NEW YORK CITY DEPARTMENT OF ENVIRONMENTAL PROTECTION BUREAU OF WATER SUPPLY





A Plan for the New York City Frood Buyout Program

April 2014

Prepared in accordance with Section 4.2 of the Draft Mid-Term Revisions to the 2007 Filtration Avoidance Determination (August 2013)



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1. <u>Executive Summary</u>

Floods in populated areas can cause sudden devastation to people and property, and can result in lingering impacts to water bodies and water supplies by mobilizing pollutants, debris, and silt into streams and downstream reservoirs. Ameliorating the impacts of past floods and reducing the threat posed by future storms will require investments and cooperation on the part of many individuals, organizations, and government entities. As part of the Watershed Protection Program, and particularly since 2011, New York City (the "City") has invested substantial resources and partnered with local, State, and Federal bodies to develop programs in the West-of-Hudson watershed with the goal of providing resources to moderate and mitigate the impacts of floods on local communities and the City's water supply. Among these initiatives are Flood Buyout Programs ("FBOs"), intended to transfer privately-owned flood-damaged or flood-threatened properties, particularly properties with structures, from willing sellers into government ownership, after which the structures are removed and the properties are restored to natural condition in order to ameliorate future floods. To date the City and several counties have joined to participate in two FBOs, the first to address the aftermath of the January 1996 floods and the second (still proceeding) to address the aftermath of Tropical Storms Irene and Lee in 2011. These two FBOs have been funded largely with FEMA monies channeled through the New York State Office of Emergency Management to the counties, with some financial and significant staff time contributions from the City.



The Draft Revised 2007 FAD directs the City to develop its own entirely City-funded FBO (the "City FBO Program" or the "Program"), and to submit a Program plan by April 30, 2014. In accordance with the Draft Revised 2007 FAD¹, DEP submits the following Program plan, which outlines the proposed new Program, how the City will implement it, and the integral role of local communities in ensuring its success (the "Plan"). In brief, the Program will involve the following principles and parameters:

- **Investment:** Initially the City will allocate at least \$15 million to the City FBO Program;
- **Community buy-in:** The City will not acquire any properties without local municipal support;
- **Community ownership:** the City will offer properties for ownership by the local municipality, but will accept ownership (assuming properties otherwise meet criteria) if there is no such interest:
- Coordination: In order to take advantage of future FEMA buyout funding, the City FBO Program will be designed to encourage local participation with any future FEMA FBO that arises following a flood;



¹ The Revised 2007 Filtration Avoidance Determination has not been issued as of the date of this document. The City has committed to moving forward with this Flood Buyout Program in the expectation that the Revised FAD will include this Program element.

- Fair Market Value ("FMV"): In order to maximize landowner interest in the Program while staying true to the spirit of the FMV commitment in the 1997 Memorandum of Agreement as continued in the 2010 Water Supply Permit, the City FBO Program will employ FEMA's appraisal policy (which can involve up to three appraisals) and will establish value by using the 'current' date while assuming the pre-flood condition of the property;
- **Project identification:** Parcel eligibility and prioritization will be determined by either (1) a formal study (Local Flood Analysis, Stream Management Plan, etc.), through which key properties are identified that would facilitate flood mitigation efforts if structures were removed from them, or (2) a formal process that would establish criteria by which other properties including those proposed by landowners themselves can be assessed in regard to potential to reduce flood impacts and water quality benefits. These science-based vetting processes will establish the mechanisms by which funding and resources will be allocated to the most compelling properties;
- **Program Structure:** The City FBO Program will utilize the existing skill sets of City staff and staff of certain partners and vendors to maximize Program effectiveness. Property identification will be a collaborative effort using the expertise of City and local Soil and Water District staff, while towns will have authority to veto projects at an early stage. Landowner solicitation will be coordinated at the local level by towns and/or counties, and purchase contracts will be handled by City staff and demolitions will be coordinated at the local level; and
- **Program Scope / Implementation:** It is recognized that this City FBO Program cannot and will not address all aspects of local flood hazard mitigation, but rather that the Program seeks solely to provide resources to acquire privately-owned properties and remove structures where willing sellers exist that are projected to otherwise create significant off-site water quality threats. The Program will thus take a phased approach, beginning with the most compelling and efficient program areas and expanding as resources and opportunities allow.

2. Introduction

The City first engaged in acquisition of flood-damaged residential properties in 1998, after being asked to join in partnership with Delaware County, the State and FEMA as part of the federal Hazard Mitigation Grant Program. Under that effort, the City contributed roughly 25% of the overall acquisition costs to acquire 28 watershed properties in the in the Towns of Middletown (including the Villages of Margaretville and Fleischmanns) and Roxbury.

Following Tropical Storms Irene and Lee in August 2011, additional FEMA funds were allocated to a local buyout program and the City again agreed to participate by contributing approximately 25% of overall acquisition costs. Subsequently, the Draft Revision of the 2007 FAD, issued for public comment in August 2013, required the City to undertake several initiatives related to flood mitigation, including a \$15 million City-funded FBO. This Plan is submitted in accordance with those requirements.²

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² As noted above, the Revised 2007 FAD has not yet been issued in final form.

A. Stakeholder Input

Subsequent to issuance of the August 2013 draft of the Revised 2007 FAD, the City held two meetings in January and February of 2014 to discuss development of the City FBO Program with diverse stakeholders including local municipalities, environmental organizations, and regulatory agencies. The meetings resulted in a high level of support for the basic principles, policies and design of the Program in its proposed form herein. In addition, the City believes there is clarity among the stakeholders that the Program will focus on the most important and cost-beneficial projects first, followed by consideration of lower priority once demonstrated success in the core areas is achieved.

B. Integration with Other Programs

There are several existing programs that have been considered in the design of this City FBO Program in order to maximize potential synergies and benefits while minimizing potential negative interactions, as outlined here:

- **DEP Stream Management Program ("SMP"):** This is an umbrella for many initiatives that will improve stream and floodplain function, several of which also support the City FBO Program. In particular, Stream Management Plans and Local Flood Analyses (LFAs), funded by DEP's SMP will result in recommendations to secure properties that are considered necessary to build flood hazard mitigation projects. The City FBO Program will be heavily guided by the results of these studies. DEP's SMP will also be instrumental in helping to develop criteria for individual buyout projects. The SMP's role in the City FBO Program is further developed in Sections 3 and 4.
- **FEMA Flood Hazard Mitigation Programs:** Following a flood event, FEMA may declare a disaster zone and allocate funding for a FBO program to be funded by federal monies flowing through the NY State Office of Emergency Management to local applicants (usually the counties). It would be a poor use of scarce resources to design a new FBO program that competed rather than coordinated with FEMA for sellers, since this would forgo the opportunity to secure additional federal funding for buyouts. The City FBO Program will not pursue any new individual buyout projects during active FEMA funding windows in order to encourage continued use of and participation by all involved parties in future FEMA Buyouts.



• New York Rising Community Reconstruction Program (NY Rising): Similarly, if and when NY Rising (or other State) funds become available for acquisitions in the watershed, the City FBO Program will halt the pursuit of new individual buyout projects in order to encourage continued use of and participation by all involved parties in NY Rising Buyouts. As described in Section 3, NY Rising Community Reconstruction Programs in the watershed are expected to identify potential buyout projects with off-site flood mitigation benefits.

C. Basic Principles

Underlying the City's FBO Program are several fundamental tenets, including that:

- Local engagement is required. This Program will be fundamentally driven by partnerships, and the City FBO Program will not operate where communities do not elect to participate.
- Local governments are best positioned to interact with their constituents to ensure that local interests and perspectives are expressed and understood. Solicitation of landowners should be managed by the local community.
- For efficiency, and to make best use of the City's resources, the City will manage the real estate transactions. The City has professionals on staff who have managed real property transactions for over twenty years, including involvement with several counties on FEMA FBO programs. Whether the City or a town becomes owner, the same level of staff experience and standards for closing every property will be employed, making the process both efficient and fair to landowners across various towns and counties.

3. Project Identification and Selection

Properties to be acquired under the City FBO Program will typically be selected either through rigorous scientific analysis to determine flood mitigation potential in a defined study area ("Hydraulic Study Buyout Properties"), or through case-by-case review of properties that are proposed by landowners for acquisition ("Individual Buyout Properties"). Sections 3.A and 3.B provide further details on the project selection process in these two broad categories. In both categories, the City is committed to a transparent, objectively-based process of evaluation and ranking, which will be conducted together with our partners in the watershed community. The phased implementation approach discussed above will be particularly important in the area of project selection, since properties will be proposed for acquisition over time as studies, landowner interest, potential future flood events, and other unforeseen circumstances unfold. Through this phased approach, the City and its partners will be able to identify high priority sites for buyout as they are proposed, while retaining project funding for future projects identified as flood programs are continually refined and evolve over coming years.

A. Hydraulic Study Buyout Properties

Largely as a result of the flood damage caused by Tropical Storms Irene and Lee in 2011, there are two distinct WOH flood hazard mitigation planning initiatives: Local Flood Analyses in specified communities, and studies funded by the NY Rising Program. These initiatives are intended to develop scientific analyses to identify projects capable of providing community (or off-site) flood hazard mitigation benefits. Although the methods specific to these programs vary, both involve common components:

- Development of a hydraulic model capable of quantifying the flood hazard mitigation benefits expected to accrue as a result of specific projects or a combination of projects such as bridge expansion, floodplain restoration, stream realignment, etc.; and
- A planning approach that includes community involvement to identify high priority projects with local support.

As potential flood hazard mitigation projects are identified through these planning processes, some will require land acquisition, and of those some will involve construction of flood-mitigation improvements. The City FBO Program will provide a mechanism to acquire these properties from willing sellers, reducing flood elevations and/or allowing FMP implementation to proceed on municipal-owned or City-owned land where such projects are deemed necessary and feasible. In most cases these acquisitions will involve improved residential or commercial properties, but vacant land may also be considered.

Acquisition of these properties will be a high priority for the City FBO Program due to the rigorous nature of the analysis leading to a determination that off-site flood mitigation benefits would accrue. The specific initiatives involved are briefly summarized as follows:

i. Local Flood Analysis Studies

Under the Revised 2007 FAD, the DEP's Stream Management Program is providing funding to support several programs to support flood hazard mitigation, which are collectively known as Local Flood Hazard Mitigation Programs (LFHMPs). The goal of the LFHMPs is to identify flood hazards and to develop plans and implement projects to mitigate such hazards to benefit water quality and community protection. Local Flood Analyses (LFA) are focused scientific studies in selected population centers that will serve as a cornerstone of the overall flood hazard mitigation effort.

The first step in the LFA is to confirm that there is a significant flood hazard in the target area through engineering analysis. The second step is to use engineering analysis to develop a range of hazard mitigation alternatives. The primary focus of the analysis is to identify the potential for reducing flood elevations through channel and floodplain restoration as the first alternative to other hazard mitigation solutions, and then to evaluate both the technical effectiveness and the cost/benefit effectiveness of each solution, comparing different solutions to each other for the most practical, sustainable outcome. Through a planning process involving local governmental officials, the City, technical consultants and the public, specific flood mitigation projects will be identified for prospective implementation. These projects will usually require funding from multiple sources in order to be implemented, and the City FBO would provide one important component to that funding stream in that it could secure the necessary land and hold it, for years if needed, until funding and/or other required properties are secured.

Each LFA will have a defined study area, based on Designated Areas selected as of 1997 (i.e. hamlets, villages and village extensions as defined in the MOA). As of April, 2014, LFAs were underway or planned in six communities (Prattsville, Windham, Phoenicia, Fleischmanns/Covesville, Walton and Lexington). Additional LFA study areas may be added in the future.

ii. New York Rising Community Reconstruction Program

New York Rising is run by the NY State Office of Storm Recovery using federal funds provided to the State in response to flood damage sustained during Irene, Lee and Sandy. Participating communities each receive State-funded planning and technical assistance, as well as \$3 million toward the implementation of community-approved projects.

NY Rising involves a collaborative planning effort between local and State government, members of the public, and outside technical experts to identify general strategies for community development and specific projects to further those strategies. Although many projects to be considered under NY Rising will not involve flood mitigation, hydraulic studies would be conducted to evaluate the subset of projects with a flood-mitigation component. Through the use of a hydraulic model, proposed projects would qualify for implementation funds based on cost-benefit analyses and applicability to the federal Housing and Urban Development (HUD) community block grant rules. At present, five watershed communities are undertaking studies funded through NY Rising (Shandaken / Hardenburgh, Margaretville, Prattsville, Ulster (Olive / Woodstock) and Windham).



The primary difference between NY Rising and LFA with respect to evaluating flood hazard mitigation projects is that in the case of LFAs, the hydraulic model is run first, and these first sets of projects are identified through the engineering analysis with the primary focus being the potential for reducing future flood extent, depths and velocities. Community-proposed projects are evaluated as well. Under NY Rising, individual projects are identified first by local representatives and those that garner the greatest community support are run through a hydraulic model to verify flood benefits.



As specific buyout projects are identified through the LFA and/or NY Rising Programs, local governmental representatives may propose them for inclusion in the City FBO Program. The methods to solicit landowner interest in these projects are described in Section 5.A of this Plan.

B. Individual Buyout Projects

While the community-based studies conducted under the LFA and NY Rising programs will be a source of potential buyout projects that have confirmed off-site flood mitigation benefits, buyout opportunities may also be identified outside of these formal study processes. Collectively termed "Individual Buyouts" these potential projects will arise by various means, including landowner inquiries, existing lists of flood-damaged properties, and properties identified by local governmental or non-governmental organizations. While Individual Buyout properties would not necessarily provide off-site flood mitigation benefits, such buyouts could benefit long-term water quality by removing potential sources of contamination that can enter the water supply as a result of damage from flood events.

i. Individual Buyout Priorities

Properties proposed for Individual Buyouts can be generally grouped into three categories, presented in *descending* order of priority under the City FBO Program:

• **Facilitation of Stream Project** – Certain buyout properties will be identified because they are within or adjacent to a stream management project being considered for funding under the SMP. In some cases the proposed buyout would be a necessary part of the stream project, and in other cases, the buyout may reduce the cost or improve the efficacy of the stream project. Stream projects have a primary goal of protecting and/or enhancing

water quality, so Individual Buyouts which facilitate stream projects would have a high priority for acquisition.

- **Erosion Threats** Properties with verified erosion threats would comprise the second level of priority. These properties are at risk of catastrophic failure during storm events, when the entire contents of the structure and surrounding property can suddenly enter the stream channel, resulting in the transport of pollutants that impact water quality. In general, there are two distinct situations where erosion risks can occur: either (a) the structure is near the edge of a high eroding bank or terrace, or (b) the structure is on the floodplain inside the meander belt, and the topography indicates a high risk of imminent shift in stream alignment that could damage or destroy the structure.
- Inundation Threats Properties with inundation risk will generally be those located in the floodway, 100- or 500-year floodplains that have sustained repeated damage from flood waters during storm events. Acquisition of such properties can prevent water quality impacts associated with the collapse of structures and transport of fuel, debris, and other pollutants into the stream network. Many properties in this category are expected to be parcels impacted by Tropical Storms Irene and Lee which did not participate in, or were deemed ineligible for the FEMA Buyout Program.

While these properties would represent the third level of priority for individual projects under the City FBO, there may be a relatively large number of properties in this category. For this reason, highly-ranked inundation threat properties may comprise a significant component of overall requested buyouts under the City FBO Program despite being in a low-priority category.

ii. Individual Buyout Evaluation Criteria

All Individual Buyout projects will go through a consistent data collection and evaluation process to enable the City and its partners to make informed, fair, and consistent decisions about which properties to advance. The specific criteria and requirements for such property evaluation will be developed by DEP's SMP staff in consultation with local representatives.

DEP plans to develop these criteria jointly with partners by October 30, 2014 (see Program Schedule, Section 7). The criteria are expected to include some or all of the following: simple technical calculations to evaluate site-specific conditions that can be easily conducted by SMP or SWCD staff; an evaluation of available GIS and modeling data; and if data exists, confirmation of a property's flood recurrence interval and predicted depth of inundation. In the case of properties at risk of collapse due to erosion, a simple cost-benefit analysis may be performed to evaluate the cost of a buyout in comparison to remediating or forestalling the erosion.



It is anticipated that applications for individual buyouts will be accepted by the City and its partners on a rolling basis and decisions to proceed will be made on a regularly-scheduled basis (quarterly or otherwise).



4. Program Coordination with Local Government

As discussed in Section 2, local involvement on the municipal and county level will be critical to the success of the City FBO Program. This section addresses two important program components for which local and/or county involvement is needed: Local Concurrence and Coordination on FEMA FBO Programs. A third critical area of local efforts – solicitation – is addressed in Section 5.A.

A. Local Concurrence Requirement

Flood buyout acquisitions can be a significant issue for local government and the local community as a whole, due to their potential impact on population, tax bases, demand for public services, and the long-term viability of the community. Communities must play a central role in evaluating the positive and negative impacts of removal of structures from the floodplain, and considering the costs and benefits in regard to community concerns and the interests of individual property owners. For all of these reasons, the City FBO will only acquire properties with the concurrence of the immediate level of local government (Town or Village). The form of such concurrence will vary depending on the property category:

- Hydraulic Study Buyout Properties will be referred to the City FBO Program by the local government in the context of a formal community-based planning program (LFA or NY Rising). Properties recommended in this category will be deemed to have local governmental approval, since the community will have been involved in every step of such planning, and the City (in coordination with local or county assistance with solicitation) will pursue a buyout until and unless the local government withdraws such approval.
- For **Individual Buyout Properties**, the City FBO Program will not proceed with evaluation of specific properties in a town or village without a formal resolution of support by the applicable town or village board. That resolution would be on a Program-wide or case-by-case basis (within the town or village) at the discretion of the municipality, with the understanding that the town or village would be informed by the City when specific properties are approved for appraisal.

Regardless of the category, the City will not move ahead with an appraisal if the local government informs the City that it objects to the proposed acquisition. Such consultation would occur during the pre-appraisal coordination with the local government regarding future ownership, as described in Section 5B below. Once an appraisal is ordered, the City and landowner would proceed through the appraisal, contract and closing process as willing participants as described in Section 5 and the 2010 Water Supply Permit (even if a municipality subsequently opts out of the Program).

B. Coordination on FEMA Buyout Programs

The City has worked collaboratively with several watershed counties on buyouts under the FEMA Hazard Mitigation Grant Program ("HGMP" or "FEMA Buyouts") associated with flood events in 1996 (Delaware County) and 2011 (Delaware, Greene and Ulster Counties). Under HGMP, FEMA funds are made available for buyouts in declared Federal Disaster Areas after large-scale flood events. In the past, the State of New York applied for buyout funds through the Division of Homeland Security & Emergency Services (the "applicant") and interested counties applied to the

State for buyout funds to implement the Program (the "sub-applicants"). Other key components of past City, State and dederal involvement in FEMA Buyouts are as follows:

- FEMA covers 75% of total project cost (hard costs, soft costs and demolition) and there is a 25% local match requirement;³
- New York City has agreed to take title to many of the buyout properties, and has contributed hard costs (for the land portion of the purchase price), soft costs and staff time for FEMA Buyouts within the watershed. In most cases these contributions have covered the full 25% local match;
- Under the 2011 FEMA Buyouts, the State is providing the full 25% match for many (but not all) of the properties, so the City's financial contribution for those properties will be lower. However the City still provides significant project review and real property expertise to facilitate the Program, and accepts ownership of most of the properties acquired.
- The City has used capital funds from the existing LAP funds to pay these costs.

FEMA Buyouts provide a known and continuing mechanism to remove flood-damaged structures from the floodplain. Accordingly, leveraging FEMA funding is in the best interest of watershed stakeholders. To that end, the City will incorporate the following features into LAP and the City FBO to encourage continued use of and participation by all involved parties in FEMA Buyouts:

- When and if there are new FEMA Buyout windows, DEP will continue to participate along the lines of our involvement in the 1996 and 2011 programs, with funds to come from the core LAP program, not the City FBO;
- During FEMA Buyout windows, applications for Individual Buyout Properties will be closed. Individuals and communities will be encouraged to pursue FEMA buyouts, while the City FBO Program will continue to operate for both Individual Buyout Properties and Hydraulic Study Properties already at or past the appraisal stage, and will continue to accept proposals for Hydraulic Study Properties.

5. Program Administration and Contract Process

The City expects to contract with a partner agency or organization (potentially the Catskill Watershed Corporation) that will arrange for management of certain components of the City FBO Program by county or local government. These components are expected to include outreach (including publicity

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³ FEMA buyout program rules are developed following each disaster declaration and are event-specific. Past FEMA buyout programs have all been based on the 75%/25% cost split, but this may differ following future floods.

and landowner solicitation), coordination with local governments on issues surrounding eventual ownership and management of the properties, and demolition. The City will compensate its partner(s) for costs incurred in carrying out these coordination services.

Following is a roughly chronological list of Program activities, detailing the tasks involved and the responsible party:

A. Outreach and Solicitation

The City's solicitation and outreach partner(s) will educate municipalities regarding elements of the Program, and will work with participating towns to publicize the Program and generate landowner interest in areas recommended for acquisition by LFAs, NY Rising and/or other approved studies. Local outreach would also include responding to inquiries from interested property owners throughout the watershed.

With respect to Individual Buyout Properties, the partner would seek to secure local municipality approval to proceed with acquisition of properties, particularly those not identified through an LFA but which do meet predetermined Program criteria. Together with the City,the partner will prioritize properties that obtain town approval, after which DEP will follow up with properties that meet criteria thresholds. We envision the selection process for such properties to be fairly open, with no strict deadlines for landowners to announce interest in the Program.

B. Management Planning

As landowners indicate a willingness to proceed to the appraisal stage, the City and the respective municipality will coordinate on eventual ownership, and management issues associated with the property or properties to be acquired. This coordination will include a thorough discussion of management issues associated with any proposed flood hazard mitigation projects, as well local governmental desire (if any) for active management for recreational or other uses. Where the municipality is seeking active management of a property, or where it has plans for flood hazard mitigation infrastructure, the City will urge the local government to take title to the property. If the local government declines to take title, the City will seek to develop a written Management Plan with a municipality whereby the town or village agrees to undertake ongoing management functions. Properties that the City takes title to will otherwise be managed as open space in a manner consistent with other land it acquires under the MOA. Furthermore, all proposed uses contemplated by the City or the municipality will need to conform to the conservation easements that must be conveyed to the State pursuant to the 2010 Water Supply Permit.

C. Appraisals and Fair Market Value

Once a property is referred to the City, DEP will explain to the landowner how the next phase of the Program works, and then begin the appraisal process. DEP will direct its appraiser to establish current fair market value (FMV) using the extraordinary assumption that there has been no prior flood damage to the improvements or property, thereby maximizing value to the owner. DEP will use the

same appraisal process as FEMA in which at least one and up to three appraisals are used to determine FMV, depending on whether the landowner commissions their own appraisal⁴.

D. Incentives for Sellers

Although the City will not consider values above FMV, watershed stakeholders may consider whether additional funding could be secured to provide incentives that might increase the rate of accepted offers. Such externally-sourced funds could augment FMV and/or defray relocation costs, thereby encouraging owners of high priority properties to sell rather than remain in their flood-damaged and/or flood-prone home if a landowner is unwilling to sell for FMV.



E. Purchase Contracts

If a landowner accepts the City's offer, the City will seek to enter into a purchase contract with them. This contract would include the town, if it opts to take ownership of the property; in such cases the closing would involve the City paying the landowner and the town accepting the deed. In either case, the purchase contract will be prepared by DEP. Once contracts are executed, DEP will commence all site services, including survey, title, and environmental site assessments. These services will be completed by independent service vendors under contract with DEP and will be paid for by the City. DEP will also undertake Local Consultation as outlined in the 2010 Water Supply Permit, and will coordinate with sellers to resolve any encroachments if necessary.

F. Environmental Site Assessment

The City will order a Phase I environmental site assessment report (ESA) for all properties to be acquired, and will also order a Pre-Demolition Assessment for all structures. As is the case in both DEP's Land Acquisition Program and the FEMA FBO, if the Phase I ESA identifies a recognized environmental condition on the property (excluding standard residential contaminants such as asbestos or lead-based paint), the landowner will be responsible for removal prior to closing at their cost The Pre-Demolition Assessment will used by the City to develop a Demolition and Cleanup Plan, which will be reviewed and agreed to by the demolition vendor prior to closing. This plan will detail how demolition and site restoration will be conducted, including any and all requirements under federal, State and local law.



G. Demolition

As with FEMA FBO Program, flood-damaged structures will be acquired by the City or local government and then demolished and removed after closing. The City expects to contract with a

⁴ Under the City FBO Program, the appraisal process will operate as follows: The City will procure an appraisal and make an offer based on that value to the landowner. The landowner may accept the City's offer, or procure a second appraisal at their own expense from a licensed NY State appraiser. If the value in that 2nd appraisal is no more than 15 percent above the 1st appraisal value, then the purchase offer will be revised to the value of the 2nd appraisal. If the 2nd appraisal exceeds the 1st appraisal value by more than 15 percent, the City will order a 3rd appraisal (at its own expense) from a different vendor than conducted the 1st appraisal. The three values will then be placed in order by value, and the purchase offer will be based on the value of the middle (or median) of the three appraisals.

partner agency or organization (potentially the Catskill Watershed Corporation) to provide such postclosing demolition and site restoration services, which will be paid for by the City.

H. Stewardship

Land use activities performed on the property will be restricted by conservation easements that the new owner of the property (the City or the local government) will convey to the State as follows:

- If the City acquires a property that was identified by LFA or SMP as necessary for a flood mitigation project, and if there is agreement on funding and other necessary components for the project, and if all land necessary for the project has been acquired and is eligible for such use, the property may be used for construction of improvements intended to control water flow and/or erosion, and/or provide for increased floodplain connectivity as reviewed and approved by DEP. It is understood that even if such projects are implemented years after closing, towns were in favor of such project(s) at the time they approved the acquisition.
- If the City acquires a property not identified by LFA or SMP as necessary for a flood-mitigation project, the property will likely be managed by DEP as open space or otherwise as detailed in the Management Plan developed with the local government prior to appraisal.
- If a municipality other than the City acquires a property, it would convey a conservation easement to the State and then manage the property under those restrictions, in accordance with local flood hazard mitigation goals.

6. **Program Review**

As with any such complex endeavor, the City FBO Program would benefit from periodic review, evaluation, and opportunity for course correction. The City expects to perform such evaluation at a point when roughly a third of the \$15 million has been committed in order to ensure that remaining funds can be directed, or redirected, in the most efficient and effective manner possible. When approximately \$5 million has been committed – including costs related to all Program operations – the City will convene a meeting of key stakeholders to review and discuss (1) whether the Program is reaching its goals, and (2) whether remaining opportunities indicate that course correction(s) should be considered. The review will specifically consider budget issues and phased implementation in terms of whether there are particular types of properties that have not yet been addressed. The City will invite the following stakeholders to designate one representative each to join the panel:

- Coalition of Watershed Towns
- Delaware County
- Greene County
- Schoharie County
- Ulster County
- Sullivan County
- Environmental Stakeholders
- NYS DOH
- US EPA

- NYS DEC
- Catskill Watershed Corp.

7. **Projected Timeline**

A schedule of tasks and involved parties is outlined in Figure 1, which describes the steps and timing required to acquire the first property. The 'Purchase Contract' stage would be repeated (overlapping) thereafter for all active projects that would follow.

Figure 1. Projected timeline for significant milestones for the NYC Flood Buyout Program.

