



Legislation Details (With Text)

File #: Res 0855-2015 **Version:** * **Name:** Superstorm Sandy Relief and Disaster Loan Program Improvement Act (H.R. 208)
Type: Resolution **Status:** Filed (End of Session)
In control: Committee on Recovery and Resiliency

On agenda: 9/17/2015

Enactment date: **Enactment #:**

Title: Resolution calling upon the United States Senate to pass and the President to sign H.R. 208, the Superstorm Sandy Relief and Disaster Loan Program Improvement Act, which would improve the United States Small Business Administration's disaster assistance program

Sponsors:

Indexes:

Attachments: 1. September 17, 2015 - Stated Meeting Agenda with Links to Files

Date	Ver.	Action By	Action	Result
9/17/2015	*	City Council	Introduced by Council	
9/17/2015	*	City Council	Referred to Comm by Council	
12/31/2017	*	City Council	Filed (End of Session)	

Res. No. 855

Resolution calling upon the United States Senate to pass and the President to sign H.R. 208, the Superstorm Sandy Relief and Disaster Loan Program Improvement Act, which would improve the United States Small Business Administration's disaster assistance program

By Council Members Ulrich, Barron, Cabrera, Chin, Eugene, Gentile, Mendez, Richards and Rose

Whereas, According to the National Oceanic and Atmospheric Administration, Superstorm Sandy caused an estimated \$65 billion in damages in the United States and ranked as the second costliest natural disaster in the nation's history; and

Whereas, In New York City the storm caused the inundation of an area containing 300,000 homes and 23,400 businesses, according to the New York City Mayor's Office (Mayor's Office); and

Whereas, Tens of thousands of additional businesses and non-profits located outside of the city's inundated area were impacted indirectly by the storm through the loss of heat, power, access to customers, disruption of transportation and other impacts; and

Whereas, According to the Mayor's Office, Superstorm Sandy resulted in a total of \$19 billion in damages in the city, including \$8.6 billion in direct private losses, \$4.8 billion of which were uninsured; and

Whereas, The United States Small Business Administration (SBA) is a federal agency whose function is to "aid, counsel assist and protect, insofar as is possible, the interests of small business concerns" by providing loans, loan guarantees, contracts, counseling and other forms of support to small businesses; and

Whereas, The SBA administers a Disaster Loan Program providing direct loans to businesses, non-profits, homeowners and renters to help them recover in the wake of natural disasters; and

Whereas, For businesses and homeowners, the SBA's Disaster Loan Program is the primary source of long-term federal financial assistance in the aftermath of disasters such as Superstorm Sandy; and

Whereas, After Superstorm Sandy the SBA provided low-interest loans to businesses, non-profits, homeowners and renters impacted by the storm to support the repair or replacement of real estate, personal property, equipment, inventory and other business assets damaged by the storm; and

Whereas, According to the Mayor's Office, as of March 2013, SBA received 22,042 disaster loan applications from businesses in New York City, of which 8,218 (37.28%) had been approved, and

Whereas, In 2014, the United States Government Accountability Office (GAO) issued a report examining SBA's administration of the Disaster Loan Program in response to Superstorm Sandy; and

Whereas, The GAO's report concluded that SBA did not meet timeliness goals for processing disaster loan applications because the agency was challenged by an unexpectedly high volume of applications; and

Whereas, The SBA has said it was challenged by a high volume of loan applications in response to the storm particularly due to a large influx of electronic applications, as well as technological and other issues; and

Whereas, As a result of the SBA program's issues, many businesses and homeowners affected by Superstorm Sandy were unable to apply for financing from the Disaster Loan Program; and

Whereas, There is concern that SBA has not adequately addressed issues with its Disaster Loan Program, has not sufficiently modified its planning documents to prepare for potential future disasters that

might cause a surge in applications thereby stressing staffing and resources, and that SBA risks being unprepared to respond to future disasters; and

Whereas, In July 2015, the United States House of Representatives passed H.R. 208, the Superstorm Sandy Relief and Disaster Loan Program Improvement Act, to address these concerns and improve the SBA's Disaster Loan Program; and

Whereas, H.R. 208 would require the SBA to establish a loan program under which, for at least one year, small businesses, homeowners, or renters that were located within a major disaster area after Superstorm Sandy may apply for a loan to repair, rehabilitate or replace property damaged by the storm;

Whereas, H.R. 208 would also require improvements to the Disaster Loan Program, including the modification of collateral requirements, a reduction in delays on closing and disbursement of loans and increased transparency in loan approvals; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Senate to pass and the President to sign H.R. 208, the Superstorm Sandy Relief and Disaster Loan Program Improvement Act, which would improve the United States Small Business Administration's disaster assistance program.

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