

Give it back? Homeowners who got Hurricane Sandy repair funds may have to repay ‘Build It Back’ money

Sandy-ravaged homeowners who got “Build It Back” funds for repairs might have to repay the money because of Draconian HUD rules — even though federal bungling is what drove many to the program in the first place. As many as 3,000 homeowners — one-third of the entire rebuilding program — could get hit with a bill for repairs that they were promised through Build It Back, city officials said. In a letter to U.S. Housing and Urban Development Secretary Julian Castro, Mayor de Blasio called the federal rules “patently unfair” and pleaded with him to make changes so homeowners won’t be forced through a mountain of red tape once again. “It’s simply unacceptable and unfair to ask New Yorkers to clean up a mess they didn’t create,” the mayor said in a statement to the Daily News. In addition to making homeowners pay for repairs they were promised — after filling out mountains of paperwork — the federal rules will likely add further delays just as Build It Back had finally gained momentum. After years of delay, all Sandy homeowners have been made an offer, and thousands have gotten checks for construction. “The paperwork, the back and forth, and now this — it’s crazy,” said homeowner Bill Matheson, whose Gerritsen Beach, Brooklyn, home is still uninhabitable three years after the storm. “It’s so frustrating because we can’t move forward.” The problems arise from the Federal Emergency Management Agency’s recent decision to allow storm victims to reopen flood insurance claims, after allegations that some insurance reports were altered by shoddy engineers to lower payouts. Instead of relief for homeowners — who for years had been complaining their payouts were too low — the decision brought new problems. If FEMA finds homeowners are entitled to more money, under the current rules they might have to repay some funds to Build It Back, because that program is only supposed to kick in for repairs and funds after insurance is depleted. If they get new insurance funds — even though they should have gotten the funds years ago — Build It Back could have to take some of those as payment under the current rules at the Housing and Urban Development Department. HUD is the federal agency

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that sponsored Build It Back. Although he will likely now have to pay for an estimated \$88,000 in repairs that he thought would be free, Matheson said he has no choice but to pursue the higher insurance payouts. “We need the money,” said Matheson, who is fighting to get an additional \$140,000 from his insurance. That amount will cover just the rebuilding. His life savings have been depleted since the storm, and he is mulling taking out a loan now just to get by. “I am stressed. I don’t sleep a lot,” he said. “There’s always stuff going on in my mind. My wife is the same way.” He lost everything in the 2012 storm — his home, furniture and his beloved vintage car collection. “If they would have given us the proper amount of insurance upfront, we would have been back in the house a year ago,” said Matheson. The deadline for Sandy victims to ask to have their insurance case reopened by FEMA is Sept. 15. “We are dead-set on restoring trust in this program and getting policyholders every single dollar they are owed under their policies,” said a FEMA spokesman.

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