4 that were placed on--on the homes because (sirens)  
5 because of contractors not being paid so they  
6 subsequently put liens on the homes of Build It Back  
7 homeowners. So, are we using this money to pay  
8 contractors, and then would--the would alleviate the  
9 problem and lift liens from their homes?

10 JAINEY BAVISHI: Yeah, so it's  
11 complicated right. So, we have been continuing to  
12 pay contractors. This money will help us to continue  
13 to pay contractors but in--in almost every case where  
14 a contractor has put a lien on a home they're trying  
15 to pressure us to pay them something that we might  
16 not be ready to pay them, or might be in disagreement  
17 about. We are working, you know, it's inappropriate  
18 for contractors to place liens on homes that are  
19 based with us not with the homeowner, but it is a  
20 practice they're allowed to do. We're supporting the  
21 homeowners through this whole process to make sure it  
22 has no impact on them and working with them and the  
23 contractors or the CMs and working specifically with  
24 the contractors themselves to pay them something to  
25 have them remove the liens, and are also working--

3 MINORITY LEADER MATTEO: (interposing)

4 But do you know if any liens have been removed?

5 JAINEY BAVISHI: Yes. So, some liens have  
6 been removed and we're continuing to go through that  
7 process.

8 MINORITY LEADER MATTEO: Can you get my  
9 office at leas that number---

10 JAINEY BAVISHI: We can give you an  
11 update.

12 MINORITY LEADER MATTEO: --and where we  
13 are?

14 JAINEY BAVISHI: Yeah and we-we keep a  
15 lien log. So, we can keep you updated on the  
16 process--that process.

17 MINORITY LEADER MATTEO: So--so basically  
18 we have the money but you're in terms of the liens on  
19 the houses, you're figuring out what actually needs  
20 to be paid to the contractor, and they're telling you  
21 in most of these cases that they believe they're owed  
22 more?

23 JAINEY BAVISHI: Yeah, so when you get--so  
24 along through the Build It Back Program, (1) You  
25 know, hundreds of contractors, a complicated process.  
We worked really hard to advance the funds as the

3 work was going on. Now, you're at the end and we've  
4 paid everybody 80, 90% of what they're owed, but  
5 there's a long process and a complicated process to  
6 review the remaining or their credits for the work  
7 they've done. Have they actually done all the permit  
8 work. Are they owed more money through change  
9 orders? All of that process. So, we're going  
10 through that process with each contractor, and  
11 working to make sure that what we're paying them is  
12 what they're owed, and we want to prioritize that and  
13 get that to them especially the small contractors,  
14 and so that's just a process that takes time.

14 MINORITY LEADER MATTEO: So do you have  
15 the number of how much that is being used to pay  
16 these contractors out of this, the 90-out of the 92?

17 JAINEY BAVISHI: Um, I can—I can get that.

18 MINORITY LEADER MATTEO: Okay. Alright  
19 good and we'll obviously follow up and have more  
20 conversations. Thank you.

21 JAINEY BAVISHI: Thanks.

22 CHAIRPERSON GIBSON: Thank you, Minority  
23 Leader. I just have a quick follow-up question. Um,  
24 the process for putting liens on homeowners' homes  
25 because contractors have not been paid, is there any

3 way to change that process? That is completely  
4 unfair to homeowners, and I know my colleagues and I,  
5 you know, understand things have to happen, but  
6 number one why are we not paying contractors and  
7 number two, how can we avoid putting liens--or having  
8 liens put on homeowners' homes? I think that is so  
9 unfair.

10 JAINEY BAVISHI: Yes. So, what's  
11 interesting right is Build It Back was designed in  
12 the way that we would not have the burden on  
13 homeowners, right. So, our program is one where we  
14 do the work, we pay for the work and we make sure  
15 that we finish the work, and it's not the design that  
16 other people use in housing recovery efforts, which  
17 in other housing recovery efforts, you know,  
18 homeowners can't finish their work because they don't  
19 have enough funds. Contractors have the legal right  
20 to put a lien on the home despite the fact that they  
21 have no contract with the homeowner. It's  
22 inappropriate. It's not something that should be  
23 done. Many of the contractors aren't actually  
24 placing liens, but threatening the placement of  
25 liens. We're in conversation with all of the  
contractors who have done this, and we're also

3 talking to all of the homeowners. We agree it's  
4 inappropriate, but we're also not going to release  
5 money to contractors if we don't think they're owed  
6 it, and so there is process that we go through.  
7 Contractors actually have three- You know, the  
8 beauty of doing work with the City of New York is you  
9 have a three-step process that contractors can go  
10 through if they're challenging what is owed to them.  
11 So, if we say that we don't agree that we should pay  
12 you for some work that they're saying they're owed  
13 money for, they then get a determination from the  
14 agency heads. So, depending on if it's our office or  
15 DDC, they then can challenge it to the Comptroller  
16 and then they can then challenge it to the Contract  
17 Dispute Resolution Board. So, there's a clear  
18 process that they can go through. The liens are just  
19 a way to kind of make noise and put more pressure on  
20 us to make payments, but we're working really hard to  
21 remove the liens, and to work with the contractors to  
22 get them paid what they're owed to make sure that the  
23 liens are there, and we're making sure that there's  
24 no legal issues or issues that that homeowners  
25 encounter as a result of the liens. So, there are  
steps we can take if it's impacting a homeowner.



3 CHAIRPERSON GIBSON: Okay. Thank you.

4 Thank you for the update, and next we'll have Council  
5 Member Barry Grodenchik.

6 COUNCIL MEMBER GRODENCHIK: Thank you  
7 Madam Chair. Ms. Bavishi, in your testimony you  
8 talked about major infrastructure that was without  
9 precedent anywhere in the world, and I—I have to take  
10 exception to that because I know that in other  
11 countries they're building, and we have the Thames  
12 Barrier in London. The Dutch are very, very good and  
13 they export their test—they export their technology  
14 not only in Europe, but even in the United States a  
15 lot of people look too them, and I know that this  
16 hearing was—is oversight, but I'd like to look  
17 forward a little. You know when I look at OEM's  
18 Emergency Evacuation Map, Sandy wasn't even close to  
19 the worst case because in a worse case there would be  
20 flooding almost up to York College, and most of  
21 Southeast Queens would be under water, and large  
22 swaths of Lower Brooklyn, the Bronx, Manhattan,  
23 Staten Island so on and so forth, and I understand  
24 nothing happens overnight especially in New York  
25 City, but I'm wondering where we're going with this,  
and, you know, what are our next steps, and what—what

3 does your office see happening within the next five  
4 or ten years?

5                   JAINEY BAVISHI: Thank you for the  
6 question, Council Member. You're right, every  
7 hurricane is different and that's why we have to  
8 prepare for every scenario. We're not just preparing  
9 for another Sandy like storm, but rather we're  
10 preparing for a variety of coastal storms that we  
11 might face here in New York City. We're preparing  
12 for the impacts of sea level rise. We're preparing  
13 for the impacts of extreme precipitation, and we're  
14 preparing for the impacts of extreme heat, and we're  
15 doing that all at the same time. We're taking a  
16 multi-layered resiliency approach to do that. So,  
17 we're not just focused on hardening or protecting our  
18 shorelines, but rather, we're upgrading our  
19 buildings, we're hardening our infrastructure, and  
20 we're making investments in our neighborhoods things  
21 like investing in small businesses as Calvin  
22 mentioned before, which are community anchors that  
23 residents really rely on to be back up and running in  
24 the event—in the aftermath of an extreme event. When  
25 I say that these projects are unprecedented, they're  
unprecedented in the dense urban environment like New

3 York City. Certainly, other places are experimenting  
4 with the kinds of technologies—with different kinds  
5 or technologies we need to protect our—our  
6 communities from storm surge and sea level rise, and  
7 some of those technologies like in the Netherlands  
8 and, um, in the Thames Barrier in London are  
9 technologies that are out in the water. What we have  
10 undertaken here are shore based coastal protection  
11 strategies that are being integrated into our  
12 waterfront, into our communities to protect  
13 communities from not only storm surge, but also sea  
14 rise—sea level rise, and frankly there is no  
15 precedent for doing that in a dense urban  
16 environment.

17 COUNCIL MEMBER GRODENCHIK: Do you imagine  
18 that the city I mean have there, you know, there have  
19 been articles. I don't remember who wrote the  
20 article. There was an article about, and it wasn't  
21 the first one, but a few within the last couple of  
22 weeks about stretching a barrier from like Sandy Hook  
23 all the way to the Rockaways, the end of the  
24 Rockaways although that wouldn't protect us from  
25 water coming up Long Island Sound. So, you'd need a  
barrier there, too. But, um, is there something

3 that the city and state envisions happening within—I  
4 mean I'm going to be 60 in a couple of weeks so I—but  
5 I'm just wondering in my lifetime or, you know, the  
6 lifetime of many New Yorkers because we're really not  
7 prepared for the next storm.

8           JAINEY BAVISHI: So, we are absolutely  
9 safer than we were during Hurricane Sandy, and it's  
10 because of all of these investments that we've made  
11 in this multi-layered resiliency strategy that I just  
12 described. We are currently studying such a barrier.  
13 I should say the Army Corps of Engineers is currently  
14 studying such a barrier through its New York/New  
15 Jersey Harbor and Tributary Study. The city is at  
16 the table along with the states of New York and New  
17 Jersey. That large barrier that you described is one  
18 of five different options that they're looking at to  
19 provide regional coastal protection solutions all  
20 across New York—New York Harbor and—and the  
21 surrounding area. We want to understand what the  
22 impacts of that would be, what the feasibility looks  
23 like, and then we'll have a better sense of whether  
24 something like that could be something that—to  
25 pursue.

3 COUNCIL MEMBER GRODENCHIK: I appreciate  
4 that. Thank you, Mr. Chair.

5 CHAIRPERSON BRANNAN: Thank you,  
6 Councilman. I want to now turn to Councilman Costa  
7 Constantinides for some questions.

8 COUNCIL MEMBER CONTSTANTINIDES: First  
9 I'll begin by thanking Chair Brannan for all of your  
10 great work on all these issues, and Director, always  
11 good to see you. So, we had the President of the  
12 United States just a few weeks ago Tweet—he should  
13 really put his phone down—about the—that New York  
14 City should out mops and buckets at our next large  
15 event where we—Obviously, he doesn't recognize the  
16 seriousness in which Sandy hit the city and  
17 devastated our lives here, and could potentially  
18 devastate our lives yet again if there was another  
19 storm. So, obviously the federal leadership is not  
20 where it needs to be when they're talking about mops  
21 and buckets. So, where do we go from here if we know  
22 that the federal government is not coming, that there  
23 isn't going to be that funding, that there isn't  
24 going to be that level of support being there.  
25 Hopefully we—hopefully we, you know, not to talk  
politics in a governmental body, but hopefully we're

3 not dealing with that after this year, but at least  
4 for the rest of this presidency we're stuck with  
5 someone who obviously doesn't understand the  
6 seriousness of the nature that we're dealing with.

7 JAINEY BAVISHI: Yeah, the Tweet was  
8 offensive, um, and--

9 COUNCIL MEMBER CONTSTANTINIDES:  
10 Absolutely.

11 JAINEY BAVISHI:

12 COUNCIL MEMBER CONTSTANTINIDES:

13 JAINEY BAVISHI:--and, you know, and we  
14 absolutely are not waiting for Washington here in New  
15 York City, um, and--and--and you know that. We are, um,  
16 partnering at all levels of government here in the  
17 city to make sure that we are leading to, um, take  
18 the climate crisis head-on, and on the resilience  
19 front, you know, we are investing these dollars, the  
20 \$20 billion that we're--the \$14 billion from federal  
21 sources and the other--other money that the city has  
22 invested itself across all these projects, but we are  
23 also making sure that every capital dollar we spend  
24 goes to advancing our resilience portfolio. That's  
25 why we've upgraded our building codes, we've upgraded  
our zoning codes. (coughing) We are a team going in

3 with our talent. (sic) and all of these different  
4 policy levers we have. We've issued climate  
5 resilience design guidelines so that we are providing  
6 guidance to designers and engineers on how to  
7 incorporate future risk information into every  
8 capital project that we're designing. So this is  
9 really not only about investing dollars into  
10 projects, but it's about creating a culture of  
11 resiliency and making sure that we're building the  
12 capacity and creating a policy environment to take  
13 resilience into account in everything that we're  
14 doing.

15 COUNCIL MEMBER CONTSTANTINIDES: And I'll  
16 raise an issue that I think I've raised with you  
17 privately and then probably publicly as well is that  
18 I'm concerned also with some of the gaps, right?  
19 Like you know, in Western Queens, we saw Hurricane  
20 Sandy put (A) in the buildings at Astoria Houses out  
21 of power, but the other buildings were not affected.  
22 So, when the FEMA funding came, those buildings are  
23 getting the retrofits necessary to harden their  
24 infrastructure, move their systems to the roof, but  
25 the other buildings because they weren't hit even  
though they're still in a flood zone, even though

3 they're still vulnerable, even though they're-  
4 they're, you know NYCHA residents who need to be  
5 protected, they didn't get that funding. So, how do  
6 we harden that infrastructure? What do we-how do we  
7 fill those gaps that obviously because of FEMA and  
8 their sort of odd rules around this, how do we make  
9 sure that those houses and those buildings are  
10 protected next time?

11           JAINEY BAVISHI: Yeah, I'm-I'm so glad  
12 you raised that, and-and as I've shared with you, you  
13 know, I really see resilience as a process not an  
14 outcome. We're going to be in this business for a  
15 long time and the Mayor said that during his  
16 Preliminary Budget Presentation just last-it was two  
17 weeks ago. You know, we-we-we need to continue to  
18 try to find as much resources as-you know as many  
19 resources as we can to invest in these kinds of  
20 upgrades that we need to prepare for climate change  
21 impacts, and we have to be creative about it. Um,  
22 and there is real need for policy reform on this  
23 front, and we hope that Council will partner with the  
24 city, with the Administration on-on really pushing  
25 the federal government to make more funds available  
before a disaster strikes because it's-we can't be



3 totally reactive when these problem-problems require  
4 proactive action

5 COUNCIL MEMBER CONTSTANTINIDES: Well,  
6 hopefully we'll find the mop and push him out of  
7 office to make that happen, but that'll-that'll be  
8 our goal, but in the meantime, we're going to be  
9 absolutely fighting along with you. So thank you.  
10 Thank you Chair Brannan.

11 CHAIRPERSON GIBSON: Thank you so much  
12 Council Member Constantinides. I have a question  
13 about H&H. I mentioned it in my opening, Health and  
14 Hospitals. A lot of the emergency work and the  
15 funding for that obviously has been spent and drawn  
16 down already. The spending on the permanent work is  
17 what seems to be lagging with less than 19% of the  
18 permanent work funding spent. It's about \$328.4  
19 million out of \$1.7 billion. So, I wanted to  
20 understand particularly OMB since it's your office  
21 that really oversees all the agency spending. Do you  
22 know why there's a delay in some of the permit work  
23 at H&H?

24 CALVIN JOHNSON: So, you know, I'm not  
25 able to speak to specifics on projects. What I can  
say with regards to the portfolio for H&H they have

3 one of the most incredibly complex set of  
4 requirements both balancing, making the hospital  
5 operational while contracting addition resiliency  
6 improvements, but we would be happy to get back to  
7 you with H&H to your office.

8 CHAIRPERSON GIBSON: Okay. Are you aware  
9 of their timeline for spending the money on H&H  
10 projects moving forward.

11 CALVIN JOHNSON: As I said, I'm not able  
12 to speak to specific projects--

13 JAINEY BAVISHI: Okay.

14 CALVIN JOHNSON: --but happy to follow  
15 up.

16 CHAIRPERSON GIBSON: Okay. Would you be  
17 able to answer any questions relative to NYCHA,  
18 Housing Authority?

19 CALVIN JOHNSON: Again, I can speak  
20 broadly to their portfolio, but not to any specific  
21 projects.

22 CHAIRPERSON GIBSON: Okay. So, similarly  
23 we wanted to understand that is it still accurate  
24 that 35 of the NYCHA developments are going to  
25 benefit from Sandy's federal funds, and of those  
developments we want to understand how many of the

3 developments have work that has already started, and  
4 what is yet to be completed. If you could follow up  
5 with us on that.

6 CALVIN JOHNSON: Absolutely.

7 CHAIRPERSON GIBSON: And then secondly  
8 because I love to talk about NYCHA, back in 2017 the  
9 administration testified at one of our City Council  
10 hearings, and they again said quote/unquote "the  
11 worst case of the worst case scenario would be that  
12 the city has not fully completed all of their Sandy  
13 federally funded projects at NYCHA by 2021, which is  
14 next year. So, I guess my question to NYCHA and OMB  
15 are we in the worst case of the worst case of the  
16 worst case scenario? Because 2021 is next year, and  
17 I'm certain that many of these NYCHA projects are in  
18 Southern Brooklyn represented by Council Member  
19 Treyger. So, I would love to follow up specifically  
20 because we just have just a pattern of delayed  
21 projects with the Housing Authority, and since we  
22 have a timeline, we expect that these projects will  
23 be up and running. So, I would love to have some  
24 follow-up on that. Okay. I have another project  
25 specific question, but I'm going to ask it anyway,  
and if you could follow up. My home borough of the

3 Bronx, Hunts Point is home to an active Environmental  
4 Justice Community. It's huge, as well as the largest  
5 food hub that we have in the city of New York. There  
6 are billions of pounds of food that are distributed  
7 annually out of Hunts Point. The Hunts Point Project  
8 will reduce the vulnerability to impacts of coastal  
9 flooding by providing reliable and resilient power  
10 support as well as flood protections. According to  
11 the action plan that we've looked at, planning should  
12 already be complete with \$3.8 million spent. Design  
13 should be completed by the end of this fiscal year  
14 with another \$3.3 million spent and there should  
15 already be about \$15 million spent on construction  
16 between Fiscal 2019 and Fiscal 2020, but yet  
17 according to the Sandy Tracker only \$3.8 million—  
18 billion rather. Sorry million with an M--\$3.8  
19 million has been spent to date in total. So, if you  
20 could follow up with us on the status of the Hunts  
21 Point Project, and where we are and is an accurate  
22 statement that only \$3.8 million has been spent to  
23 date because that's what the tracker says. Okay. Does  
24 that make sense?  
25

3 CHRISTOPHER BLANCO: Yes. We'd be happy  
4 to follow up with EDC who manages that project and  
5 get back to you with answers.

6 CHAIRPERSON GIBSON: Okay, okay, great.  
7 I had two questions I wanted to ask them  
8 specifically, and I don't know if my colleagues asked  
9 while I stepped out. But on the reimbursement once  
10 the city spends the money obviously it's imperative  
11 that we get our money back, and we are reimbursed for  
12 our spending. Can you describe the process for  
13 actually getting reimbursed from FEMA as well as HUD.  
14 Remember I talked about it being funneled through the  
15 state. Is that the case for both HUD and FEMA or do  
16 we get funds directly from them, and if there's a  
17 mechanism could you describe that?

18 CHRISTOPHER BLANCO: Sure. So there's  
19 certainly two distinct processes for FEMA and for  
20 HUD. So looking at the overall structure of the  
21 grants. For New York city we are actually a  
22 subgrantee to FEMA. New York State is the grantee,  
23 and that's why funding flows through New York State  
24 Department of Homeland--

25 CHAIRPERSON GIBSON: Security. Okay.

3 CHRISTOPHER BLANCO: Security Emergency  
4 Services.

5 CHAIRPERSON GIBSON: Got it.

6 CHRISTOPHER BLANCO: With regards to the  
7 HUD funding, the city is a direct grantee so that  
8 relationship is directly between HUD and with the  
9 City.

10 CHAIRPERSON GIBSON: Okay, and in your  
11 experience both of you, do you find that the FEMA  
12 funds that come through Homeland Security are there  
13 ever periods where the money is delayed, or do you  
14 find that having the direct funding stream from HUD  
15 provides more efficiency on getting reimbursed.

16 CHRISTOPHER BLANCO: I certainly think  
17 that--

18 CHAIRPERSON GIBSON: Depends?

19 CHRISTOPHER BLANCO: --the-the process  
20 for HUD is-is more efficient as we control that  
21 process directly--

22 CHAIRPERSON GIBSON: Okay.

23 CHRISTOPHER BLANCO: --but with regards  
24 to the New York State I don't feel that we're  
25 particularly delayed, but there are additional  
processes and reviews that need to be completed, and

3 so that adds to the timeline between expenditure and  
4 reimbursement.

5 CHAIRPERSON GIBSON: Okay, the—the  
6 additional requirements is that through the HUD  
7 funding or FEMA?

8 CHRISTOPHER BLANCO: That's through FEMA  
9 because--

10 CHAIRPERSON GIBSON: Oh, the FEMA  
11 Funding.

12 CHRISTOPHER BLANCO: --we're a separate  
13 entity.

14 CHAIRPERSON GIBSON: Okay. So you don't  
15 believe that there are any particular delays in  
16 reimbursement in the process that we should be  
17 mindful of?

18 CHRISTOPHER BLANCO: No, I think, you  
19 know, New York State is doing the reviews that are  
20 required of them as a grantee, and we certainly have  
21 not seen any sort of unwarranted delays, regular  
22 questions about what they're looking at to understand  
23 the complex paperwork that they're going through. But  
24 generally, it's been a—it's been a fairly smooth  
25 process.

3 CHAIRPERSON GIBSON: Okay, and overall  
4 being that many agencies received some of the funding  
5 whether it's through CDBG or FEMA funding. As I  
6 mentioned in my opening, one agency as an example,  
7 Sanitation, and a lot of that obviously was debris  
8 removal, which has already happened. So, drawing  
9 down on 80% of their funds seems like it's the right  
10 thing, and that should be the case, but we looked  
11 through the list and there are a number of other  
12 agencies that have not really drawn down on the  
13 spending itself. Obviously you can't get reimbursed  
14 until you spend the dollars. So, in terms of the  
15 oversight from OMB's perspective, what is the staff  
16 and the team doing to ensure that the agencies are  
17 spending dollars so we can get reimbursed? Is there--  
18 is there a monitoring? Is there a periodic check-in?  
19 Is there some sort of coordination that OMB has with  
20 the various agencies?

21 CALVIN JOHNSON: Yeah, with regards to  
22 the FEMA funding we meet with every agency on a  
23 biweekly schedule on top of--

24 CHAIRPERSON GIBSON: Okay.

25 CHRISTOPHER BLANCO: --additional biweekly  
internal meetings looking at the overall portfolio.



3 I think we've identified what are kind of low hanging  
4 fruit as far as looking--looking for reimbursement,  
5 and trying to increase the rate of spending. So,  
6 it's an ongoing discussion at a minimum once every  
7 two weeks. We're quite frequently on the phone with--  
8 with agencies on a project by project basis more  
9 frequently than that.

10 CHAIRPERSON GIBSON: Okay, and have you  
11 noticed--I love to talk about trends. I think some  
12 agencies do a great job, some do a good job, and then  
13 some do a less than good job, right? I won't say bad.  
14 I'll say less than good. Have you looked at trends  
15 since you meet so consistency--consistently with  
16 agencies to determine if there are some that are  
17 doing, you know, some best practices that we can  
18 incorporate with other agencies as a way to kind of  
19 speed up the process so other agencies that are  
20 lagging are able to look at other practices to speed  
21 up their spending?

22 CHRISTOPHER BLANCO: Yeah, we certainly  
23 do. I think some of the challenges when looking  
24 across the board at the entire portfolio is, you  
25 know, it's not a homogenous set of projects.  
Different agencies have much more complicated

3 projects. You mentioned with Sanitation a lot of the  
4 work was tied to debris removal, and a lot of the  
5 services directly after Sandy—after Sandy so a lot of  
6 the paperwork and the actual work that's being  
7 completed could be done fairly quickly compared to a  
8 much more complex multi-billion dollar capital  
9 construction project. So, we certainly work with the  
10 agencies, identify which agencies have certain best  
11 practices and try to roll that out across the entire  
12 program as best possible.

13 CHAIRPERSON GIBSON: Okay, and I'm glad  
14 you said that because I do recognize. I don't want  
15 anyone to think that we don't believe that, you know,  
16 each agency has a different task. Some of these  
17 projects are much more complicated than others. I  
18 just personally think that some of the agencies that  
19 have the more complicated projects are the ones we  
20 should monitor a little bit more because if you think  
21 about it, resiliency work and coastal, you know,  
22 flooding work a lot of those areas have been  
23 vulnerable for a very long time, and you have  
24 families and homeowners that are still living there  
25 today. So, I thin, you know, we should have more of  
a sharper lens so to speak on those particular

3 agencies just simply because their capital projects  
4 are much more long term, and much more complicated.  
5 Would you agree?

6 CHRISTOPHER BLANCO: We certainly agree.

7 CHAIRPERSON GIBSON: In terms of  
8 staffing, we like to ask questions about capacity,  
9 and both units that deal with FEMA and CDBG money you  
10 talked about 20 and two dozen. Is that sufficient as  
11 we look at a timeline, right? 2022 is really around  
12 the corner. We have to act like it's tomorrow.

13 Being that not everyone is spending and, you know,  
14 drawing down on the funds as they should, with the  
15 time line looming, number one, do you think that we  
16 are able to spend in that timeframe? Would we need  
17 another extension, and then secondly, do you think  
18 that on the staff side we need to look at enhancing  
19 capacity for more staff so that you can oversee the  
20 agencies in a more efficient way?

21 CHRISTOPHER BLANCO: So, I'll take this  
22 first on the FEMA side. I think we feel comfortable  
23 with the number of staff we have dedicated to full  
24 time at OMB, as well as staff at the agencies. As was  
25 noted in kind of the opening statements, we don't  
have traditional deadlines with regards to the

3 projects for FEMA. So, at this point we feel  
4 confident in meeting the project schedules that we  
5 have, and I would defer to Calvin to respond on the  
6 HUD side.

7 CHAIRPERSON GIBSON: Okay.

8 CALVIN JOHNSON: Thank you, Chris. Um,  
9 yeah, and certainly our—our staffing levels have  
10 changed over the course of the disaster as well. I  
11 think we started with much smaller staffing levels  
12 and very quickly realized we needed to increase  
13 capacity, and we've built out additional functions as  
14 we've gone. So, we've created a dedicated  
15 Environmental Review Team for CDBGDR funding that we  
16 didn't necessarily start with. We've created a  
17 Dedicated Monitoring Compliance Team as we've gone.  
18 At our peak we were close to—to 30 active staff, and  
19 as we get closer and closer to the completion of the  
20 grant, as staff departs we continuously evaluate is  
21 this a position that we backfill or do we have manage  
22 attrition to go down to, you know, really when we're  
23 just at the point of all projects are complete, and  
24 we are—are doing final reconciliation, and closing  
25 out the grant with the federal government. We're

3 continuously monitoring, but adequately staffed  
4 currently.

5 CHAIRPERSON GIBSON: Okay. Does the  
6 timeline extension until September 2022 apply to all  
7 of the remaining spending or is it specific?

8 CHRISTOPHER BLANCO: Um, that timeline  
9 that you reference is specific just to the Community  
10 Development's Recovery funds that the city received  
11 through HUD.

12 CHAIRPERSON GIBSON: Okay, and if we did  
13 need another extension I bring up the worst case of  
14 the worst case of the worst case scenario, if we  
15 needed another extension to you think we would be  
16 granted by the Feds?

17 JAINEY BAVISHI: An extension of that  
18 deadline would require an act of Congress.

19 CHAIRPERSON GIBSON: It would? Oh, an act  
20 of Congress?

21 JAINEY BAVISHI: It's a statutorily  
22 mandated deadline.

23 CHAIRPERSON GIBSON: Okay, we're doomed.  
24 Okay, just asking.

25 CALVIN JOHNSON: I mean I think to build  
on that, too, the City of New York is not doing our

3 recovery work in isolation. We have continuous  
4 conversations with grantees who were impacted by  
5 Sandy as well as Puerto Rico, Texas, Florida, and  
6 more recent impacted communities. We've certainly  
7 heard from grantees who are receiving National  
8 Disaster Resiliency funds as well as working on the  
9 Sandy portfolio. There would be broad interest in a  
10 timeline extension. I think as I mentioned in  
11 subsequent disasters after Sandy, the congressionally  
12 imposed deadline has not been the case. HUD  
13 internally has kept the same standard, but it's not a  
14 congressional mandate for post-Sandy HUD funding.

15 CHAIRPERSON GIBSON: Okay. Okay, let me  
16 turn it over to our Co-Chair. He has one final  
17 question.

18 CHAIRPERSON BRANNAN: Thank you, Chair.  
19 Just to touch back on the NYCHA stuff, I don't-I  
20 don't want to end this hearing today without getting  
21 some information there. Can you give us the  
22 breakdown between the FEMA PA funds and the CDBGDR  
23 funds for NYCHA?

24 CHRISTOPHER BLANCO: For the FEMA funding  
25 we have \$3.1 or \$3.2 billion, and for CDBGDR funding  
it's \$317 million of which we've—we've disbursed just

3 shy of 80% of that number. By disperse I mean is  
4 drawn down from the Federal Treasure and—and really  
5 in the case of NYCHA, the FEMA funding and the CDBGDR  
6 funding go hand in hand. It's the same overall  
7 recovery process at NYCHA and both of our teams and  
8 staff coordinate with the Housing Authority together.

9 CALVIN JOHNSON: and just one thing to  
10 add is that because HUD funding has that deadline, to  
11 the extent we can, we try to frontload the HUD  
12 spending prior to the FEMA spending where we do have  
13 that both a lot. (sic)

14 CHAIRPERSON BRANNAN: Um, and the last  
15 thing. So the—the Sandy Funding Tracker identifies  
16 you've got Coney Island, Breezy Point, Sheepshead  
17 Bay, Staten Island and the ESCR as well as Hunts  
18 Point as all projects are earmarked for the CDBG  
19 funding. What's the to-do list past those—those  
20 shorelines? What else do we have?

21 JAINEY BAVISHI: Well, there—so there's  
22 also—so those are the, um, projects that are funded  
23 through CDBGDR dollars. There is also the East Shore  
24 of Staten Island, which is funded by Army Corps  
25 dollars, the Rockaway Reformulation Project, which is  
also funded with Army Corps dollars, and then there's

3 Lower Manhattan Coastal Resiliency, part of which is  
4 funded through city capital, and part of which is  
5 unfunded.

6 CHAIRPERSON BRANNAN: Okay, is there  
7 anything that outlies that? Is there anything  
8 missing?

9 JAINEY BAVISHI: Uh—

10 CHAIRPERSON BRANNAN: That's on your to  
11 do list so to speak?

12 JAINEY BAVISHI: Um, I—I don't think you  
13 mentioned the Raised Shorelines Program in that list.  
14 So there is also that work that's happening.

15 CHAIRPERSON BRANNAN: Okay, but that's  
16 not CDBG, right?

17 JAINEY BAVISHI: Um, it is in part CDBG  
18 and part city capital.

19 CHAIRPERSON BRANNAN: Okay, okay.

20 JAINEY BAVISHI: And, of course, where—  
21 like I said in response to a previous questions we're  
22 at the table with the Army Corps of Engineers as part  
23 of the New York/New Jersey Harbor and Tributary Study  
24 looking at a more comprehensive coastal protection  
25 strategy for the New York Harbor and the surrounding  
area.



3 CHAIRPERSON BRANNAN: Okay. Alright,  
4 Chair, thank you.

5 CHAIRPERSON GIBSON: So, thank you so  
6 much. As I close I just want to just follow up as we  
7 talked about. I would hope to hear specifics on H&H  
8 and NYCHA. It's disappointing number one that we  
9 don't have all of the information, but equally it's  
10 disappointing that H&H and NYCHA are lagging behind  
11 in these capital projects particularly a lot of the  
12 NYCHA projects in Southern Brooklyn. That is  
13 problematic for us, and certainly we want to  
14 understand what the delay is, and we want to be  
15 helpful, but also if we identify what the  
16 deficiencies are, we need to stay on top of these  
17 agencies. So, in addition to NYCHA, as well as EDC,  
18 I'd love to understand further the Hunts Point  
19 Project because that's important to the Bronx  
20 Delegation as well as H&H because we're talking about  
21 long-term hospital and medical facilities and other  
22 projects that H&H manages. So, that's important for  
23 us. Okay, anything else?

24 CHAIRPERSON BRANNAN: I'm okay. Thank  
25 you.

3 CHAIRPERSON GIBSON: Okay, thank you so  
4 much for coming today. We will follow up. Thank you  
5 for being here. I would urge you—we have two members  
6 of the public who are testifying so it would be great  
7 if you could remain—remain behind just for a little  
8 while just to hear their testimony. I always ask  
9 that because the Administration usually rushes out.  
10 So, I would love it if you could provide us with an  
11 extra ten minutes so that you can hear their  
12 remaining testimony. Thank you so much. (pause) We  
13 will call up our next and final panel. We have two  
14 members of the public from the Waterfront Alliance,  
15 Karen Imas is here with us as well as from the New  
16 York City Environmental Justice Alliance we have Pria  
17 Molgankar. Please join us, and if you have testimony  
18 please provide it to Sergeant-at-Arms. Thank you for  
19 being here today. (pause) And before you begin, if  
20 there's anyone else, members of the public who are  
21 here, and interested in testifying, please see the  
22 sergeant-at-arms and sign up so that we can call your  
23 name after we are finished with the panel before us.  
24 Thank you once again.

25 KAREN IMAS: Good morning. Thank you for  
holding this—it's still morning. My name is Karen

3 Imas. I'm the Senior Director of Programs at the  
4 Waterfront Alliance. As you probably know, we're a  
5 non-profit civic organization and coalition of more  
6 than 1,100 community and recreational group,  
7 educational institutions, business and other  
8 stakeholders, and our mission is to inspire and  
9 enable resilient, revitalized and accessible  
10 coastlines for all communities. We agree that it is  
11 crucial that we use the federal funds awarded post-  
12 Sandy expediently as possible or we risk losing them,  
13 and being unable to afford much needed coastal  
14 protection. As was mentioned, we have two years to  
15 spend all of the funds allocated through HUD, and  
16 while FEMA's timelines vary, FEMA's funding has  
17 lagged. There are solutions to this both at the  
18 federal and the city level, and things that we can be  
19 doing now to improve both the current use of funds,  
20 and to be prepared for the future. And we do commend  
21 the city on progress that has been made, but urge  
22 that this issue be viewed as the emergency that it  
23 is. We ensured that resources provided to MOR and  
24 NYCHA as well as other city agencies are adequate to  
25 expedite project completions. You're aware probably  
of the recent Comptroller's Report that highlighted

3 the discrepancy in spending among city agencies  
4 ranging from the Police Department, which has used  
5 most of its FEMA funds while H&H's was mentioned has  
6 used little of it, and while the focus of this  
7 hearing is on expenditure and reimbursement of  
8 federal funding related to Sandy, it's important to  
9 also reflect on how prepared we are for the near, mid  
10 and longer term risks we face due to both storms and  
11 climate change. This is something Waterfront  
12 Alliance has been involved with heavily through the  
13 work of a 400-member regional resilience task force,  
14 which is informing a coastal adaptation platform for  
15 city, state and federal funding. We—we commend and  
16 recognize progress has been made in Lower Manhattan,  
17 and through MTA fortification as well as some  
18 investments in Staten Island, but the overall picture  
19 is we're largely not prepared. Red Hook, Sunset Park,  
20 Coney Island, Jamaica Bay, Hunts Point all have been  
21 mentioned as vulnerable areas that demand faster and  
22 better solutions. We have nearly half a million  
23 people in the city in the flood plain today.  
24 Seventeen percent of NYCHA buildings are in the flood  
25 plain, and we really need to define the criteria to  
prioritize projects as was mentioned in this hearing.

3 We can dedicate resources to expediting the use of  
4 federal funds and increasing accountability through  
5 comprehensive resilience planning beyond Lower  
6 Manhattan that takes into account sea level rise,  
7 storms, housing infrastructure and social  
8 vulnerability and proactively plans for where the  
9 city can bear more density and where it cannot—the  
10 city can and should work with federal and state  
11 partners to develop long-term funding sources for  
12 adapting our city. We look forward to being a  
13 partner in this effort, and thank you for your time  
14 today.

14 CHAIRPERSON BRANNAN: Thank you, Karen.

15 PRIA MOGANKAR: Thank you Council Members  
16 Gibson and Brannan for holding this important  
17 hearing. My name is Pria Molgankar. I'm the  
18 Resiliency Planner at the New York City Environmental  
19 Justice Alliance. Founded in 1991, NYC-EJA is a  
20 citywide membership Network linking 11 grassroots  
21 organizations from low-income communities and  
22 communities of color in their struggle for  
23 environmental justice. In 2012, Super Storm Sandy  
24 devastated our city sounding the alarm that the  
25 climate crisis is here. Sandy's impacts were not

3 equally felt with low-income communities, communities  
4 of color, and public housing residents in coastal  
5 communities from Red Hook to the Rockaways facing  
6 heaviest impacts and slowest recovery. NYC-EJA  
7 investment in coastal resiliency are essential to  
8 confronting the risks of the climate crisis, but the  
9 allocation of the Community Development Block Grant  
10 for Disaster Recovery follows similar patterns of  
11 racial and economic inequality as did Super Storm  
12 Sandy. As of December 31, 2019 of the nearly \$4.2  
13 billion in the CDBGDR Sandy Recovery Funds available  
14 to the city of New York only about 11% has been  
15 allocated to coastal resiliency. Within this sliver  
16 of the pie a whopping 70% has been allocated just for  
17 the East Side Coastal Resiliency Projects, which  
18 protects Wall Street and parts of Lower Manhattan.  
19 This 3—this \$338 million federal project, which was  
20 allocated more than was for the entirety of NYCHA  
21 Housing Recovery, has been joined by an additional  
22 \$500 million from the city budget for four capital  
23 projects to reinforce Lower Manhattan's Coastal  
24 areas. While Lower Manhattan faces a surge of  
25 investment, the handful of communities in South  
Brooklyn, Hunts Point and Staten Island named in the

3 budget will split the remaining 30% of Federal  
4 Coastal Resiliency Funds. Communities like Far  
5 Rockaway and Red Hook where a significant portion of  
6 NYCHA housing is situated in the flood plain are not  
7 named in this line of the Federal Coastal Resiliency  
8 Budget allocation. Though Red Hook was initially  
9 promised \$200 million for coastal resilience through  
10 a combination of FEMA hazard mitigation funding and  
11 city and state funding that number has dropped to  
12 \$100 million and the vulnerable Hunts Point Peninsula  
13 and Environmental Justice, an industrial waterfront  
14 community that hosts one of the nation's largest food  
15 distribution hubs received only \$45 million for an  
16 energy resiliency project that does not cover coastal  
17 protection. The current allocation of coastal  
18 resiliency funding does not reflect the dire  
19 vulnerability of New York's industrial working class  
20 waterfront neighborhoods. A lot of national  
21 attention has been directed towards shielding Lower  
22 Manhattan from the next climate emergency.  
23 Meanwhile, the most impacted communities some of whom  
24 are still recovering and waiting to return to their  
25 homes are seeing a slower response, and much more  
modest investments even seven years after Sandy. In

3 2010 NYEJA, launched our Waterfront Justice Project,  
4 New York City's first citywide community resiliency  
5 campaign that seeks to reduce the potential toxic  
6 exposure and public health risks associated with  
7 climate change and storm surge in the city's  
8 industrial waterfront. We envision a robust working  
9 class waterfront in our Significant Maritime and  
10 Industrial Areas or SMIAAs that can support a  
11 regenerative green economy, while providing good blue  
12 collar jobs to Environmental Justice communities. Our  
13 research has shown that the SMIAAs are all in storm  
14 surge zones. Yet the city of New York has not  
15 analyzed the cumulative contamination exposure risks  
16 associated with clustering heavy industrial use.  
17 Facilities handling hazardous substances and toxic  
18 chemicals in these SMIAAs represent a threat to  
19 Environment Justice communities in the event of  
20 hurricane storm surge, and warrants significant  
21 investment in coastal resiliency. We need to ensure  
22 the retention and vitality of these industrial  
23 communities without putting residents at risk of  
24 toxic exposure. We also need to see a concerted  
25 investment in ecologically grounded coastal  
resiliency measures. Low lying areas like the



3 Rockaways can be protected using techniques like  
4 living shorelines, which work with existing wetlands,  
5 beach head, water habitats to prevent erosion and  
6 reduce wave impacts, and for more industrial  
7 communities we can elevate critical existing  
8 infrastructure, incorporate new green space,  
9 permeable surfaces and green infrastructure to help  
10 mitigate flooding. Environmental Justice communities  
11 cannot wait for another Sandy before we act on  
12 coastal resiliency. Thank you for calling attention  
13 to the need for oversight on the disbursement of post  
14 disaster funds.

15 CHAIRPERSON BRANNAN: Thank you. If I had  
16 room for any more tattoos, I'd get your entire  
17 testimony tattooed on me. Okay, we want to call up  
18 now Catherine Hughes from the Financial District  
19 Neighborhood Association. (pause)

20 CATHERINE HUGHES: Is it on? Yes. So,  
21 hi. Good

22 CHAIRPERSON BRANNAN: Hi.

23 CATHERINE HUGHES: Good afternoon. No,  
24 it's still good morning, Chair Brannan and—and your  
25 Council team here. It was not actually in the plan  
to testify today, but I just wanted to provide some

3 clarification on some prior information that I heard  
4 in the hearing. As a long time member of Lower  
5 Manhattan some 31 plus years, I spent over two  
6 decades—I spent two decades as Chair and Vice Chair  
7 of the Manhattan Community Board 1 and also seven  
8 years as Chair of the World Trade Center  
9 Redevelopment. In that time when I was Chair we had  
10 Super Storm Sandy. We had seven feet of water at the  
11 Historic South Street Seaport. We had the guts of  
12 the skyscrapers spread out on Water Street, and, um,  
13 I—I just wanted to make sure for the record that  
14 there is no money in place now for that compartment  
15 at the Lower Manhattan Coastal Resiliency Planned  
16 Project at all from Brooklyn Bridge through the  
17 Staten Island Ferry. No money. The only money that  
18 is in place is to do the study, and the study now  
19 that was funded after Super Storm Sandy has been  
20 rebooted as a new study for the Master Plan. What is  
21 in place to protect the neighborhoods, just so you  
22 know on the record only two people drowned in  
23 Manhattan. Both of them were in Community Board 1,  
24 which is only one and a half square miles. One was  
25 in a parking lot in Tribeca and one was an individual  
south of the New York Stock Exchange on Broad Street,

3 and I know several people who almost drowned, but  
4 fortunately they did not. So, anyway, going back  
5 what is in place is something called an Interim Flood  
6 Protection Measure. It only goes in Community Board  
7 1 from Brooklyn Bridge through Wall Street. There is  
8 no interim flood protection measure in place between  
9 Wall Street and the Staten Island Ferry. So, I just  
10 want to make sure that you and the people in the room  
11 know that the gaps of resiliency protection at the  
12 shoreline continues today in Lower Manhattan. Also  
13 for the record the prior Council Member talked about  
14 what the U.S. Army Corps is doing. I would like to  
15 request that you hold a hearing on this because what  
16 we heard from the city we need a multi-layer  
17 strategy. It's really four prong. One is, which  
18 even the U.S. Army Corps says is to address the root  
19 problem of greenhouse gas emissions in New York City-  
20 -and I've said this before in prior environmental  
21 committee hearings—has gone sideways since 2012 on  
22 the goal of reducing greenhouse gases 80 by 50% or 40  
23 by 2030. The 2018 data is still not out. It should  
24 have been released. So, based on your own—the city's  
25 data, their inventory data, it has only gone down 17%  
since the baseline in 2005. So, in the next ten years

3 you have a lift of 23% greenhouse gas emissions  
4 that's necessary, and that's going to be not as easy  
5 to do. The second thing you heard earlier the city  
6 has been working on their building guidelines and  
7 codes. So-so we heard about that. The third is  
8 addressing sea level rise at the waterfront. New  
9 York City alone has 520 miles of coastal waterfront.  
10 Now, what was also mentioned was a regional strategy.  
11 That's there the U.S. Army Corps comes in, and their  
12 HATS Study. They made a presentation in Long Island  
13 on October 24<sup>th</sup> last year. The numbers were  
14 different than what some of you may have read in the  
15 New York Times. The New York Times headline said it  
16 was a cost of \$119 billion. The latest round of  
17 numbers that some folks still have concern with how  
18 it's actually calculated for Option 2 is \$62 billion.  
19 So, all you need to do is actually go to there  
20 website and check it for yourself under their last  
21 presentation. I think it would be great if you could  
22 get the U.S. Army Corps to come here and present to  
23 this committee so that the regional strategy can be  
24 looked as well, you know, for the multi-layer  
25 strategy. So, what you heard was on the East Side  
Coastal Resilient 2 project up north from Montgomery

3 Street to 23<sup>rd</sup> Street on the East River, which is not  
4 really a river but the East Strait. They originally  
5 came in at 16.5 feet above sea level. With the  
6 Manhattan Borough President they did a study from  
7 Holland. The experts came in and said, You got to  
8 raise it up a couple more feet. So, that would be  
9 18.5. I don't know what the final number is, but  
10 around the whole city 520 miles it's going to be  
11 really tough to address the sea level rise, but I  
12 just want to make sure. There are lots of miles that  
13 still need to be addressed whether they're in  
14 Brooklyn, Queens protecting our food source in Hunts  
15 Point, and by the way, with the U.S. Army Corps  
16 strategy, you would have another thing that needs to  
17 be clarified from that article. It's five miles if it  
18 goes alternative to between Sandy Hook and, Far  
19 Rockaway, Breezy Point or wherever you want to do it.  
20 It's probably never going to happen, but if it does  
21 it's five miles there and one mile up near Throggs  
22 Neck. You can go and check it out yourself. So, a  
23 total of six miles. Alternative 3 is roughly one  
24 mile instead of the five miles at the Verrazano  
25 Bridge, which would divide your district I believe.  
Part of it would be protected, and part of it would

3 not. So the question you have a hard decision. Are  
4 going to protect the region? Are we all in it  
5 together or is everybody going to fight for a part of  
6 a pie that doesn't seem to have enough money to go  
7 around or resources. So, I just thank you very much  
8 for this opportunity and I welcome any questions.

9 CHAIRPERSON BRANNAN: Amen.

10 CATHERINE HUGHES: Okay and I have one  
11 more point of clarification. I'm submitting the  
12 Storm Surge Watch Newsletter 789, and each of them  
13 has a different theme. A couple more points of  
14 clarification from that article. If you actually—the  
15 way it works is you close the sea gate system at low  
16 tide, and because it's such a large basin studies  
17 from Stony Brook, Long Island which knows this  
18 estuary. You know, knows the New York Harbor very  
19 well, it will only be several inches accumulation,  
20 and people forget that the water—the Hudson River  
21 starts over 100 miles north up near Albany. It's an  
22 only 18-inch grade. So, you close it low tides. So  
23 like, unfortunately during Super Storm Sandy we saw  
24 what happened to the sewage system. Sewage was  
25 everywhere. It backed up into people's basements into  
their homes. It was a problem, but it the gates close

3 at high tide, they sewage system can work for one or  
4 two cycles, and then the gates would open. So, in  
5 fact, in London water quality improved, and the  
6 second thing is when the gates close at low tide it  
7 doesn't back up much on either side as well. It's  
8 only a couple of inches. So thank you very much.

9 CHAIRPERSON BRANNAN: Thank you. Chair.

10 CHAIRPERSON GIBSON: I also want to  
11 acknowledge we've been joined by Council Member Mark  
12 Gjonaj. Thank you for joining us. I just had a  
13 quick question. You talked about the Lower Manhattan  
14 Resiliency Plan. You mentioned that there's a study  
15 and there's funding for a study, but there's actually  
16 no money allocated to do any of the work. Are we the  
17 Administration waiting for the study to be complete,  
18 and then we would get an analysis of the cost and  
19 proceed, or what do you believe is—is the reason why  
20 there's no money?

21 CATHERINE HUGHES: As we all know, it  
22 costs a lot more to actually implement a project than  
23 to do a study of a project. So, part of this 18-  
24 month process for a compartment of the Lower  
25 Manhattan Coastal Resiliency Plan is to study how the  
funding could occur, and what they concluded from the

3 first round of the study was that you could not do  
4 something like the East Side Coastal Resiliency  
5 Project where you elevated the part because there's  
6 so much infrastructure in Lower Manhattan because  
7 that's where city started. As you know, it was a  
8 harbor city, and that's what made it successful. So,  
9 they're looking at an option and something called  
10 Building out the coast 50 feet to 500 feet, and we'll  
11 find out at the end of the study what their ideas are  
12 for funding, but I really appreciate that question.  
13 Just so you know, roughly one out of ten city jobs is  
14 in Lower Manhattan. It is the fourth largest  
15 business district. So, after Super Storm Sandy when  
16 some businesses were absolutely devastated, some did  
17 not reopen at the South Street Sea Port. We have one  
18 that takes over a year and not only impacting the 40  
19 employees that work at that business, you're  
20 impacting all the families of those 40 people that  
21 depend on that individual for working there. So one  
22 out of ten city jobs is in Lower Manhattan, and one  
23 out of 18 in the entire state is in Lower Manhattan.  
24 It happens to be the four largest business district  
25 in the country. Midtown is number one, Chicago is  
number two and Washington DC is number three, and



3 roughly 70,000 people live down here in a very, very,  
4 very dense area. So, it's a mixed district  
5 community.

6 CHAIRPERSON GIBSON: Okay, thank you so  
7 much.

8 CATHERINE HUGHES: Thank you very much.

9 CHAIRPERSON GIBSON: We appreciate you  
10 being here today. Okay, we want to thank everyone for  
11 coming today to our joint hearing the Committee on  
12 Resiliency and Waterfronts and the Subcommittee on  
13 Capital, and this hearing is now hereby adjourned.  
14 Have a good day everyone. Thank you. (gavel)

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SUBCOMMITTEE ON CAPITAL BUDGET JOINTLY WITH  
COMMITTEE ON RESILIENCY AND WATERFRONTS

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COMMITTEE ON RESILIENCY AND WATERFRONTS

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 12, 2020