



February 4, 2015

Honorable Mayor Diana Cope
Village of Margaretville
P.O. Box 228
773 Main Street
Margaretville, NY 12455

Re: City-Funded Flood Buyout Program, Flood Hazard Mitigation
Implementation Program

Dear Mayor Cope,

This letter is in response to your letter dated January 26, 2015 concerning the City-Funded Flood Buyout Program and Flood Hazard Mitigation Implementation Program. Your letter makes assertions about these programs that are inaccurate.

Following tropical storms Irene and Lee, which devastated many Catskills communities including Margaretville, your representatives at Delaware County and at the Coalition of Watershed Towns (CWT) advocated for a City-funded Flood Buyout Program. Their goal was to augment federal flood buyout programs to provide relief to residential and commercial property owners in harm's way who were not eligible for the federal programs and to provide water quality benefits. The development of this program was considered essential by Delaware County leaders for improving economic sustainability which is undermined by repeat flood events. Following this request, the NY State Department of Health required that the City fund a buy-out program as part of the Revised 2007 Filtration Avoidance Determination. The City's Flood Buyout Program has been developed in consultation with a broad group of stakeholders, including CWT, the Catskill Watershed Corporation (CWC) and County representatives. The parties were careful to structure the program in a manner that fully respects the home-rule interests of localities. NYCDEP has consistently indicated that we will only activate the City-funded Buyout Program in communities where the Town or Village has approved of such buyouts. Moreover, if a locality wants to include conditions on eligibility for the City Flood Buy-out Program (for example, that buyouts will only proceed where relocations within the same town have been arranged), NYCDEP is amenable to that. At the end of the day, the Program

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is completely voluntary: we will only implement the Program where the municipality is supportive and Program participation will be completely voluntary on the part of all property owners.

There are, however, certain conditions that are inherent in the City's buyout program. To ensure on-site and off-site flood benefits, all structures on properties where owners choose to participate in the Program will be demolished, the property will be brought to a vacant land status, and a legally binding prohibition against future development will be implemented. As a result, properties going through the Program will, of course, per applicable assessment requirements, be taxed as vacant land upon conversion.

There is no question that communities face a choice in whether to take advantage of a flood buyout program. Dislocation and taxation issues are legitimate concerns for every community. So is the prospect of repeated flooding and all of the economic impacts and other hardships associated with floods. All of these issues are appropriate considerations in a community's self-determination of how it will plan for long-term sustainability. The City's Flood Buyout Program offers a voluntary tool for communities to enhance their resilience. If Margaretville is not interested in the opportunities offered by the Flood Buyout Program, that choice is yours to make.

In your letter, you also raise concerns on the Flood Hazard Mitigation Implementation Program, which, again, was developed at the behest of Delaware County and the Coalition of Watershed Towns and will be implemented through the CWC. This Program is one in which communities that are interested may conduct a "Local Flood Analysis" done by a professional firm of the locality's choosing to identify scientifically proven cost-effective methods of reducing flood risks. These flood-risk-reducing projects can include a wide range of projects from infrastructure changes (e.g. culvert or bridge reconfigurations) to stream and floodplain management projects. Some of these projects may require or benefit from property buyouts or relocations that require the buyout up front in order to proceed, and local leaders identified the need for the City funded FBO program for that purpose. Ultimately it is the community's decision on whether to pursue such projects. The Flood Hazard Mitigation Implementation Program provides funding to assist interested communities in advancing projects that a community chooses to advance. If Margaretville is not interested in the opportunities offered by the Flood Hazard Mitigation Implementation Program, that choice is yours to make.

In your letter you make the suggestion that the Flood Hazard Mitigation Implementation Program revise eligibility to include "flood walls, berms, levees, stream dredging and channelization." Please note that the Program specifically and intentionally makes these projects *ineligible* because they do not provide sustainable flood hazard benefits. A wide

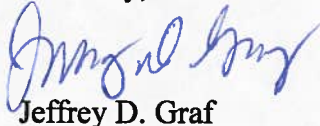
body of scientific and public policy literature supports this finding and I would recommend that you contact the Delaware County Soil and Water Conservation District for more information on this finding.

Obviously, the impacts of Irene and Lee were significant for both Catskill communities and for New York City's water supply system. Climate change predictions indicate that the threat of flooding is increasing, and flood insurance rates are rising. We at NYCDEP are committed to programs that are intended to offer opportunities to improve sustainability and resiliency for watershed communities and for the water supply system serving over half the residents of New York State.

Throughout development of both the City's Flood Buyout Program and the Flood Hazard Mitigation Implementation Program, NYCDEP has worked closely with local representatives to assure that the programs provide meaningful opportunities and at the same time respect local self-determination needs and rights. We will continue to pursue these goals as the programs are fine-tuned.

I hope this letter helps clarify the nature of NYCDEP's voluntary programs for assistance in reducing flood hazards. Please feel free to call me at 845/340-7808 if additional clarification is needed, if you would like to meet or if I can assist in any other way.

Sincerely,



Jeffrey D. Graf

Chief

Watershed Lands & Community Planning

xc: Village Trustee John Van Benschoten
Village Trustee Dave Budin
Village Trustee Iris Mead
Village Trustee John Hubbell
Carl Stuendel, Chairman, Coalition of Watershed Towns
Alan Rosa, Executive Director, Catskill Watershed Corporation
Marjorie Miller, Supervisor, Town of Middletown
James Eisel, Chair, Delaware County Board of Supervisors
Dean Frazier, Delaware County Dept. of Watershed Affairs
Rick Weidenbach, Delaware County SWCD

