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Three Years After Hurricane Sandy: More Federal Aid for Storm Resiliency and Sandy- Related Repair Work Added in Executive Budget

More than three years after Hurricane Sandy battered New York, federal aid to fund storm-related repair and resiliency work is still being added to the city budget. Nearly \$1.6 billion in disaster-relief funds from Washington were added to the city's operating and capital budgets as part of the executive budget financial plan. The majority of the funds, nearly \$1.3 billion, were added to the city's capital budget, while \$260.5 million were added to the city's operating budget. The funding, which will help pay for a variety of projects ranging from large-scale coastal resiliency work to continuing the repair of damaged housing, brings the total federal aid planned for Sandy relief in the city's budget (both operating and capital) to \$6.7 billion for the years 2016 through 2020. The majority of funds are budgeted for 2016 (\$2.1 billion) and 2017 (\$2.8 billion).

Sandy Aid for Capital Projects Increased. Just under \$1.3 billion in federal aid was added to the city's capital commitment plan for 2016 through 2020, with the majority of new funding planned to be committed in 2017. This brings total federal funding for Sandy-related capital projects planned over the next five years to nearly \$4.2 billion. Another \$560 million in Sandy-related recovery and resiliency costs are expected to be paid for with city capital funds over the same period, for a total of \$4.7 billion in planned Sandy-related capital commitments over the next five years. This is in addition to \$1.5 billion the city already committed (\$1.3 billion in federal funds) for Sandy capital projects in 2013 through 2015.

The federal funds added in the executive budget come through a variety of disaster relief programs, including Community Development Block Grant Disaster Relief (CDBG-DR) and National Disaster Resiliency (CDBG-NDR)

awards, Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) emergency relief grant programs, as well as expected reimbursements from the Federal Emergency Management Agency (FEMA).

More than a third of the federal aid added to the city's capital budget (\$456.5 million) is for two large resiliency projects, the East Side Coastal Resiliency Project and the Two Bridges Project. Both will be managed by the city's Department of Citywide Administrative Services. The East Side Coastal Resiliency Project, which is funded using \$280.5 million of the city's CDBG-DR award, is a flood protection system that will extend from East 23rd Street to Montgomery Street in Lower Manhattan and will include multiple measures, such as protective berms, flood walls, and new pedestrian bridges. The Two Bridges Project, with \$176.0 million in funding provided through a CDBG-NDR award, will continue this flood protection system into the Two Bridges neighborhood from Montgomery Street to the Brooklyn Bridge.

Department of Transportation (DOT) capital projects received \$286.4 million in new Sandy federal funds in the executive budget, with the majority of the funds coming from FTA and FHWA emergency relief grant programs. This includes \$188.1 million in funding to help pay for the construction of new storm-resistant ferry boats for the Staten Island ferry, along with \$19.9 million for flood proofing the Staten Island ferry terminals, and \$9.0 million for new barges. The remaining federal funds added to DOT's capital budget are split between a variety of projects, including \$43.1 million for reconstruction of streets and highways and damaged by Sandy.



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Nearly \$1.3 Billion in Federal Sandy Aid Added to City's Capital Commitment Plan		
Operating Agency	Funds Added in Executive Budget	Total Federal Funds Planned 2016-2020
Department of Citywide Administrative Services	\$456,515,000	\$456,521,000
Department of Transportation	286,383,000	503,584,000
NYC Health + Hospitals	231,480,000	1,541,501,000
Department of Small Business Services	173,757,000	308,623,000
Department of Education	98,820,000	221,502,000
Department of Parks and Recreation	20,725,000	462,447,000
Department of Environmental Protection	18,990,000	171,930,000
Department of Sanitation	3,214,000	16,589,000
Police Department	1,964,000	44,126,000
Fire Department	1,549,000	161,306,000
Department of Cultural Affairs	-	104,073,000
Department of Correction	-	75,775,000
Housing Authority	-	66,300,000
Libraries	-	10,359,000
City University of New York	-	2,788,000
Department of Health and Mental Hygiene	-	2,644,000
Department of Homeless Services	-	89,000
Total	\$1,293,397,000	\$4,150,157,000
SOURCE: Executive Fiscal Year 2017 Capital Commitment Plan NOTE: Totals exclude contingency and interfund agreements.		
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Capital projects managed by the NYC Health + Hospitals received \$231.5 million in federal funds in the executive budget. These are expected FEMA reimbursements to pay for the repair and reconstruction of city hospitals impacted by the storm and to protect facilities from future storms. They are in addition to \$1.3 billion that has already been budgeted in prior financial plans for hospital repairs over the next five years. The majority of funds added in the executive budget (\$208.8 million) for these projects is planned for 2020.

An additional \$173.7 million in federal funding went to the capital program of the Department of Small Business Services, which will be passed through to the city's Economic Development Corporation. This includes \$100.0 million for an integrated flood protection system in Red Hook, Brooklyn. Half of the funds expected are through the FEMA Hazard Mitigation Grant Program and the remainder from the city's CDBG-DR award. Another \$40.8 million in CDBG-DR funds have been budgeted for resiliency work in Hunts Point in the Bronx, which is home to the city's largest food distribution center. Lastly, \$32.6 million was added for repairs to city-owned property, including \$12.0 million for debris removal, pier improvements, and shoreline stabilization at Homeport, a decommissioned naval base, on Staten Island.

Federal funds for capital projects were also added to the commitment plans of the Department of Education (\$98.8 million) for repair work to damaged schools, the Department of Parks and Recreation (\$20.7 million), the Department of Environmental Protection (\$19.0 million), the Department of Sanitation (\$3.2 million), the police department (\$2.0 million), and the fire department (\$1.5 million).

Sandy Aid Added to the City's Operating Budget. With the addition of \$260.5 million in aid, the federal funding for Sandy response flowing through the city's operating budget is now planned to total nearly \$2.6 billion from 2016 through 2020. Another \$47.8 million in Sandy-recovery costs are expected to be paid for with city funds over the same period. This planned spending is in addition to the \$2.5 billion the city has already spent on Sandy response and recovery operating expenses in 2013 through 2015, including \$2.3 billion in federal aid.

The vast majority of funds added in the executive budget (\$249.8 million) are part of the CDBG-DR program, including \$4.1 million that is part of New York State's award that will flow through to the city budget. The remaining \$10.7 million added is expected in FEMA reimbursements. Most of the federal aid added to the city's operating budget (just over \$200 million) was added for the city's Housing Recovery Office and Build it Back program to reconstruct

and repair housing damaged by the storm. Another \$11.6 million is budgeted to pay for East Side Coastal Resiliency Project expenses that are not eligible for capital funds. The remainder of funds added to the city's expense budget

support a variety of programs, including the city's Business Recovery Loan and Grant Program, repairs to damaged utilities, and administrative costs.

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