



Legislation Details (With Text)

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Title: Resolution calling upon the United States Congress to pass and the President to sign legislation requiring the United States Small Business Administration to forgive disaster recovery loans made to home and business owners following Hurricane Sandy.

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Res. No. 359

Resolution calling upon the United States Congress to pass and the President to sign legislation requiring the United States Small Business Administration to forgive disaster recovery loans made to home and business owners following Hurricane Sandy.

By Council Members Treyger, Chin, Constantinides, Cumbo, Gentile and Rosenthal

Whereas, On Monday, October 29, 2012, the storm known as Hurricane Sandy devastated many communities in New York City, causing massive flooding and extensive property and infrastructure damage; and

Whereas, According to the United States (U.S.) National Oceanic and Atmospheric Administration (NOAA), Hurricane Sandy was the most destructive hurricane of the 2012 season and the second-costliest hurricane in United States history; and

Whereas, The New York City Comptroller’s Office estimates that the storm caused roughly \$19 billion in damages throughout New York City; and

Whereas, Furthermore, according to the U.S. Federal Emergency Management Agency (FEMA), 30,000 homes and 23,000 businesses were damaged or destroyed by Hurricane Sandy citywide; and

Whereas, Many New York City home and business owners impacted by Hurricane Sandy were uninsured or underinsured, and thus affected individuals turned to government agencies and programs for financial assistance; and

Whereas, The U.S. Small Business Administration (SBA) is a federal government agency that provides loans and other support to entrepreneurs and businesses, and also assists in the economic recovery of communities after disasters; and

Whereas, The SBA accepted disaster loan applications from Hurricane Sandy survivors through April 13, 2013, and provided nearly \$550 million in loans to 10,070 New York City homeowners and roughly \$190 million in loans to 1,296 local businesses; and

Whereas, In January 2013, Congress took additional measures to assist disaster victims and enacted legislation that appropriated \$60 billion dollars for federal agencies and local initiatives to assist with recovery; and

Whereas, Pursuant to Congressional authorization, the U.S. Department of Housing and Urban Development (HUD) first allocated \$1.8 billion to New York City for Hurricane Sandy recovery in January 2013 through the Department's Community Block Grant Development (CBGD) program; and

Whereas, On February 6, 2013, former New York City Mayor Michael Bloomberg announced that the City would direct funds allocated by the federal government to rebuild homes and assist with business recovery; and

Whereas, In June, 2013, New York City consequently launched "NYC Build it Back," an initiative that provides grant assistance to property owners whose properties were damaged by Hurricane Sandy; and

Whereas, Additionally, the New York City Department of Small Business Services (SBS) in partnership with other city agencies, established low interest loans and expedited grant programs to

address the local business and economic development needs following Hurricane Sandy; and

Whereas, Many New Yorkers subsequently sought grant assistance from these programs to help mitigate recovery costs, and to ease and offset the financial burdens imposed by loans; and

Whereas, Under federal law, SBA loan disbursements made prior to the distribution of CDBG funds reduced the amount borrowers could receive in the form of federally funded city grants because a duplication of federal benefits is prohibited; and

Whereas, SBA disaster loan recipients were penalized and unfairly excluded from grant opportunities that could have alleviated loan burdens and supplied much need financial relief; and

Whereas, Federal legislation requiring the SBA to forgive disaster loans would correct a perceived injustice and put more local families and small businesses on financially stable footing and a faster track toward recovery; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to pass and the President to sign legislation requiring the United States Small Business Administration to forgive disaster recovery loans made to home and business owners following Hurricane Sandy.

RJH
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