

Gallagher, Gabrielle

From: Jennifer Maier <jwmaier@unionbeach.org>
Sent: Tuesday, March 19, 2013 2:42 PM
To: sandy.recovery
Subject: Comments on CDBG plan

The following comments are from Union Beach:

2600 existing homes, 200 demolished, 85% of all homes had 2' of water or more, 4 businesses gone. 14 police cars, 3 firetrucks, 1 OEM SUV and 3 ambulances, destroyed. Public works, 3 firehouses and EMS flooded. K-8 school flooded, all 800 children relocated. 1.3 million anticipated revenue loss with an \$8,000,000 budget. Applied for Community Development Loan Program.

Our residents are losing FEMA housing assistance and are in dire straits, with nowhere to go, as they are paying rent, mortgage, and taxes. This initial funding to the residents is critical and time sensitive.

The SBA loan deadline will be here prior to the release of the CDBG funds. Residents in all municipalities will have to be advised to extend their loan.

We need debris removal from unnavigable waterways in addition to navigable.

We are seeing social issues of increased deaths, and mental health issues due to the stress of the storm.

There are issues with families with autistic children who do not deal well with change, elderly and disabled who cannot climb stairs to the new elevations.

We are running into major issues with FEMA on reimbursement for the demolition due to a non-friable asbestos definition. According to FEMA our entire debris removal reimbursement of 5.2 million is at risk. FEMA is waiting on the DEP policy before they decide on our reimbursement. We addressed and continue to address immediate public health, safety and welfare threats. The governors office and local senators have been copied on this issue. This will also affect Mantaloking and Toms River.

I am concerned about our homeowners rebuilding and committing to loans when they may not be eligible for reimbursement funds from the CDBG program. Is there a formula for who would be eligible?

Rental amounts in New Jersey are prohibitive for the majority of our residents. It is difficult to find an apt. that accepts kids and pets.

Fort Monmouth is already putting tremendous pressure on families to move out, which is unrealistic considering the time it takes to renovate or rebuild.

While we understand that tourism is critically important to the Jersey Shore, the thought of \$25,000,000 going to advertising instead of rebuild, when we see the desperation around us, is hard to accept.

We appreciate the fact that there is some support in the document for Construction Code as we have gone from 100 permits/year to 100 permits/day and need additional staff.

We have issued approx. 400 letters of substantial damage.

There is a major concern with the fact that there is no inclusion of low and medium income individuals who were not substantially damaged but who need to elevate in order to avoid substantial insurance increases in the future. The option to sell is not feasible because the new mortgage holder would be faced with the same issue. We have no guarantee that the Hazard Mitigation Grant will help these individuals.

I question the logic of including only the homes with 4' of damage for the unmet needs assessment. If a household has 2' of water damage, they still lose appliances, furniture, flooring, 4' of sheetrock, insulation, electrical, HVAC, clothing, electronics, etc. We had a 6' wall of debris at the curb from 85% of our residents with all their personal belongings gone.

Are rental properties included? It is not clear whether these are included as businesses.

While energy efficiencies are addressed, they are noted as if feasible. It is not feasible to not address global warming by building in an energy efficient manner and this is our only opportunity as a state to make this happen. Every major scientific organization supports the fact that man made heat is creating extreme weather and damaging the planet in what could be an irreversible pattern. We in New Jersey need to be the model for rebuild in the US, which is way behind Europe in this initiative. This is our opportunity to help change the world, one house at a time.

I appreciate your consideration of these comments.

Jennifer Maier, Borough Administrator, Union Beach

Gallagher, Gabrielle

From: Keith Mills <kmills@cityofatlanticcity.org>
Sent: Tuesday, March 19, 2013 2:57 PM
To: sandy.recovery
Subject: City of Atlantic City Comments to CDBG-DR Action Plan
Attachments: Letter To Commissioner Constable

Dear Sir,

Please see the attached letter that embodies the City of Atlantic City's concerns with the State of New Jersey Community Development Block Grant Action Plan for Disaster Recovery. If you have any questions, please do not hesitate to contact this office.

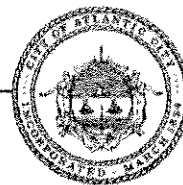
Thanks you in advance.

Keith B. Mills, Director
Dept. of Planning & Development
City Hall – Suite 506
Atlantic City, New Jersey 08401
609-347-5404 Fax 609-347-5345

CITY OF ATLANTIC CITY

DEPARTMENT OF PLANNING & DEVELOPMENT

City Hall - Suite 506
Atlantic City, NJ 08401-4603
TEL: (609) 347-5404
FAX: (609) 347-5345
kmills@cityofatlanticcity.org



Keith B. Mills, P.P.
Director

March 18, 2013

Via Email: Sandy.Recovery@dca.state.nj.us
Commissioner Richard E. Constable III, Esq.
New Jersey Department of Community Affairs
101 South Broad Street
PO Box 800
Trenton, NJ 08625-0800

**Re: Community Development Block Grant Disaster Recovery Action Plan
New Jersey Department of Community Affairs
Atlantic City, Atlantic County**

Dear Commissioner Constable:

The City of Atlantic City is pleased to provide comments on the Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan. We have reviewed this Plan carefully and find it to be comprehensive and well thought out. We applaud the inclusion of \$25 M for a Tourism Marketing Campaign and various other programs which will assist our local business community in recovering from Superstorm Sandy. There are however, a few issues that we would like to bring to your attention during this public comment period.

Background

The City of Atlantic City has been significantly impacted by Superstorm Sandy. According to recent data, provided by the Federal Emergency Management Agency (FEMA) as of February 20, 2013, 9,275 Atlantic City residents have registered for FEMA assistance. Of this total, 3,300 are for owner occupied homes and 5,975 are for rental occupied homes.

The US Department of Housing and Urban Development (HUD) issued an Analysis of Communities Impacted by Hurricane Sandy in draft form on January 29, 2013. This report stated that Atlantic County's damage is most concentrated in Atlantic City, which holds 48% of the county's damage— some 11% of the state's total damage. However, flood levels in this city are not as severe as other parts of the state; Atlantic City only accounts for 3% of the state's most severely flooded houses. This report notes:

Even though Atlantic City's intensity of flooding is less severe than other places in New Jersey, the volume of flooding combined with the characteristics of the affected neighborhoods warrant special attention to policy makers. The hardest hit neighborhoods in Atlantic City are some of the poorest hardest-hit areas in the state, with per capita incomes almost half that of the state average and poverty rates above 20%. Some 16% of people in these neighborhoods also do not speak English very well, and housing cost burdens are high for owners and renters. Moreover, the majority of households in these neighborhoods are renters in low-density housing (73% of homes are in 1-4 family structures).

In addition, an Economic Assessment of Atlantic City was prepared which demonstrates the significant impact that Hurricane Sandy had and continues to have on the Atlantic City economy. Using the latest information available, this study has concluded that:

- The loss of economic activity in Atlantic City due to the storm is estimated to be \$174M over the fourth quarter of 2012, approximately 15% of all of the production of goods and services that would have occurred in the City. In addition, losses of approximately \$41M will persist in 2013, bringing the total to \$215M.
- As the most important basic industry in the region and the City, the recovery of the Casino Industry is very important for the recovery of the economy of the entire Metro Area. The 2012 casino win has been reported as \$3.051B, down 8% from 2011. The trend estimate for decline in casino win used in this study projected a decline of 4.6%. The balance of \$107M is attributed to Hurricane Sandy.
- Information for the first two weeks of November shows that two of the City's largest conventions were cancelled. Both of these events have a long-standing tradition in Atlantic City and are crucial to the fall shoulder season. In all, the convention center lost 72,000 attendees over the first two weeks of November alone causing a \$31M loss in delegate spending. In total, including meetings and conventions at the casino hotel properties, 36,445 room-nights were cancelled.
- With losses in economic activity come losses in tax revenues. Estimates of losses in sales, casino revenue and luxury taxes amount to \$13.5M.
- Monthly employment reports for 2012 show a decline of 1,900 average monthly jobs in the County from the trend level. This amounts to a decline of approximately 737 jobs in Atlantic City, which accounts for 10% of the total statewide job loss as reported by Rutgers. Continuing effects of the storm into 2013 will add an additional 173 lost jobs, producing a lost income of \$14.7M in wages for the City.

How quickly Atlantic City recovers from the economic impact of Hurricane Sandy depends on a number of factors. These include perceptions of the damage by potential visitors, investment by owners in recovery activities, and government financed recovery efforts. The City has already noted signs of recovery in its convention and tourism

industry as reported in the ACCVA's Tourism Barometer for December 2012. However, it is clear that the lost business and income to the region, and particularly to Atlantic City, cannot be replaced, and that the best outcome would be the quick recovery to trend levels.

The best short-term defense against these losses is a quick and complete recovery. However, in the long-term the best defense is being prepared for the inevitable storms that seaside resorts encounter. This type of preparation is expensive but it is an investment in the future of its residents, businesses and reputation. This study of the economic losses of a single storm gives policy- and decision-makers a basis for those investments.

Finally, the City in conjunction with the Casino Reinvestment Development Authority (CRDA) has prepared a Storm Mitigation Plan which identifies infrastructure improvements needed to protect the City and to reduce the likelihood of a long term shut down of casinos and businesses due to future storm events.

Increase Allocation to Rental Housing Programs

The Action Plan calls for assistance to only 5,000 renters. A recent study by Enterprise Community Partners found that 43 percent of the New Jersey households registering for FEMA assistance as a result of Superstorm Sandy are renters – and 80% of the most impacted and vulnerable households, those earning less than \$30,000 per year, are renters. The City of Atlantic City alone has almost 6,000 renters. According to the 2010 Census only 33.7 percent of the homes in Atlantic City are owner occupied. It is recommended that the allocation of funds between primary homes and rentals be adjusted to address this need.

Increase Allocation for FEMA Matching Program

To implement the Atlantic City Storm Mitigation Plan the City has applied for over \$95M in FEMA Hazard Mitigation Grants. These funds are for bulkheads, stormwater systems, dry floodproofing, emergency generators, elevating buildings and elevating streets. If the City is successful in securing FEMA funds, a local match of \$23.75M will be required.

In addition, the City of Atlantic City has identified in excess of \$10M in damage to public buildings and parks. FEMA Public Assistance funding has been requested to repair this damage to get these facilities ready for the busy summer season. At least \$2.5M in local matching funds will be needed to leverage these FEMA grants.

The CDBG Disaster Recovery Action Plan only provides \$50M Statewide for local matching funds for FEMA projects. Most of the City's FEMA Hazard Mitigation Letters of Interest impact neighborhoods that meet the low/moderate income criteria. It is recommended that the State consider increasing the allocation for local matching funds for FEMA projects.

Provide Funding for Matching Funds for Storm Mitigation Grants

The City has already secured, or is in the process of securing, funding for some of the needed infrastructure improvements from the Army Corps of Engineers, New Jersey Department of Environmental Protection and the CRDA.

The City of Atlantic City has aggressively been pursuing grant funding for Storm Mitigation Projects even before Superstorm Sandy impacted the Jersey Coast. Funding has been secured from the Army Corps of Engineers and the New Jersey Department of Environmental Protection, and we expect to hear soon about an additional grant from the United States Economic Development Administration. These grants are for needed infrastructure, including:

- **The Inlet Seawall Project.** This seawall will protect the Inlet section of the City, and is sponsored by the US Army Corps of Engineers. This project was out to bid prior to Superstorm Sandy. Given the impacts of the storm, the project is being redesigned by the Army Corps to fortify and expand the planned structure. Construction is expected to commence later this year and a more substantial local match will be required.
- **The Atlantis Avenue Flood Gates Project.** The City has received a favorable review by the United States Economic Development Administration for the Atlantis Avenue Flood Gates Project for a \$1.2M grant. Matching funds required for this project are \$1M.
- **The Caspian Point Bulkhead.** The City has secured a \$3.7M grant from the NJDEP Coastal Protection Program for bulkheads in the northeast inlet. Local matching funds of \$1.8M are required to make this project a reality.
- **The Massachusetts Avenue Bulkhead.** The City has applied for a \$215,000 NJDEP Coastal Protection Grant for bulkheads and a stormwater pump to help protect this Bungalow Park Neighborhood. Local matching funds of approximately \$70,000 are needed for this project.
- **South Boulevard Bulkhead.** The City has applied for a \$1.35M NJDEP Coastal Protection Grant for bulkheads along a public park on South Boulevard. This bulkhead will help to protect the Chelsea Heights neighborhood. Local matching funds of approximately \$450,000 are needed for this project.

All of the projects listed above are located in neighborhoods that meet the low/moderate income criteria. It is recommended that the State consider adding funding in the Action Plan to provide Matching Funds for Storm Mitigation Grants, perhaps by redefining the FEMA Matching Program to be a Match Grant Program for all Storm Mitigation Grants.

Include Workforce Training in the Economic Revitalization Category

Given the high level of unemployment in Atlantic City, the workforce decline prior to Superstorm Sandy and the job reduction that was a direct result of this disaster, a strong

workforce training program is required. It is recommended that the State include funding for workforce training in the Economic Revitalization Category of the Action Plan.

We appreciate that the State is moving quickly to present a comprehensive CDBG-DR Action Plan and hope that you will incorporate the three recommendations that are provided above in your submission to HUD.

Allocating Adequate Funds to Local Planning

We applaud the Plan's inclusion of positive green, energy efficient and storm resistant building standards. However, the Plan does not identify funding that is dedicated to local planning efforts. It is recommended that the Plan specify in the Planning, Oversight and Monitoring Category that an adequate amount of funding be directed to the impacted communities to help them: identify, plan and implement programs that will further resiliency and sustainability; mitigate the risk of future storms; and revise their master plans to incorporate emergency management needs, flood resistance and the resulting environmental impacts. These funds should be directed to local governments, and the State should require that this necessary planning be completed in short order. Only in this way will the State ensure that New Jersey is rebuilt in a strong, sustainable and more resilient manner. Similarly, funds for the Code Enforcement Grant Program should primarily go to local municipalities to directly support building inspections, instead of being directed to internal State support and technical assistance.

We appreciate this opportunity to comment on the Disaster Recovery Action Plan. Should you have any questions, please do not hesitate to call me directly at (609) 347-5404.

Very Truly Yours,



Keith B. Mills, PP, Director
Department of Planning & Development

cc: Marc Ferzan, State Office of Recovery and Rebuilding
Senator James Whelan
Assemblyman John Amodio
Assemblyman Chris Brown
Lorenzo T. Langford, Mayor
Ronald A. Cash, Business Administrator

Gallagher, Gabrielle

From: Kevin Walsh <kevinwalsh@fairsharehousing.org>
Sent: Tuesday, March 19, 2013 4:54 PM
To: sandy.recovery
Cc: kevinwalsh@fairsharehousing.org
Subject: Fair Share Housing Center's comments on Draft Action Plan
Attachments: comments on action plan - final - 3 19 2013 - WITH ATTACHMENTS.pdf

Attached please find Fair Share Housing Center's comments on Draft Action Plan. Please confirm receipt.

Thank you.

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, New Jersey 08002
P: 856-665-5444
F: 856-663-8182
kevinwalsh@fairsharehousing.org



Interested in following our work? Follow us on Twitter [@FairShareNJ](#) or [go here](#) to join our email list.

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Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.

March 19, 2013

Richard Constable
Commissioner
New Jersey Department of Community Affairs
101 South Broad Street
PO Box 800
Trenton, NJ 08625-0800

Dear Commissioner Constable:

Fair Share Housing Center submits the following comments on the New Jersey Department of Community Affairs' (DCA) Community Development Block Grant Disaster Recovery Action Plan (the "Draft Plan"), which was released by DCA on March 13, 2013. These comments address the Draft Plan's failure to abide by the requirements of the United States Department of Housing and Urban Development's recent notice entitled *Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy*, 78 Fed. Reg. 14329 (Mar. 5, 2013) (the "HUD Notice").

We recognize the importance of, and support, using federal funds as soon as possible to assist households in rebuilding homes and in finding new homes. Although the Draft Plan must be substantially rewritten in order to comply with the HUD Notice and although additional steps must be taken to comply with federal civil rights laws, DCA will still be able to proceed on the timetable it proposes if it acts expeditiously to respond to these comments and to comply with the Notice provisions and civil rights laws we identify. If DCA instead pushes forward with its plan without providing meaningful changes, thus ignoring key provisions in the Notice and undermining civil rights laws, HUD is likely to reject the plan, thus leading to another round of redrafting and comments. An important lesson learned from other recent disaster recovery efforts is that it is essential to get the plan right the first time rather than dealing with the inefficiencies, delays, and failures associated with flawed plans. In an effort to assist affected households as quickly as possible, we urge DCA to revise the Draft Plan to include all required elements before submitting the plan to HUD.

As part of that revision, DCA must address federal civil rights laws that are absent from discussion or analysis of the Draft Plan, and the impacts of the plan on people of color and lower-income people. In a similar state context, Governor Christie has stated that he considers the fair housing requirements arising from the Fair Housing Act and *Mount Laurel* decisions an "abomination"¹ and that "municipalities should be able to make their own decisions on affordable housing"² – despite the Fair Housing Act's success of creating 60,000 affordable homes in communities throughout the state that, if left to their own devices, would have excluded housing for lower-income households. Similarly, in the Draft Plan, there are no mentions of how the housing programs will address the significant barriers to constructing homes affordable to lower-income families that exist in the municipalities impacted by Superstorm Sandy. The vast

¹ <http://www.wnyc.org/articles/new-jersey-news/2012/may/07/affordable/>

² http://www.nj.com/news/index.ssf/2011/06/gov_christie_abolishes_nj_coun.html

majority of housing damage, even to renters who are predominantly lower-income, is located in wealthy, predominantly white communities where lower-income people and people of color have struggled to find homes even before the storm – 67 percent of impact, according to DCA's own data, to renters is outside of what the State defines as Targeted Urban Municipalities, and 85 percent of impact to homeowners is similarly outside of those municipalities. There is no mention of how the Draft Plan will ensure that the housing shortage in those communities will be addressed, and no safeguard in the Draft Plan that would prevent housing funds from being used in a way that force impacted people to move many miles from home simply because municipalities do not want to approve homes they can afford. The Draft Plan is utterly devoid of any discussion of this critical issue, or for that matter any geographic criteria to show how the most impacted places will be assisted, serious issues that must be addressed before submission of a final Draft Plan.

1. The Draft Plan does not include or rely on analyses required by the HUD Notice.

There are numerous ways in which the Draft Plan fails to comply with the clear requirements of the HUD Notice. These missing or inadequate aspects of the plan will likely lead to a rejection of the plan because "HUD will only approve Action Plans that meet the specific criteria identified in the th[e] Notice." 78 Fed. Reg. 14330.

The following table addresses the most important elements missing from the plan:

HUD Notice	Included in DCA's Draft Plan?
"Grantees must . . . assess how planning decisions may affect racial . . . concentrations," 78 Fed. Reg. 14334.	No. There is no assessment of racial segregation in the plan.
"Grantees must also assess how planning decisions may affect . . . ethnic . . . concentrations," 78 Fed. Reg. 14334.	No. There is no assessment of ethnic concentrations in the plan.
"Grantees must also assess how planning decisions may affect . . . low-income concentrations," 78 Fed. Reg. 14334.	No. There is no assessment of economic segregation in the plan.
"Grantees must also assess . . . ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster- related impacts," 78 Fed. Reg. 14334.	No. The plan does not assess or provide ways to promote affordable housing "in low-poverty, non-minority areas."
"Each Plan must also describe how the State's needs assessment informs the allocation(s) identified in the Plan, and how unmet needs that have been identified but not yet addressed will be addressed in a subsequent amendment to the Plan," 78 Fed. Reg. 14334-35.	No. The plan does not link the needs assessment with allocations in the plan. The plan does not address how unmet needs will be addressed in a subsequent amendment.
"The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this	No. A certification to this effect will presumably be submitted when the plan is forwarded to HUD, but it will be meaningless given that the above five required assessments have not performed and DCA's current analysis of impediments has not been approved.

regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)), 78 Fed. Reg. 14347.	
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The Draft Plan cannot and should not be approved without these required aspects of the plan being included. We urge DCA to get started immediately in amending the plan so it is fully compliant with the HUD Notice.

2. The Draft Plan does not accurately calculate the housing needs and thus does not include strategies that are intended to meet the housing needs.

The Draft Plan severely underestimates the impact of Superstorm Sandy on renters, particularly lower-income renters and African-American and Latino renters, in New Jersey. It then uses that underestimation to justify allocating housing funds using those same percentages. The result is programs that impact only 5,000 renters (under 5 percent of FEMA registrants who are renters) while impacting 26,000 homeowners (about 18 percent of FEMA registrants who are owners) thus favoring helping homeowners over helping renters. This analysis, in addition to not meeting the housing needs generated by Sandy in a fair way, has a disparate impact on African-Americans and Latinos.

The Draft Plan at pp. 2-3 to 2-5 claims that "approximately 22% of all housing damage occurred to rental stock, equivalent to 18,729 units" and 78% of housing damage occurred to ownership stock, equivalent to 67,977 units. This is quite different from the findings of the recent Enterprise Community Partners study "FEMA Assistance Analysis," available at <http://www.practitionerresources.org/cache/documents/678/67899.pdf>, that 43% of New Jersey households registering for FEMA assistance post-Sandy, and 80% of households earning under \$30,000 per year, are renters.

The flawed analysis in the Draft Plan results from comparing a data set for owners that covers all homeowners with any housing damage resulting from the storm (and even many with no damage), who registered with FEMA who then inspected their homes, with a data set for renters that covers only renters with housing damage severe enough to result in their homes being uninhabitable. As such, it is not surprising that there would be far more owners than renters impacted, because even owners with minor or no damage are included, while similar renters are not included.

When FEMA inspects renters' homes, inspectors are told that they should "not record real property damage for renters." IHP Inspection Guidelines at 5 (attached). However, for a much narrower set of renters, FEMA does record a rough degree of damage for rental housing as "major," "substantial," or "moderate." That narrower set is defined by "Renter inspections where the Habitability Repairs Required is "Yes"". Ibid. For renters for habitability repairs "a "YES" answer indicates the dwelling was not safe, sanitary and functional at the time of the inspection. If a renter's home was uninhabitable at the time of the event, but repairs have been made, record "No" to Habitability Repairs Required." Id. at 11. Thus, FEMA only records the degree of damage for rental units when the renter's home is uninhabitable at the time of inspection.

In contrast, for homeowners FEMA guidance instructs inspectors to "Record all real property damage to the entire dwelling as it existed immediately following the disaster." Even if the dwelling is habitable at the time of inspection, the inspected damage level for owners will still

be recorded. As such, practically every inspection results in a degree of dollar damage being assigned to owners - even if the home is still habitable.

The Draft Plan compares the number of owners who have received inspections - even inspections recording zero or very little damage - with the number of renters who have received a "major," "substantial," or "moderate" rating in order to arrive at the conclusion that 78% of the need is from homeowners. This analysis includes owners for whom there is zero or little damage and owners whose homes remain habitable; while it only includes renters for whom damage is substantial enough that, even by the time of inspection, their homes remained uninhabitable. By comparing all owners with damage with only renters with damage so severe that their home is uninhabitable, the Plan's allocation of funds between renters and owners is highly skewed. For example:

- A homeowner who has \$500 in damage to his or her home and is still able to live there after the storm is included in the Draft Plan's data, while a renter who has the same exact damage is not included.
- A homeowner who had \$10,000 damage but made repairs and had everything fixed by the time the FEMA inspector arrived is included in the Draft Plan's data, while a renter in exactly the same situation is not included.

Additionally, and also critically, the aggregate FEMA data used in the Draft Plan does not filter out homeowners who have damage covered by insurance. It treats a homeowner with a \$600,000 home, fully insured, as having the same need as a renter earning \$20,000 per year in which the unit owner had no insurance and thus the renter is likely to be permanently displaced. According to the FEMA data that the Enterprise Community Partners study is based on, 86% of all homeowners were found to be ineligible for any FEMA aid; yet the Draft Plan does not filter out ineligible applicants or otherwise direct resources based on the greatest degree of need.

This skewing means that the impact and unmet needs assessment required by the HUD Notice, 78 Fed. Reg. 14332, to include evaluating owner vs. rental housing is incorrect, resulting in a serious failure to "target limited resources to areas with the greatest need" as required by the HUD Notice. The disparate impact on African-Americans and Latinos from the overdistribution of resources to homeowners is great. Renters impacted by Sandy, according to the Enterprise Community Partners analysis described above, are 23% African-American and 25% Hispanic, while owners are 8% African-American and 8% Hispanic.

Additionally, by underserving renters, the lowest income people impacted by the storm will receive far less than their fair share of federal resources. The funds directed to low- and moderate-income people in the Draft Plan will generally serve moderate-income people and ignore low-income people since most low-income people are renters. The aforementioned Enterprise Community Partners analysis found that while only 51 percent of New Jersey owners impacted by Sandy earn less than \$60,000 per year, 89 percent of New Jersey renters impacted by Sandy do; and while only 28 percent of New Jersey owners impacted by Sandy earn less than \$30,000 per year, 67 percent of New Jersey renters impacted by Sandy do. By underfunding rental needs, the Draft Plan provides fewer resources for low-income people impacted by the storm than their share of the need.

The unmet needs assessment should be revised to accurately compare actual need between owners and renters by comparing equivalent FEMA data that is based on looking at

households' needs in the same time frame, that treats households with minor damage equivalently, and that filters out needs already covered by insurance or other sources. Based on those changes, a fair distribution of the funds would lead to slightly more funds going to renters than homeowners given the lower income levels of renters.³ Such a distribution can be easily accomplished through reallocation to programs already in the Draft Plan. The shortage of rental housing well-described in the Draft Plan suggests the highest priority should be construction of new rental housing that is affordable over the long term, and the Fund for Large Multi-Family (4.2.1), if implemented correctly as we discuss elsewhere in these comments, should receive an allocation of at least \$450 million as the primary strategy for bolstering the housing stock.

3. The Draft Plan does not affirmatively further fair housing.

Federal law requires housing funds to be spent in a manner that promotes racial and economic integration. Although the HUD Notice further explicitly requires grantees to comply with the federal laws imposing those obligations, DCA's proposed Draft Plan fails to acknowledge the obligations and fails to attempt to meet them in any meaningful way.

In the law allocating funding for disaster recovery, Congress ensured that federal civil rights laws would be enforced. Congress empowered the Secretary of HUD, in establishing the criteria for grantee receipt and administration of CDBG-DR funding, to waive, or specify alternative requirements for any provision of any statute or regulation administered by the Secretary except for requirements related to fair housing and non-discrimination, among others. Pub.L. 113-2. Federal fair housing and civil rights laws thus apply to DCA's Draft Plan.

Recipients of CDBG-DR funding, as all recipients of CDBG funding, are required, to administer CDBG-DR funding, in accord with title I of the Housing and Community Development Act of 1974 (HCDA 1974, or the Act), as amended (42 USC§ 5301 et seq.) and the regulations promulgated pursuant thereto (24 CFR 570 et seq). The Act requires, in part that "the grant be conducted and administered in conformity with the Civil Rights Act of 1964 [42 U.S.C. 2000a et seq.] and the Fair Housing Act [42 U.S.C. 3601 et seq.], and the grantee will affirmatively further fair housing,"(AFFH) 42 USC §5304(b)(2). The implementing regulations provide, in part that,

The certification that the State will AFFH shall specifically require the State to assume the responsibility of fair housing planning by: (1) Conducting an analysis to identify impediments to fair housing choice within the State; (2) Taking appropriate actions to overcome the effects of any impediments identified through that analysis; (3) Maintaining records reflecting the analysis and actions in this regard; and (4) Assuring that units of local government funded by the State comply with their certifications to affirmatively further fair housing.

[24 CFR §570.487(b).]

The HUD Notice reiterated this certification requirement by requiring each grantee as a condition of receiving funding: to "certif[y] that it will AFFH, which means that it will conduct an

³ We have a pending Open Public Records Act request with the Department of Community Affairs for the most recent FEMA data that would be the basis for such an analysis, and reserve the right to supplement these comments with a more detailed analysis upon receipt of those data.

analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.” 78 Fed. Reg. 14347. To allow for oversight of compliance with this requirement, the Notice further that grantees must include in their Quarterly Progress Report to HUD “a description of actions taken in that quarter to affirmatively further fair housing.” 78 Fed. Reg. 14348. Consistent with the AFFH obligation, the Notice requires that each grantee “conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities.” 78 Fed. Reg. 14330. In conducting this assessment, “[i]mpacts must be described by type at the lowest geographic level practicable (e.g., city/county level or lower if available). . . . [and] must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis (e.g., race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed.” 78 Fed. Reg. 14333 (emphasis added). In every Action Plan, the “Grantees must also assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster-related impacts.” 78 Fed. Reg. 14334 (emphasis added).

The Draft Plan does not acknowledge the AFFH obligations and does not meaningfully assess the impact of the proposed programs through the required demographic characteristics enumerated in the plan. The Draft Plan does not address the impact of the storm and the unmet housing needs in terms of availability to protected classes of people. The Draft Plan fails to mention the State’s duty, intention or capacity to AFFH. The Draft Plan does not contain any data related to concentrations or lack of sufficient or properly located housing in terms of racial or other protected classes. The Draft Plan does not describe the dramatic segregation that exists in housing in the affected areas and across the state. The Draft Plan does not acknowledge the lack of fair housing, identify any impediments to fair housing, propose any programs or actions to overcome any such impediments, or to establish any criteria by which it could judge its progress or lack thereof.

Exemplary of the Draft Plan’s abdication of the duty to Affirmatively Further Fair Housing, are the housing and small business programs which list as their sole or primary ‘Criteria for Selection’ tool: “First-come first- served.” (4.1.1 Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program, p.4-4; 4.1.2 Homeowner Resettlement Program, p.4-5; 4.2.3.2 Blight Reduction Pilot Program, p.4-11; 4.2.4.1 Project Based Incentives for Landlords to Provide Affordable Housing, p.4-12; 4.3.1 Grants and Recoverable Loans to Small Businesses, p.4-15; 4.3.2 Direct Loans for Impacted Small Businesses, p.4-15) While individual applicants under these programs, or indeed a defined percentage of persons receiving assistance may be low, or even extremely low income, this criterion virtually assures that the funds will not be spent in a manner calculated to overcome housing discrimination or AFFH.

The passing mention of mixed-income neighborhoods in “Blight Reduction Pilot Program” that will “prevent concentrations of poverty and rebuild strong neighborhoods” (4.2.3.2, p. 4-11) is at best symbolic given that there is no consideration given to the whether the housing will be located in segregated, minority poor cities or exclusively white, wealthy suburbs. The \$30 million devoted to that program is likewise 1.6-percent of the funding allocated in this plan. The only other arguable indirect allusion to the AFFH obligations is the strangely-worded aspirational claim that the plan will “promote the availability of affordable housing in areas of opportunity where appropriate and support plans that are equitable to racial, ethnic and

low-income concentrations.” (6.2.4., p. 6-3). The goal of fair housing laws is to be fair to people who are often discriminated against. It is people, families, children and others who are harmed by racial and economic segregation. What does it mean to be “equitable to racial, ethnic and low-income concentrations”? Is DCA so unwilling to acknowledge and attempt to remedy the segregation that prevails in New Jersey that it must resort to euphemisms to avoid talking about people of color who are harmed by its policies?

Without a lawful Analysis of Impediments that addresses the post-Sandy status of housing across the state in combination with racial and economic data, and particularly in the nine most affected coastal counties, the State cannot possibly identify relevant impediments, nor can it envision or execute programs and actions to overcome those impediments. This is one of the most substantial flaws in the Draft Plan because it involves violations of the HUD Notice and preexisting civil rights laws.

4. New Jersey’s 2011 Analysis of Impediments is invalid, has not been approved by HUD, and does not provide a basis for NJ to AFFH.

The failure of the Draft Plan to deal seriously with issues of racial and economic segregation is made worse by the fact the Analysis of Impediments prepared by the state in 2011 does not comply with federal law. That analysis, which is available at <http://goo.gl/Hd5RW>, has not been approved by HUD and thus does not provide a valid basis for the state to claim that it is AFFH. Although the state has not even made that claim, if it does, it should be rejected by HUD. Further, DCA should revise the state’s Analysis of Impediments so that the expenditure of up to \$6 billion in CDBG funding does not occur in a way that is completely detached from federal civil rights laws.

DCA’s unapproved 2011 Analysis of Impediments correctly highlights many of the impediments to fair housing in its data analysis and review of the Department’s survey results — impediments that the Department also had highlighted extensively in prior fair housing analyses. However, the analysis then entirely fails to address those impediments in its plan for the next five years. These omissions make the analysis fatally flawed and out of compliance with federal fair housing law. Substantial changes are necessary in order to comply with the federal Fair Housing Act.

DCA’s 2011 Fair Housing Survey at 52 identified the following barriers as severe:

- Geographic barriers to fair housing (concentrating poor families in distressed neighborhoods);
- Land use and zoning barriers;
- Lack of translated housing materials;
- Discrimination in credit and lending practices.

Yet the “impediments and recommended actions” fail to address in any meaningful way land use and zoning barriers or discrimination in credit and lending practices, and pay only vague lip service to geographic barriers to fair housing and the lack of translated housing materials.

The state’s general disinterest in addressing the impediments of the state’s major fair housing barriers is particularly striking when compared with the discussion of these barriers in the state’s 2005 Consolidated Plan, which contains the state’s prior Fair Housing Plan. In that Consolidated Plan, the state addressed in more detail (though still not sufficient detail) the

Mount Laurel doctrine and New Jersey Fair Housing Act and their role in dealing with land use and zoning barriers:

New Jersey courts have taken an active role in redressing regulatory barriers to affordable housing. In the *Mount Laurel* decisions, the New Jersey State Supreme Court ruled that municipalities have a constitutional obligation to provide a realistic opportunity through zoning for the creation of their fair share of regional low- and moderate-income housing needs. In response, the State Legislature passed the Fair Housing Act in 1985, which created the Council on Affordable Housing (COAH). COAH determines present and future housing needs and helps municipalities meet their constitutional obligation to provide opportunities for affordable housing. The Agency reviews local housing plans and zoning ordinances and certifies those that adequately respond to regional affordable housing needs. This process is voluntary, but municipalities have several incentives to participate. COAH assists municipalities in meeting their fair housing needs by offering options such as accessory apartments, buy-down programs, residential conversions of schools and Regional Contribution Agreements (RCAs). Through the courts and the COAH process, New Jersey communities have modified their zoning laws to provide more opportunity for affordable housing. Over the next 5 years, the State will continue to identify and address local and State policies that effect the provision of affordable housing.

[2005 Consolidated Plan, Strategies to Address Barriers to Affordable Housing]

The 2005 Consolidated Plan also discussed the state's efforts to combat predatory lending and credit discrimination. *Id.* at Fair Housing section, ¶7.

In the 2011 analysis, these issues are ignored, and no plan is provided to address these barriers. Other barriers are mentioned, but only the vaguest general concepts are provided as responses — such as, at page 59, “[t]he State will promote the development of mixed-income communities throughout the State to help low-income working families move to neighborhoods offering greater access to opportunity; better schools, housing and transportation.”

This ignorance of some substantial barriers, and vague concepts instead of specific plans on other substantial barriers, do not comport with HUD's Fair Housing Planning Guide. The Fair Housing Planning Guide requires that “actions to address the identified impediments should have measurable results. Additionally, before taking such actions, HUD suggests that States establish a prioritized list of impediments to address. The list should contain specific milestones and timetables.” HUD Fair Housing Planning Guide at 3-4. The state's AI both fails to identify any actions to address important “identified impediments,” and fails to have any “measurable results” or “specific milestones and timetables.”

In order to comply with the HUD Notice and its AFFH obligations, DCA should amend its Analysis of Impediments so that it provides a cohesive strategy to address the racial and

economic segregation of our state.

5. The Draft Plan does not further sound planning.

Sustainable, long-term recovery from Sandy requires sound planning, as mandated by the HUD Notice, but the Draft Plan neither fully demonstrates that it is based on such planning, nor proposes the required planning needed to shape New Jersey's post-Sandy recovery.

First, the Draft Plan fails to propose a vision or goals for the future of the areas impacted by Sandy or even a process to propose, debate, adopt, and implement such a vision. While the Draft Plan purports to present New Jersey's goals, objectives, and recommendations for long-term recovery, no goals or objectives are clearly stated (p. 3-1). Creating a credible vision requires making hard choices, a key step that the Draft Plan has largely avoided. Without clearly expressed goals, derived from that vision, designing and implementing effective recovery programs and policies is very difficult.

Second, no post-storm evaluation of hazard risk, including the reality of sea level rise, is presented in the Draft Plan, as required by the HUD Notice, 28 Fed. Reg. 14333. For example, the Draft Plan does not acknowledge or utilize the NJ Flood Mapper, an interactive mapping website that enables rapid visualization of how and where coastal flooding hazards and sea level rise will affect New Jersey, developed by Rutgers University in collaboration with NOAA: <http://slrviewer.rutgers.edu>. The Draft Plan notes that the State has adopted FEMA's new Advisory Base Flood Elevations, but those maps affect only building elevations and construction standards if rebuilding or new construction takes place, and do not consider sea level rise, nor identify sustainable land use patterns for various certain flood hazard areas.

Third, the Draft Plan does not indicate how specifically the State will promote a sound, sustainable long-term recovery, as required by the HUD Notice. 78 Fed. Reg. 14333. What steps will the State take, and when? What will be the guiding principles? Will the Livability Principles adopted by the federal Partnership for Sustainable Communities guide rebuilding more resilient neighborhoods and communities, as urged by the HUD Notice (78 Fed. Reg. 14333)? In its most specific planning statement, the Draft Plan merely indicates that planners from DCA's Office of Local Planning Services "will work to provide municipalities with sound planning strategies to ensure long term recovery" (p. 3-1). What strategies? How will DCA convince municipalities to adopt these strategies? Land use decision-making in the impacted area is primarily a municipal responsibility. The Draft Plan does not indicate how the State will ensure the planning consistency sought by HUD. One approach would be to require all municipalities that receive CDBG-DR funds to prepare, with technical and financial assistance from the State funded by CDBG-DR funds, and adopt a hazard mitigation and recovery plan element to the municipal master plan under the Municipal Land Use Law, and then revise municipal development regulations and capital improvement plans to implement its provisions.

Fourth, the Draft Plan presents no spatial analysis of the differing impacts of Sandy on neighborhoods and communities in the impacted area, nor does the Draft Plan propose targeting resources spatially, to areas of highest priority, although Sandy caused far more destruction and disruption in some neighborhoods and communities than others. The recovery needs and challenges are dramatically different on New Jersey's barrier islands, headlands, bay shores, and urban waterfronts. Dense, urban Hoboken on the Hudson River has different recovery issues than the small working class communities of Union Beach and Keansburg along the Raritan Bay. While both face the Atlantic Ocean, the compact, small-lot Ortley Beach

neighborhood of Toms River Township faces different recovery issues than the more seasonal communities on Long Beach Island. The Draft Plan should be revised to acknowledge and take account of these differences.

Fifth, the Draft Plan proposes merely "first-come, first-served" as the criterion for selection for many of its proposed programs, which is the antithesis of sound planning. The "first-come, first-served" approach relies on scattered, individual initiatives to seek financial assistance under CDBG-DR-funded programs, rather than proactively seeking out and targeting opportunities for collective action to achieve long-term recovery for communities, not just isolated individuals or families. Processing financial assistance applications in the disjointed, reactive mode implied by the "first-come, first-served" criterion makes impossible the use of "sustainable rebuilding scenarios such as the use of different development patterns, infill development and its reuse, alternative neighborhood designs, and the use of green infrastructure" strongly encouraged by the HUD Notice. 78 Fed. Reg. 14333. Sound planning is prospective and in the context of Sandy recovery requires the State to lead the planning process and engage local governments in a collaborative process of deciding how, where, and when to invest CDBG-DR resources to best achieve a sound, sustainable long-term recovery from Sandy.

6. The Draft Plan does not adequately target and allocate housing funds by geographic criteria and type of community for either rental or ownership programs.

None of the rental or ownership programs proposed in the Draft Plan provide anything more than the most general criteria for geographic targeting of funds. This lack of description of the geographies targeted or affected fails to comply with the HUD Notice's requirements that "Impacts must be described by type at the lowest geographic level practicable (e.g., city/county level or lower if available). For example, most needs estimates will have a count of businesses, homeowners, and renters that are likely to have difficulty recovering within a neighborhood and community. Grantees must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis (e.g., race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed." 78 Fed. Reg. 14333.

The State of New Jersey has previously recognized, and data bear out, that in housing programs absent specific targeting of funds to areas in which there are substantial barriers to housing construction, those providing homes affordable to lower-income people will focus their efforts on areas in which the fewest barriers exist to construction and the costs are lowest, which are generally traditional urban centers. Prior to 2002, the New Jersey Low Income Housing Tax Credit program allocated approximately 80 percent of family tax credits to urban centers, even though only about 20 percent of New Jersey's population is in urban centers. Through changes to the QAP that explicitly focus tax credits in areas outside urban centers, that number has been around 60 percent in recent years. As the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and New Jersey courts have correctly recognized, such targeted allocations are required by the federal Fair Housing Act's requirements to affirmatively further fair housing. For example, NJHMFA has previously stated:

NJHMFA, through the LIHTC program, does fully satisfy its duty to affirmatively further fair housing under the Federal Fair Housing Act. Statistics provided by the commenter demonstrate the successful integration of low-income housing into areas that are

not high poverty areas (including, particularly, Abbott municipalities and qualified census tracts (QCTs)). For example, approximately 60 percent of all tax credit units created in both 2009 and 2010 were in non-QCTs and approximately 55 percent of all tax credits awarded in 2009 and 2010 were in non-QCTs. The proposed amendments to the QAP are intended and anticipated to maintain this distribution of units to both urban and suburban areas of the State.

As confirmed by the Appellate Division in *In re 2003 QAP*⁴, the Agency has an affirmative duty to further the policies of Title VIII of the Civil Rights Act of 1968, 42 U.S.C. §§ 3601 to 3609, which policies include the promotion of racial integration and open housing patterns; however, the Agency's "central mission and statutory purposes should not be ignored in achieving that goal." 369 N.J. Super. at 21-26."⁵

The most recent proposed QAP by the Agency allocates 60 percent of tax credits to areas outside of Targeted Urban Municipalities and 40 percent to Targeted Urban Municipalities. 45 N.J.R. 530(a). As FSHC has pointed out in prior comments, even this allocation disproportionately allocates funds to Targeted Urban Municipalities, which only comprise 28 percent of the population of the State. However, the general concept - that absent specific requirements to ensure that scarce funds are targeted towards areas in which land costs are higher and there are more barriers to building homes, those homes won't get built - is sound.

The Draft Plan is noticeably devoid of any such allocation requirements similar to what the State has put in place for the LIHTC program. Instead, there are extremely broad requirements such as simply being located in one of the nine most impacted counties. Absent such requirements, development will gravitate towards where costs and barriers are lowest - which tend to be in Targeted Urban Municipalities, and even then in select neighborhoods that may not be the neighborhoods that are most impacted. For a renter displaced from Toms River, being told there is a home being made available 60 miles away in Newark is not a fair outcome (unless he or she actually wants to move to Newark, though in most cases that would require taking kids out of school, long commutes, etc.); and even for those people hardest hit in Newark, nothing in the Draft Plan would direct funds to the neighborhoods most impacted, such as the Ironbound, in which costs may be higher than other neighborhoods across the city and thus development maybe unlikely. While not everything should be rebuilt exactly as it was before the storm, the State needs a plan to ensure that needs are met in the most impacted areas rather than concentrated far away.

Much as the State has already used detailed allocation priorities for scarce resources in the QAP, the State must develop similar priorities for the CDBG-DR funds to be allocated by the Draft Plan - both because HUD's Notice requires identifying how needs of groups especially impacted are addressed and because the federal Fair Housing Act requires as much.

Since the State has not provided, as required in the Notice, a detailed breakdown of

⁴ In re Adoption of 2003 Low Income Housing Tax Credit Qualified Allocation Plan, 369 N.J. Super. 2 (App. Div. 2004)

⁵ 43 N.J.R. 2293(a) (2011).

impacts by geography, we looked at a breakout by municipality of the State's own data on owners and renters that it provided to the news media. These data are highly inaccurate, as discussed elsewhere, because they underestimate the impact on renters. That said, they are the only municipal level FEMA data that we have access to at this time, and as such we use them to do at least a preliminary analysis of where the need is.

Using the Targeted Urban Municipalities framework already developed by NJ HMFA, 67 percent of the impact to renters from Sandy found by the State is outside Targeted Urban Municipalities, while 33 percent is inside. See attached spreadsheet. 85 percent of the impact to owners from Sandy found by the State is outside Targeted Urban Municipalities, while 15 percent is inside. Ibid.

While these data need further refining based on a more accurate analysis of FEMA records, the basic trend shows that Sandy's impacts were primarily not in urban areas - though significant impacts also exist in urban areas such as Atlantic City, Hoboken, and Jersey City. As such, the State needs to develop and implement policies, along the lines of the type of policy in NJ's pending 2013 revised proposed Qualified Allocation Plan,⁶ for making sure that resources are directed to all communities impacted in a fair way.

7. The Draft Plan does not respond sufficiently to the needs of renters.

The need for the State to implement geographic criteria is greatest in rental programs. As HMFA has acknowledged in the past in QAPs, because rental programs, especially large multifamily programs, require municipal zoning approvals, absent a strong policy to direct resources to needs outside traditional urban centers in communities that have zoning barriers, those needs will not be met.

As such, the State should, in all programs but especially rental programs: (a) set ranges for allocation by county, reflecting that the need in Ocean County and Hudson County, for example, are not interchangeable; (b) set an overall inside Targeted Urban Municipality/outside Targeted Urban Municipality split that reflects need created and exacerbated by Sandy; and (c) ensure that the allocation to extremely low income, low income, and moderate income people reflects the need post-Sandy. We also believe that many of the factors already by used by HMFA in its QAP point structure - notably school quality, job access, and transit - can similarly be used when overlaid with the basic geographic allocation criteria discussed in the prior sentence to ensure that rebuilding is in the places that provide the greatest opportunity and sustainability, while also meeting the needs of all communities impacted.

The Fund for Restoration of Multi-Family Housing (section 4.2.1) actually encompasses four different programs. In our opinion, provided that the geographic criteria discussed above are implemented fairly, the most effective of these programs is the second one, which would combine zero- and low-interest CDBG-DR loans with the State's allocation of tax-exempt bonds and 4% low income housing tax credits (p. 4-8). The reason is that tax-exempt bonds and 4% credits are subsidies that the State currently does not use to the maximum amount permitted by federal law. By leveraging these sources, these funds will be stretched the furthest because they will leverage additional subsidies that otherwise would not be used. While the Draft Plan commits up to \$5 million of repairs in public housing, it is silent on the allocation among the other three proposed multi-family rental programs. The Draft Plan should be revised to indicate a range of allocations for all four programs, to assist the NJHMFA, the housing development

⁶ 45 N.J.R. 530 (2013).

community (for profit, non-profit and public housing authorities), and local governments in implementing rapidly these needed programs.

The data on impacts of Sandy particularly support the need as correctly identified by the State to include "extremely low income households usually overlooked in traditional tax credit projects" in 4% and all other deals. Those needs are part of the reason why the allocation for this program proposed in the Draft Plan is extremely inadequate, as discussed elsewhere.

More generally, the large amount of housing need, particularly for extremely low income households (<30% AMI), shows the need for long term affordable rental housing. The State should require in all rental housing programs supported by CDBG-DR funds at least 30 year affordability controls, in order to ensure that the severe shortage of homes in areas impacted by Sandy does not reappear in a few short years.⁷

8. Resources for home ownership programs should be targeted based on need, not merely "first-come, first-served."

The concerns about siting discussed above with regards to rental programs are somewhat less present in the State's main proposed homeownership programs, which do not require complex zoning approvals and thus do not implicate concerns about barriers to fair housing to the same degree. That said, the use of "first-come, first-served" allocation for these programs presents serious concern that some communities may not end up getting their fair share of resources under these programs. Some geographic allocation factors, targeted based on need, should be included to ensure a fair allocation of these resources.

9. DCA should demonstrate that it has the capacity to implement the Draft Plan.

There are multiple requirements included in the HUD Notice regarding the timely expenditure of funds. A successful recovery is a speedy recovery, and this is especially important for lower-income households.

Unfortunately, New Jersey's history with spending federal funds allocated to address emergent needs is decidedly bad. The State has failed in its efforts to responsibly use \$300 million in federal Hardest Hit funds since those funds were allocated in 2010. To date, a fraction of the money has been spent with no credible public explanation being provided for such poor performance.

Likewise, our research indicates that DCA has spent none of the federal CDBG funding allocated to it to recover from Hurricane Irene, which hit New Jersey in August 2011. Of the \$400 million federal appropriations following that Hurricane, \$16 million was allocated to New Jersey. 77 Fed. Reg. 22583, 22584 (April 16, 2012). "The 15 month timely distribution period for the 2011 allocations expires for the earliest grantees on September 17, 2012 and for the latest grantee on May 03, 2013." Notice from CPD-12-10, May 8, 2012.⁸ DCA's initial plan was

⁷ We also support a set-aside for public housing and other assisted units as the Plan describes; that set-aside also should be part of an overall plan to make sure resources are allocated fairly based on where those properties have suffered damage by Sandy. We are concerned that the amount allocated in the Draft Plan is insufficient in view of the amount of damage to public and assisted housing.

⁸ http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd#2011

rejected by HUD, seemingly because DCA failed to comply with the terms of the applicable notice issued by HUD. That resulted in delays, and, as best we can tell, no money has been spent relating to that disaster because, according to HUD, as of a few weeks ago, the state had not requested approval to expend the funds.

In combination with the administration's three-year long frustration of the State's housing policies, the evident lack of capacity of the State is of grave concern to us as advocates for lower-income households. If history is any lesson, DCA has neither the will nor the expertise to implement a modest market-rate and affordable housing production and rehabilitation program, never mind one of the scale proposed in the Draft Plan. The HUD Notice requires grantees to offer numerous assurances that it has the ability to ensure timely expenditure of funds and to obtain the level of recovery that \$6 billion pays for. The Draft Plan at 4-23 pays little more than lip service to these assurances. We urge DCA to attempt to be persuasive in giving the assurances that it has the capacity to effectively lead the recovery effort. This should include a detailed explanation of how the funds will be administered, who will lead that effort, and how problems will be addressed. Repeating in rote fashion the terms of the HUD Notice does not provide a comfort level that DCA is going to disperse much-needed funds in a time-sensitive way.

10. DCA should make other changes to the Draft Plan and the process used for adopting it.

- a. The \$25 million allocated to Supportive Services programs (4.5.2) is particularly vague in its list of eligible activities, which is only illustrative. Two of the illustrative eligible activities are really housing programs: "Provide funding to prevent homelessness among low income residents of the nine most impacted counties" and "Emergency homeless shelter replacement." "Capital funding for group and transitional home development for individuals with disabilities and those at risk of homelessness" is more properly funded under the Special Needs Housing Fund.
- b. The \$84 million allocated to Administrative/Planning (4.6) is a very big line item for that category. This should be addressed in greater detail through an amendment to the Draft Plan.
- c. The Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM) (4.1.1) and the Homeowner Resettlement Program (4.1.2), which together encompass 44% of the \$1.8 billion allocation, fail to describe "how the grantee's programs or activities will attempt to protect people and property from harm" (other than be elevated and compliance with current building codes) and support "mitigation of hazard risk, including possible sea level rise, storm surge, and flooding, where appropriate." 78 Fed. Reg. 14333.
- d. The Draft Plan displays a profound misunderstanding of which parties are responsible for certain types of housing, as it refers to "federally owned housing" and cites as examples public housing, "housing financed primarily for older adults" (Section 202?) and Housing Choice Voucher (HCV) recipients (at p. 2-5). The federal government does not own such housing, rather independent public housing authorities own public housing, public, nonprofit and private sector sponsors own HUD-funded Section 202 elderly rental projects, and HCV recipients are not housing, they are people. The Draft Plan should be revised to describe accurately who is responsible for which type of housing, and then identify how the Plan will address the rehabilitation, mitigation and new construction


- needs of each impacted public housing authority, as required by the HUD Notice (78 Fed. Reg. 14334). The Draft Plan tallies damaged federally-subsidized housing units and damaged public housing units (at p. 2-5), but fails to identify and ensure, in partnership with affected public housing authorities, that the necessary costs are identified and adequate funding is dedicated to addressing the unmet needs of damaged public housing. The Draft Plan reserves (at p. 4-8) up to \$5 million of its proposed \$104,520,000 Fund for Large Multi-Family housing (4.2.1) for repairs to damaged public housing and other federally-assisted housing, but offers no evidence that this funding level will be adequate or has been developed in cooperation with public housing authorities (HUD Notice, 78 Fed. Reg. 14334, A.1.a.(6)).
- e. The Draft Plan indicates that the Fund for Large Multi-Family Housing (4.2.1) will have four components, but the program goals, descriptions, funding allocations, and allocation criteria are too vague or nonexistent. Will the leveraging of CDBG-DR loans with 9% LIHTC aim for 100% LMI tenants? How will these loans be allocated? On the basis of the currently pending revised proposed 2013 Qualified Allocation Plan (QAP)? Or a new post-Sandy QAP? Some other criteria? The "eligibility criteria" stated in the Draft Plan are so vague as to be meaningless ("The projects must replenish the supply of affordable rental units lost in the nine most impacted counties, or other areas deemed priority by the State." p. 4-8).
 - f. The Draft Plan's description of the Fund for Large Multi-Family Housing (4.2.1) reveals that the State has not yet developed a program that can be readily implemented. For example, the Draft Plan indicates that program will combine CDBG-DR loans and LITC "and incorporate several features that proved effective in Louisiana's "Piggyback Program." Which features? The Piggyback Program supports the production of three types of eligible properties through four types of funding mechanisms; see: <http://www.doa.louisiana.gov/cdbq/drpiggy.htm>. If implementation of the Plan is to be expeditious and transparent, it is essential that the Plan specify how its multi-family affordable housing will be structured.
 - g. The Draft Plan's attempt at compliance with the HUD Notice requirements on sea level rise (6.2.1) is but a placeholder, with no specificity, committing only to incorporating "where applicable, appropriate mitigation measures and floodplain management throughout proposed programs" (p. 6-2). To be predictable and effectively implemented, the Draft Plan must be revised to indicate what measures the State will take and require of sub-recipients to account for sea level rise.
 - h. The Draft Plan notes that one of the housing needs of homeowners is buyout assistance "where large scale buyouts would serve a public health and safety benefit as well as an environmental benefit." (p. 2-4). The Draft Plan also notes that while the State intends to minimize displacement it may also "conduct buyouts or acquisitions for destroyed or extensively damaged units or units in a floodplain." (p. 6-4) However, the Draft Plan does not allocate any of the \$1.8 initial allocation of CDBG-DR funds to establish a buyout program. This is a critical omission that should be rectified in the revised Plan, but establishing a significant buyout program using CDBG-DR funds, as New York proposes to do. As the Draft Plan's own mapping shows (Appendix B), in some communities there is a significant overlap of Sandy-damaged structures and low income Census tracts (<80% of area median income), such as Keansburg and Ortleigh Beach. For LMI households without flood insurance, owning a substantially damaged home now located in the flood hazard area under the newly released Advisory Base Flood

Elevation maps adopted by the State, the cost of elevating or rebuilding may be beyond their financial capability; in addition to the public safety and environmental benefits of a buyout, such a program would help LMI households be able to afford to resettle in new, safe housing.

- i. DCA indicated in the Draft Plan that it would be available in English and Spanish, but failed to make the plan available in Spanish. This has denied Spanish-speaking members of the public the opportunity to comment.

Thank you for considering these comments.

Sincerely,



Kevin D. Walsh
Associate Director

County	City/Township	Targeted Urban Municipality?	Owner Occupied Homes		Renter Occupied Homes		Grand Total		Mortgage	Severance	Total			
			Major	Minor	Major	Minor	Major	Minor						
Monmouth	Asbury Park	Y	0	12	2	14	57	26	57	140	57	38	59	154
Atlantic	Atlantic City	Y	1	1,515	360	1,876	1,315	967	1,315	2,452	1,316	2,482	530	4,328
Bayonne	Bayonne	Y	1	248	182	431	81	75	39	195	82	323	221	626
Bridgeton	Bridgeton	Y	0	4	1	5	1	0	0	1	1	4	1	6
Camden	Camden	Y	0	132	4	136	146	10	1	157	146	142	5	293
Carteret Borough	Carteret	Y	0	168	118	286	63	28	43	134	63	196	161	420
Clifton	Clifton	Y	1	14	0	15	7	0	0	7	8	14	0	22
East Orange	East Orange	Y	0	53	6	59	18	1	0	20	18	54	7	79
Elizabeth	Elizabeth	Y	5	146	17	168	56	27	15	98	61	173	32	266
Garfield	Garfield	Y	0	5	0	5	1	1	0	2	1	6	0	7
Glassboro Borough	Glassboro	Y	0	2	1	3	0	0	0	0	0	2	1	3
Gloucester City	Gloucester	Y	0	0	0	0	3	0	0	3	0	0	0	3
Hackensack	Hackensack	Y	0	51	4	55	44	22	35	101	44	73	64	181
Bergen	Hillside Township	Y	0	602	288	890	172	201	159	532	172	803	447	1,422
Hoboken	Hoboken	Y	0	83	3	86	50	1	0	51	50	84	3	137
Jersey City	Jersey City	Y	0	815	406	1,221	410	245	244	859	410	1,060	650	2,120
Kearny	Kearny	Y	0	41	55	96	7	19	9	35	7	60	64	131
Lakewood Township	Lakewood	Y	0	11	0	11	6	0	0	6	6	11	0	17
Lindenwood Borough	Lindenwood	Y	0	1	0	1	0	0	0	0	0	1	0	1
Lodi Borough	Lodi	Y	0	11	0	11	0	0	1	3	0	13	1	14
Long Branch	Long Branch	Y	0	420	244	664	273	193	81	547	273	613	325	1,211
Monmouth	Long Millville	Y	0	2	0	2	1	0	0	2	7	6	4	17
Cumberland	Mount Holly Township	Y	5	6	4	15	2	0	0	2	0	2	0	3
Burlington	Neptune Township	Y	0	2	0	2	1	0	0	1	1	2	0	3
Monmouth	New Brunswick	Y	0	220	84	304	41	23	10	74	41	243	94	378
Middlesex	Newark	Y	1	14	0	15	27	4	0	31	28	18	0	46
Essex	North Bergen Township	Y	0	221	45	266	135	30	20	185	135	251	65	451
Hudson	Passaic	Y	1	42	9	52	7	1	2	10	8	43	11	62
Passaic	Paterson	Y	0	6	0	6	1	0	0	0	0	6	0	7
Passaic	Pemberton Township	Y	0	26	1	27	14	0	0	14	14	26	1	41
Burlington	Penn Grove Borough	Y	0	11	0	11	0	1	0	1	0	12	0	12
Salem	Pennsauken Township	Y	0	19	10	29	82	13	4	99	82	32	14	128
Camden	Perth Amboy	Y	0	19	0	19	5	0	0	5	5	19	0	24
Middlesex	Phillipsburg	Y	0	45	9	54	28	6	13	47	28	51	22	101
Warren	Plainfield	Y	0	5	1	6	0	0	0	0	0	5	1	6
Union	Plainsboro	Y	3	41	0	44	24	0	0	24	27	41	0	68
Atlantic	Presidentsville	Y	0	94	14	108	42	21	8	71	42	115	22	179
Railway	Roselle Borough	Y	691	104	56	851	41	12	24	77	732	116	80	938
Union	Salem	Y	680	38	2	720	8	1	0	9	688	59	2	729
Trenton	Trenton	Y	13	4	2	19	16	3	0	19	29	7	2	38
Union City	Union City	Y	419	29	2	450	45	0	0	45	464	29	2	495
Hudson	Weehawken Township	Y	199	5	0	204	5	2	0	7	204	7	0	211
Cumberland	West New York	Y	65	33	1	99	3	1	0	4	68	34	1	103
Hudson	Willingboro Township	Y	0	162	38	200	14	7	27	48	14	169	65	248
Hudson	Woodbury	Y	0	95	3	98	6	4	3	13	6	99	6	111
Burlington	Woodbury	Y	0	483	3	486	3	1	0	4	3	484	3	490
Gloucester	Aberdeen Township	Y	0	17	0	17	0	0	0	0	0	0	0	0
Monmouth	Abscon	N	1	39	15	55	7	0	2	9	8	39	17	64
Atlantic	Alexandria Township	N	0	23	3	26	7	2	1	10	7	25	4	36
Huntinton	Allamuchy Township	N	0	0	0	0	0	0	0	0	0	0	0	0
Warren	Allendale Borough	N	0	0	0	0	0	0	0	0	0	0	0	0
Bergen	Allerhurst Borough	N	1	3	0	4	0	0	0	0	0	0	0	0
Monmouth	Alletown Borough	N	0	1	0	1	0	0	0	0	1	3	0	4
Monmouth	Alletown Borough	N	0	0	0	0	0	0	0	0	0	1	0	1
Salem	Albany Township	N	0	0	0	0	0	0	0	0	0	0	0	0
Warren	Alpha Borough	N	0	0	0	0	0	0	0	0	0	0	0	0

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Harrison	Hudson	N	0	40	60	100	7	18	32	57	7	58	92	157
Harrison Township	Gloucester	N	0	0	0	0	0	0	0	0	0	0	0	0
Heney Cedars Borough	Ocean	N	0	55	9	64	6	6	0	12	6	61	9	76
Hastbrouck Heights Borough	Bergen	N	0	7	1	8	0	0	0	0	0	7	1	8
Haworth Borough	Bergen	N	0	1	0	1	0	0	0	0	0	0	0	1
Hawthorne Borough	Passaic	N	1	1	0	2	0	0	0	0	1	1	0	2
Hazel Township	Monmouth	N	4	25	4	33	14	3	0	17	18	28	4	50
Helmetta Borough	Middlesex	N	0	2	0	2	0	0	0	0	0	2	0	2
High Bridge Borough	Hunterdon	N	0	0	0	0	0	0	0	0	0	0	0	0
Highland Park Borough	Middlesex	N	0	5	0	5	0	0	0	0	0	5	0	0
Highlands Borough	Monmouth	N	0	313	198	511	131	181	155	467	131	494	353	978
Highstown Borough	Mercer	N	0	2	0	2	0	0	0	0	0	2	0	2
Hillsborough Township	Somerset	N	0	16	2	18	0	0	0	0	0	16	2	19
Hillsdale Borough	Bergen	N	0	2	0	2	0	0	0	0	0	2	0	2
Hi-Nella Borough	Camden	N	0	0	0	0	0	0	0	0	0	0	0	0
Ho-Ho-Kus Borough	Bergen	N	0	0	0	0	0	0	0	0	0	0	0	0
Holland Township	Hunterdon	N	0	0	0	0	0	0	0	0	0	0	0	0
Holmdel Township	Monmouth	N	0	11	0	11	1	0	0	0	0	1	0	1
Hopattong Borough	Sussex	N	84	21	0	105	2	1	0	3	86	22	0	108
Hope Township	Warren	N	0	0	0	0	0	0	0	0	0	0	0	0
Hopewell Borough	Mercer	N	0	1	0	1	0	0	0	0	0	1	0	1
Hopewell Township	Cumberland	N	0	2	0	2	0	0	0	0	0	2	0	2
Hopewell Township	Mercer	N	31	7	0	38	2	0	0	2	33	7	0	40
Howell Township	Monmouth	N	0	36	1	37	3	0	0	3	3	36	1	40
Independence Township	Warren	N	0	0	0	0	0	0	0	0	0	0	0	0
Interlaken Borough	Monmouth	N	0	2	0	2	0	0	0	0	0	2	0	2
Island Heights Borough	Ocean	N	1	14	8	23	10	0	0	10	11	14	8	33
Jackson Township	Ocean	N	0	27	0	27	1	0	0	1	1	27	0	28
Jamesburg Borough	Middlesex	N	0	1	0	1	1	0	0	1	1	1	0	2
Jefferson Township	Morris	N	4	40	0	44	1	0	0	1	1	1	0	2
Keansburg Borough	Monmouth	N	0	497	145	642	440	209	44	693	440	706	189	45
Keritworth Borough	Union	N	5	5	0	10	0	0	0	0	5	5	0	10
Keyport Borough	Monmouth	N	10	36	18	64	11	25	44	80	21	61	62	144
Kingwood Township	Hunterdon	N	12	4	0	16	0	0	0	0	12	4	0	16
Kinnelon Borough	Morris	N	0	1	0	1	0	0	0	0	0	1	0	1
Knowlton Township	Warren	N	0	1	0	1	0	0	0	0	0	1	0	1
Lacey Township	Ocean	N	0	545	107	652	70	42	3	115	70	587	110	767
Lafayette Township	Sussex	N	0	1	0	1	1	0	0	1	1	1	0	2
Lake Como Borough	Monmouth	N	4	35	19	58	18	9	1	28	22	44	20	86
Lakehurst Borough	Ocean	N	0	2	0	2	0	1	0	1	0	3	0	3
Lambertville	Hunterdon	N	0	1	0	1	0	0	0	0	0	1	0	1
Laurel Springs Borough	Camden	N	0	0	0	0	0	0	0	0	0	0	0	0
Lavallette Borough	Camden	N	5	381	190	576	97	87	6	190	102	468	196	766
Lawnside Borough	Camden	N	0	4	0	4	0	0	0	0	0	4	0	4
Lawrence Township	Cumberland	N	0	4	4	8	0	0	1	1	0	4	5	9
Lawrence Township	Mercer	N	2	9	0	11	0	0	0	0	2	9	0	11
Lebanon Borough	Hunterdon	N	0	0	0	0	0	0	0	0	0	0	0	0
Lebanon Township	Hunterdon	N	1	1	0	2	0	0	0	0	1	1	0	2
Leonia Borough	Bergen	N	0	1	0	1	0	0	0	0	0	1	0	1
Liberty Township	Warren	N	0	0	0	0	0	0	0	0	0	0	0	0
Lincoln Park Borough	Morris	N	1	3	0	4	0	0	0	0	0	0	0	0
Linden	Union	N	2	142	52	196	40	15	9	64	42	157	61	260
Linwood	Atlantic	N	0	30	4	34	1	1	0	2	1	31	4	36
Little Egg Harbor Township	Ocean	N	35	1,085	349	1,469	121	263	25	409	156	1,348	374	1,878
Little Falls Township	Passaic	N	0	6	0	6	1	0	0	1	1	6	0	7
Little Ferry Borough	Bergen	N	0	609	427	1,036	135	211	143	489	135	820	570	1,525
Little Silver Borough	Monmouth	N	0	110	52	162	5	0	2	7	5	110	54	169
Livingston Township	Essex	N	0	12	0	12	1	0	0	1	1	12	0	13
Loch Arbour Village	Monmouth	N	0	7	6	13	0	1	2	3	0	8	0	16
Logan Township	Gloucester	N	1	2	0	3	1	0	0	1	2	2	0	4

Long Beach Township	Ocean	N	37	628	145	810	89	87	22	198	126	715	167	1,008
Long Hill Township	Morris	N	33	0	0	35	0	0	0	0	33	0	0	33
Longport Borough	Atlantic	N	0	110	14	124	10	5	1	16	10	115	15	140
Lopatcong Township	Warren	N	2	1	0	3	0	0	0	0	2	1	0	3
Lower Alloways Creek Township	Salem	N	6	0	1	7	0	0	0	0	6	0	1	7
Lower Township	Cape May	N	92	49	4	145	10	3	0	13	102	52	4	158
Lumberton Township	Burlington	N	0	1	0	1	0	0	0	0	0	1	0	1
Lyndhurst Township	Bergen	N	0	55	52	107	4	8	14	26	4	63	66	133
Madison Borough	Morris	N	0	0	0	0	0	0	0	0	0	0	0	0
Magnolia Borough	Camden	N	0	1	0	1	0	0	0	0	0	1	0	1
Mahwah Township	Bergen	N	0	1	0	1	0	0	0	0	0	1	0	1
Manalapan Township	Monmouth	N	0	22	2	24	0	0	0	0	0	1	0	1
Manasquan Borough	Monmouth	N	0	364	163	527	94	133	58	285	94	497	221	24
Manchester Township	Ocean	N	104	95	0	199	2	0	0	2	106	95	0	201
Mannington Township	Salem	N	0	2	1	3	0	0	0	0	0	2	1	3
Mansfield Township	Burlington	N	0	1	0	1	0	0	0	0	0	1	0	1
Mansfield Township	Warren	N	0	5	0	5	2	0	0	2	2	5	0	7
Mantoloking Borough	Ocean	N	1	79	40	120	4	4	1	9	5	83	41	129
Manville Township	Gloucester	N	1	4	1	6	1	4	1	1	2	4	1	7
Maple Shade Township	Somerset	N	0	0	0	0	0	0	0	0	0	0	0	0
Maplewood Township	Burlington	N	0	1	0	1	0	0	0	0	0	1	0	1
Margate City	Essex	N	1	21	0	22	3	0	0	3	4	21	0	2
Marlboro Township	Atlantic	N	11	485	71	567	126	71	13	210	137	556	84	777
Marlborough	Monmouth	N	0	26	1	27	1	0	0	1	1	26	1	28
Maurice River Township	Monmouth	N	0	9	0	9	2	1	0	3	2	10	0	12
Maywood Borough	Cumberland	N	0	24	9	33	3	0	0	3	3	24	9	36
Medford Lakes Borough	Bergen	N	0	1	0	1	1	0	0	1	1	1	0	2
Medford Township	Burlington	N	0	0	0	0	0	0	0	0	0	0	0	0
Mendham Borough	Morris	N	0	3	0	3	0	0	0	0	0	0	0	0
Mendham Township	Morris	N	4	0	0	4	0	0	0	0	4	0	0	4
Merchantville Borough	Camden	N	0	1	0	1	0	0	0	0	0	1	0	1
Metuchen Borough	Middlesex	N	0	6	0	6	0	0	0	0	0	6	0	6
Middle Township	Cape May	N	52	94	5	151	21	6	0	27	73	100	5	178
Middlesex Borough	Middlesex	N	0	10	0	10	3	0	0	3	3	10	0	13
Middletown Township	Monmouth	N	751	219	174	1,144	132	73	62	267	883	292	236	1,411
Midland Park Borough	Bergen	N	0	1	0	1	0	0	0	0	0	1	0	1
Millford Borough	Hunterdon	N	0	0	0	0	0	0	0	0	0	0	0	0
Millburn Township	Essex	N	100	4	0	104	0	0	0	0	0	0	0	0
Millstone Borough	Somerset	N	0	1	0	1	0	0	0	0	100	4	0	104
Millstone Township	Monmouth	N	0	4	1	5	0	0	0	0	0	1	0	1
Mine Hill Borough	Middlesex	N	0	3	0	3	2	0	0	2	2	3	0	5
Mine Hill Township	Morris	N	0	0	0	0	0	0	0	0	0	0	0	0
Monmouth Beach Borough	Monmouth	N	19	323	183	525	66	37	16	119	85	360	199	644
Monroe Township	Gloucester	N	0	44	6	50	1	0	0	1	1	44	6	51
Monroeville Township	Middlesex	N	0	13	0	13	1	0	0	1	1	13	0	14
Montague Township	Sussex	N	1	2	0	3	1	0	0	1	2	2	0	4
Montclair Township	Essex	N	15	12	1	28	1	0	0	1	16	12	1	29
Montgomery Township	Somerset	N	20	11	1	32	1	0	0	1	21	11	1	33
Montvale Borough	Bergen	N	0	0	0	0	0	0	0	0	0	0	0	0
Montville Township	Morris	N	55	5	0	60	1	0	0	0	0	2	0	2
Moorestown Borough	Bergen	N	8	331	221	560	32	54	28	114	40	385	249	674
Moorestown Township	Burlington	N	0	1	1	2	0	0	0	0	0	1	1	2
Morris Plains Borough	Morris	N	0	1	0	1	0	0	0	0	0	1	0	1
Morris Township	Morris	N	0	5	1	6	1	0	0	1	1	5	1	7
Morristown	Morris	N	0	2	0	2	2	0	0	2	2	2	0	4
Mount Arlington Borough	Morris	N	0	3	0	3	0	0	0	0	0	3	0	3
Mount Ephraim Borough	Camden	N	0	0	0	0	0	0	0	0	0	0	0	0
Mount Laurel Township	Burlington	N	0	4	2	6	0	0	0	0	0	4	2	6
Mount Olive Township	Morris	N	0	10	0	10	0	0	0	0	0	10	0	10

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Sparta Township	N	214	11	1	226	1	0	0	1	215	11	1	227
Spotswood Borough	Middlesex	108	6	0	114	3	0	0	3	111	6	0	117
Spring Lake Borough	Monmouth	159	11	12	182	1	2	0	3	160	13	12	185
Spring Lake Heights Borough	Monmouth	76	2	0	78	5	0	1	6	81	2	1	84
Springfield Township	Burlington	0	8	0	8	0	0	0	0	0	8	0	8
Springfield Township	Union	228	6	0	234	2	0	0	2	230	6	0	236
Stafford Township	Ocean	22	972	307	1,301	121	118	19	258	143	1,090	326	1,559
Stillwater Township	Sussex	89	2	0	91	0	0	0	0	89	2	0	91
Stockton Borough	Hunterdon	0	0	0	1	0	0	0	0	0	0	0	1
Stone Harbor Borough	Cape May	96	3	0	99	1	0	0	1	97	3	0	100
Stow Creek Township	Cumberland	0	2	0	2	1	0	0	1	1	2	0	3
Stratford Borough	Camden	2	0	0	2	0	0	0	0	2	0	0	2
Summit	Union	166	3	0	169	2	0	0	2	168	3	0	171
Surf City Borough	Ocean	555	41	12	608	41	11	3	55	596	52	15	663
Sussex Borough	Sussex	5	2	0	7	1	0	0	1	6	2	0	8
Swedesboro Borough	Gloucester	1	0	0	1	0	0	0	0	1	0	0	1
Tabernacle Township	Burlington	3	2	0	5	0	0	0	0	3	2	0	5
Tavistock	Camden	0	0	0	0	0	0	0	0	0	0	0	0
Tenafly Borough	Bergen	479	36	0	515	8	0	0	0	0	0	0	0
Teterboro Borough	Bergen	34	5	0	39	1	3	1	12	487	39	1	527
Tewksbury Township	Hunterdon	0	7	0	10	0	0	0	0	35	5	0	40
Tinton Falls Borough	Monmouth	186	6	1	193	5	0	0	5	2	7	1	10
Toms River Township	Ocean	5,845	922	888	7,665	631	407	102	1,140	6,476	1,329	1,000	8,805
Totowa Borough	Passaic	77	3	0	80	0	0	0	0	77	3	0	80
Tuckerton Borough	Ocean	462	50	96	608	37	22	13	72	499	72	109	580
Union Beach Borough	Monmouth	1,096	136	194	1,426	84	107	88	279	1,180	243	282	1,705
Union Township	Hunterdon	0	1	1	1	1	0	0	1	1	1	0	2
Union Township	Union	1,468	52	1	1,461	6	2	0	8	1,414	54	1	1,469
Upper Deerfield Township	Cumberland	0	0	0	0	2	0	0	2	2	0	0	2
Upper Freehold Township	Monmouth	1	3	0	4	0	0	0	0	1	3	0	4
Upper Pittsgrove	Salem	0	0	0	0	0	0	0	0	0	0	0	0
Upper Saddle River Borough	Bergen	59	0	0	59	0	0	0	0	59	0	0	0
Upper Township	Cape May	64	17	2	83	0	0	0	2	66	17	2	85
Ventnor City	Atlantic	1,633	190	89	1,912	326	223	29	578	1,959	413	118	2,490
Vernon Township	Sussex	61	4	1	66	0	0	0	0	61	4	1	66
Victory Gardens Borough	Essex	71	2	0	73	0	0	0	0	71	2	0	73
Voorhees Township	Morris	0	0	0	0	0	0	0	0	0	0	0	0
Walbridge Township	Camden	15	2	0	17	0	0	0	0	15	2	0	17
Wallick Township	Bergen	57	0	0	57	0	0	0	0	57	0	0	57
Wall Township	Monmouth	351	31	4	386	7	4	1	12	358	35	5	398
Wallpack Township	Bergen	58	3	0	61	13	8	10	31	71	11	20	92
Walpack Township	Sussex	0	0	0	0	0	0	0	0	0	0	0	0
Wanaque Borough	Passaic	18	0	0	18	0	0	0	0	18	0	0	18
Wantage Township	Sussex	31	21	0	52	0	0	0	0	31	21	0	52
Warren Township	Somerset	102	193	1	296	0	0	0	0	102	193	1	296
Washington Borough	Warren	0	53	0	53	1	0	0	1	1	53	0	54
Washington Township	Bergen	33	1	0	34	0	0	0	0	33	1	0	34
Washington Township	Burlington	0	11	6	17	2	1	0	3	2	12	6	20
Washington Township	Gloucester	16	4	1	21	2	1	0	1	17	4	1	22
Washington Township	Morris	1	7	0	8	0	0	0	1	1	7	0	8
Washington Township	Warren	0	75	0	75	1	0	0	1	1	75	0	76
Watchung Borough	Somerset	14	103	0	117	0	0	0	0	14	103	0	117
Waterford Township	Camden	1	1	0	2	1	0	0	1	2	1	0	3
Wayne Township	Passaic	31	303	0	334	1	0	0	1	32	303	0	335
Wenonah Borough	Gloucester	0	1	0	1	0	0	0	0	0	1	0	1
West Amwell Township	Hunterdon	4	1	0	5	0	0	0	0	4	1	0	5
West Caldwell Township	Essex	1	57	0	58	0	0	0	0	1	57	0	58
West Cape May Borough	Cape May	0	9	0	9	0	0	0	0	0	9	0	9

Federal Emergency Management Agency

Virginia National Processing Services Center
Winchester, VA 22603



IHP INSPECTION GUIDELINES

DR - -

Government Task Monitors -

Inspection Services Coordinator -

Incident Type -

Incident Period -

Presidential Declared Date -

Governors Declaration of State of Emergency-

STANDARD OF CONDUCT / CONFLICT OF INTEREST

Inspectors, employed by or under contract to FEMA to perform Individual Assistance inspections, shall not be part of any trade or financial transactions involving the purchase or sale of any real or personal property belonging to an applicant or household member who is assigned for inspection or being inspected by the designated inspector. Inspectors shall not conduct an inspection on a family member, friends, or business associates dwelling where a conflict of interest may arise. When there is a conflict of interest with the applicant do not perform the inspection; select the "Conflict" button located on the Schedule Inspections screen to return the inspection to the host for reassignment.

COMMUNICATION WITH APPLICANTS - Clear communication is essential in order to accurately perform an inspection; you must accommodate applicants who have a Limited English Proficiency (LEP). If you encounter an applicant who has LEP, the primary strategy is to determine if there is anyone in the home 16 years of age or older who can assist as a translator. If not, ask the applicant if they have a friend or another person 16 years of age or older who can be present during the inspection and provide translation assistance. If neither of these two options is possible you must explore alternative means to ensure clear communication. Alternative methods may include but are not limited to; language translation call services, interpreter or returning the inspection for reassignment to a compatible speaking inspector.

REGISTRATION INFORMATION SCREEN

NAME, ADDRESS, PHONE NUMBERS, AND E-MAIL ADDRESS

- Verify and make any needed changes to the applicant's name, damaged dwelling address, county, current mailing address, and phone numbers.
- Comment when a complete name or address change is made.
- Inspectors may change the registrant name to a household member 18 years of age or older when both are present and the request is directed through the original applicant. Customarily this is only performed when the Registrant or Co-Registrant is unable to verify occupancy or ownership and the household member can provide verification in their name. It is necessary to accurately record social security numbers when making a name change.
- If the damaged dwelling address is not the applicant's primary address, correct the address and perform the inspection on the applicant's primary residence.
- A post office box for the damaged dwelling address is not acceptable and must be changed to the physical address of the dwelling (911 Address).

- Verification of identity, occupancy, and ownership is a critical component of **all** inspections. For inspections that are downloaded with comments that indicate an applicant did not pass FEMA's preliminary identity, occupancy, or ownership verifications, thoroughly examine the documentation provided to ensure it is valid.

VERIFY EXISTING INSURANCE COVERAGE

- Ask every applicant if they have insurance, and add all additional insurance types indicated by the applicant, including coverage for Transportation, Medical, Dental and Funeral when an unmet need is claimed by the applicant.
- When you view a cancellation letter dated prior to the disaster, delete the cancelled insurance type. There is a required comment with the date the insurance was cancelled. **This is the only situation where insurance should be deleted.**
- When recording damages caused by flood, sewer backup or earthquake, confirm whether or not the applicant has a rider and/or a separate policy for flood, sewer backup or earthquake damages; if confirmed, add the insurance type.
- When the dwelling is a mobile home, Homeowner's Insurance is listed, and the applicant clearly has a mobile home policy, add Mobile Home Insurance.
- If an applicant claims fire only as an insurance policy use the Homeowner's Insurance type.

OCCUPANCY TYPE

Not Primary Residence

- Ask the applicant if they had any disaster related damage at their primary residence; if "Yes", correct the address and perform the inspection on the applicant's primary residence.
- For all "Not Primary Residence" determinations obtain signatures when possible and comment on the reason and return as "Done/Complete."
- Select "Not Primary Residence" if the applicant states that the damaged dwelling is not their primary residence but does have disaster related unmet needs (medical, dental, funeral, transportation). Record the size of residence as 10 square feet, bedrooms occupied as 1, household composition as 1, and number requiring clothing as 0. Address foundation and dwelling type, record habitability repairs required as "No" and address all Unmet Needs fields. Save the inspection as a Done/Complete.

OWNERSHIP VERIFIED

Displays a list of valid methods for verifying ownership, if you select one of these methods, you are saying that you viewed the document.

If the applicant does not hold formal title to the dwelling but meets the following conditions, change the applicant from renter to owner and perform the inspection as an owner:

- 1) The applicant pays no rent, **and**:
 - 2) The applicant has lifetime occupancy rights with formal title vested in another (you must view a notarized document), **or** the applicant is responsible for all dwelling maintenance and/or taxes (you must view receipts for repairs or taxes.)
- Change the applicant from owner to renter **only** if the applicant states they are a renter or you have viewed rent receipts.
 - Ownership can be verbally verified by calling the tax office or through official tax office websites. There is a required comment with the name and phone number of the person you spoke to at the tax office or the website used for verification.
 - If the applicant claims they are the owner and all means to verify ownership have been exhausted, select "not verified" for ownership and complete the inspection as an owner. A comment is required.
 - When a mortgage payment book is used to verify ownership record the name of the mortgage company, the loan number, and phone number in the Mortgage Information box and verify all types of insurance. If the applicant states they do not have insurance, add Homeowner's

Insurance and enter the mortgage company name in the insurance company and agent fields. Use the mortgage loan number and phone number to complete the other required fields.

- When insurance is used to verify ownership record the policy number, insurance company, insurance type, and agent's name and phone number in the Insurance Information box.
- Perform a second site visit if the applicant is not able to verify ownership at the time of the inspection and the applicant states that they will be able to provide acceptable documentation within a reasonable amount of time. An unsuccessful attempt to verify ownership with the tax office does not take the place of this requirement.

OCCUPANCY VERIFIED

Displays a list of valid methods for verifying occupancy, if you select one of these methods, you are stating that you viewed the document.

- Record occupancy as verified only if the applicant lived in the damaged dwelling at the time of the disaster. You are not expected to prove "Intent to Occupy". For instance, if the dwelling was under construction or remodeling at the time of the disaster, and the applicant lived elsewhere, complete the inspection as normal, and record occupancy as "Not Verified" with a brief comment as to the situation.
- Verbal verification of occupancy is acceptable only when the applicant doesn't have supporting documents. In these cases you must attempt to obtain verbal verification of occupancy by either the landlord or the utility company. Record in comments the Landlord's /Utility Company's name and phone number when occupancy is verified verbally.
- When the applicant claims that the dwelling is their primary residence but all means to verify occupancy have been exhausted, record occupancy as "Not Verified" and perform a complete inspection. There is a required comment when recording occupancy as "Not Verified".

APPLICANT'S SIGNATURE AND DECLARATION

The applicant or another adult member of the pre-disaster household must sign the Declaration and Release form after showing their photo identification. Select the language (English or Spanish) that the applicant prefers. If the signer's name was not downloaded, it can be added. Verify the signer's name, address, and birth date and make corrections if necessary. Provide the applicant a blank Declaration and Release form so they can read it, choose one of the three declaration statuses at the top, and select the appropriate declaration. Select the create form button, which will display an electronic copy of the Declaration and Release form pre-populated with information from the Registration Screen. Present the electronic form to the applicant for their review and signature and save the form.

- Obtain signatures for all initial inspections, with the exception of No Contact, Withdrawn, and Inaccessible inspections when you are unable to meet with the applicant or obtain via fax. A comment is required if the applicant's signature is not obtained on an Inaccessible inspection.
- If the applicant's declaration is "Qualified Alien" there are two options:
 1. If the applicant is the qualified alien, select their name and create the form.
 2. If the applicant is not lawfully present and is the parent of a minor child who is lawfully present, add or select the child who is lawfully present and create the form. No further comment or investigation is required.
- If the applicant will not choose any of three declaration options, select "No", create the form, and present it to the applicant to sign. A comment is required.
- If the applicant refuses to sign the form, select "Not Obtained" and perform the inspection. A comment is required.
- Obtain signatures **only** from members of the pre-disaster household 18 years of age or older. (Exception: if the head of the household is younger than 18 years of age, obtain their signature and perform the inspection. A comment is required.)
- If no photo ID is available, perform the inspection and comment "no photo ID."

- If the third-party option is used obtain the applicant's signature via fax, select the applicant's declaration, and write "faxed" in the Declaration and Release Form signature block. A comment is required.
- Obtain signatures for all subsequent inspections that are performed with a different household member than that of the original inspection. This requires creating a new form.

HOUSEHOLD COMPOSITION

Record the number of household members who resided in the dwelling at the time of the event. **Do not** include boarders, renters or live-in landlords who have a commercial relationship with the applicant.

NUMBER OF BEDROOMS OCCUPIED

Record the number of bedrooms occupied at the time of the event for the applicant and the members of the household. Do not count renter or boarder occupied bedrooms. This number will not necessarily agree with the number of bedrooms indicated on your room inspection, but will not exceed household composition.

NUMBER OF PEOPLE REQUIRING CLOTHING

Address the disaster-related clothing need of the applicant and household members. Do not record damages to stored clothing. Record both quantity and cause of damage in the fields provided. If clothing is recorded, choose the appropriate means by which the clothing need was verified: either "Viewed During Inspection" or "Verbal Damage Supports Claim". Do NOT record Clothing if unable to verify loss. **Do not select** "Not Verified, Losses Not Supported by Damages". **Clothing is not to be recorded unless the clothing is destroyed, physically gone (e.g. blown away), or contaminated by chemicals, sewer backup, etc. It is expected that clothing that is soaked by wind driven rain, seepage, or flood waters will be cleaned by the applicant. Limit of 1 per household member that has a clothing need.**

COMMENTS SCREEN

Use this screen for any required comments and clarification comments. The Host Action flag is found on this screen. Inspections that warrant FEMA manual review must have this flag set to "Yes". A comment is always required when you select the Flag for Host Review button.

DWELLING INFORMATION SCREEN

OCCUPANTS

The occupants section should include all occupants 18 years of age or older who lived in the dwelling at the time of the event along with their age and relationship status if available, to include boarders, renters, and live-in landlords.

HIGH WATER FLOOR

Record the high water mark, and on which floor it was located.

FOUNDATION/DWELLING

Record whether there is a basement, crawl space, slab, etc. as well as the number of stories in the dwelling. If "Other" is selected a comment is required.

TYPE OF RESIDENCE

If the type of residence is "Other", comment on what "Other" means (i.e. Other = Tent).

SIZE OF RESIDENCE

Enter the total square footage of the dwelling, including the basement, as the size of residence. Exclude the following areas: garages, porches, unoccupied outbuildings, crawlspaces and enclosed

areas separated from the main living area by a locking exterior door (enclosed porches, Florida rooms, etc).

If a renter occupies any portion of the owner's dwelling, the size of residence in the owner's inspection will include the renter's occupied area. If the renter's occupied area is separate and totally self-contained, such as a basement apartment or attic apartment with separate entrance/exit, such areas will be considered apartments and not part of the owner's dwelling.

REAL PROPERTY SCREENS

Renters – Do not record real property damage for renters. Exception; when applicable, record the following line items found under real property identifying

- Permanent or non-permanent foundation when inspecting travel trailers.
- Use the student dorm room line item when inspecting student dorm rooms;
- Use the incomplete inspection line item when you are unable to gain access for a full assessment.

If all habitability repairs have been completed, comment "**repairs made**" and record Habitability Repairs Required as "No".

Renter Degree of Damage Real Property Line Items - For Renter inspections where the Habitability Repairs Required is "Yes", record only one of the following line items that best describes the severity of the damages. Do not use these line items for a destroyed dwelling; the "Destroyed" reason for Habitability Repairs Required is adequate. These line items are in the speed estimating category:

- Major Damage
- Substantial Damage
- Moderate Damage

Owners - Record all real property damage to the entire dwelling as it existed immediately following the disaster. Refer to the "**item info**" screens in the palm pad if you have a question about what is included in a repair item. See exceptions below to the guidance of recording all real property.

REAL PROPERTY EXCEPTIONS

Condominiums / Cooperatives - A condominium / Co-op is defined as a unit typically within a multiunit structure (apartment building or town house complex) that is owned by the applicant. For all condominiums, record damages from the drywall in. When a condo owner's unit has damages affecting habitability that are not within the "drywall in" parameter, such as damages to essential mechanical components, select the associated Habitability Repairs Required Reason(s). When there are damages to common areas affecting the habitability of the applicant's unit, record Habitability Repairs Required as "Yes" with Habitability Repairs Required reason "Forced To Relocate". If the applicant was forced to relocate there is a required comment with the condo representative's name, phone number, and expected duration of displacement.

If the condo is completely destroyed, record residence rebuild along with the required comment describing the damage. Most condominiums have a master insurance policy that covers common areas and structural components; **do not** record insurance to address the master policy. Address all insurance types that the applicant has for their individual unit. On an appeal inspection for a condo, specific instructions will be downloaded.

Garages and outbuildings – Use the debris remove line item to address damage to garages and outbuildings only if the damage to these structures creates a hazard and impacts habitability.

- Only record damages to attached garages that affects the integrity of the dwelling. For example, damaged drywall and insulation on the common wall should be addressed.
- Only record damages to unattached garages that contain necessary and functional appliances or mechanical units: water heater, furnace, washer, and dryer.
- Only record damages to unoccupied outbuildings or sheds that contain necessary and functional appliances or mechanical units. Record up to five lump sums to repair or replace the affected structures.

Basements - A basement is defined as an enclosed area of the dwelling where any portion of the exterior wall or concrete floor is below grade. Split level homes are excluded from the definition of a basement. When the cause of damage is flood, sewer backup, ground saturation/seepage, do not record interior doors, floor covering, drywall or paint **in a basement, except in rooms that are required for the occupancy of the dwelling, and no other room in the dwelling meets the need.** For example, if an unoccupied bedroom on the 1st floor can be used in lieu of the basement bedroom, the basement bedroom would be considered non-essential. The foundation, furnace, water heater, main panel, electrical and other structural components will still be within the repair scope of work.

- For non-essential rooms located in the basement, use the debris remove line item (for damaged cabinets, interior doors, drywall and floor coverings etc.) to address damaged real property that is not to be recorded. Do not exceed five cubic yards unless conditions exist that require the removal of mud and debris deposits.
- Record the line item "Remove Fixture/Cap Drain" to address non-essential plumbing fixtures (one per fixture).
- If there is an essential bedroom in the basement, an associated bathroom in the basement will also be addressed as essential (max one bathroom per basement).
- Personal property appliances – Record the appropriate level of damage for appliances and furnishings that are located in the basement. Do not record any stored personal property.
- If the applicant's only occupied floor is below grade all rooms are considered essential. For example, below ground level condominiums and garden apartments.

Income Producing Property – Do not record damages to segregated (separate and self-contained) portions of the dwelling that are used to generate income for the applicant; only record the damage that affects the integrity of the applicant's portion of the dwelling. For example, if an applicant rents out the second floor of their dwelling, only record damages to the furnace and water heater that are used to support the applicant's unit. Do not record a furnace or water heater that is used solely to support the tenant-occupied unit. If the habitability of the applicant's dwelling is affected by items that are not recorded, use the "Forced to Relocate" unsafe reason to support the habitability call and comment.

Not Owned by Applicant – Do not record damages to items that the applicant does not own. For example, if it can be determined that a furnace or water heater is owned by the utility company and was or will be repaired or replaced at no cost to the applicant, do not record the item and provide a comment. Take the same approach for an applicant who owns their home but does not own the land and there are damages to the land such as road and bridge, septic system, and well. If the habitability of the applicant's dwelling is affected by items that are not recorded, use the "Forced to Relocate" unsafe reason to support the habitability call and comment.

LUMP SUM

- Use lump sums to address disaster-related repairs which do not have a matching line item.
- Comment any time lump sums are recorded.
- Do not use lump sums to record things that are not directly related to repair of the home. For instance, don't record hotel expenses using lump sums. Each lump sum is \$100.

SERVICE CALL

Use if the extent of damage is unknown and a professional will be needed to prepare an estimate. A service call cannot be used in conjunction with real property specs in the same category. **Service calls are not to be used on Appeal inspections.**

CAUSE OF DAMAGE

- Record the cause of damage for all real and personal property line items.
- When recording the undeclared incident type of **fire**, confirm the fire was disaster-related by viewing the fire report or speaking to the Fire Marshall /Official. There is a required comment with the fire department contact name, phone number, incident report and date of the fire. Inspections with undeclared incident types must be **flagged** for FEMA manual review.
- Do not use "Other" as a cause of damage.

IMPORTANT NOTICE FOR CAUSE OF DAMAGE

Due to the National Flood Insurance Reform Act, recording "Flood" as the cause of damage may result in a life-long requirement that the applicant maintain flood insurance, for this reason, it is important that the inspector record "Flood" only when damage occurred as a result of true flooding. Definitions are as follows:

DEFINITIONS OF FLOOD:

Flood - A general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source. Record "Flood" when landslide, mudflow, or seepage is caused by flood.

DEFINITIONS THAT DO NOT MEET THE CRITERIA OF FLOOD:

Wind-driven rain, seepage and sewer backup (not caused by flood) do not fit the definition of "Flood." It must be "rising water from overflowing water sources."

Seepage - There is no accumulation of water such as runoff or surface water from any source surrounding the dwelling. Water entered the dwelling from below ground sources, and there was no general condition of flooding.

Sewer Backup – waste water entering the dwelling through a drain line.

DESTROYED

If an applicant's home is completely destroyed, based on the residence type you must record one of the following line items: "Residence Rebuild"; "Mobile Home Replace"; or "Travel Trailer Replace". The unit of measure for these line items is one each. Additionally, you must indicate "Destroyed" in the Reasons for Habitability Repairs Required checkbox and provide a comment with a description of the structural damage. Examples: "Destroyed = dwelling blown away, only slab remains, Destroyed = mobile home off foundation/frame bent, etc." A condemnation notice does not necessarily indicate the dwelling is destroyed per FEMA standards.

Items permissible to be recorded with a destroyed dwelling include: wells, septic field, power pole, debris remove, tree removal, road and bridge, retaining walls creating hazards, and travel trailer fixed foundation line items.

ACCESS/DEBRIS

Clean and Sanitize - Clean and sanitize is a square footage item. Record this line item as the area that needs to be cleaned. This may also be used to address other surfaces such as basement walls that need to be cleaned. Only use clean and sanitize when the home has been affected by sewer backup, mudflow, floodwaters containing contaminants, or when there is heavy disaster related soot, or ash.

BOAT ITEMS

Boat repairs are intended to restore the boat to habitability only. Do not record repairs necessary to restore the boat to seaworthiness. Use the "residence rebuild" line item to address destroyed boats. If the boat can be confirmed to be sunk and is not accessible, record a service call in the boat category and address the habitability call as "Yes". Personal property will be addressed verbally based on the applicant's statements. There is a required comment with the harbor master or local official's name and phone number who confirmed that the boat sank due to the disaster

ELECTRICAL

Do not use the "Generator, Replace" real property line item in this category unless the generator was the sole source of power for the home prior to the disaster (i.e. an off the grid home) and was hard-wired. Do not record the real property line item "Generator, Replace" to address a portable generator. When a pre-existing portable (i.e. 5.5 KW) generator is the sole source of power, use the personal property line item. Fresh water inundation leaving mud/silt deposits and/or flood debris alone is not justification for panel replacement. If a main panel or auxiliary panel has been physically damaged or inundated with any type of salt water, address the panel as "replace".

FLOORS/WALLS/CEILINGS

Drywall Replace includes removal, replacement, and taping (finishing). Paint is not included and must be recorded separately. When the cause of damage is flood, sewer backup or seepage calculate the amount of damaged wall area by rounding up in two foot increments from the recorded high water mark. For example, if the high water mark is nine inches, drywall and insulation will be recorded using a height of two feet in the calculations. Paneling will be addressed in the same manner.

FOUNDATION/MASONRY

None of the foundation repairs include an allowance for utility connections. Use lump sums in the appropriate utility category to address these connections. Do not use the "Utilities, Reconnect" found in the "Mobile Home" category when repairing foundations.

GENERAL

Do not record "Roof Covering, Replace" simply because the dwelling has suffered interior damage from wind driven rain. It is not uncommon for new leaks to occur through older (deferred maintenance) roofs, to be blown up under shingles, through vents, etc. There are numerous ways that wind driven rain can enter the dwelling without any damage occurring to the roof.

HEATING

Use line items to record all damaged heat sources for the dwelling regardless of sole or primary source. If the sole source of heat for the dwelling is a space heater, utilize the "heater, portable, replace" line item in real property.

ROADS and BRIDGES

Single and Multi-family roads and bridges are recorded only when it's the sole access route. When recording damage to a solely owned road use the Single Family Road and Bridge category. When recording damage to a private road with shared responsibility use the Multi-family Road and Bridge category. If an applicant has damage to both a multifamily road and a solely owned access drive record damages in their respective categories. Road and bridge damage will be recorded **only** to the extent needed to provide drivable access and not necessarily to the pre-disaster condition.

If you are able to record repair line items to restore access, do not record the dwelling as "Inaccessible", even if you can't get to the dwelling to record damages to the home. In this situation, record visible road damages and select the incomplete inspection line item. If the private road is not drivable due to washouts, etc., and requires repairs the proper indication would be Habitability Repairs Required = "Yes". Record only repairs needed to restore access to a maximum width of 10 feet for roads for a single family dwelling and to 15 feet for multifamily roads. Bridges

will be repaired to a maximum width of 10 feet. If the road was not 10 (or 15) feet wide prior to the disaster, repair only to the pre-disaster width.

NOTE: Some bridge components may not be damaged and can be reused. In this case, use lump sums under the appropriate road and bridge category to reset bridge components.

MULTIFAMILY ACCESS CONCERNS

Record all damages affecting the applicant's access in line items as specified above. Record other affected applicant(s) names and registration numbers as available, in comments, as well as if the applicant is a member of a Homeowner's Association.

SPEED ESTIMATING

When there is a consistent water level throughout the dwelling speed estimating can be used for drywall, insulation, paint, floor covering, subfloor, clean and sanitize, and outlets and switches. Accurately measuring the square footage of the dwelling is critical when using speed estimating. Speed estimating cannot be used when the water level is in the basement. Factors for individual line items are located in the item info screens.

UTILITIES

Only wells that have collapsed or dried up as result of the disaster will be replaced. If replacing a well, record the pre-disaster depth of the well. The "Well, Replace" line item only includes the cost to drill and case the well. Well pump should be addressed separately if needed.

Hand-dug wells that are rendered inoperable as result of the disaster will be addressed with the "Utility Service Call" line item with a comment describing the well damage.

WINDOWS/DOORS

Record the windows and doors that have been damaged as a result of the disaster, with the exception of interior doors in non-essential basement rooms when the cause of damage is flood, seepage, or sewer backup. See the Basement section for further information.

PERSONAL PROPERTY SCREENS

For owners and renters, personal property damages will be recorded as they existed immediately following the event. Refer to the "item info" screens in the palm pad for descriptions of personal property appliances.

VISUAL VERIFICATIONS

- When personal property room furnishings and appliances are observed during the inspection and are not damaged, record the item as "Not Affected" and select "Viewed During Inspection" from the Loss Verification dropdown.
- When personal property room furnishings and appliances are observed during the inspection and are damaged, record the item as "Repair" or "Replace" and select "Viewed During Inspection" from the Loss Verification dropdown.

VERBAL VERIFICATIONS

- This applies to all rooms and personal property appliance line items.
- When you are unable to see the item but the evidence supports the claim that the disaster caused the loss: record the appropriate level of damage on the personal property screen and select "Verbal Damage Supports Claim" from the Loss Verification dropdown.
- When you are unable to see the item and the lack of evidence **does not** support the claim, the applicant stated they removed undamaged personal property, or the applicant denies access to certain rooms in the dwelling record the item as **not affected** and select "Not Verified. Losses Not Supported by Damages" from the Loss Verification dropdown.

General Information

- For appliances, only one additional “like kind” appliance need be recorded if “Not Affected”. Example: Applicant owns 4 televisions, 1 is destroyed and 3 are undamaged, record 1 television as “Replace” and 1 television as “Not Affected”. Do not record the additional undamaged televisions.
- Record living rooms, bedrooms, bathrooms and kitchens as they are furnished and damaged – for instance, if an unoccupied bedroom is furnished as a bedroom and all furnishings need to be replaced, record it as a Bedroom Replace. The standard bedroom consists of a twin bed, dresser, nightstand, lamp and bedding.
- Any room furnished with standard living room furnishings (i.e. couch, chair, coffee table, lamps) will be recorded as a living room with the appropriate cause of damage and level of damage. This is regardless of whether the applicant refers to it as a “family room” etc. It is entirely acceptable to have multiple living rooms in the dwelling if there are multiple rooms furnished as living rooms.
- The bathroom furnishings include personal hygiene items, linens, shower curtain and rod.
- The kitchen furnishings include pots and pans, dishes, silverware, and small appliances.

NOTE: Renters are the same as for owners with one exception:

- Record landlord supplied appliances and furnishings as “Landlord Owned”. If the applicant owns the same appliance supplied by the landlord and has access to the landlord supplied appliance, **do not record the applicant’s appliance**.

Testing Appliances – Before recording repair or replace for **any** appliance, you must first test it to see if it functions, regardless of the cause of damage. See exceptions below.

- If the appliance is functioning at the time of the inspection record it as “Not Affected”.
- If there is physical evidence that the appliance has been damaged, such as inundation or major physical damage, you do not need to test it and should record the appropriate level of damage.
- If you are unable to test appliances, record them as “Not Affected” and comment – “Washer, unable to test, no power to DD”.
- If you cannot test an appliance, but there is evidence that indicates the appliance may be damaged as a result of the disaster, the Appliance Service Call line item will be used with a level of damage of “Repair”. Limit of 1 per inspection.

ADA (Americans with Disabilities Act) line items – The ADA line items are used to address personal property that is specific to applicants with disabilities. These line items are only to be recorded when they were present pre-disaster. Current list of ADA items include ADA accessible raised toilet seat, ADA accessible refrigerator, ADA accessible washer, ADA accessible bed and ADA computer.

Travel Trailers/Motor Homes/Boats - This guidance applies to all travel trailer/ motor home / boat inspections (including standard tow behind, 5th wheel type, slide-ins, and pop ups), the maximum level of damage for bedroom and living room furnishings is “Repair X”. If the unit is destroyed, record the range and refrigerator as not affected since they are built in appliances.

Continue to separate landlord owned and applicant owned personal property for renters. For all **travel trailer** inspections, determine if the unit is on a permanent foundation (free of wheels and affixed to a foundation) and select the corresponding line item in the mobile home category.

Power Surge – Prior to recording any personal property appliance as damaged by power surge, you must first test the appliance. If the appliance functions, record the item as “Not Affected” with a cause of damage “Power Surge”. If you are unable to test the appliance because power is out at the time of the inspection, record the item as “Not Affected” with cause of damage Power Surge, and comment “Unable to test range, refrigerator, etc – power out”. If recording an appliance as damaged from power surge, there is a required comment on the evidence that supported the claim.

Furnishings – Do not record a “Repair X” level of damage simply because furnishings have been affected by the disaster. If the furnishings only require additional housework on the part of the applicant, record them as Not Affected. “Repair X” for furnishings is restricted to when the furnishings would require professional cleaning techniques. This would typically occur when they have been flooded with contaminants or sewer backup, or have been affected with substantial soot and smoke damages.

Dining Table/Chairs - Do not use the Room Furnishings level of damage in the dining room to address the everyday table and chairs. There is a line item in the personal property screens to address them, regardless of their actual location in the home.

Bedrooms and Twin Beds – The bedroom line item includes an allowance for a single twin bed for a single occupant. If there were two or more occupants of a damaged bedroom, add an additional twin bed line item for each additional occupant with the appropriate level of damage. **Example:** If there are two children in a bedroom and all furnishings were destroyed, record bedroom Replace and **one** twin bed Replace. The same guidance would apply to a couple occupying a double bed.

Applicants residing in the same Dwelling – Applicants who have a commercial relationship with an owner or head of household are Renters. Applicants without a commercial relationship with the owner or head of household are household members.

- Owner’s Inspection: Record rooms solely occupied by the renter as “Boarder Occupied”. Do not record personal property or transportation owned by the renter.
- Renter’s Inspection: Record all rooms occupied by the renter as they are furnished and the personal property that they own. Rooms solely occupied by the owner and the owner’s personal property will have the damage level of “Landlord Owned”.
- Multiple Renters’ Inspection: When two or more renters share the same dwelling, list all rooms claimed by the applicant. Rooms solely occupied by the other renter will be recorded per their function with the damage level “Landlord Owned”.
- Household Member’s Inspection: For applicants who do not have a commercial relationship with the head of household (Owner or Renter) and apply separately, address their damages the same way as a Renter.

Infant Personal Property - Do not record infant personal property when there is not an essential need in the household. For example, if a crib and a stroller are damaged and there are no infants in the household, do not record these items.

Stored Personal Property – Do not record any stored personal property as part of the initial inspection. For instance, if the applicant claims damage to furniture in a storage unit, do not record this as personal property line items.

Duplicate Items – Some items are available selections in both the miscellaneous purchases section as well as the personal property appliances section. Items owned prior to the event incurring damage will be recorded in the personal property section; whereas items purchased in response to the event will be recorded in the miscellaneous purchase section. Items may not be recorded as a Miscellaneous Purchase when a like-kind item is also being repaired or replaced in the Appliances/Personal Property section.

UNMET NEEDS SCREEN

Ask every applicant about disaster-related unmet needs. If the applicant reports a disaster-related need in these areas, mark “Yes” for need.

Moving and Storage - Use the moving and storage button to record expenses to move/store personal property following damages to the dwelling. **Do not** indicate an unmet need if the applicant incurred expenses to move/store personal property to prevent disaster damage.

Medical/Medical PP - Use the medical unmet needs button to represent either a new medical condition caused by the disaster, or the loss of prescriptions, or medical equipment (wheelchairs, artificial limbs, prescription eyeglasses, etc.) damaged, destroyed, or lost as a result of the disaster.

Dental - Use the dental unmet needs button to represent a new dental condition or injury caused by the disaster. Dentures will be recorded under the Dental unmet needs.

Transportation – During the inspection process, one question is required as a minimum and depending on the answer, a second question pertaining to vehicle comprehensive insurance may be required.

- Question 1: Ask the applicant “Were all the vehicles in your household made undrivable due to the disaster?” A “no” response requires no further action. A “Yes” response requires a second question to be asked:
- Question 2: “Are any of the vehicles covered by comprehensive insurance?” A “Yes” response requires no further action to address transportation.

A “No” response to question 2 requires the following entries and/or verifications:

- Record all vehicles for the household regardless of whether the vehicles are present.
- Confirm the vehicles were registered prior to the incident.
- Address insurance types on all vehicles (see page 1 regarding recording insurance).
- Record the appropriate “Policy Verified” response for each insured vehicle. Note: You must request to view the actual, active vehicle insurance policy; wallet cards or verbal statements are not sufficient justification of insurance.
- Do not delete downloaded vehicles unless you have confirmed it is not owned by the applicant or household member(s).
- When recording a vehicle as repairable or destroyed you must select a damage description.

Definitions for vehicle levels of damage:

- **Not Affected** - The vehicle was not affected at all, even cosmetically.
- **Cosmetic** - The vehicle sustained damages that do not affect operation in any way. Examples: minor dents, scratches, and similar low levels of damage.
- **Repairable** - The vehicle sustained damage that affects operation. Examples: broken windshield or window glass, mirror, or headlight assembly, minor mechanical repairs to brakes.
- **Destroyed** - The vehicle has been totaled. Examples: flooded over the engine, crushed by a falling tree, completely burned.
- **Not Available** - The vehicle is not at the damaged dwelling address, was swept down the river and is no longer present, or is otherwise not available for assessment of the damages. There is a required comment on why the vehicle is unavailable and what level of damage the applicant is claiming.

Transportation Only Inspections - If you receive a transportation only inspection, the damaged dwelling address should be the location where the damage occurred, not the applicant’s primary residence. If it is not, change the damaged dwelling address to reflect the location where the damage occurred. You **must** obtain signatures on the Declaration and Release Form, as well as ask the questions regarding all other unmet needs. Return inspection as “Done Complete”.

Essential Tools Category – Essential Tools consist of school equipment, computers, uniforms, specialized/protective clothing, required for employment but not supplied by the employer. Please ask specifically if the claimed Essential Tools lost are tools used by a self-employed individual; do not record tools used for self-employment in this category. Essential Tools that the applicant is financially responsible for, or tools previously purchased by the applicant, are only to be recorded if they are lost or inoperable as a result of the disaster and are required to maintain employment or stay enrolled in school. Only books or uniforms that were damaged by the disaster and are the responsibility of the applicant should be recorded. The line items for “School books/supplies” and “Uniforms” refer to a full set. Do not record more than one per individual who lost these items.

Use the Essential Tools unmet needs button to indicate a loss of any item listed in the Essential Tools list. If you mark "Yes" for this radio button, you must record one or more of the items listed in the Essential Tools list along with a cause of damage for each item as well as addressing the field for Loss Verification. If essential Tools are recorded, select the appropriate means by which the Essential Tool loss was verified from the dropdown menu: either "Viewed During Inspection" or "Verbal Damage Supports Claim". Do NOT Record Essential Tools if unable to verify loss. **Do not select** "Not Verified, Losses Not Supported By Damages" **Do not** record Computers when the cause of damage is Power Surge.

Miscellaneous Purchases - Use the Miscellaneous Purchase unmet needs button to reflect items purchased in response to the disaster. Miscellaneous Items must have been purchased or rented within 30 days **after** the incident period start date. See page 1 for incident start date. You must view receipts to verify the date of purchase for **all** miscellaneous purchases. There is a required comment on the receipt for all miscellaneous purchases. For example, "Chainsaw = viewed receipt dated x/x/xx". Record your inspector number on the applicant's receipt (i.e. XXXXX = verified).

Chainsaw - Must have been purchased, rented or leased after the start of the incident period to gain access and or remove hazards to the dwelling. When recording a chainsaw for miscellaneous purchases do not record debris removal and or tree removal to address a downed tree in real property specs. Note: If the applicant owned a chainsaw prior to the first day of the incident period and the chainsaw was damaged by the disaster event address the chainsaw under personal property.

Generators - The eligible dates for miscellaneous purchases for generators are from the Governors Declaration of a State of Emergency up to the end of the incident period or the date power was restored to the applicants dwelling, whichever occurs first. See the cover page for Governor's Declaration of State of Emergency. Record miscellaneous purchased generators only if the applicant states they purchased the generator to power **medically-required equipment**. The generator should only be recorded if the power was lost and the item was purchased **before the power was restored**. Comment on the receipt date and the type of medical device needed.

POST INSPECTION SCREEN

AREAS OF DEFERRED MAINTENANCE

Do not use the categories of deferred maintenance. If pre-existing conditions were not significantly worsened by the disaster (for example, rotting boards, roofs with missing and/or crumbling shingles, foundations with pre-disaster cracks, etc.), record "PE" in comments. Additional comments can be added to further describe the situation.

HOME STATUS BUTTONS

Inaccessible - The inaccessible button is used to indicate that, as a result of the disaster, there is no access to the damaged dwelling via traditional or alternate routes at the time of inspection. Common causes of inaccessibility are standing water, damages, or closures of public roads and or bridges. A "Yes" answer requires a brief comment explaining why the dwelling is inaccessible. Do not use inaccessible for *private* road or bridge damage (single or multi-family) where by making repairs, access would be provided; record the damage with the appropriate line items.

- Select the Exterior room as Not Affected with the **appropriate** cause of damage.
- A photograph of the barrier preventing access is required.
- Verify Occupancy/Ownership and Number of Bedrooms occupied.
- Obtain Signatures
- Address the Will Relocate button.
- Address Foundation and Dwelling Type.
- Do not record any real property or personal property line items.
- Address all Unmet Needs buttons.

- Return with the job status done / complete.

If you are **unable** to meet with the applicant and the dwelling is inaccessible, provide a comment (i.e. App stranded in dwelling). Obtain the signed Declaration and Release Form by fax if possible, if not, record the Declaration and Release Form as "Not Obtained".

Utilities Out - The Utilities Out button is used to identify homes that do not have essential **public** utility service due to disaster-related damages. The utilities included are electricity, gas, water, and sewer. This button is used to show the situation at the time of inspection. If essential utilities were out, but are now back on, the correct choice is "No". This button is not to be used to indicate damage to utility systems that are the applicant's responsibility, such as well or septic. Record damages to utilities owned by the applicant in real property. Do not record Habitability Repairs Required as "Yes" if the only concern is the utility outage.

Habitability Repairs Required - The purpose of the Habitability Repairs Required button is to assist FEMA in deciding if an applicant has a disaster-related housing need based on real property damages. FEMA has determined that it is reasonable to expect applicants or their landlords to make some repairs of a minor nature without federal assistance. If the inspector determines that the disaster-related damages are minimal enough for it to be reasonable to expect the applicant or the landlord to make repairs, the correct answer to this question will be "**No**".

The habitability call for **owners** (including inspections where the applicant claims ownership but ownership cannot be verified) are based on real property damage as it existed immediately following the event. A "**Yes**" answer indicates that the dwelling was not safe, sanitary and functional immediately following the event.

The habitability call for **renters** is based on the damages that have not been repaired at the time of the inspection. A "YES" answer indicates the dwelling was not safe, sanitary and functional at the time of the inspection. If a renter's home was uninhabitable at the time of the event, but repairs have been made, record "No" to Habitability Repairs Required, and comment "Repairs Made". Photos supporting the habitability call will assist in FEMA's decision for disaster related needs.

Forced to Relocate (renters) - When a renter has been displaced from their home as a result of disaster-related damages **or** so that the rental unit can meet the landlord's disaster housing need, Habitability Repairs Required and Will Relocate will be recorded as "Yes". You must verify with the landlord that the applicant was forced to relocate due to the disaster. There is a required comment with the landlord's name, phone number, and expected duration of displacement. If all habitability repairs have been made, but the applicant claims they have been forced to relocate, record Habitability Repairs Required as "no" and comment on the situation along with the landlord's name and phone number.

Will Relocate – "Have you moved, or are you going to move while repairs are being made?"

Ask the applicant this question if you indicate a "Yes" answer in any of the first three questions (Inaccessible, Utilities Out or Habitability Repairs Required). Mandatory/Voluntary evacuations are not to be considered for relocate.

Reason for Habitability Repairs Required - If you record a "Yes" to Habitability Repairs Required, you must support the "Yes" by recording the categories of damage to the home in this field. This is required for both owners and renters. Record all categories of damage that have affected habitability. A comment is required if "Imminent Danger" is selected. For "Access Blocked", there must be a line item recorded to address the blocked access, Debris Remove on exterior, Washout Fill, Tree Removal etc.

TAGGED DWELLINGS

For dwellings that have been tagged by the local building department as unsafe to occupy due to the disaster (typically Red or Yellow but may vary between localities), the following will apply:

- A detailed comment is required.
- Do not record inaccessible for tagged dwellings.
- Select the Habitability Repairs Required Reason "Tagged Structure".

Limited Access – Means Not Habitable but a complete inspection can be performed; comment "Tag = Limited Access".

Unsafe to Enter – Record only visible or confirmed damage in line items (do not guess); comment "Tag = Unsafe to Enter"

Imminent Danger

This is an **impending** event, not a **possible** event that will occur over time. An example of imminent danger is mud that is flowing directly toward the dwelling and within a brief period of time will undoubtedly be resting against the structure.

If the type of imminent danger present is not reflected in line items – such as a landslide on neighboring property – perform a complete inspection and comment (i.e. Imminent Danger Not Reflected in Line Items = Landslide on Neighboring Property). The Habitability Repairs Required button will be recorded as "Yes" and relocation will be addressed based on the applicant's statement.

Incomplete Inspections

When disaster-related conditions (unsafe to enter, blockage to common access routes (condos), dwelling re-rented and the new occupant refuses entry, or standing water in the basement) prevents a complete inspection, meet with the applicant at the dwelling to verify all critical data fields. All real and personal property items that can be verified will be recorded in line items, including the **"Incomplete Inspection"** line item. **Note:** Do not use the "Incomplete Inspection" line item for situations where an applicant denies access to a room or portion of a dwelling.

GENERAL NOTES

Exterior-Only Inspections – When disaster-related conditions do not allow you to access the interior of a dwelling, the exterior damages will be recorded in real property line items, as well as the high water mark, if applicable. If the cause of damage is flooding, sewer backup or seepage utilize the high water mark on the exterior of the structure to address interior real property damage using the speed estimating factors. Real and personal property damages that can be visually verified through windows and doors or confirmed to be damaged will also be recorded. Personal property that is not affected or that cannot be verified will be addressed as "not affected". Record the **"Incomplete Inspection"** line item for all exterior only inspections.

No Contact - Record a minimum of three attempts to contact the applicant in comments with date and time. The attempts must be made on different days at different times. There must be an exterior inspection that describes the dwelling (i.e. Foundation & Dwelling check boxes), and visible damages recorded in real property. The Habitability call is based on damages recorded and relocate will be "no". No contact inspections are returned as Return/No Contact Pending.

Done / Withdrawn - Explain the IHP programs to the applicant. Comment with the applicant's reason for withdrawing. Return the inspection as Done / Withdrawn.

Missed 2 Appointments - When an applicant has missed two scheduled appointments, record the dates and times of the missed appointments in comments and return the inspection as done / Missed 2 appointments.

Out of Incident Period - When an applicant claims damages that occurred outside of the incident period, question the applicant to determine if any damages occurred within the incident period. Only record damages that occurred within the incident period. Record all Personal Property

damage which occurred outside of the incident period as "Not Affected". Comment on the date the damages occurred. **Flag the inspection for FEMA manual review.**

Undeclared County – Verify that the applicant resides within a declared county; if the applicant resides in an undeclared county, explain to the applicant that the inspection cannot be performed because the county is not included in the current federal declaration. Advise the applicant to keep in touch with local emergency management officials in case the county is added at a later date. Correct the county and comment that the applicant resides in undeclared county. Return the inspection as done/complete and **Flag for FEMA manual review.**

College Dormitories, Assisted Living Facilities & Military Housing – Applicants who reside in these dwellings typically have their housing needs met by the institution and do not incur costs to relocate. Therefore, address the habitability call based on the damages to the unit and/or common areas and address Relocation as **"No"**. Address applicant-owned personal property and be aware of facility provided PP. Include the applicant's room or unit number in the DD address. For inspections on college dormitories, select the "Student Dorm" line item in the Speed Estimating category.

Incoherent or Incapacitated Applicants in Nursing homes – If the applicant has a power of attorney, the Power of Attorney can legally sign the Declaration and Release form and act on the Applicant's behalf for discussing disaster-related damages and unmet needs. If the applicant does not have a Power of Attorney, the Nursing Home Administrator will have legal authority to verify occupancy, sign documents and answer questions concerning damages and unmet needs.

Foreign Students with Visas – Students who are temporarily living in the U.S. on student visas are not eligible for FEMA assistance; return the inspection as done/withdrawn and comment.

Special Needs - If you encounter a special needs case, pertinent details (name, address, registration number, description of special need) should be reported to the field supervisor for referral to FEMA. The special needs menu (only to be addressed on sweep inspections) can be accessed from the Unmet Needs screen to address the applicant's specific need. You must accommodate any special need an applicant has in order to communicate during the inspection process; accommodations may include language translation resources, sign language interpreters, recordings, and note takers.

Appeal Inspections - Perform a complete inspection, including re-verifying all documentation, real property, and personal property that was addressed or omitted on the initial inspection.

- There is a required comment concerning the items appealed for. **Example:** If the focus of the appeal inspection is roof covering, an appropriate comment would be "Appeal item = roof covering = no changes made, roof is deferred maintenance."
- Spec out all damage; do not use speed estimating on appeal inspections.
- Do not use service calls.
- For condominium/co-op appeals, specific instructions will be included in the appeal request.

Gallagher, Gabrielle

From: Sampson, Edward <Edward.Sampson@co.monmouth.nj.us>
Sent: Tuesday, March 19, 2013 4:55 PM
To: sandy.recovery
Cc: Barris, Joe; Rafter, Sharon
Subject: Monmouth County Comments on the CDBG Action Plan
Attachments: Monmouth County Comments on CDBG Action Plan March 19 2013.pdf

Attached please find comments from the County of Monmouth on the Community Development Block Grant Action Plan. Please call if you have any questions or require additional information.

Edward Sampson, PP, AICP
Director
Division of Planning
County of Monmouth
1 E. Main Street
Freehold, NJ 07728
(732) 431-7460
edward.sampson@co.monmouth.nj.us

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Gallagher, Gabrielle

From: Sampson, Edward <Edward.Sampson@co.monmouth.nj.us>
Sent: Tuesday, March 19, 2013 5:13 PM
To: sandy.recovery
Subject: Monmouth County Comments
Attachments: Monmouth County Comments on CDBG Action Plan March 19 2013.pdf

Kindly replace the pdf sent earlier with this document. Thank you.

Edward Sampson, PP, AICP
Director
Division of Planning
County of Monmouth
1 E. Main Street
Freehold, NJ 07728
(732) 431-7460
edward.sampson@co.monmouth.nj.us

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The Board of Chosen Freeholders of the County of Monmouth

DIVISION OF PLANNING

TERI O'CONNOR
County Administrator

Email:
teri.oconnor@co.monmouth.nj.us



EDWARD SAMPSON, PP, AICP
Director of Planning

Email:
edward.sampson@co.monmouth.nj.us

March 19, 2013

Hon. Richard E. Constable, III, Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

RE: Comments on Community Development Block Grant Action Plan

Dear Commissioner Constable:

As you are well aware, many areas of Monmouth County were devastated by Superstorm Sandy. Nearly five months later many of our residents are still struggling to rebuild their homes, businesses continue to look for resources to restore their establishments and our tourism and marine industries are hoping to recover before the start of Summer 2013. While we have been helping our residents, businesses and municipalities through the recovery process since day one, the financial assistance proposed through the Community Development Block Grant Disaster Recovery Action Plan will go a long way toward restoring our neighborhoods, businesses and overall way of life.

We have had an opportunity to review the Community Development Block Grant Disaster Recovery Action Plan and offer the following comments:

1. Section 1 on page 1-1 states that "Funds must be spent within two years unless HUD provides an extension".

This statement needs further clarification. When does the two year clock begin?

Will the spending deadline for future rounds of funding be calculated independently of the first round?

Clarification on the terminology "must be spent" is requested. Does it refer to the State agencies awarding the funds to applicants or does it refer to the awardees actually spending the funds?

2. Section 4 on page 4-14 states that "Businesses may be required to apply to the SBA for one or both of their applicable disaster related loan products until the respective application deadlines lapse".

If a business did not apply to SBA are they disqualified from recovery programs (grants, loans, other assistance) outlined in the Action Plan?

3. Section 3.1 on page 3-1 states that "The State, through DCA and in coordination with the Governor's Office of Recovery and Rebuilding and relevant State departments, will coordinate planning activities with communities statewide to ensure that the long-term planning process

benefits New Jersey citizens and meets HUD CDBG-DR objectives."

We strongly recommend coordinating planning activities at the county level as well as at the municipal level due to our knowledge of local conditions and established relationships with local officials.

4. Consultation with CDBG Entitlements, HOME Consortiums, and Continuums of Care Receiving HUD Funding Necessary to Avoid Duplication of Benefits

Monmouth County would like to make the State aware that the County receives funding annually from HUD as a CDBG Entitlement and HOME Program Consortium, and as the lead entity for the Monmouth Continuum of Care Program under the CoC Program. Activities funded by these grants include emergency repair and housing improvement programs; first time home buyer grants; affordable housing construction projects for low income and special needs populations; rental assistance vouchers; and public works and infrastructure grants to municipalities and nonprofits. The State should consult with and/or inform entitlement counties of proposed projects within its jurisdiction to avoid any duplication of benefits. This approach is necessary to provide the counties with the information necessary to make best use of limited resources to serve target populations.

5. Monmouth County CDBG Entitlement Jurisdiction is an "Exception Criteria" County

Monmouth County would like to make the State aware that the County is a qualified "Exception Criteria County" according to the requirements at 42 U.S.C. 5305(c)(2)(A). Activities within Monmouth County CDBG Entitlement Jurisdiction (which excludes the Entitlement Cities of Asbury Park and Long Branch and the Township of Middletown) may be qualified under the low- and moderate- income area benefit category using this lower, alternate percentage of 42.8%, as described in the HUD CDBG-DR Notice.

6. Monmouth County Recommends Use of Block Group Level Census Data

Reliance on data at the US Census Tract Level instead of the Block Group Level will most likely lead to several severely impacted low and moderate income neighborhoods, particularly in the County's Bayshore Region, not being considered as meeting the low and moderate income benefit eligibility criteria. The State's plan contains little location-based information apart from census tract maps, which are difficult to read given the scale and color system. As such, the reader cannot determine impacts and income levels at the neighborhood level. We strongly recommend using the more accurate Block Group Level data to determine eligibility.

Thank you for the opportunity to comment. We look forward to working with the Department of Community Affairs as we recover from Superstorm Sandy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Sampson', followed by a horizontal line.

Edward Sampson, PP, AICP
Planning Director

C: Teri O'Connor, County Administrator
Joe Barris, PP, AICP, Assistant Planning Director
Owen Redmond, Director, Community Development
Sharon Rafter, Assistant Director, Community Development

Gallagher, Gabrielle

From: Margaret Waldock <mwaldock@grdodge.org>
Sent: Tuesday, March 19, 2013 5:01 PM
To: sandy.recovery
Subject: Comments to state CDBG Action Plan

Via Email: Sandy.Recovery@dca.state.nj.us.

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable,

On behalf of the Geraldine R. Dodge Foundation, I am writing to submit comments on the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG) Action Plan (Action Plan), which describes how the state proposes to spend the \$1.83 billion that is the first installment of federal funding for Sandy recovery.

We commend the efforts of the state to respond quickly to New Jersey's community needs in the wake of Hurricane Sandy and understand that the priority for this first installment of federal funds is focused primarily on filling the unmet rebuilding needs of residents and local businesses, and on promoting the Jersey shore through an aggressive marketing campaign. We are encouraged that Congress and the Department of Housing and Urban Development (HUD) have placed such a high priority on ensuring that the most vulnerable communities receive the largest share of federal assistance, that the NJ Action Plan provides for significant resources for the nine most heavily impacted counties, and that 50% of funding will be directed to low-to-moderate income households.

Through this comment letter, we request that the Department of Community Affairs (DCA) amend the Action Plan to include provisions that address the principles and spirit of the CDBG program to foster sustainable and resilient communities in the rebuilding and recovery process. Currently, the NJ Action Plan directs the bulk of the CDBG funds for rebuilding and makes no mention of relocation or buyouts; it provides for disproportionate support for homeowners over renters without a thorough analysis of the impact to underserved neighborhoods; and it lacks clear strategies to support long term planning for community resiliency and sustainability in the face of sea level rise and climate change.

The HUD guidelines strongly encourage use of sustainable rebuilding strategies and the use of green infrastructure to mitigate future flooding and storm impacts to communities. The NJ Action Plan does not include any provisions as to these recommendations. The Plan should place a high priority on mitigating damage and harm from future storm events, including support for relocation of homeowners and businesses in areas likely to suffer from continued flooding and damage.

Additionally, the HUD guidelines require a description of how the state will promote sound, sustainable long term recovery planning informed by hazard risk assessment, especially land use decisions that reflect responsible flood plain management. While there is a broad statement that the DCA Office of Local Planning Services will "work to provide municipalities with sound planning strategies to ensure long term recovery", and an allocation of \$84 million for

planning, oversight, and monitoring, there are no specific details or strategies on how funds will be allocated, nor on how the state will meet the demand and needs of individual communities for this assistance.

Providing funds directly to communities that lack capacity for planning and to nonprofit partners with expertise to assist may be a better strategy to deploy these resources. This approach will result in a community-driven rather than a state-driven process, enabling the development of plans based on locally identified needs. Incentives should also be provided for public infrastructure planning that incorporates resiliency and supports walkable/bikeable neighborhoods and easily accessible community amenities.

Relying on current FEMA flood elevation standards for long term planning is inadequate, given projected sea level rise and predicted future storm surges. We encourage you to incorporate incentives for communities to consider estimates and analyses prepared by New Jersey universities and nonprofit organizations. For example, the Sustainable Jersey program has developed a resiliency planning tool based on research conducted by Rutgers designed to assist local municipalities with long term planning for climate resiliency. The Sustainable Jersey program has over 350 New Jersey municipalities enrolled in its municipal sustainability certification program and could be an important convener and conveyer of information to communities in need. This is just one example of the expertise and capacity represented by New Jersey's nonprofit community to provide assistance as communities rebuild and recover.

Finally, it goes without saying that the Action Plan should provide for the highest level of transparency and robust public participation. While it is important to deploy resources quickly and efficiently, it should also be a priority to ensure adequate time for public input into the process.

Our state faces a long and challenging road to recovery in the aftermath of Hurricane Sandy. The Geraldine R. Dodge Foundation is committed to directing its philanthropic capacity to building a sustainable and resilient New Jersey. We are appreciative of the opportunity to comment on the state's Action Plan and convey our support and interest in working in collaboration to achieve our mutual goals.

Sincerely,

Christopher J. Daggett
President & CEO
Geraldine R. Dodge Foundation

Margaret Waldock
Environment Program Director
Geraldine R. Dodge Foundation
973-540-8442 X117
908-892-0840 (cell)

Gallagher, Gabrielle

From: Nicholas Kikis <Nicholas@njaa.com>
Sent: Tuesday, March 19, 2013 4:56 PM
To: sandy.recovery
Subject: NJAA CDBG-DR Funding Comments
Attachments: NJAA Comments on CDBG-DR Action Plan - 3-19-2013.pdf

Please find attached comments from the New Jersey Apartment Association (NJAA) on the DCA CDBG-DR Action Plan submitted in accordance with instructions in the March 13th proposal issued by the DCA.

Please don't hesitate to contact me if you have any questions regarding the submission.

Thanks,

Nick

Nicholas J. Kikis

Director, Regulatory Affairs & Research
New Jersey Apartment Association
104 Interchange Plaza, Suite 201
Monroe Twp., New Jersey 08831
732-992-0600 [Main] | 609-860-0060 [Fax]
732-992-0605 [Direct] | 609-775-8131 [Cell]
nicholas@njaa.com | www.njaa.com



March 19, 2013

SENT VIA ELECTRONIC SUBMISSION

Hon. Richard E. Constable, III, Esq.
Commissioner
New Jersey Department of Community Affairs
101 South Broad Street
Trenton, New Jersey 08625

**RE: CDBG Disaster Recovery Action Plan
Proposed Pursuant to Disaster Relief Appropriations Act of 2013**

Dear Commissioner Constable:

On behalf of the New Jersey Apartment Association ("NJAA") we applaud the efforts of the New Jersey Department of Community Affairs ("DCA") to develop a comprehensive action plan for putting federal disaster recovery dollars to use in our most impacted communities. This plan is an important step in New Jersey's recovery from effects of Hurricane Sandy and it should be implemented with an eye toward ensuring jump starting ongoing efforts to recover and rebuild.

The Disaster Relief Appropriations Act of 2013, signed into law by President Obama on January 29, 2013, appropriated \$16 billion in the Community Development Block Grant Disaster Recovery (CDBG-DR) program, of which, the U.S. Department of Housing and Urban Development's ("HUD") has allocated \$5.4 billion. These funds have been awarded to New Jersey in addition to four other states and New York City. This proposed Action Plan allocates \$1.8 billion -- New Jersey's portion of the initial funding -- to various programs to spur redevelopment and recovery from the effects of the storm. Consistent with purpose of the CDBG-DR program, this plan would have a tremendous impact on satisfying unmet needs in our most impacted counties and our low- and moderate- income populations.

Helping Rental Housing Recover from Hurricane Sandy -- With the members of the NJAA owning or managing over 170,000 rental apartments throughout the State, there is possibly no group more acutely aware of the impact of this storm on rental housing providers and residents. There is going to be a long road toward rebuilding the rental homes destroyed and/or damaged during the storm.

With one-in-three New Jersey families calling apartment living "home," and half of these living in multi-family apartments, multi-family rental housing continues to be an essential source of affordable housing to our state's residents.

As the Action Plan correctly identified, more than 18,000 rental units were damaged in the storm and approximately 9,300 rental units sustained severe or major damage from Sandy. The cost for the owners of these apartments to repair, rehabilitate and rebuild these homes will be significant and represents a long-term investment from the private sector in the future of New Jersey.

Association Headquarters:
104 Interchange Plaza, Suite 201
Monroe Township, NJ 08831
Tel (732) 992-0600 • Fax (609) 860-0060

Legislative Office:
172 West State Street, Suite 304
Trenton, NJ 08608
Tel (609) 393-5200 • Fax (609) 393-5222



The NJAA applauds DCA's prioritization of providing for housing in this plan, with \$254.5 million going directly toward rental housing programs. This is in addition to substantial funding to programs that will have an ancillary benefit to housing providers (e.g. \$500 million in economic revitalization programs and \$116 million in support to local government bodies).

In accordance with the proposed Action Plan and public notice issued on March 12, 2013, the NJAA offers the following specific comments to the DCA for its consideration.

Leverage Public Funding by Encouraging Private Dollars and Limiting Regulatory Costs – The largest portion of the allocation to rental housing comes through the Fund for the Restoration of Multi-Family Housing (4.2.1). To best leverage the \$104.5 million allocated to this program to produce new multi-family rental housing, the DCA would be wise to structure these incentives to leverage other sources of funding and private capital. The main challenge to multi-family housing developers continues to be the high regulatory costs incurred during both planning and construction. DCA could further stretch these dollars by working to minimize the regulatory cost drivers, such as streamlining the permitting and approval process, at both the state and the local level, and minimizing local bureaucracy. Additionally, prevailing wage requirements and unnecessarily prescriptive 'green building' codes should be curtailed during this rebuilding process, as they increase the cost of multi-family housing constructed under these programs.

Reallocate Funding from "Predevelopment Fund" to Small- and Large- Rental Programs – Funding allocation to the "Predevelopment Fund for Affordable Rental Housing" (4.2.3.1) is unfortunately not a wise use of scarce funding. As this program is limited to small non-profit entities with severely limited development experience and no capital to bring to a project, it is unlikely that it will result in appreciable housing rehabilitation. Funding should be reallocated from this program into 4.2.1 (multi-family housing) or 4.2.2 (small rental housing) where these public dollars can be leveraged with private capital to restore the greatest number of units at the lowest cost to taxpayers. With 18,000 rental units damaged in this storm, limited public dollars should not be spent on small nonprofits that would need significant subsidy to repair a small number of units. The vast majority of non-profit developers build rental units in the dozens. The need for rental units in this post-Sandy recovery period is so acute, that our State needs units build in the thousands. Nonprofit developers should compete with for-profit developers for funding, with awards going to the most viable and cost effective projects without concern over a developer's organization under the tax code.

Include Multi-family Rental Housing in Code Enforcement Reforms – While many municipalities have waived permitting fees for construction work needed to repair or replaced damaged homes, many have not similarly waived such fees for the repair or replacement of multi-family homes. This shifts the cost of running local code enforcement operations onto multi-family residents and drives up costs for restoring our apartment supply. DCA should direct those licensed to inspect under the UCC to provide fee waivers uniformly and should make such a practice a requirement for any local government receiving funding under the Code Enforcement Grant Program (4.4.3). Current practices run counter to goal of rehabilitating and rebuilding housing affordable to low- and moderate- income populations.

There is much work to be done for the State of New Jersey to rebuild from Hurricane Sandy with a stronger housing supply that is more vibrant and more resilient to future storms and aligned with the future housing needs of the ever growing population and ever changing demographics.



Market-rate rental housing provides affordable housing to low- and moderate- income households identified in this report as having the greatest housing need. In fact, market rate apartment are the largest source of housing affordable to those income groups. While it is essential that housing providers, local governments, and individual families have the resources they need to rebuild lives, homes, and communities, we cannot lose sight of the fact that no government program is large enough to meet this challenge.

We urge the Department to focus continued attention on eliminating needless red tape that drives up the cost of providing market-rate housing, local disincentives to new apartment construction such as municipal rent controls, duplicative registration and inspection requirements, and zoning practices that keep construction costs too high.

Hurricane Sandy has led to a number of significant challenges for multi-family housing providers. While we continue to repair storm-related damages and bring damaged apartments back into the marketplace, we face an uncertain future. Potential increases in flood insurance costs due to changes in FEMA Advisory Base Flood Elevation (ABFE) maps could prove devastating to rental communities that would need to pay elevated premiums. Policymakers must be sensitive to ensuring that housing providers are given the tools needed to make continued investments in their properties without needless regulation. These costs continue to be too high, and reducing them will have the dual benefit of advancing the goals in this CDBG-DR Action Plan and reducing pressures that drive up costs for housing.

The NJAA and our members across New Jersey remain confident that, with the funds allocated in this Action Plan, as well as future rounds of funding, professional multi-family housing providers will have the resources they need to rebuild and recover. These funds will undoubtedly help restore apartment communities, thereby restoring renters' homes, restoring daily life for our residents, and contributing to the rebuilding efforts underway across the state.

The NJAA appreciates the Governor's and Lt Governor's leadership and the continuing efforts of the entire Department of Community Affairs, to ensure that all available resources – financial, technical, and logistical – are brought to bear to help those most impacted. We appreciate the speed at which the DCA has developed this plan for the utilization of these funds and encourage the DCA to continue along this path to ensuring that needed resources are delivered to those in the greatest need without unnecessary delay.

We look forward to continuing to work with you and the entire DCA to advance policies that strengthen rental housing for all New Jersey families.

Very truly yours,

A handwritten signature in black ink, appearing to read 'C. Fennessy'.

Conor G. Fennessy
Vice President, Government Affairs

A handwritten signature in black ink, appearing to read 'Nick Kikis'.

Nicholas J. Kikis
Director, Regulatory Affairs & Research

The New Jersey Apartment Association represents over 600 multi-family rental housing providers and allied industries throughout New Jersey. We are a statewide organization dedicated to maintaining, improving and building new and affordable rental housing that serves hundreds of thousands of New Jersey's working families, young couples and seniors.

Gallagher, Gabrielle

From: bierbaums <[REDACTED]>
Sent: Wednesday, March 20, 2013 10:16 AM
To: sandy.recovery
Subject: DCA Action Plan Comments
Attachments: NJ DCA SANDY Action Plan--comments.docx

Please find attached my comments to the DCA Action Plan.
Thank you for your kind attention to this matter.

Very truly yours,
Martin A. Bierbaum, Ph.D.-J.D.

***Comments on N.J. Department of Community Affairs (DCA)
Community Development Block Grant Disaster Recovery Action Plan***

Submitted by --

Dr. Martin A. Bierbaum, former N.J. Director of Environmental Planning (1991-1995); former Assistant Director, Office of State Planning (1987-1991).

The Action Plan reflects excellent intention and intelligent reflection undoubtedly developed with a sense of urgency under what were likely difficult circumstances. Yet, the Action Plan can be improved by addressing what appear to be missed opportunities in the existing proposed document. The following is submitted for your kind consideration in this regard.

- ***Improving Data Collection, Management, Analyses, Depiction and Dissemination*** – A fundamental shortcoming contained in the Action Plan, although perhaps less than obvious has to do with data collection. From this Action Plan, it is unclear how the data on which it is based was collected and analyzed. Data sources operating on multiple levels of government are likely to be collecting and analyzing data in different ways, building in biases that are undetected and undetectable in its current form. While statements are made that the dollar estimates are likely to be in fact under estimates, it is unclear how data collection and analysis will be improved in the future. Data are currently likely being collected based on zip codes, census tracts and jurisdictional levels. Some is digitized. Other information is not. Data reported for FEMA/insurance purposes are likely to be inflated. It is difficult to make sound decisions based upon inconsistent and poorly organized data. ***How will the state through the development and implementation of its Action Plan better sort through this fog to improve the collection, management, analyses, depiction and***

dissemination of the data on which sound decisions should be made in the future?

- **Addressing State Government Organizational Issues** -- Placing authority and responsibility for this Action Plan within the New Jersey Department of Community Affairs (DCA) presents special problems that will likely undermine the Action Plan's successful implementation. State departments tend to operate through chains of command in vertical fashion. They tend to limit communications laterally across departments with other functional departments. Yet the success of this Action Plan requires the close cooperation and collaboration with the Departments of Environmental Protection (DEP) and Transportation (DOT) as well as the New Jersey Economic Development Authority (NJEDA). In addition, allusion is made in the Action Plan to school closings, which may also require collaboration with the New Jersey Department of Education. Yet there is no mention in the Action Plan as to how such cooperation/collaboration will be accomplished. Concern in this regard is only heightened by the fact that what is attempted through this Action Plan is to address the impact of an extreme weather event primarily on New Jersey's coastal counties. DEP possesses extensive resources and institutional knowledge in these regards. Moreover, such extreme weather events are likely to recur with increased frequency requiring ongoing and continuing cooperation and collaboration. Placing authority and responsibility for this program within just one of the State's functional departments will lead to difficulties especially in terms of effective program implementation. ***How will cooperation/collaboration among state departments be ensured with respect to the Action Plan especially in light of the large role that ought to be played by DEP as well as contributions that other State departments need to make in these regards?***

- **Addressing Unmet Housing Needs for the Short- and Long-terms** – The Action Plan makes clear that low- and moderate-income along with special needs and homeless populations were especially adversely affected by Hurricane Sandy. These housing needs should be addressed in more effective ways. These housing needs are important and should be urgently addressed. To ensure that these housing needs are met in the short-term s but also designed to meet longer-term concerns, local governments should be required to adopt inclusionary zoning ordinances and impose deed restrictions on housing built for these purposes to make certain that these housing units remain affordable and continue to serve their intended populations. In addition, inclusionary zoning should be used to create opportunities for moderately priced rentals to house seasonal service workers in coastal communities close to where they work. Affordable housing ought to be scatter-site, rather than concentrating low- and moderate-income housing. Efforts ought to be made to develop in more compact, mixed-use ways, including low- and moderate-income housing close to centers of employment. ***How will the state through the Action Plan ensure that affordable housing opportunities will be promoted in the short-term, but also meet the longer-term needs of low- and moderate income, special needs and homeless populations as part of a more comprehensive affordable housing rebuilding process?***
- **Building More Resilient Communities** – While creating affordable housing opportunities is admittedly of critical concern at this time, there is much more at stake with respect to rebuilding the Jersey Shore in the wake of Hurricane Sandy. At issue is building and/or rebuilding more resilient and sustainable communities while facing a future that is likely to be more problematic than the past. At issue is not simply building housing or even affordable housing, but how to encourage the construction of more resilient and sustainable communities. Affordable housing is an important

element of this community building, but it is not the only element. To focus entirely on affordable housing isolated from other community issues that need to be considered is to miss valuable opportunities. Of special concern in light of Hurricane Sandy are the ways that rising sea-level will be addressed; the ways that existing public infrastructure will be adjusted and built in the face of changing climate conditions, e.g., waste water treatment plants, water filtration plants, etc. ; the ways that storm water and non-point source pollution will be better managed; the ways that impervious cover might be reduced and/or the ways that numerous hazards, today more obvious than they were just a few years ago, will be managed and mitigated. Local governments ought to be required to do a vulnerability analysis and recommend ways to mitigate unacceptable hazards before rebuilding simply occurs as well as addressing this panoply of concerns. The process should begin with an assessment of an area's most important environmental assets, identifying the natural and working lands and water bodies that need to be protected or restored. In proximity to water resources, this process should at minimum include a community vulnerability assessment, which systematically identifies areas that are vulnerable to, or that can help buffer communities from, natural hazards. The result should be a meaningful framework that defines which lands and water bodies need protection and the ways that local governments propose to protect them. Municipalities might propose the employment of purchase of development rights (PDRs), transfer of development rights (TDRs), conservation agreements to protect critical environmental areas, and the employment of best management practices to promote on-site storm water infiltration, native species, and living shorelines while protecting and/or restoring connectivity between natural areas and preserves where they are needed to support ecosystem functions over time. The Action Plan says little to nothing about these tools or conditions upon which State funding ought to be premised. ***How will the state through the Action Plan condition its assistance to ensure that more resilient coastal communities will be rebuilt in the future to replace the vulnerable at-risk communities of the past?***

- **Building upon the Jersey Shore's Unique History and Culture** – The Jersey Shore is one of the state's unique cultural assets. In addition to contributing substantially to the state's economy, the Jersey Shore is a state icon, associated with New Jersey by people throughout the country. Rebuilding in the wake of Hurricane Sandy should build upon that history and cultural traditions. Waterfront and coastal communities are defined by the sights, sounds, and smells of the water; the activity on the docks or wharves; and the opportunity to boat, swim, and fish nearby. The Action Plan should promote public access along with the adaptive re-use of neglected historic buildings and other structures for re-use, protecting and restoring lighthouses, harbors and public piers can also affirm historical connections and draw both visitors and residents to the shore. These features not only represent physical assets that illustrate the community's sense of place, but they can also be the focal points for redevelopment that encourage a working waterfront that so often requires thoughtful intervention and careful land use management by local governments. ***How will the state through the Action Plan encourage economic development projects that protect and also build upon the historic and cultural traditions of the Jersey Shore in ways that also ensure adequate public access while simultaneously meeting the climate change challenges that the Jersey Shore will likely experience throughout the remainder of the 21st Century?***
- **Encouraging Innovative Design through the Development and Application of Appropriate Design Guidelines** – The Action Plan should encourage attractive and useful design through the development and application of appropriate design guidelines. Through such guidelines, the Action Plan may encourage beachfront parks, expansive beaches and dunes that will not only augment aesthetics but also address concerns related to sea-level rise and climate change. Ample use should be made of green infrastructure. Such design guidelines can make areas more walkable and bicycle-friendly. Sidewalk design standards that provide room for walking buffered from traffic by parked cars or trees and other vegetation can encourage more

pedestrian and bicycle activity. Trees, planting strips and rain gardens can create more pleasant pedestrian environments and can be designed for improved storm water management as well as public access paths to the beach. ***How will the state through this Action Plan promote the development and implementation of appropriate and innovative design guidelines to produce more resilient coastal communities?***

- **Encouraging Multi-modal Transportation Alternatives at the Jersey Shore** -- The Jersey Shore is unique in the way it is well-served by fixed rail through a substantial part of the coast's length, at least from Long Branch to Bayhead. That portion of the Jersey Shore should be encouraged to take more advantage of this asset by facilitating parking and "park-once" strategies in proximity to rail stations away from beaches and bays, by providing seasonal shuttles to the beach areas, by promoting bike-sharing, by enhancing way-finding facilities and good signage to encourage walking and bicycling; and to encourage water-borne transportation alternatives where feasible. ***How will the state employ the Action Plan to encourage multi-modal transportation alternatives at the Jersey Shore?***
- **Targeting Redevelopment Funding to Selected Shore Communities** -- A small number of municipalities located on the Jersey Shore has struggled for many years to improve their economic development situations. At least two were making significant progress when the "housing bubble" and recession of 2008 undermined their further advance. These municipalities, e.g., Long Branch and Asbury Park, should be targeted for revitalization. Perhaps there are others. However, these two municipalities may with minimal state assistance be able to resurrect earlier plans and leverage state assistance to get on their way to recovery. Both these communities have historically housed disproportionate numbers of low- and moderate-income and special needs populations. Targeting these municipalities is therefore also consistent with the Action Plan's intention to address these groups' needs. ***How will the state's Action Plan be employed to target specific communities where the successful***

implementation of housing and economic development activities is most likely while also meeting the goals of the Action Plan in terms of low- and moderate-income, special needs and homeless populations?

Respectfully submitted,

Martin A. Bierbaum, Ph.D.-J.D.

[REDACTED]

[REDACTED]

Gallagher, Gabrielle

From: Dawn Zimmer <dzimmer@hobokennj.org>
Sent: Tuesday, March 19, 2013 6:24 PM
To: sandy.recovery
Cc: Matt Mowers
Subject: Public comment from Hoboken Mayor Dawn Zimmer on NJ Action Plan

I reviewed the action plan and appreciate that it provides opportunities for assistance for individuals and businesses, but I am very concerned that it does not seem to include any funding for resiliency and planning studies for municipalities on the local or regional level.

Hoboken is lined with historic brownstones and we estimate that over 1,750 garden style "basement" apartments were damaged. As an urban municipality we cannot raise our 4 to 14 story homes up on pilings. Instead, we are proposing a comprehensive plan that could protect our City.

While we are applying for components of our plan that are shovel ready with construction drawings that could protect the City through the State's Hazard Mitigation program, we have also developed engineering concepts that we believe could protect our entire City that experienced over \$100 million in damage. These additional elements need to be studied and evaluated before it would be possible to receive funding. Through the Community Development Block Grant, the state has the opportunity to support these types of studies and ensure that not only the Shore is receiving funds to protect their communities in the future, but also important urban treasures including Hoboken, Jersey City, and Weehawken.

Unfortunately none of these municipalities have an Army Corp approved plan, and therefore we are unable to access funds through the Army Corps. However, grants from the State that could provide for the chance to conduct engineering studies and coordinate with the Army Corps, would offer a way to fast track the much needed assistance for our City. Hoboken cannot wait 10 to 20 years for assistance, we need help now.

Respectfully,

Mayor Zimmer

Gallagher, Gabrielle

From: Stephanie Hoopes Halpin <stephanie_hoopes_halpin@yahoo.com>
Sent: Tuesday, March 19, 2013 5:44 PM
To: sandy.recovery
Cc: Thompson, Sean; Dr. Stephanie Hoopes Halpin
Subject: Halpin response to NJ Recovery Action Plan
Attachments: Halpin Response to NJ Recovery Action Plan - 19Mar13

Please find public comments on the NJ Recovery Action Plan attached.

Overall, this is an impressive compilation of many data points into a coherent document. Thank you for sharing this information with the public.

There are a few serious omissions regarding low and medium income households, please see attached.

March 19, 2013

Response to the NJ DCA Recovery Action Plan

Overall, this is an impressive compilation of many data points into a coherent document. Thank you for sharing this information with the public.

There are a few serious omissions regarding low and medium income households:

1. The Action Plan does not fully recognize how many low and medium income households there were in the impacted areas. Because the Federal Poverty Level does not offer a realistic accounting of who is struggling to afford a basic household survival budget in New Jersey, we encourage you to use the ALICE Threshold numbers for NJ counties.
ALICE, Asset Limited, Income Constrained, Employed: Study of Financial Hardship in New Jersey, United Way of Northern New Jersey, 2012.
http://www.unitedwaynnj.org/documents/UWNNJ_ALICE%20Report_FINAL2012.pdf
2. Therefore, the Action Plan does not fully account for the loss suffered by low and medium income households. More than 195,000 ALICE households were significantly impacted by Hurricane Sandy according to analysis of FEMA statistics by the NJ DataBank at the School of Public Affairs and Administration at Rutgers-Newark. There were approximately 73,000 ALICE homeowners and 80,000 ALICE renters who applied for FEMA assistance in New Jersey. Another 42,000 ALICE households lived in the hardest hit areas and were probably impacted by lost wages, spoiled food, extra gas, etc, that were not eligible for FEMA assistance.
3. The lost wages for low wage hourly workers were not recognized in the Action Plan. With extensive power outages in the weeks following Sandy, thousands of hourly workers were unable to work. In many devastated areas, they have gone back to work for far fewer hours. These workers are not covered by unemployment insurance, are working in necessary local service jobs, and are least likely to have the resources to absorb a decline in income.
4. The amount of losses could be gathered using a methodology similar to the one for Business Interruption losses: comparing LWD wage data from November and December 2011 to 2012.
5. The number of low-income renters is underestimated in the Action Plan. We know that ALICE households are more likely to be renters than owners, yet the funding allocation is

weighted more heavily towards homeowners. Renters were likely underestimated in the FEMA data due to the damage categories, types of damage covered, and higher level of mobility of renters.

6. The Action Plan does not provide funding to address the overwhelming need for significantly more affordable rental housing in New Jersey. The Action Plan clearly demonstrates that renters were hit hard, that there is a shortage of rental properties, and that renters are already housing burdened. But there is no funding allocated to change the situation.
7. The Action Plan does not provide sufficient data at the municipal level. More information is needed for towns and community groups to have the information they need to make the best decisions for their full and long-term recovery.

For further information on these points, please contact Stephanie Hoopes Halpin, Assistant Professor and Director, NJ DataBank, School of Public Affairs and Administration, Rutgers-Newark. Hoopes.halpin@rutgers.edu 973/452-4982

Gallagher, Gabrielle

From: Paul Coccoziello <[REDACTED]>
Sent: Tuesday, March 19, 2013 5:31 PM
To: sandy.recovery
Cc: djohnson@njeda.com
Subject: Public Comment to New Jersey CDGB-DR Action Plan - Hurricane Sandy...
Attachments: Public Comment to New Jersey CDBG-DR Action Plan March 19 2013 (The Rubicon Companies).pdf; 12.07.2012 Letter & Memo to US Treasury re Disaster Guidance LIHTC.pdf; Lautenberg Letter to Geithner on LIHTC 01 03 12.pdf

To whom it may concern (please read below and refer to and consider also attached exhibits:

Comment is herewith provided with respect to the grant/loan programs for multi-family affordable (i.e., low-income housing tax credit) financed housing, UEZ situated business and redevelopment area business mortgage loan programs proposed under the New Jersey CDBG-DR-Action Plan pursuant to the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, January 29, 2013) ("Action Plan").

The within comments address specifically Sections 4.2 (Rental Housing Programs) and 4.3 (Economic Revitalization) of the Action Plan.

Comment

The Action Plan as to Sections 4.2 and 4.3 does not appear to provide for a mortgage and/or bond loan guarantee mechanism by earmarking a portion of the CDBG-DR fund allocations under Sections 4.2. and 4.3 of the Action Plan, respectively, to fund within either or all of the NJDCA, NJHMFA and NJEDA a revolving loan guarantee fund. Such a fund, modeled along the lines of other similar loan guarantee and bond loan letter of credit funds, the ability to allow a lesser amount of Federal CDBG block grant funds to leverage a proportionally larger amount of private and institutional debt funds for the purposes of capitalizing and further the achievement of the same Action Plan project goals and priorities.

One example of such an ad hoc CDBG loan guaranty fund in the multifamily affordable housing area is provided by the following example in which a \$3,000,000 uninsured casualty/disaster loss is suffered by an existing apartment complex. In the example below, notably, instead of using \$3,000,000 of the of State of New Jersey's CDGB-DR allocation to assist such a project, only \$1,007,250 is used by way of diminishing cash restricted guarantee fund held in an trust/investment account of NJDCA, NJHMFA or NJEDA. In the below example, we assume that an existing/operating apartment complex funded with a conventional housing mortgage loan, 9% LIHTC's, and a NJDCA Balanced Housing subordinated loan suffers a \$3,000,000 uninsured loss and is acquired by a new owner who is willing and able to undertake the necessary restoration/rehabilitation work.

Financing Before Disaster/Casualty

Remaining Pre-D/C First Mortgage Balance	3,000,000	@8% for 30 years annual debt service
9% LIHTC's Remaining from Original Allocation	4,000,000	
NJDCA Balanced Housing Loan	1,000,000	

8,000,000

Financing After Disaster/Casualty

Refinance Out Existing Pre-D/C Mortgage	3,000,000
Disaster/Casualty Rehab Costs (uninsured)	3,000,000
Assume NJDCA Balanced Housing Loan	1,000,000
Step-In-The-Shoes Cost of Remaining 9% LIHTC'S	3,600,000

Total Rehab/Acquisition Project Cost/Uses 10,600,000

New CDBG Enhanced Tax-Exempt Bond First Mort	2,014,500	@ 2.75% for 30 years <u>guaranteed</u> annual debt s
New CDBG Enhanced Taxable Bond First Mortg.	2,550,000	@ 4.0% for 30 years <u>guaranteed</u> annual debt se
Assume NJDCA Balanced Housing Loan	1,000,000	
Step-In-The-Shoes Cost of Remaining 9% LIHTC'S	3,600,000	@ \$0.90 per credit dollar
Limited Partner Cap. Contributions New 4% LIHTC	1,435,500	@ \$0.90 per credit dollar

Total Sources 10,600,000

Impairment of Revolving CDBG Multifam.Loan Guaranty Fund	1,007,250
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This is just one of many examples that have been discussed with various stakeholders in the State financing agencies like EDA and HMFA. Particularly, in this example, Section 4.2.1 is implicated as it truly extends, in theory, the abilities of the CDBG-DR funding allocation of \$104,520,000 by nearly three-fold.

The US Treasury and the State's senatorial representation are already involved in reviewing and supporting the issuance of guidance in the tax-exempt bond loan/4% LIHTC area that make the above example fully implementable in near- to immediate-term. See copies of the guidance proposal together with the support and endorsement of Senator Lautenberg now under consideration by the US Treasury attached to this e-mail and Comment as

The credit-enhancement/guaranty feature to the proposed Action Plan can have numerous other analogous applications both in the housing, business, industrial and tourism sectors. We are available to discuss in further detail the many variations of this valuable leveraging tool to expand the assistance available through the CDBG-DR Action Plan to rebuild New Jersey in the wake of Hurricane Sandy and for the long-term.

Sincerely,

Paul A. Coccoziello
President



11-43 West Raymond Plaza
Suite 920, 9th Floor
Newark, NJ 07102

t: 973-679-1090
f: 973-679-1084
e: pcoccoziello@rubiconcompanies.net

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The Rubicon Companies
By its President, Paul A. Coccoziello
March 19, 2013
Page 2 of 3

Financing Structure Before Disaster/Casualty

Remaining Pre-D/C First Mortgage Balance	3,000,000	@8% for 30 years annual debt service
9% LIHTC's Remaining from Original Allocation	4,000,000	
NJDCA Balanced Housing Loan	<u>1,000,000</u>	
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Financing Structure After Disaster/Casualty

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Total Sources	10,600,000	

Impairment of Revolving CDBG Multifam. Loan Guaranty Fund	1,007,250
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The Rubicon Companies
By its President, Paul A. Coccoziello
March 19, 2013
Page 3 of 3

The credit-enhancement/guaranty feature to the proposed Action Plan can have numerous other analogous applications both in the housing, business, industrial and tourism sectors. We are available to discuss in further detail the many variations of this valuable leveraging tool to expand the assistance available through the CDBG-DR Action Plan to rebuild New Jersey in the wake of Hurricane Sandy and for the long-term.

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
www.skadden.com

DIRECT DIAL
(202) 371-7110
DIRECT FAX
(202) 661-8216
EMAIL ADDRESS
FRED.GOLDBERG@SKADDEN.COM

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VIENNA

December 7, 2012

Jessica R. Hauser
Deputy Tax Legislative Counsel
United States Department of the
Treasury
Office of Tax Policy
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Ms. Hauser:

Enclosed please find a request for prompt guidance to support the recovery efforts for low-income families whose homes are affected by natural disasters. In particular, this request seeks clarification that where a taxpayer purchases a qualified low-income housing project, the use of tax-exempt financing for rehabilitation costs necessitated by disasters will not cause the project to lose its pre-casualty tax credit allocation.

A significant portion of the stock of low-income housing in New York, New Jersey and Connecticut was severely damaged by Hurricane Sandy. The substantial costs required to rehabilitate these properties makes it is critical that potential providers of capital, and current owners considering disposition of their projects, have certainty regarding "rules of the road." Currently it is unclear whether a buyer "steps into the shoes" of a seller, and is therefore entitled to a project's pre-casualty tax credit allocation. This uncertainty, for all practical purposes, precludes transactions where buyers have been allocated tax-exempt financing to help cover

Jessica Hauser
December 7, 2012
Page 2

rehabilitation costs. We believe that timely clarifying guidance would remove this uncertainty and measurably accelerate low-income housing recovery efforts.

The attached memorandum details the legal analysis underpinning our request. We look forward to discussing this matter with you.

Sincerely,



Fred T. Goldberg, Jr.

MEMORANDUM

December 7, 2012

TO: Jessica Hauser, Deputy Tax Legislative Counsel
United States Department of the Treasury

FROM: Fred T. Goldberg

RE: Low Income Housing Tax Credit Request for Guidance

The Low Income Housing Tax Credit (“LIHTC”) provided by Section 42¹ is the nation’s largest affordable housing subsidy program. Congress enacted the program in 1986 to provide the private market with an incentive to invest in affordable rental housing. The LIHTC is available to owners who develop qualified projects, which may include one or more multi-unit buildings. Annually, each State receives a limited allocation of tax credits based on population that it has sole discretion to award to qualified projects.² Both new and rehabilitated projects in a State that satisfy the applicable statutory requirements may be eligible for an allocation of tax credits.

Issue Needing Prompt Guidance

The issue discussed here involves a narrow but critical aspect of the LIHTC – those situations where the qualifying low-income housing has been damaged in a federally declared disaster. In light of the devastation caused by Hurricane Sandy, prompt guidance is needed to clarify that an existing property receiving the 9% LIHTC is not tainted under circumstances where it is acquired by a new purchaser in a transaction where the purchaser uses tax exempt financing to fund a rehabilitation required by reason of a natural disaster.

A “Presidentially Declared Disaster”³ triggers a host of relief programs to support the victims, providing food, shelter and resources needed to repair infrastructure. Disasters at that level also

¹ All “Section” references herein are to the Internal Revenue code of 1986, as amended, or to the Treasury regulations (“Treas. Reg. §”) promulgated thereunder.

² See HUD website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/training/web/lihtc/basics/allocating. In addition to tax credits, each State is also authorized under Section 142(d) to issue a limited amount of private activity tax-exempt bonds (“Volume Cap Bonds”) that provide debt financing to private activities deemed to benefit the public. Qualified projects financed in part by Volume Cap Bonds may be eligible to receive an allocation of tax credits.

³ The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 100-707, 102 Stat. 4689, signed into law on November 23, 1988, constitutes the statutory authority for most federal disaster response activities, including the declaration of federal disasters.

engage the support of Congress, Treasury's Office of Tax Policy and the Internal Revenue Service (the "Service"). Temporary changes in the tax law, along with regulatory and IRS administrative relief have become an important part of the country's timely response to national disasters.

A question arises at the intersection of these two programs – federal disaster relief and the low-income housing tax credit. Specifically, under the following circumstances:

- When a low-income housing development already allocated the 9% LIHTC (the "Existing Project") is damaged in a natural disaster and requires rehabilitation (the "Rehabilitation Project"),
- The Existing Project's owner (the "Seller") disposes of the project during its rehabilitation to an unrelated third-party purchaser (the "Purchaser"), and
- The Purchaser acquires the Existing Project, together with any rehabilitation work that is underway and was paid or incurred by the Seller, in a single transaction that includes tax-exempt financing secured by the entire property in an amount equal to more than 50% (but substantially less than 100%) of the rehabilitation costs incurred and to be incurred in connection with the Rehabilitation Project,

the following three questions arise:

- (1) Is the Rehabilitation Project treated as a notional new property within the meaning of Section 42(e) in the hands of the Purchaser?
- (2) Is the Purchaser eligible for the 4% LIHTC⁴ on the Rehabilitation Project under Section 42(b)(2) and Section 42(h)(4)?
- (3) Is the Purchaser entitled to continue claiming the 9% LIHTC on the Existing Project under the "step into the shoes" rule of Section 42(d)(7), or is the LIHTC on the Existing Project reduced to 4% under the "direct or indirect/federally subsidized funds" rule of Section 42(i)(2)(A)?

Prior published guidance⁵ has answered the first two of these questions in the affirmative even where the rehabilitation project is not triggered by a natural disaster. The Rehabilitation Project constitutes a "separate new building" in the hands of the Purchaser under Section 42(e) and is eligible for the 4% LIHTC. This result is consistent with the express language of Section 42 and its underlying policy goals.⁶ Revenue Procedure 2007-54⁷ addresses those same policy goals in

⁴ Where considered federally subsidized under Section 42(i)(2)(A).

⁵ Rev. Rul. 91-38, 1991-2 C.B. 3.

⁶ As discussed below, a 2003 private letter ruling, PLR 200335030 (May 23, 2003), reached the same conclusion regarding the first two issues, but concluded, incorrectly in our view, that the "direct or indirect rule" applied to reduce the credit on the Existing Facility to 4%. It reached this conclusion in reliance on a 1995 Technical

a narrower context – those forms of relief that are available to taxpayers whose low-income housing projects are damaged in major disasters, citing the authority granted under Section 42(n) and Treas. Reg. § 1.42-13(a). Section 10.02 of Revenue Procedure 2007-54 expressly provides that the rehabilitation work required to restore a qualified building back to its pre-disaster condition may be aggregated, treated as a separate building under Section 42(e) and financed with an additional allocation of tax credits at the State housing agency’s discretion. This is consistent with the guidance provided in Revenue Ruling 91-38.⁸ While acknowledging the policy interests triggered by both the LIHTC and disaster relief programs, the revenue procedure does not directly address whether the State housing agency’s decision to allocate tax exempt financing for the rehabilitation costs may impact the Purchaser’s ability to “step into the shoes” of the Seller in claiming the 9% credit on the original, existing building when acquired in a single transaction. However, the revenue procedure clearly recognized that it could not anticipate all manners of relief that might be needed in federally declared disasters and invited taxpayers to bring situations to the Service’s attention that were not specifically addressed. We are seeking such additional guidance under the circumstances described here.

Request for Guidance

Guidance should be provided in the near future confirming that the Purchaser “steps into the shoes” of the Seller and is therefore entitled to continue claiming the 9% LIHTC on the Existing Project. By its very nature, tax-exempt financing used to fund rehabilitation required as a result of a natural disaster cannot be part of a “direct or indirect” subsidy of the Existing Project.

Hurricane Sandy has seriously damaged the stock of low-income housing in New Jersey, New York and Connecticut, requiring substantial rehabilitation expenditures of Existing Projects. Absent timely guidance, Existing Owners will, as a practical matter, be precluded from selling their Existing Projects to new Purchasers in circumstances where prospective new Purchasers have been allocated tax-exempt financing to help cover the rehabilitation costs.⁹ This result is not defensible on technical or policy grounds, creates artificial market distortions and impedes recovery efforts for Hurricane Sandy’s victims residing in low-income housing damaged by the storm.

Advice Memorandum, TAM 9528002 (Mar. 20, 1995), that gave a broad reading to the “direct or indirect language.” The TAM did not address rehabilitations resulting from natural disasters. As noted in footnotes 11 and 12 below, the TAM’s rationale would continue to apply, but only with respect to the separate new building(s).

⁷ 2007-2 C.B. 293.

⁸ 1991-2 C.B. 3.

⁹ Despite its lack of precedential value, PLR 200335030 precludes the level of certainty demanded by the LIHTC market. *Supra* note 6.

Applicable Credit Provisions

Section 42(a) provides a tax credit for investment in low-income housing. It is available for buildings placed in service after December 31, 1986. Under Section 42(f)(1) the credit is available over a ten year period.¹⁰

9% and 4% Credits: "Federally Subsidized Buildings" and the "Direct or Indirect" Rule. Section 42(b)(2) provides two levels of credit for new buildings:

- A 70% present value credit where the building is not federally subsidized ("9% credit").
- A 30% present value credit where the building is federally subsidized ("4% credit").

Section 42 (i)(2)(A) provides that a new building shall be treated as federally subsidized for any taxable year if during the current or prior taxable year, tax-exempt obligations were outstanding and the proceeds were used "directly or indirectly" with respect to the building or its operation. One effect of this provision is to reduce the credit level where the acquisition of a building previously eligible for the 9% credit is acquired with tax-exempt financing. As noted above and discussed below, the application of the "direct or indirect" rule is at the heart of the issue requiring prompt guidance.

Rehabilitation and the "Separate New Building" Rule. Section 42(e) addresses rehabilitation expenses for low-income housing and allows the owner to treat those expenditures as a "separate new building." Qualifying rehabilitation expenses are defined in Section 42(e)(2)(A) and do not include the costs of acquiring a new building. Guidance is also provided in Revenue Ruling 91-38¹¹ for situations where a taxpayer purchases a building with on-going rehabilitation expenses (before the prior owner placed the rehabilitation into service). Specifically:

- When the purchasing taxpayer places the rehabilitation expenses into service, that property's original use is considered to begin with the purchaser. (Q&A #7)
- The amount of the expenditures for the purchasing taxpayer is the lesser of (1) the rehabilitation expenses paid or incurred before the acquisition or (2) the taxpayer's cost or other basis attributable to the rehabilitation expenditures. (Q&A #7)
- The purchasing taxpayer may incur its own rehabilitation expenditures. (Q&A #8)

New Buildings, Old Buildings and the "Step into the Shoes" Rule. Sections 42(i)(4) and 42(i)(5) distinguish between new and existing buildings. A new building is one where the original use as an LIHTC-eligible project begins with the taxpayer. An existing building is any building not a new building. The distinction is an important one since generally an existing building can only qualify for a 4% credit under Section 42(b)(1)(B) regardless of whether it is federally subsidized. However, there is one exception. Section 42(d)(7) provides an avenue for a purchaser to "step into the shoes" of the original owner. Where a purchaser acquires a building that is already

¹⁰ The LIHTC is a 15 year credit that is accelerated over 10 years. Although tax credits are claimed over 10 years the compliance period continues until the end of the 15th year. Section 42(h)(5)(D).

¹¹ 1991-2 C.B. 3.

receiving the 9% LIHTC and the credit period is still in effect there is an opportunity for the purchaser to continue to be eligible for the higher 9% credit level with respect to that existing building.

However, Section 42(i)(2)(A)'s federally subsidized building rule can restrict the purchasing taxpayer's ability to "step into the shoes" of the prior owner for 9% credit purposes if the building is acquired or operated directly or indirectly with tax-exempt financing. The purpose of this rule is to prevent a building from getting the higher credit if it also receives an additional federal subsidy in the form of tax-exempt financing. While there is no published guidance defining the phrase "directly or indirectly" for purposes of Section 42, it is best understood as preventing developers from intentionally circumventing the "federally subsidized building" rule by cherry-picking within a single integrated project. For example, in TAM 9528002, the Service addressed a situation where multiple buildings were acquired using several financing sources, one of which was federally subsidized. The TAM held that a taxpayer could not allocate the sources between projects/buildings. Consequently, the taxpayer lost the ability to continue using the higher 9% credit during the remaining life of the building's credit period.

Discussion

The "separate new building" rule makes clear that Congress intended to treat the rehabilitation of an Existing Project as a New Building for purposes of Section 42. The "step into the shoes" rule makes clear that Congress intended Purchasers of an Existing 9% Credit Building to remain eligible for the 9% credit unless that purchase was funded by tax-exempt financing. The "federally subsidized building" rule was defined to cover the "purchase or operation" of a building with tax-exempt financing in order to prevent taxpayers from gaming the system.

Which leads back to the issue presented here.

The "step into the shoes" rule establishes that the Purchaser of the Existing Building is entitled to claim the 9% credit unless that purchase was funded in part with tax-exempt bonds. The "rehabilitation separate new project" rule makes clear that costs incurred to rehabilitate the Existing Building give rise to a new building also eligible for the 9% credit unless that separate new building is financed with tax-exempt bonds. On the facts presented, the Purchaser obtained tax-exempt financing equal to approximately 51% of the rehabilitation costs and acquired the Existing Building together with the rehabilitation costs paid and/or incurred by the Seller in a single integrated transaction.

On these facts, the question presented is whether the "direct or indirect" rule precludes application of the "step into the shoes" rule. Neither the statute nor any published guidance compels application of the "direct or indirect" rule under these circumstances. To the contrary, such an overly broad interpretation would create artificial market distortions at a time when low-income housing projects have an urgent need for new capital – a need prompted not by aggressive tax planning but by a natural disaster.

Interpreting the “direct or indirect” rule as applying on the facts presented here would generate the following manifestly arbitrary results:

1. If the same entity that owned the original 9% credit project damaged in the natural disaster completed the rehabilitation with tax-exempt financing, the rehabilitation would qualify as a separate new building under Section 42(e). That new notional building would qualify for the 4% credit. The original project’s eligibility for the 9% credit would continue undisturbed.
2. If the 9% credit project was acquired by new owners and placed into service before the natural disaster (whether 3 days or 3 years before) and the rehabilitation was financed with tax-exempt bonds, the original building would, once again, qualify for the continued 9% credit level. Similarly, the rehabilitation costs would be considered a new building, eligible for the 4% credit.
3. However, if low-income housing is damaged in a natural disaster and then acquired during rehabilitation in a single transaction, an overly broad application of the “direct or indirect” rule would result in a *per se* tainting of the original project in circumstances where the tax-exempt financing was substantially less than the rehabilitation costs.^{12, 13}

This result is not only illogical, but also inconsistent with the policy goals of both the LIHTC provisions and the disaster relief efforts specifically aimed at assisting low-income victims. In those situations where low-income housing is damaged in a natural disaster and on-going rehabilitation efforts must be completed and/or financed by new owners and/or investors, there is no reason to bar the continued use of the 9% credit for the original building. A situation when low-income taxpayers are affected in a federally declared disaster is precisely the time that societal and tax objectives should align to provide relief.¹⁴ The ability to attract new investors to assume rehabilitation efforts where the original owners cannot do so is paramount. Moreover, the rule exists to prevent abuse. Yet the third situation described above literally presents no opportunity for abuse. No one can plan into a natural disaster. If the tax-exempt financing is more than 50% but substantially less than 100% of the project’s total rehabilitation costs, there is no justification for applying the direct or indirect rule to taint the Existing Project.¹⁵ Potential

¹² We note that, the “direct or indirect” rule would apply, but only within the context of the rehabilitation effort. Thus, for example, all of the notional “separate new buildings” would be subject to the 4% credit under circumstances described in TAM 9528002.

¹³ Thus, for example, if the Purchaser was acquiring a single project with two damaged buildings, it could not circumvent the federally subsidized building rule by financing one of the new notional rehabilitation buildings with tax-exempt financing while financing the other notional new rehabilitation building with taxable financing. The provisions of TAM 9528002 are unaffected by the guidance sought here.

¹⁴ This type of support is clearly reflected in Rev. Rul. 96-35, 1996-2 C.B. 4, where the IRS held that FEMA disaster loans and grants (i.e., federally subsidized loans) to a taxpayer owning a Section 42 “new building” for disaster-related restoration costs did not cause the building to be recharacterized as federally subsidized within the meaning of Section 42(i)(2)(A).

¹⁵ The notional new building rule is required because rehabilitations by definition are made to an existing building. As a commercial reality therefore, lenders (whether tax-exempt or taxable) will require security interests in the entire building despite the fact that the building is treated as two buildings for purposes of Section 42. Standing alone, neither this commercial reality nor the fact that money is fungible should trigger

application of the “direct or indirect” rule should be limited to the notional “separate new buildings” whose construction is triggered by the natural disaster.

Conclusion

For the reasons set forth above, we urge prompt guidance clarifying that the use of tax-exempt financing by an unrelated third-party purchaser of an Existing Project in an amount sufficient to fund a portion of the cost of the notional “separate new buildings” that are constructed in response to federally declared natural disaster(s) will not preclude the Purchaser from stepping into the shoes of the prior owner with respect to the Existing Project.

the application of the “direct or indirect” rule and thus taint the Existing Property. Doing so would exalt the form over the economic substance of rehabilitations and undermine the policy underlying the notional “new building” and “step into the shoes” rules of Section 42.

FRANK R. LAUTENBERG

NEW JERSEY

COMMITTEES:

APPROPRIATIONS

COMMERCE, SCIENCE, AND
TRANSPORTATION

ENVIRONMENT AND
PUBLIC WORKS

United States Senate

WASHINGTON, DC 20510

January 3, 2013

The Honorable Timothy Geithner
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

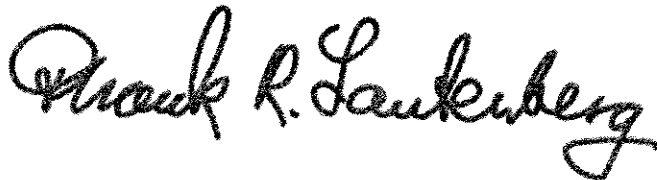
Dear Secretary Geithner:

I write to draw your attention to a proposal that could increase the availability of financing for rehabilitating affordable housing units damaged or destroyed by Superstorm Sandy. As you know, Superstorm Sandy had a devastating effect on New Jersey, damaging or destroying more than 300,000 housing units.

The enclosed proposal could expand the financing available for rehabilitating low income housing units by ensuring that a purchaser's use of tax-exempt financing for the acquisition and rehabilitation of a damaged property would not result in an affordable housing project losing its allocation of Low Income Housing Tax Credits.

I request your review of this proposal and urge you to continue to evaluate all options for rehabilitating housing units damaged by Superstorm Sandy. Thank you for your attention to this matter.

Sincerely,



SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
www.skadden.com

DIRECT DIAL
(202) 371-7110
DIRECT FAX
(202) 661-8216
EMAIL ADDRESS
FRED.GOLDBERG@SKADDEN.COM

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December 7, 2012

Jessica R. Hauser
Deputy Tax Legislative Counsel
United States Department of the
Treasury
Office of Tax Policy
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Ms. Hauser:

Enclosed please find a request for prompt guidance to support the recovery efforts for low-income families whose homes are affected by natural disasters. In particular, this request seeks clarification that where a taxpayer purchases a qualified low-income housing project, the use of tax-exempt financing for rehabilitation costs necessitated by disasters will not cause the project to lose its pre-casualty tax credit allocation.

A significant portion of the stock of low-income housing in New York, New Jersey and Connecticut was severely damaged by Hurricane Sandy. The substantial costs required to rehabilitate these properties makes it is critical that potential providers of capital, and current owners considering disposition of their projects, have certainty regarding "rules of the road." Currently it is unclear whether a buyer "steps into the shoes" of a seller, and is therefore entitled to a project's pre-casualty tax credit allocation. This uncertainty, for all practical purposes, precludes transactions where buyers have been allocated tax-exempt financing to help cover

Jessica Hauser
December 7, 2012
Page 2

rehabilitation costs. We believe that timely clarifying guidance would remove this uncertainty and measurably accelerate low-income housing recovery efforts.

The attached memorandum details the legal analysis underpinning our request. We look forward to discussing this matter with you.

Sincerely,



Fred T. Goldberg, Jr.

Gallagher, Gabrielle

From: Paul Coccoziello <[REDACTED]>
Sent: Tuesday, March 19, 2013 5:31 PM
To: sandy.recovery
Cc: djohnson@njeda.com
Subject: Public Comment to New Jersey CDGB-DR Action Plan - Hurricane Sandy...
Attachments: Public Comment to New Jersey CDBG-DR Action Plan March 19 2013 (The Rubicon Companies).pdf; 12.07.2012 Letter & Memo to US Treasury re Disaster Guidance LIHTC.pdf; Lautenberg Letter to Geithner on LIHTC 01 03 12.pdf

To whom it may concern (please read below and refer to and consider also attached exhibits:

Comment is herewith provided with respect to the grant/loan programs for multi-family affordable (i.e., low-income housing tax credit) financed housing, UEZ situated business and redevelopment area business mortgage loan programs proposed under the New Jersey CDBG-DR-Action Plan pursuant to the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, January 29, 2013) ("Action Plan").

The within comments address specifically Sections 4.2 (Rental Housing Programs) and 4.3 (Economic Revitalization) of the Action Plan.

Comment

The Action Plan as to Sections 4.2 and 4.3 does not appear to provide for a mortgage and/or bond loan guarantee mechanism by earmarking a portion of the CDBG-DR fund allocations under Sections 4.2. and 4.3 of the Action Plan, respectively, to fund within either or all of the NJDCA, NJHMFA and NJEDA a revolving loan guarantee fund. Such a fund, modeled along the lines of other similar loan guarantee and bond loan letter of credit funds, the ability to allow a lesser amount of Federal CDBG block grant funds to leverage a proportionally larger amount of private and institutional debt funds for the purposes of capitalizing and further the achievement of the same Action Plan project goals and priorities.

One example of such an ad hoc CDBG loan guaranty fund in the multifamily affordable housing area is provided by the following example in which a \$3,000,000 uninsured casualty/disaster loss is suffered by an existing apartment complex. In the example below, notably, instead of using \$3,000,000 of the of State of New Jersey's CDGB-DR allocation to assist such a project, only \$1,007,250 is used by way of diminishing cash restricted guarantee fund held in an trust/investment account of NJDCA, NJHMFA or NJEDA. In the below example, we assume that an existing/operating apartment complex funded with a conventional housing mortgage loan, 9% LIHTC's, and a NJDCA Balanced Housing subordinated loan suffers a \$3,000,000 uninsured loss and is acquired by a new owner who is willing and able to undertake the necessary restoration/rehabilitation work.

Financing Before Disaster/Casualty

Gallagher, Gabrielle

From: Grace Egan <gegan@njfoundationforaging.org>
Sent: Tuesday, March 19, 2013 5:15 PM
To: sandy.recovery
Cc: manuel.gracia@dca.state.nj.us; mchalker@njfoundationforaging.org
Subject: comments reference section 4.2.4.1

As you consider comments on the Sandy Recovery CDBG Plan, please be sure that individuals including many low-income seniors have an opportunity to obtain affordable housing. Section 4.2.4.1 cites that affordable housing options were dire before Sandy and "exacerbated by" Sandy. It is important to note more than 10,000 people were already on the waiting list for Section 8 Housing vouchers before Sandy. We understand that 1000 Section 8 Housing Vouchers were made available to victims of Sandy ahead of those already awaiting available vouchers. Please be sure to reinstate the support for those 1000 vouchers dedicated to Sandy victims back to the previous Section 8 waiting list.

Grace Egan

Grace Egan, MS, Executive Director
NJ Foundation for Aging
176 West State Street
Trenton, NJ 08608
609-421-0206
FAX-609-421-2006
gegan@njfoundationforaging.org

4.2.4.1 Project Based Incentives for Landlords to Provide Affordable Housing

Incentive payments will be provided to qualified rental property owners to (1) quickly address the need for affordable housing in the State that has been exacerbated by Superstorm Sandy and (2) provide for the immediate needs of displaced low and moderate income households. Subsidies will be provided on a sliding scale, with the minimum subsidy provided for units made available at affordable rents for households earning at or below 80% of the AMI. Priority will be given to households earning at or below 50% of AMI.

Allocation for Activity: \$40,000,000

Eligible Applicants: Property owners who agree to lease their units at affordable rents to low and moderate income households established by the State

Eligibility Criteria:

- Projects must provide affordable units to relieve the shortage of affordable rental housing

Rents may not exceed 30% of income for a household earning 80% of AMI; rents may not exceed 30% of income for a household earning 50% of AMI for deeply affordable units

Criteria for Selection:

First-come, first-served

Maximum Award: Funding will allow for maximum awards to support 1,000 households for a duration of up to four years

Eligibility: FR 5696-N-01

National Objective: Low and moderate income

Gallagher, Gabrielle

From: form_engine@www.formsite.com
Sent: Tuesday, March 19, 2013 5:01 PM
To: sandy.recovery
Subject: CDBG – Disaster Recovery Action Plan Result #7371774

	Questions	Values
<i>Reference #</i>		7371774
<i>Status</i>		Complete
<i>Your first name:</i>		Brian
<i>Your last name:</i>		Cusick
<i>Phone Number:</i>		202 518 3123
<i>Zip Code:</i>		20036
<i>Organization (if any):</i>		Rebuilding Together
<i>Email:</i>		bcusick@rebuildingtogether.org
<i>If your response is extensive, you may attach a document:</i>		NJCDBGDRActionPlanCommentRT.docx (164k)
<i>Comments/Questions:</i>		Attached
<i>Date</i>		2013-03-19 17:01:09
<i>Start Time</i>		2013-03-19 16:50:53
<i>Finish Time</i>		2013-03-19 17:01:09
<i>Duration</i>		10m 16s
<i>User</i>		208.118.187.222
<i>Browser</i>		IE 9
<i>OS</i>		Windows
<i>Referrer</i>		http://www.state.nj.us/dca/news/news/2013/20130312_CDBG.html



1899 L Street, NW
Suite 1000 – 10th Floor
Washington, DC 20036
Phone: 202-483-9083
Fax: 202-483-9081
www.rebuildingtogether.org

March 19, 2013

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the NJDCA CDBG-DR 2013 Action Plan

Dear Commissioner Constable,

We are writing to submit comments on behalf of Rebuilding Together regarding the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan, which outlines how the state plans to spend \$1.8 billion in federal Sandy recovery funds. Rebuilding Together is a national nonprofit whose network of nearly 200 affiliates provides free critical home repairs to low-income homeowners across the nation. Annually, Rebuilding Together mobilizes more than 200,000 volunteers to complete 10,000 projects. In the months since Sandy struck, affiliates in the impacted regions of New Jersey have worked to identify and assist homeowners in need and have committed to rebuilding over 200 homes in the region in 2013.

In Bergen County, significant work has already been completed on two fire-stations in Little Ferry and a number of private homes in the area, with many more planned in the weeks ahead. Rebuilding Together Bergen County has also provided project leadership on the rehabilitation of over 70 mobile homes damaged by Sandy. Work has begun also at our Jersey City and Essex County affiliates.

Prior to submitting the Action Plan to HUD, we ask that the Department of Community Affairs consider concerns that have risen within our organization and its affiliates. We ask that local applications for funding be written clearly and that the funding application process be as transparent as possible. Further, we recognize the huge impact of Sandy on low-income renters but feel that the needs of low-income homeowners must not be forgotten in the planning and delivery of services. We believe that the Homeowner Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM) is a great step towards addressing this need, but hope that flexibility and transparency will remain a priority in its delivery and administration.

Thank you for your consideration.

Sincerely,

Brian Cusick
Director, Disaster Recovery
Rebuilding Together

Gretchen Viggiano
Executive Director
Rebuilding Together Bergen County

Gallagher, Gabrielle

From: Melissa Bellamy <melissa.palfy@co.middlesex.nj.us>
Sent: Tuesday, March 19, 2013 4:59 PM
To: sandy.recovery
Cc: Annette Olsen; Bridget Kennedy
Subject: CDBG-DR Action Plan comments

Via Email: Sandy.Recovery@dca.state.nj.us

Richard Constable, Commissioner
NJ Department of Community Affairs
PO Box 800
Trenton, NJ 08625-0800

RE: Comments on the 3/13/13 NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

I am writing to submit comments on the NJ Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan describing how the State of New Jersey proposes to spend the \$1.83 billion that is the first installment of federal Superstorm Sandy recovery funds on behalf of the Middlesex County Human Services Advisory Council (HSAC).

The Middlesex County Human Services Advisory Council is a collaborative body of service providers, consumers, funders, and advocates providing for the needs of Middlesex County's most vulnerable populations

The following are our comments:

1. The Sandy Special Needs Housing Fund (SSNHF) should be implemented using the guidelines of the Special Needs Housing Trust Fund (SNHTF). The funding towards this important program should increase in the next two rounds (\$37.5M in round two and \$50M in round three) so housing for the hardest to house residents can be created throughout the recovery timeframe.
2. To create the housing desired through the SSNHF in the short time frame allowed, there will also be a need for rental vouchers and supportive services. The Supportive Services program in the plan should have as its main priority, providing case management/services in support of the special needs housing created through SSNHF. Also, the State should create available housing vouchers by project-basing vouchers through the annual turn-over of vouchers through the DCA programs and/or by increasing the allocation through the State Rental Assistance program (SRAP) specifically for permanent, supportive housing.
3. To encourage experienced housing developers, especially non-profits, to undertake & develop SSNHF projects within the short two-year time frame, consideration should be given to create an application that can combine SSNHF capital requests, with a Supportive Services funding request, and with project-based vouchers requests. While we understand the funding for this will cross across different department/agencies within State government, this coordination is desirable to have projects completed in a timely manner. If the other entities such as

Department of Human Services (Supportive Services funds) and Department of Community Affairs (vouchers) designated a set amount of funding/vouchers towards projects applying to the SSNHF. NJ Housing & Mortgage Finance Agency (NJHMFA) could be the lead agency doing total project underwriting and making recommendations on the number of vouchers and the amount of supportive services needed and the other entities (DCA and/or DHS) could sign-off on the application after HMFA's underwriting is complete.

4. The maximum funding for the Rehabilitation of Small Rental Properties (1-25 rental units) is only \$50,000 per unit while the maximum funding for Restoration of Multi-Family Housing is \$120,000 per unit. We are suggesting that the maximum funding for the Small Rental Properties be increased to at least \$100,000 per unit. In cases where new owners may be interested in purchasing, rehabilitating, and renting to low income households, especially for the stated priority of projects with less than 8 units or for special needs populations, the higher per unit cost is likely needed to make the project feasible. This will also benefit existing rental properties whose owners don't want to sell, but might not otherwise be able to rehabilitate the property to the required building standards.
5. Under Housing Programs for Targeted Development Areas you state that NJ CDBG-DR "will fund programs that will restore housing in targeted communities that, due to the impact of the storm, are at risk of physical decay and economic decline." but don't identify in the plan the eligible targeted communities. We would suggest that targeted communities must be in one of the nine most impacted counties that are outlined in the plan. In Middlesex County we have about 7-9 communities that had significant impact to certain geographic areas. For a large community like Old Bridge, the percentage of overall residents severely impacted might be small in comparison to its overall population, but certain census tracts and block groups were devastated. For this reason, any community in an impacted county should be potentially eligible, with the prospective developer of housing providing justification for how the property meets program guidelines. This is preferable to creating a potential list of targeted communities.
6. The Blight Reduction Pilot Program is extremely similar to the Rehabilitation of Small Rental Properties program (especially if our suggestion to increase maximum per unit cost is followed) for units. Instead of a separate program for Blight Reduction, instead provide a set-aside within the Rehabilitation for Small Rental Properties for this pilot to specifically benefit renters in the targeted communities. A small portion of the planned Blight Reduction Pilot Program that was supposed to be geared to lease-to-purchase or homebuyers should be instead rolled into the Sandy Home Buyer Assistance Program (more details below.) For example, \$25M can do towards the Rehabilitation of Small Rental Properties and \$5M to Sandy Home Buyer Assistance Program.
7. The Sandy Home Buyer Assistance Program should take \$5M from the Blight Reduction Pilot Program that could have went to the benefit of homebuyers. Homebuyers interested in purchasing don't have to rely on a developer to purchase and rehab the property, but can instead obtain 203K rehabilitation mortgages and purchase and fix up the properties themselves. The NJHMFA already runs a regular purchase/rehabilitation program so they have experience in administering this type of program. This will again be a quicker use of funds since you are eliminating the developer from the process. Our preference would be for experienced housing developers, both large and small scale, to concentrate on rehabilitation of housing for renters not homebuyers.

8. The Sandy Home Buyer Assistance Program should have deed restrictions on the properties for a minimum of 15 years if they receive at least \$20,000 in assistance that should be partially forgivable after they own the property for at least 5 years. We also suggest that at least 70% of the households assisted be at or below 60% of area median income, which represent these income levels previously shut out of the homebuying market. We further suggest that all homebuyers must partake in a homebuyer education course offered by a HUD approved housing counseling agency.

Thank you for the opportunity to present these comments.

Sincerely,

Middlesex County Human Services Advisory Council

c/o Annette Olsen
Office of Human Services
75 Bayard Street, 2nd Floor
New Brunswick, NJ 08901
732-745-4519

Gallagher, Gabrielle

From: Diane Sterner <dsterner@hcdnnj.org>
Sent: Tuesday, March 19, 2013 4:59 PM
To: sandy.recovery
Cc: Staci Berger
Subject: Network Comment on DCA Plan
Attachments: CDBG recovery action plan Table 3 18 Final.pdf; DCA Network Comments on CDBG-DR Action Plan 3 19 13 v2.pdf

Thanks!

Diane Sterner

Housing and **C**ommunity **D**evelopment **N**etwork of **NJ**

145 W. Hanover Street, Trenton, NJ 08618

609-393-3752 x37 (P), 609-393-9014 (F)

cdavis@hcdnnj.org (E) www.hcdnnj.org (W)

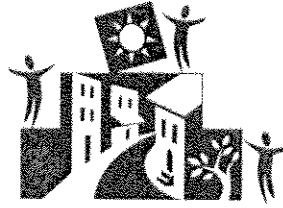


Gallagher, Gabrielle

From: form_engine@www.formsite.com
Sent: Tuesday, March 19, 2013 5:01 PM
To: sandy.recovery
Subject: CDBG – Disaster Recovery Action Plan Result #7371771

	Questions	Values
<i>Reference #</i>		7371771
<i>Status</i>		Complete
<i>Your first name:</i>		Diane
<i>Your last name:</i>		Sterner
<i>Phone Number:</i>		6093933752
<i>Extension:</i>		17
<i>Zip Code:</i>		08618
<i>Organization (if any):</i>		Housing and Community Development Network of New Jersey
<i>Email:</i>		dsterner@hcdnnj.org
<i>If your response is extensive, you may attach a document:</i>		DCANetworkCommentsonCDBG-DRActionPlan31913v2.pdf (402k)
<i>Comments/Questions:</i>		Thank for the opportunity to comment.
<i>Date</i>		2013-03-19 17:00:51
<i>Start Time</i>		2013-03-19 16:58:34
<i>Finish Time</i>		2013-03-19 17:00:51
<i>Duration</i>		2m 17s
<i>User</i>		69.141.193.1
<i>Browser</i>		IE 9
<i>OS</i>		Windows
<i>Referrer</i>		N/A

Housing and
Community Development
Network of New Jersey



March 19, 2013

Richard Constable
Commissioner
New Jersey Department of Community Affairs
101 South Broad Street
PO Box 800
Trenton, NJ 08625-0800

Dear Commissioner Constable:

We appreciate the opportunity to respond with questions and comments regarding the state's CDBG Disaster Recovery Action Plan. These comments are intended to supplement the group comments we are submitting, and focus on additional programmatic areas of the plan.

Overall, while a number of good programs have been included in the draft plan, we have concerns about priorities for use of funds and the relative dollar amounts being allocated between various programs. We also have questions about the methodology behind the analysis and data used to back up some of the programs, and the limited specificity about how the programs will be delivered.

Homeownership Housing

4.1.1 Reconstruction, Rehabilitation, Elevation and Mitigation Program: In the area of homeownership, Network members in affected areas believe that the **Reconstruction, Rehabilitation, Elevation and Mitigation program** is important and will help a significant number of homeowners rebuild who otherwise would be unable to do so. However, we are concerned that the amount of money overall going to assist home owners greatly exceeds the amount being provided to assist renters and rebuild or create rental properties, despite the fact that according to FEMA data, close to equal numbers of both groups were affected by the storm. Data also shows that the renter population affected is of much lower income and therefore less likely to have the resources to recover without help, and that a large number of home owners received full insurance and FEMA benefits. It appears that the numbers in DCA's analysis were not adjusted to reflect this reality. We therefore recommend that the size of the **Reconstruction, Rehabilitation, Elevation and Mitigation Program** be decreased by \$100

million to facilitate an increase in the size of the **Fund for the Restoration of Multi-Family Housing** by the same amount (see below.)

We are also concerned by the lack of specificity and analysis of where the homes to be targeted by this program are located, as well as a plan for how to distribute the funds that takes need and income level of the home owner into account. In addition, more detail is needed in this section on what the delivery system will look like. It will be critical to identify a uniform program design, as well as a network of organizations able to assist homeowners in planning and overseeing the reconstruction of their homes, taking into account new building and elevation requirements. This assistance should be provided as locally as possible, with priority given to local players with this capacity, including rehab specialist firms and architects as well as CDCs and municipalities. These entities should work for the home owner/property owner to define the scope of work, estimate cost, determine feasibility, help obtain bids, select contractors, oversee construction and authorize payments, and could even manage the funds. Turning existing, on-the-ground capacity into a connected, effective delivery system would be quicker and more cost effective than building new mechanisms within state government for this purpose. A number of Network members have this capacity and are eager to assist with the implementation of this program. We would be happy to work with DCA to help connect them once the plan is approved and work moves forward.

4.1.2 Homeowner Resettlement Program: This section should either be reduced in size, or amended to allow for more flexibility in how communities rebuild. Discussions with Network members in affected areas suggest that the \$10,000 per homeowner to be provided through this program is unlikely to be enough to influence an owner's decision to rebuild his or her home and stay in the neighborhood. We do not believe that this program will have the stated result, and therefore if left as is, should be scaled back to no more than \$50 million, with the remaining funds allocated to other areas (see below.)

In addition, if the intent is to stabilize communities and markets in hard hit areas by encouraging people to stay, the program should be carefully targeted to those areas where market/community stabilization is both necessary and feasible. Criteria should be developed, areas analyzed on the basis of those criteria, and target areas for this program should be identified. The Reinvestment Fund, which has worked for DCA in the past, might be able to assist in undertaking this type of analysis.

Finally, the use of the term 'initially' at the bottom of page 4-5 raises a serious concern. This language implies that DCA's intent is to wait only so long to see if LMI households apply for these funds, and if they don't, to immediately redirect the funds to other (non-LMI) households. A set aside should be a set aside. Our position is that this word should be

eliminated. Alternatively, if DCA is proposing to place a time limit or other limitation on the set aside, it should be spelled out explicitly in the plan.

One other thing to consider here is that resettlement in the same location may not be the best solution for home owners. While the vast majority of housing recovery funds will go to help rehabilitate and repair existing housing stock, DCA should recognize that there are places that should not be rebuilt. Much like New York City's and New York State's CDBG-DR plans, funding should be provided for buy-outs to homeowners at pre-storm appraised values. This could be added as an alternate use for Resettlement Program funds. This would need to happen in a neighborhood context, where community members and the municipality agree that buy outs are the best solution for all concerned, and where the purchased lots will be used as a buffer against future storms.

4.1.3 Sandy Home Buyer Assistance Program: This seems to be a good way to help create a market for the homes renovated through the **Blight Reduction Pilot Program** and other means. One question that needs to be addressed is whether home buyers receiving assistance through this program will have access to mortgages. Large numbers of prospective lower income home buyers have found it impossible to obtain mortgage financing, particularly for deed-restricted homes. This is likely to be even more problematic in many hard-hit shore communities, because of the uncertainty about market values in the wake of Sandy damage and difficult rebuilding conditions. This issue needs to be addressed in the design of the program if it is to be successful.

We strongly suggest that DCA consider re-allocate \$16.5 million of the CDBG-DR funds from the planning, oversight and monitoring line item to create a mortgage guarantee program in partnership with private lenders to assist LMI homebuyers benefiting from the Home Buyer Assistance Program to obtain mortgages for homes or condominiums in shore communities affected by Sandy. Such a program will go a long way to ensuring that home buyer assistance funds are used productively.

Rental Housing Programs

As noted both above and in our group comments, despite existing data demonstrating both the severe shortage of rental housing in the storm-affected areas and the state overall, compelling evidence that the number of renters harmed by Sandy was nearly as great as the number of home owners, and the fact that these renters are overall of much lower income with less financial ability to recover from this disaster, the distribution of funds in DCA's CDBG-DR plan severely shortchanges the needs of renters versus home owners. Nonetheless, the plan does include some good programs to address the needs of renters and the rebuilding or creation of additional rental opportunities. We recommend that dollars be shifted to expand several of

these programs, with the overall allocation between funds for homeowners and funds for renters adjusted to be consistent with the data, and that the programs be modified somewhat to address specific concerns.

We also strongly suggest that the state fund a speedy but detailed planning study for the rental housing component, to identify potentially available sites and buildings, assess the capacity of entities to put together viable projects, and lay the groundwork for timely use of this money. Otherwise there may be major delays in using these funds. This would not mean that applications for funding should not be accepted while the study is going on.

4.2.1 Fund for Restoration of Multi-Family Housing: This program is of vital importance in expanding the stock of affordable rental housing in storm-affected areas and to a much lesser extent, elsewhere in the state. We have several recommendations and comments. First, the dollar amount of the program should be significantly increased. We suggest moving at least \$100 million from the **Reconstruction, Rehabilitation, Elevation and Mitigation Program** to this program to increase the number of rental units that can be produced, or in the case of public and subsidized housing repaired or rebuilt, over the next few years to assist an additional 1,000 low-income renters.

Use of modular construction techniques could significantly speed up reconstruction of housing and potentially save funds, but is hindered by difficulties of going to scale with projects involving many separate owners and developers. The volume of new development likely to take place through use of CDBG-DR funds, in this and other programs, creates a unique opportunity for the state – in partnership with for-profit and non-profit organizations – to work with appropriately selected modular manufacturers to guarantee volume purchasing and obtain substantial price reductions and economies of scale.

With respect to public or federally subsidized housing, page 2-5 of the plan indicates that “2,188 federally subsidized units in 192 multi-family properties were damaged, and 229 households remain displaced”, while “824 public housing units were damaged in the storm, and 100 public housing households remain displaced.” These numbers suggest that the \$5 million set-aside for public and subsidized housing units in this program, which represents an average of less than \$1700 per affected housing unit, will be nowhere near the amount needed to restore even a fraction of them. The set-aside for public and subsidized housing should be increased by at least \$10 million with funds reallocated from the **Reconstruction Program**.

Finally, assistance under this program is referred to in the program description as loans. Even at low or zero interest, repayment from day one is not feasible. The terms of the loans – which should be either cash flow, deferred or forgivable – should be spelled out.

4.2.2 Fund for Rehabilitation of Small Rental Properties: This program is a good idea, and should be very helpful in restoring small rental properties damaged by the storm. As with other proposed programs, however, the program description lacks an analysis of where these properties are, how many there are, and how this program would interface or be combined with other programs in the plan such as the **Incentives for Landlords** program. We have the following questions and recommendations:

- Can funds be used to cover acquisition as well as rehab costs for owners who buy units under the small rental program?
- The standard that rents may not exceed 30% of 80% of AMI is much too high. While it may be appropriate that some units be rented at that level, the average rent needs to be much lower so that a significant number of LMI households can qualify. We suggest that the average rent be 30% of 50% (or at most 60%) of LMI, and that the size of the awards be adjusted to reflect, among other matters, the level of affordability to be attained in the units.
- The eligibility criterion that reads “projects must have received damage...” can be interpreted in two radically different ways. Does it mean:
 - Eligible projects are those that received damage from Sandy, and must require rehabilitation or contain some units in need of rehabilitationOR
 - Eligible projects are those that received damage from Sandy and must require rehabilitation, OR projects that contain a number of units in need of rehabilitation?

In the first interpretation, only projects that received Sandy damage are eligible – in the second others are. This should be clarified.

4.2.3 Housing Programs for Targeted Development Areas We greatly appreciate the inclusion of the two programs contained in this section, and believe they will be very helpful to the overall effort, both in cleaning up abandoned and blighted properties, and in getting additional developments into the pipeline more quickly. We have some overall questions concerning these two programs that need to be addressed in the program description, however, as well as specific recommendations for both programs, and a recommendation for an additional program component.

Our general questions are:

- What criteria are to be used to identify which target communities are ‘at risk of physical decay and economic decline’?
- Will those targeting criteria affect all use of funds under 4.2.3? If so, they must be spelled out. If not, the exceptions must also be spelled out.

- What does the language (bottom of page 4-10) 'directly or indirectly' impacted by Sandy mean? The term 'indirectly' is not defined. How does it relate to the targeting language set forth earlier?

4.2.3.1 Predevelopment Fund for Affordable Rental Housing It is not clear whether these funds can be used for new construction, rehab or both? Can they be used to demolish and replace dilapidated structures? Does the criterion that buildings must be 'unsafe, underutilized or in foreclosure' does that mean that a vacant lot is not eligible?

We recommend that projects aimed at both new construction and rehabilitation be eligible for this predevelopment fund, and also that home ownership projects as well as rental projects be eligible. This suggests the advisability of increasing the size of the program by another \$5 million. We suggest this amount be taken from either the **Landlord Incentive Program** or the **Continuation and Enhancement of Essential Public Services** program area.

In addition to predevelopment funding, it is important to allocate funds to help nonprofit organizations with the capacity to play a meaningful role in rebuilding to gear up to take on more and/or larger development projects. Creating a \$5 million **Implementation Fund** for nonprofit organizations to use to bring on additional development or rehab staff over the next two years would increase these organizations' contribution to the rebuilding effort, and help to expend funds in the proposed programs more expeditiously. As with the predevelopment fund, we suggest that this funding also be taken from the **Landlord Incentive** or the **Continuation and Enhancement of Essential Public Services Program**.

4.2.3.2 Blight Reduction Pilot Program: This program also seems very positive but needs some clarification in its design. First, reference is made to a 'mixed-income model' – is there a minimum target percentage of LMI households required overall or per project? Requiring affordability at 30% of income is appropriate for LMI rental housing, but not for market rate housing if that is part of the model.

We suggest that the criterion "Properties 'may' have 7 units or less" be changed to 'must'. It should be clarified that the \$100K maximum award is a per unit rather than a per project award, unless the intent really is to limit the program to \$100K per project, in which case the program should be targeted to smaller projects of 4 units or less.

4.2.4.1 Project Based Incentives for Landlords to Provide Affordable Housing

We suggest scaling this program back by \$10 million to cover the increase to **Predevelopment** and the new **Implementation Program** we are proposing. The remaining \$30 million in this program should prioritize accommodating displaced households in areas near their prior residences, rather than statewide, as well as to the owners participating in the **Fund for Rehabilitation of Small Rental Properties** to maximize the impact of that program.

The amount of landlord subsidy rather than being the same across the board should be calibrated on the basis of affordability and duration of subsidy. It should also be adjusted geographically based on variations in AMI. 2013 AMIs in the impacted area vary widely:

MIDDLESEX	103,900
MON/OCEAN	\$91,800
BERGEN	\$90,900
ESSEX	\$89,100
ATLANTIC	\$65,400

Finally, these funds should augment, and not replace, funds available for rental assistance from other sources such as the State Rental Assistance Program and HOME.

Economic Development

4.3.1 Grants and Recoverable Loans to Small Businesses

While this program initially appears to be limited to businesses that sustained physical damage from the storm, language in the second paragraph suggests that it can be used anywhere NJEDA wants. Funding targeted to businesses seriously harmed by Sandy is of critical importance. Any criteria for exceptions should be clearly spelled out.

With relation to home-based businesses, it is not clear why they should be excluded from assistance. Many of them, such as dentists or craftspeople, may have sustained damage or lost valuable equipment and supplies that impair their livelihoods.

4.3.2 Direct Loans for Impacted Small Businesses

The plan should clarify what criteria will be used to target funds through this program.

4.3.3 Neighborhood and Community Revitalization

While this program is called 'neighborhood' revitalization, the language indicates that it is limited to commercial districts. We recommend that the size of this program be increased from \$75 million to \$100 million, with the additional \$25 million coming from the **Essential Public Services Program** or the **Planning, Oversight and Monitoring** pot, and that half of it be allocated for residential neighborhoods with 50% or more LMI occupancy. This carve-out should be administered by the NJRA, DCA or a CDFI instead of by EDA, and should prioritize activities in storm affected areas with DCA-approved or Wells Fargo Regional Foundation funded neighborhood plans.

The use of the word 'transformative' in the second paragraph of the program description implies that criteria will be applied to ensure that these funds are well-targeted to achieve significant impact. A definition of what constitutes 'transformative', as well as criteria designed to elicit high-impact projects, should be defined in the plan.

Support for Governmental Entities

4.4.2 Continuation and Enhancement of Essential Public Services

There is a tremendous need for funding to support existing housing counselors who are already providing services in storm-affected areas without compensation for those services; as well as to hire and train additional housing counselors and case managers to help individuals and families seriously affected by the storm to learn about their available options, make critical decisions, and piece together the funds to rebuild or relocate. If the decision is to rebuild, they need guidance in how to make sure they will meet the new building and elevation requirements, and how to cut through the procedural red tape to manage this unwieldy process. HUD has clearly indicated that Housing counseling is an allowable and even recommended use of CDBG-DR funds (see 3/15/2013 release entitled: HUD RELEASES MODEL PROGRAMS FOR USE BY COMMUNITIES SEEKING FEDERAL DISASTER ASSISTANCE, attached).

We urge DCA to allocate \$10 million to hire approximately 50 additional counselors/case managers to be housed within local organizations for two years to perform this service. Already existing local organizations have the trust and track record of the people seeking assistance. They also have in-house expertise in housing development, rehab, and/or reconstruction. This money could either be a carve-out of the **Essential Public Services fund**, or could be added as a separate program under the housing area with \$10 million reallocated from the **Home Owner Resettlement Program** or another area. We are available and willing to help coordinate and support the development of a strong housing counseling network that would encourage peer training, sharing of best practices and on-going support. The Network already performs that role on an informal basis.

4.4.3 Code Enforcement Grant Program

How local code offices will be supplemented should be spelled out. Use of funds for local hiring, as well as contracting with private firms should be pursued to enable the process to gear up more quickly than if the program focuses on hiring additional state employees. Use of contract services for what is a short-term program will limit the potential future problems of having to lay off state employees after this source of funds has been exhausted.

4.6 Planning, Oversight and Monitoring

As this program reads, all \$84M will be spent by the state or its consultants with the exception of \$2.5M for mitigation studies. The text reads ‘planning grant assistance is available on a local and/or regional basis in order to guide long-term recovery, etc...’ It is not clear what this means, or whether DCA is planning to establish a separate program to support local planning activities. If so, it should be referenced and described.

In any event, a significant amount of funds should be made available for neighborhood/local/regional planning to facilitate all of the activities planned for CDBG-DR funds – housing development/rehab, business development, neighborhood and commercial district revitalization, etc. – and to ensure that it takes place in ways most appropriate for the long-term sustainability of the hard-hit areas and the state as a whole. We recommend that at least

\$10 million be made available to local and county governments and qualified non-profit entities for such planning activities.

Furthermore, \$84 million, even if reduced by \$12.5 million as suggested above, is enough to pay for nearly 400 FTE positions over a two year period. We believe that this is far more than is needed to carry out state-level planning, oversight and monitoring of the use of the CDBG-DR funds. The total funds allocated under this section should be reduced to \$42.5 million, of which \$12.5 should be used for local planning and mitigation studies, and no more than \$30 million for state-level planning and monitoring. The rest should be redeployed to other areas, including \$25 million to the **Neighborhood Revitalization Fund**, and the remainder to the **Home Buyer Assistance** area to create a loan guarantee program.

Supporting More Manufactured Housing as an Affordable Residential Model

Finally, one area that was not covered in the plan is any funding to create the infrastructure to place additional manufactured homes in the many mobile home parks that exist in a number of the areas affected by Sandy. It costs between \$10,000 and \$20,000 to construct a foundation under the new building requirements, which then creates an affordable opportunity for a family to purchase a reasonable priced manufactured home to locate on that site. Funding and/or eligibility for this purpose could easily be incorporated into one of the programs in this plan. One program it could be fairly easily combined with is the Sandy Home Buyer Assistance Program.

Thank you for considering these comments. We are available to discuss any of these suggestions with you and look forward to the opportunity.

Sincerely yours,

Diane Sterner,
Executive Director

Staci Berger
Director of Policy and Advocacy

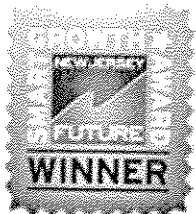
AS PROPOSED BY DCA		PROPOSED WITH RECOMMENDED CHANGES			CHANGE
PROGRAM	ALLOCATION (\$000)	PROGRAM	ALLOCATION (\$000)		
4.1.1. Reconstruction	\$600,000	4.1.1. Reconstruction	\$500,000	-100,000	
4.1.2. Resettlement	\$200,000	4.1.2. Resettlement & Buy Out			
4.1.3. Home buyer assistance	\$ 25,000	4.1.3. Home buyer assistance	\$ 41,000	+ 16,000	
4.2.1. Large multifamily	\$104,520	Mortgage Guarantee Program Carve Out	\$ 16,000		
Subsidized housing repair carve-out	\$ 5,000	4.2.1. Large multifamily	\$204,520	+100,000	
4.2.2. Small rental properties	\$ 70,000	Subsidized housing repair carve-out	\$ 15,000		
4.2.3.1. Predevelopment fund	\$ 10,000	4.2.2. Small rental properties	\$ 70,000		
		4.2.3.1. Predevelopment fund	\$ 15,000	+ 5,000	
4.2.3.2. Blight reduction	\$ 30,000	Implementation Fund	\$ 5,000	+5,000	
4.2.4.1. Landlord incentives	\$ 40,000	4.2.3.2. Blight reduction	\$ 30,000		
4.3.1. Grants to small business	\$300,000	4.2.4.1. Landlord incentives	\$ 30,000	-10,000	
4.3.2. Direct loans to small business	\$100,000	4.3.1. Grants to small business	\$300,000		
4.3.3. Neighborhood revitalization	\$ 75,000	4.3.2. Direct loans to small business	\$100,000		
		4.3.3.1. Neighborhood revitalization/commercial	\$ 50,000		
4.3.4. Tourism marketing	\$ 25,000	4.3.3.2. Neighborhood revitalization/residential	\$ 50,000	+ 25,000	
4.4.1. FEMA match	\$ 50,000	4.3.4. Tourism marketing	\$ 25,000		
4.4.2. Continuation of public services	\$ 60,000	4.4.1. FEMA match	\$ 50,000		
		4.4.2.1. Continuation of public services	\$ 50,000	-10,000	
4.4.3. Code enforcement	\$ 6,000	4.4.2.2. Counseling and case management	\$ 10,000	+ 10,000	
4.5.1. Special needs housing	\$ 25,000	4.4.3. Code enforcement	\$ 6,000		
4.5.2. Supportive services	\$ 25,000	4.5.1. Special needs housing	\$ 25,000		
4.6. Planning oversight and monitoring	\$ 84,000	4.5.2. Supportive services	\$ 25,000		
Mitigation studies carve-out	\$ 2,500	4.6. Planning oversight and monitoring	\$ 42,500	-41,500	
		Mitigation studies carve-out	\$ 2,500		
		Local/regional planning carve-out	\$ 10,000		
TOTAL	\$1,829,520				

Gallagher, Gabrielle

From: Peter Kasabach <pkasabach@njfuture.org>
Sent: Tuesday, March 19, 2013 4:59 PM
To: sandy.recovery
Subject: CDBG-DR comments
Attachments: NJF CDBG-DR comments.pdf

Comments attached

Peter Kasabach
Executive Director
New Jersey Future
pkasabach@njfuture.org
609-393-0008 ext. 104



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137 West Hanover Street
Trenton, NJ 08618
(609) 393-0008 Tel.
(609) 393-1189 Fax

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EXECUTIVE DIRECTOR
Peter Kasabach

March 19, 2013

Via Email: Sandy.Recovery@dca.state.nj.us.

Richard Constable, Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the CDBG-DR Action Plan

Dear Commissioner Constable:

Thank you for the opportunity to comment on the CDBG-DR Action Plan that the Department of Community Affairs will be submitting to HUD. You are to be congratulated on putting together such a large plan in such a short period of time.

We have contributed to other comment letters that you will receive, but will use this letter to focus more specifically on the issues of **planning, resiliency and sustainability**. The federal HUD Notice identified a number of places where the CDBG-DR plan should address these issues:

HUD Notice: *In addition, a needs assessment must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards.*

Comment: We could not identify any relevant cost assessments in the Action Plan for incorporating mitigation or resiliency. We would like to see a dollar or percentage commitment made in addition to other recovery spending items that would allow recovery projects to be made more resilient than what is being replaced. At the very least, there should be recognition of mitigation and resiliency in the process and an estimate of dollars that will be available to meet these goals.

HUD Notice: *A description of how the grantee will promote (a) sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise (for example, by using the new FEMA floodplain maps and designs applying the new Advisory Based Flood Elevations (ABFE) or higher), and (b) how it will coordinate with other local and regional planning efforts to ensure consistency;*

Comment: The Action Plan does not discuss long-term recovery planning or set aside any funding that could be used for this purpose. We recommend that DCA set aside at least \$40 million for local and regional long-term recovery planning. This funding should go to local entities and nonprofit organizations and not be used to pay state employees and consultants.

As part of effective recovery planning, we recommend that at least \$3 million be set aside to support "local recovery managers" in highly affected and low-capacity communities. Along with FEMA and the private philanthropy community, New Jersey Future has begun to build a local recovery manager network, but additional funding is necessary to ensure that embedded managers can remain in affected communities for at least three years. These positions will ensure that recovery in these towns will account for post-disaster evaluation of hazard risk and plan for resilient and sustainable communities.

The Plan also ignores the importance of incorporating sea-level rise into decision-making about rebuilding. While the Plan recognizes the use of the new ABFEs, these ABFEs do not account for rising sea levels. The state and the public have access to an excellent online tool (FloodMapper <http://slviewer.rutgers.edu/>) that will allow projected sea-level rise to be accounted for in planning and spending decisions. The Plan should specifically state how sea-level rise and the data tools that exist will be used to inform planning and spending decisions.

The Action Plan does not identify local or regional planning efforts that will incorporate hazard mitigation planning and does not explain how any coordination will take place. Historically, hazard mitigation planning has been separate from land-use planning. The Action Plan should specifically break down this past practice and insist on planning efforts that combine the two. Funding should be allocated that will allow counties and many municipalities to update their land-use plans and incorporate hazard mitigation strategies into those plans. If adequate funding cannot be provided through CDBG, then other sources of funding provided by the supplemental appropriation should be identified and committed in a coordinated fashion.

HUD Notice: *A description of how the grantee's programs or activities will attempt to protect people and property from harm, and how the grantee will encourage construction methods that emphasize high quality, durability, energy efficiency, a healthy indoor environment, sustainability, and water or mold resistance, including how it will support adoption and enforcement of modern building codes and mitigation of hazard risk, including possible sea level rise, storm surge, and flooding, where appropriate. All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience and mitigating the impact of future disasters. Whenever feasible, grantees should follow best practices such as those provided by the U.S. Department of Energy Home Energy Professionals: Professional Certifications and Standard Work Specifications*

Comment: As stated previously, the Action Plan does not address sea-level rise.

Additionally, the principles of sustainability addressed in the Plan focus on green building measures and not broader land-use issues of sustainability, such as improving accessibility for pedestrians and bicyclists, creating mixed-use, walkable places, or mitigating the impact of future disasters. These elements should be mentioned specifically and included as eligible project

expenses and additional funding should be committed.

As another example, the public infrastructure improvements funded by the EDA Neighborhood and Community Revitalization program should be required to demonstrate how they are incorporating resiliency and hazard mitigation measures, and not simply replacing infrastructure that will continue to be at risk. To be eligible for funding, the community should demonstrate how the rebuilt infrastructure will improve the walkability and bikeability of the area for all potential users. The added transportation options are a measure of resiliency.

HUD Notice: *To foster the rebuilding of more resilient neighborhoods and communities, HUD strongly encourages grantees to consider sustainable rebuilding scenarios such as the use of different development patterns, infill development and its reuse, alternative neighborhood designs, and the use of green infrastructure. The Partnership for Sustainable Communities is an interagency partnership between HUD, the Department of Transportation, and the Environmental Protection Agency. The Partnership for Sustainable Communities' six Livability Principles should serve as a guide to grantees working in areas that were substantially destroyed. When grantees seek to rebuild such areas, grantees should describe how they will consider sustainable urban design and construction in their redevelopment planning process. The Livability Principles can be found at the Partnership for Sustainable Communities' Web site www.sustainablecommunities.gov.*

Comment: The entire concept of rebuilding more resilient neighborhoods and communities is missing from the Action Plan. There is virtually no mention of changing development or land-use patterns or alternative neighborhood design. There is no funding set aside for this work. The opportunities for incorporating green infrastructure are enormous and not even mentioned.

The Action Plan does not state that the six Livability Principles will be used to guide the plan or its implementation, nor does it offer any alternative principles. The state has a draft State Strategic Plan that includes a set of Garden State Values. Integrating these into the Action Plan would at least be a start. The state could also adopt the State Strategic Plan and use it to guide rebuilding efforts.

HUD Notice: *HUD encourages grantees to implement green infrastructure policies to the extent practicable. Additional tools for green infrastructure are available at the Environmental Protection Agency's water Web site; Indoor AirPlus Web site; Healthy Indoor Environment Protocols for Home Energy Upgrades. Web site; and ENERGY STAR Web site: www.epa.gov/greenbuilding.*

Comment: As stated earlier there is no mention or guidance provided in the Action Plan for how green infrastructure will be encouraged or incorporated into the CDBG spending.

HUD Notice: *Preparedness and Mitigation. The Appropriations Act states that funds shall be used for recovering from a Presidentially-declared major disaster. As such, all activities must respond to the impacts of the declared disaster. HUD strongly encourages grantees to incorporate preparedness and mitigation measures into all rebuilding activities, which helps to ensure that communities recover to be safer, stronger, and more resilient. Incorporation of these meas-*

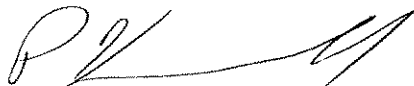
ures also reduces costs in recovering from future disasters. Mitigation measures that are not incorporated into rebuilding activities must be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization. Furthermore, the costs associated with these measures may not prevent the grantee from meeting unmet needs.

Comment: As stated earlier, the Action Plan does not adequately incorporate mitigation measures.

In addition, the Action Plan contemplates spending \$25 million on tourism, which is considered an unmet need. We don't believe that the Action Plan makes a strong case for this being an unmet need. The tourism statistics presented are generally for the state's entire tourism industry and not isolated to the affected shore communities, yet the rationale given is that tourists believe that the shore will not be open for business. We would like to see a better analysis of the state's tourism revenue as it relates to specific geographies, especially the shore and those places that were most severely affected. We recommend that 5% of the funds being planned for tourism spending be used to fund a study that quantifies shore tourism revenue by location, preferably down to the municipal level.

The Action Plan contains many good and notable elements. Given the short amount of time to respond to the plan, we understandably focused on those elements that we felt were missing. New Jersey Future welcomes the opportunity to meet with you to discuss these issues and to work through concrete solutions that will foster more resilient and sustainable New Jersey communities. If you have any questions, please contact me at 609-393-0008 ext. 104 or pkasabach@njfuture.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'PK' followed by a stylized flourish.

Peter Kasabach
Executive Director

Gallagher, Gabrielle

From: Knapik, Michelle <mknapi@surdna.org>
Sent: Tuesday, March 19, 2013 4:59 PM
To: sandy.recovery
Cc: Henderson, Phillip; Alpert, Sharon; Escoffery, Shawn; Reed, Judilee; Chin, Helen; Corwin, Alison; Foster, Amara
Subject: Comments from Surdna Foundation's Sustainable Environments Program

The Sustainable Environments Program at the Surdna Foundation is committed to supporting next generation infrastructure, and it is against this backdrop that I am submitting the following comments on New Jersey's Proposed First Community Development Block Grant Disaster Recovery Action Plan.

4.3 Economic Revitalization

4.3.1 Grants and Recoverable Loans to Small Businesses Priority and/or incentives should be given to businesses that provide green building, water and energy building retrofits, and related resiliency rebuilding services so that New Jersey builds greater economic opportunity and wealth as homes and businesses are rebuilt.

4.3.3 Neighborhood and Community Revitalization / 4.6 Planning "Greening of Communities" should specify funds to support local/municipal level resiliency planning and implementation, including incentives and resources to utilize the Sustainable Jersey "Getting to Resilience Community Planning Evaluation Tool" and its "NJ Flood Mapping Tool," as well as funds to enlist direct assistance in the form of workshops and implementation assistance from Sustainable Jersey and related entities that are needed for on the ground capacity building. Investment in civic infrastructure like this will provide multiple benefits and make the best use of capital investments.

In addition, local hire provisions would increase the recirculation of wealth in impacted communities.

6.2.1 Sea Level Rise

In addition to sea level rise, the Plan should address storm surge data and incorporate additional mitigation / adaptation measures.

6.3 Green Building

We believe rebuilding standards under the Plan can and should be strengthened in order to ensure greater resilience going forward. Investments in our built environment are long term and we should utilize this opportunity to make our communities more just and resilient on every level (economic, social, environmental). Therefore, in addition to ENERGY STAR compliance and the encouragement of other green building standards, the Plan should specify ENERGY STAR compliance and compliance with at least one other recognized standard, such as Enterprise Green Communities, LEED, ICC-700 National Green Building Standard, etc.

The Plan should also support the adoption of the latest ICC standards and IgCC.

In addition, the Plan should support eco-district or related neighborhood scale planning and development that integrates infrastructure solutions (e.g., complete streets that integrate green (stormwater) infrastructure, regional food hubs that relate to transportation and distribution plans, combined energy and stormwater / wastewater retrofits, etc.).

Surdna currently makes grants to Sustainable Jersey and is working with a cohort of other funders to support long term rebuilding efforts. Improvements to the Plan will help to leverage additional grantmaking interest among these foundations.

Sincerely,

Michelle Knapik
Sustainable Environments Program Director mknapi@surdna.org

Sent from my iPad

Gallagher, Gabrielle

From: Melissa Bellamy <melissa.palfy@co.middlesex.nj.us>
Sent: Tuesday, March 19, 2013 4:53 PM
To: sandy.recovery
Subject: Comments on CDBG-DR Action Plan

March 19, 2013

Via Email: Sandy.Recovery@dca.state.nj.us
Richard Constable, Commissioner
NJ Department of Community Affairs
PO Box 800
Trenton, NJ 08625-0800

RE: Comments on the 3/13/13 NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

I am writing to submit comments on the NJ Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan describing how the State of New Jersey proposes to spend the \$1.83 billion that is the first installment of federal Superstorm Sandy recovery funds on behalf of the Middlesex County Housing Continuum of Care Committee (MCHC3).

The Middlesex County Housing Continuum of Care Committee (MCHC3) is a collaborative body of service providers, consumers, funders, and advocates attempting to end homelessness in Middlesex County. MCHC3 also acts as the local Continuum of Care (CoC) working closely with HUD to effectively and efficiently use federal dollars to benefit homeless individuals and families.

The following are our comments:

1. The Sandy Special Needs Housing Fund (SSNHF) should be implemented using the guidelines of the Special Needs Housing Trust Fund (SNHTF). The funding towards this important program should increase in the next two rounds (\$37.5M in round two and \$50M in round three) so housing for the hardest to house residents can be created throughout the recovery timeframe.
2. To create the housing desired through the SSNHF in the short time frame allowed, there will also be a need for rental vouchers and supportive services. The Supportive Services program in the plan should have as its main priority, providing case management/services in support of the special needs housing created through SSNHF. Also, the State should create available housing vouchers by project-basing vouchers through the annual turn-over of vouchers through the DCA programs and/or by increasing the allocation through the State Rental Assistance program (SRAP) specifically for permanent, supportive housing.
3. To encourage experienced housing developers, especially non-profits, to undertake & develop SSNHF projects within the short two-year time frame, consideration should be given to create an application that can combine SSNHF capital requests, with a Supportive Services funding request, and with project-based vouchers requests. While we understand the funding for this

will cross across different department/agencies within State government, this coordination is desirable to have projects completed in a timely manner. If the other entities such as Department of Human Services (Supportive Services funds) and Department of Community Affairs (vouchers) designated a set amount of funding/vouchers towards projects applying to the SSNH. NJ Housing & Mortgage Finance Agency (NJHMFA) could be the lead agency doing total project underwriting and making recommendations on the number of vouchers and the amount of supportive services needed and the other entities (DCA and/or DHS) could sign-off on the application after HMFA's underwriting is complete.

4. The maximum funding for the Rehabilitation of Small Rental Properties (1-25 rental units) is only \$50,000 per unit while the maximum funding for Restoration of Multi-Family Housing is \$120,000 per unit. We are suggesting that the maximum funding for the Small Rental Properties be increased to at least \$100,000 per unit. In cases where new owners may be interested in purchasing, rehabilitating, and renting to low income households, especially for the stated priority of projects with less than 8 units or for special needs populations, the higher per unit cost is likely needed to make the project feasible. This will also benefit existing rental properties whose owners don't want to sell, but might not otherwise be able to rehabilitate the property to the required building standards.
5. Under Housing Programs for Targeted Development Areas you state that NJ CDBG-DR "will fund programs that will restore housing in targeted communities that, due to the impact of the storm, are at risk of physical decay and economic decline." but don't identify in the plan the eligible targeted communities. We would suggest that targeted communities must be in one of the nine most impacted counties that are outlined in the plan. In Middlesex County we have about 7-9 communities that had significant impact to certain geographic areas. For a large community like Old Bridge, the percentage of overall residents severely impacted might be small in comparison to its overall population, but certain census tracts and block groups were devastated. For this reason, any community in an impacted county should be potentially eligible, with the prospective developer of housing providing justification for how the property meets program guidelines. This is preferable to creating a potential list of targeted communities.
6. The Blight Reduction Pilot Program is extremely similar to the Rehabilitation of Small Rental Properties program (especially if our suggestion to increase maximum per unit cost is followed) for units. Instead of a separate program for Blight Reduction, instead provide a set-aside within the Rehabilitation for Small Rental Properties for this pilot to specifically benefit renters in the targeted communities. A small portion of the planned Blight Reduction Pilot Program that was supposed to be geared to lease-to-purchase or homebuyers should be instead rolled into the Sandy Home Buyer Assistance Program (more details below.) For example, \$25M can do towards the Rehabilitation of Small Rental Properties and \$5M to Sandy Home Buyer Assistance Program.
7. The Sandy Home Buyer Assistance Program should take \$5M from the Blight Reduction Pilot Program that could have went to the benefit of homebuyers. Homebuyers interested in purchasing don't have to rely on a developer to purchase and rehab the property, but can instead obtain 203K rehabilitation mortgages and purchase and fix up the properties themselves. The NJHMFA already runs a regular purchase/rehabilitation program so they have experience in administering this type of program. This will again be a quicker use of funds since you are eliminating the developer from the process. Our preference would be for experienced housing developers, both large and small scale, to concentrate on rehabilitation of housing for renters not homebuyers.

8. The Sandy Home Buyer Assistance Program should have deed restrictions on the properties for a minimum of 15 years if they receive at least \$20,000 in assistance that should be partially forgivable after they own the property for at least 5 years. We also suggest that at least 70% of the households assisted be at or below 60% of area median income, which represent these income levels previously shut out of the homebuying market. We further suggest that all homebuyers must partake in a homebuyer education course offered by a HUD approved housing counseling agency.

Thank you for the opportunity to present these comments.

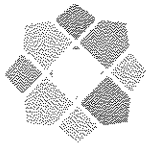
Sincerely,

Melissa Bellamy, Chair
Middlesex Housing Continuum of Care Committee
75 Bayard Street, 2nd Floor
New Brunswick, NJ 08901
732-745-2922 (direct)
732-745-3025 (main)
732-745-4117 (fax)
melissa.bellamy@co.middlesex.nj.us

Gallagher, Gabrielle

From: form_engine@www.formsite.com
Sent: Tuesday, March 19, 2013 4:52 PM
To: sandy.recovery
Subject: CDBG – Disaster Recovery Action Plan Result #7371764

Questions	Values
<i>Reference #</i>	7371764
<i>Status</i>	Complete
<i>Your first name:</i>	Gregory
<i>Your last name:</i>	Stankiewicz
<i>Phone Number:</i>	732-640-2061
<i>Extension:</i>	309
<i>Zip Code:</i>	08901
<i>Organization (if any):</i>	New Jersey Community Capital
<i>Email:</i>	gmstankiewicz@njclf.com
<i>If your response is extensive, you may attach a document:</i>	NJCCCommentstoStateActionPlan3-19-13.pdf (283k)
<i>Comments/Questions:</i>	Thank you-- please see the attached pdf. We appreciate the opportunity to submit comments. Gregory Stankiewicz COO, New Jersey Community Capital
<i>Date</i>	2013-03-19 16:51:30
<i>Start Time</i>	2013-03-19 16:48:09
<i>Finish Time</i>	2013-03-19 16:51:30
<i>Duration</i>	3m 21s
<i>User</i>	108.162.35.42
<i>Browser</i>	IE 10
<i>OS</i>	Windows
<i>Referrer</i>	http://www.state.nj.us/dca/news/news/2013/20130312_CDBG.html



NEW JERSEY
COMMUNITY
CAPITAL



March 19, 2013

Dear Commissioner Constable:

Thank you for the opportunity to respond with questions and comments to the state's Community Development Block Grant Disaster Recovery Action Plan. Our comments focus particularly on a subsection of the Action Plan, **Economic Revitalization**. In November 2012, New Jersey Community Capital (NJCC) raised dedicate capital for its disaster recovery program, REBUILD New Jersey, which offers low-cost loans to small businesses affected by the storm. Through our experience assisting small businesses owners through REBUILD, we are in a unique position to understand and articulate the needs of many affected small businesses throughout the state of New Jersey.

Overall, while a number of good programs have been included in the draft plan, we have concerns about priorities for use of funds and the relative dollar amounts being allocated between various programs. We also have questions about the methodology behind the analysis and data used to back up some of the programs, and the limited specificity about how the programs will be delivered.

The below list contains our comments and follows the naming convention of the state's Action Plan.

4.3.1 Grants and Recoverable Loans to Small Businesses

- This program proposes to assist recovering small businesses by offering grants and recoverable loans up to \$50,000 to assist with the cost of repairing physical damage to their business. \$300 million is allocated for these activities and the grant/recoverable loan program will be operated by NJEDA. As currently proposed, this program has the potential to assist 6,000 small business owners.
 - We have serious concerns about NJEDA's current capacity to quickly and effectively provide 6,000 loans and grants to businesses. This grant/recoverable loan program will place immense pressure on NJEDA, as they seek to enhance their infrastructure to accommodate such a large increase in lending volume. The immediate need for financial assistance is strong, and it is important that assistance be provided to small businesses with as little delay as possible.
 - The State should consider utilizing the existing network of CDFIs and microlenders operating in New Jersey to assist in the rapid deployment of this aid by allocating a portion of this \$300 million to CDFIs and microlenders in the form of grants. Many CDFIs and microlenders have already created disaster recovery loan programs for small businesses and could be effective in using their expertise and existing infrastructure in allocating grant funds or recoverable loans immediately as supplements to their existing low cost lending programs.

- Allocating a portion of these funds to lenders already providing disaster recovery loans could also increase the number of businesses assisted. For example, if the state were to allocate \$10 million in the form of a grant to NJCC, we estimate we could increase the number of businesses assisted by at least 16%.
- We encourage the State to consider allocating more funds to recoverable loans rather than grants. Recoverable loans encourage businesses to remain open to meet the terms of their loan. Grants do not provide the same incentive for small businesses to stay in business.

4.3.2 Direct Loans for Impacted Business

- This program proposes to allocate \$100 million to provide no-cost loans to businesses through the NJEDA in amounts ranging from \$100,000 to \$5 million. As loans are repaid, the funds are intended to revolve as loans for eligible CDBG uses.
- This is a laudable use of funds. As evidenced by the ongoing recovery efforts in the Gulf Coast region, the state will likely suffer from the impacts of Superstorm Sandy for years to come. It is vital that the State utilize tools such as these that recycle funds to allow for the funding of long-term recovery efforts.
- The eligibility criteria state that loans will be made available to small businesses that suffered physical damage and/or projects that will contribute to community revitalization. More detail should be included in the plan about the criteria used to determine if a project “contributes to community revitalization.”

4.3.3 Neighborhood and Community Revitalization

- The State proposes to allocate \$75 million to fund long-term economic revitalization priorities. This allocation will be made available to redevelopment agencies, municipalities, business and nonprofits, including CDFIs and CDBOs and can be used for a wide variety of activities, ranging from infrastructure and public facility improvements, physical improvements to small businesses, working capital loans, technical assistance provision, and façade and code-related improvements.
- This part of the program is paramount and targets a critical need in disaster recovery, also because it emphasizes allocating funds to public and private entities across the state. However, the allocation of \$10 million, to be split among municipalities suffering from damaged public facilities and nonprofits working to assist small businesses recovering from the storm, is simply too small and would either exclude many entities from funding or spread the available funds too widely. It would be a lost opportunity to not fully utilize existing deployment channels in the form of public and private entities.
- We propose to reallocate some of the funds from section 4.3.1 Grants and Recoverable Loans to Small Businesses to this program, which would then allow nonprofits and microlenders to assist more small businesses through grants and recoverable loans.
- This program allows CDFIs to use the funds to create loan loss reserves. This is an essential tool in allowing CDFIs to attract more capital to their lending programs, thus increasing the size of the loan pool available to suffering small businesses. By allocating more funds to section 4.3.2, the State could leverage CDBG funds and increase the number of small businesses ultimately helped by this program.
- Any CDBG funds granted to CDFIs as sub-grantees must be done so in the form of grants. Any “spread” put on funds provided to CDFIs will ultimately increase the cost of loans provided to small businesses. One of the best ways to assist small businesses is providing them with low-cost capital and/or forgivable loans.

Thank you for considering these comments. We are available to discuss any of these suggestions with you and look forward to the opportunity.

Gregory Stankiewicz
Chief Operating Officer
New Jersey Community Capital

Gallagher, Gabrielle

From: Sheena Collum <scollum@njplanning.org>
Sent: Tuesday, March 19, 2013 4:47 PM
To: sandy.recovery
Subject: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan
Attachments: APANJ_Action Plan Comments_031913.pdf

Importance: High

Please see the attached comments submitted ob behalf of the American Planning Association – New Jersey Chapter.

Thank you in advance for your consideration.

Sheena Collum

Sheena C. Collum, MPA
Executive Director

American Planning Association
New Jersey Chapter
PO Box 813
New Brunswick, NJ 08903

p: 848.932.2817
c: 201.704.0484
e: scollum@njplanning.org

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American Planning Association
New Jersey Chapter

Making Great Communities Happen

March 18, 2013

Via Email: Sandy.Recovery@dca.state.nj.us

Hon. Richard Constable, Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

On behalf of the New Jersey Chapter of the American Planning (APA-NJ) we respectfully submit the following comments on the State of New Jersey's proposed Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan, which describes how the state proposes to spend the \$1.83 billion, the first installment of CDBG-DR funding for Sandy recovery.

APA-NJ is comprised of New Jersey-licensed professional planners with considerable experience and expertise in the field of environmental, redevelopment, and housing planning, who provide advice and guidance to the 1,100 chapter members and to New Jersey governmental officials on planning policy issues, programs, legislative proposals, and regulations.

APA-NJ fully appreciates the unprecedented scope and limited time frame that the Department of Community Affairs (DCA) has had to address so many issues in its first efforts to bring New Jersey and its citizens and businesses back on their feet. That said, coordinating between state, federal and local agencies and building capacity to properly and effectively administer the \$1.8 billion in funding must be a first priority.

We have identified the four primary areas of concern in the Action Plan, followed by detailed comments below:

1. Omission of technical requirements per the HUD Notice. The NJ Action Plan needs to address certain HUD technical requirements that are essential for assessing unmet needs in the state.

2. Needs assessment. In addition to not satisfying HUD's technical requirements, the Needs Assessment does not identify needs (and unmet needs) on a county, municipal and neighborhood basis. While some county data has been provided on "storm impact", there is no analysis of needs or unmet needs on even the county level.

3. Insufficient technical data. The Action Plan doesn't incorporate recent data published by other agencies and organizations that would inform the needs assessment, including, but not limited to the Enterprise Partners' "FEMA Assistance Analysis,"¹ which stated that as low-income renters were most impacted by the effects of Superstorm Sandy, they are in greatest need of resources.

4. Resiliency, sustainability and HUD Livability Principles. We understand that the limited time and enormous scope of the need have led to the NJ Action Plan being a compendium of re-build programs and small business grants offered outside the necessary context of a long-term vision for resiliency or sustainable planning concepts. However, promoting re-build without a full understanding of the long-term environmental consequences and planning alternatives to reduce risks is counter to the principles of mitigation and recovery planning. All CDBG-DR programs should incorporate long-term sustainable and resiliency principles. In addition, the state may want to consider asking HUD to utilize the State Strategic Plan Garden State Values as a state-driven proxy.

ENDORSEMENT OF COMMENT LETTER OF THE BROAD COALITION OF NEW JERSEY HOUSING & COMMUNITY ADVOCATES

APA-NJ fully endorses and joins with the broad coalition of civil rights, community development, housing, labor, religious, special needs, smart growth, and other groups and individuals that are calling upon the Department of Community Affairs (DCA) to amend its Draft CDBG-DR Action Plan, prior to its submission to HUD, in order to build upon the positive aspects of the Plan and to address the significant concerns with the CDBG-DR that have been outlined in considerable detail in that jointly submitted comment letter.

We specifically call your attention to the coalition's comments regarding the necessity for the Action Plan to be revised to more fairly address the unmet needs of storm-impacted low- and moderate-income renters, as documented – by postal zip code – in the Enterprise Community Partners report. We have a particular concern about the persistence of exclusionary zoning and land use patterns and practices in New Jersey. This concern has been addressed in the coalition's comments regarding the need for the Action Plan to comply with HUD's CDBG-DR requirements for an Analysis of Impediments to the provision of affordable housing on a non-discriminatory basis in the affected areas.

1. Need for the CDBG-DR Funding for Tenant-based Rental Vouchers:

The NJ Action Plan rightly acknowledges the lack of affordable rental housing in the high-cost New Jersey housing market, as well as additional pressures on the rental market caused by the storm damage to the rental stock *and* by the competition for available units from displaced homeowners. Using available FEMA data, the Enterprise Community Partners have documented the disproportionate housing-cost burden that lower-income renters will bear in this constrained market.

We recommend that the Action Plan be revised to include funding for a multi-year – perhaps four (4) year tenant-based rental voucher program. Such a tenant-based program will help to bridge the gap between the present crisis and the planned-for provision of additional supply of rental housing. Clearly, the rehabilitation, rebuilding and construction of affordable housing will take a number of years. Cost-burdened displaced renters cannot afford to wait for these construction efforts.

¹ <http://www.practitionerresources.org/cache/documents/678/67899.pdf>

2. Need for Adequate Relocation Assistance – particularly for Renter Households:

As others have commented, the Action Plan heavily targets funding toward the re-housing of storm-affected residents in-situ. Realistically, some households will find that prospect daunting and will choose to relocate. Additionally, renters – with limited control over the repair of their dwellings, with no home equity to tap and with their lower household incomes – can be expected to have greater difficulty remaining in their storm-damaged apartments. Other displaced households that have been temporarily relocated will seek to return to their rebuilt communities in coming years. Accordingly, the Action Plan needs to provide for an on-going program of relocation assistance – well beyond the emergency assistance period.

Additionally, the Action Plan will need to address the State of New Jersey's present inadequate level of relocation assistance payments – which have not been increased in decades. Households displaced by the governmental enforcement of housing and building codes are entitled to assistance pursuant to the Uniform Relocation and Property Acquisition Act. The Action Plan should be revised to accommodate the unique circumstances of storm-affected households who may require future relocation assistance during the anticipated multi-year recovery period.

COMMENTS ON SPECIFIC GRANTEE REQUIREMENTS

The following sections of the published Notice of grantee requirements for CDBG-DR Sandy Recovery funds, **Federal Register** / Vol. 78, No. 43, appear to have not been properly addressed in the NJ Action Plan. These elements are critical to a successful recovery and should be included in a revised Action Plan.

1. The following sub-sections of VI.A.1.a.(1) need to be better addressed:

- *"Impacts must be described by type at the lowest geographic level practicable (e.g., city/county level or lower if available). (...)Grantees must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis."*

Comment: While some Sandy storm impacts were recognized at the county level, and a few anecdotal stories were conveyed about municipalities, the needs assessment is summarized by figures aggregated at the state level. A county and municipal level of analysis is critical for determining actual damage, recovery needs, unmet needs and a program for distribution of funds. We recommend projecting the impact areas on top of mapped geographic areas and discuss each area by locality and region with all of the elements analyzed comprehensively. The mitigation, resiliency and sustainable planning principles could be incorporated into this analysis.

- *"Emergency shelter needs and housing needs: interim and permanent; owner and rental; single family and multifamily; public, HUD-assisted, affordable, and market rate" must be included in the Plan.*

Comment: The Action Plan does not provide shelter or housing needs on a county or municipal basis. The lack of information makes it impossible to render a fair plan for distribution of funds.

- The Plan should include *"Neighborhoods with high percentages of damaged homes and provide*

a demographic analysis (e.g., race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed."

Comment: The NJ Action Plan has provided no needs assessment of neighborhoods with high percentages of damaged homes, although clearly some neighborhoods have been devastated. This lack of information makes it impossible to render a fair plan for distribution of funds.

- *The types of businesses (including the North American Industry Classification System code, the standard used by Federal statistical agencies in classifying business establishments and available at www.census.gov/eos/www/naics/) most impacted with a description of their likely barriers to recovery.*

Comment: The action plan does not provide NAICS codes and has a very limited analysis of business impact, with a reliance on anecdotal information. Additionally, no data has been provided at the county or municipal level. The Plan also indicates that 93% of SBA applications submitted by affected small businesses were denied federal funding. The Plan should provide additional information on why such a large percentage of applications were refused funding.

2. The following sub-sections of VI.A.1.a.(3) have not been addressed:

- *A description of how the grantee will promote (a) sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise (for example, by using the new FEMA floodplain maps and designs applying the new Advisory Based Flood Elevations (ABFE) or higher), and (b) how it will coordinate with other local and regional planning efforts to ensure consistency;*

Comment: The NJ Action Plan focuses on rebuilding and doesn't quite consider sound long-term sustainable planning that would mitigate future hazardous and life-threatening conditions. Section 3.1, Long-Term Recovery Recommendations indicates the state will continue to take steps towards a sustainable and resilient recovery. However, the Plan does not offer any further details about this approach. This same section indicates the DCA Office of Local Planning Services will "work to provide municipalities with sound planning strategies to ensure long term recovery." No other details are provided about these planning strategies or the planning process.

3. The following sub-section of VI.A.1.a.(4) has not been addressed:

- *A description of how the grantee will leverage CDBG-DR funds with funding provided by other Federal, state, local, private, and non-profit sources to generate a more effective and comprehensive recovery.*

Comments: The NJ Action Plan provides no details on how funds will be leveraged other than acknowledging that it intends to do so. Section 3.2 of the Action Plan indicates, "additional guidance on this process will be provided at a later date."

4. The following sub-section of VI.A.1.a.(5) has not been addressed:

- *HUD strongly encourages grantees to consider sustainable rebuilding scenarios such as the use of different development patterns, infill development and its reuse, alternative neighborhood designs, and the use of green infrastructure. (...) The Partnership for Sustainable Communities' six Livability Principles should serve as a guide to grantees working in areas that were*

substantially destroyed. When grantees seek to rebuild such areas, grantees should describe how they will consider sustainable urban design and construction in their redevelopment planning process.

Comment: The NJ Action Plan has not provided any information on alternative development patterns or rebuilding scenarios. Further, the needs assessment does not identify areas that were substantially destroyed, which precludes any planned strategy to address those needs. The absence of any planning strategy for sustainable rebuilding patterns is a huge omission in the Action Plan and risks repeated mistakes that lead to property damage and loss of human life. Sustainable planning and HUDs Livability Principles should be incorporated into the criteria of all recovery programs. The Plan should ensure that existing efforts to develop the next generation of climate adaptation planning and decision support tools are supported; both in terms of resources to develop the tools, and resources to deploy the tools. The new Sustainable Jersey Climate Adaptation and Flooding Action is one such example of a tool that can be improved, and also better deployed. While the State and Federal Agencies will eventually take a leading role in developing guidance on all of these hazards, support for NGO efforts will enable more widespread deployment in the short term and experimentation that leads to better tools in the long term.

5. The following sub-section of VI.A.1.a.(12) has not been addressed:

- *A description demonstrating the adequacy of the grantee's capacity, and the capacity of any UGLG or other organization expected to carry out disaster recovery programs. (...) This assessment shall include a description of how the grantee will provide for increasing the capacity of UGLGs or other organizations, as needed and where capacity deficiencies (e.g., outstanding Office of Inspector General audit findings) have been identified.*

Comment: The NJ Action Plan indicates that the DCA and Office of Emergency Management will assist municipalities in the recovery efforts. However, the Plan offers no assessment of the capacity of either the state offices or municipalities. In Section 6.6.1, the Plan indicates that the DCA "may" increase its staffing capacity, which does not begin to describe the substantial need for building capacity. The administration of the \$1.8 billion grant surpasses, by order of magnitude, any program that this office has administered to date. This lack of capacity analysis makes it impossible to discern the allocation of \$80 million that has been reserved for administration and planning.

6. The following sub-sections of VI.A.1.b have not been addressed:

- *How (the state) will distribute funds to UGLGs (i.e., its method of distribution). Each Plan must also describe how the State's needs assessment informs the allocation(s) identified in the Plan, and how unmet needs that have been identified but not yet addressed will be addressed in a subsequent amendment to the Plan.*

Comment: The NJ Action Plan is completely silent on the distribution of funds to municipalities. The entire Plan refers to the collective counties in need, and offers no indication as to how municipalities may be funded. Also, significantly, the needs assessment does not clearly inform the allocation of funds since neither the needs assessment nor funding distribution section are county or municipal based.

In addition, we offer the following comments related to the various sections of the NJ Action Plan:

7. NJ Action Plan Section 4, Method of Distribution

The criteria for nearly all proposed housing and business assistance programs is on a “first-come first served” basis for the nine impacted counties. However, the degree of impact among these counties varies significantly. A more equitable approach might be to allocate blocks of funds to specific geographical areas, based upon need. However, this is virtually impossible to do until the needs assessment is complete.

8. NJ Action Plan Section 4.1.2, Homeowner Settlement Program

The Homeowner Settlement Program provides \$200 million for incentives for homeowners not to abandon their homes, and to stay and rebuild, with a maximum grant of \$10,000 per home. This is a program offered on a first come-first serve basis to property owners who have sustained major and severe damage. The goal of the program is to “stabilize neighborhoods by encouraging homeowners to stay and rebuild.” Additional information should be provided as to how the program intends to provide an incentive, rather than provide another grant to homeowners who already intend to stay and rebuild. If the goal is for neighborhood and community-building, the monies might be better appropriated in the form of community planning strategies.

9. NJ Action Plan Section 4.4.2 Continuation and Enhancement of Essential (of) Public Services to Facilitate Short-Term Sustainability and Long-Term Recovery

The Plan indicates “financial assistance will be made available to local governments... to allow for the continuation of critical/essential public services such as... health and welfare... (water and sewer)” yet it does not provide any guidance or assurance that planning for more sustainable infrastructure will be supported by financial assistance. It is implied that municipalities will be able to continue service through existing infrastructure brought back on-line, but not be able to plan for updates or upgrades to more efficient and resilient facilities. As stated in Section 2.5.2 Utility Infrastructure, “94 wastewater treatment systems suffered failures or disruptions...”. The Plan should be clear that Planning / Admin funds can be used toward evaluation of existing infrastructure and planning for more efficient, decentralized systems in order to avoid future potential damage.

10. NJ Action Plan Section 4.6, Planning, Oversight and Monitoring

This is the administration section of the Action Plan, of which \$84 million has been allocated. The section begins with an overview of timely expenditure of funds and monitoring for grant disbursement. Planning is then discussed as an afterthought – without a detailed discussion. The Plan states “planning grant assistance is available on a local and/or regional basis in order to guide long-term recovery and redevelopment.” Other than examples of such activities, e.g. comprehensive plans, economic development plans, etc., the Plan offers no details on the type and level of assistance that will be offered to municipalities for long-term planning. The only figure that is provided is the \$2.5 million for historic preservation, archaeology plans and other HUD requirement plans for implementation. The Action Plan must further break down the remaining \$82 million into state administrative costs and local planning grants. We recommend, at a minimum, that 50% of the \$82 million be allocated to local and state land use planning grants. Funding should be available to both local and county governments, as well as non-profit organizations that have traditionally played a role in local planning. Municipalities should be encouraged to utilize best practices for recovery planning, including FEMA self-help and community documents and the PAS documents published by the American Planning Association on Hazard Mitigation and Recovery Planning.

11. NJ Action Plan 6.2.1, Sea Level Rise

The NJ Action Plan indicates it will “incorporate, where applicable, appropriate mitigation measures and floodplain management throughout proposed programs.” No other information is provided on the potential impact of sea level rise and how the Plan will address it through planning strategies and funding programs. The Plan should take into account predicted climate change, particularly sea level rise and the interaction of inland and coastal flooding occurring at the same time. Additional information must be provided utilizing current research and planning tools from state and regional organizations.

12. NJ Action Plan 6.9, Citizen Participation

While the NJ DCA satisfied the minimum seven calendar day notice for the comments on the Action Plan, a week's notice for commenting on an 80 page document does not constitute "reasonable and timely access," with which the Plan attests, especially in dealing with such a large disbursement of money. Additionally, the release of the Plan within only two days following the publication of the federal requirements placed an unfair and unanticipated burden on the public to give both documents the attention they deserve.

In summary, the Action Plan has provided a solid overall framework for the receipt and distribution of the CDBG-DR funds, and we believe the Plan has touched on a lot of important areas. However, we have outlined a number of critical issues that we feel must be addressed to make this a truly effective Plan that meets the State's long-term recovery, rebuilding, and revitalization needs. We appreciate the opportunity to provide comment on this Recovery Action Plan, and look forward to a revised plan that addresses these concerns.

Understanding the enormous pressure on all of us, we appreciate your time and effort. APA-NJ continues to be available for assistance to the State of New Jersey moving forward.

Respectfully submitted,



Charles Latini, PP, AJCP
President APA-NJ



Vito A. Gallo, PP
Chair APA-NJ Housing Committee



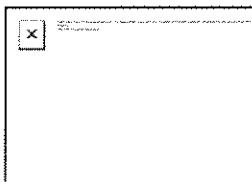
Linda Weber
Chair APA-NJ Hazard Mitigation and Recovery Planning Committee

- c. \$50 million in the third round;
3. As the funding for each round has to be expended within two years, DCA needs to commit to identifying a permanent funding source to fully replenish the SNHTF;
4. Supportive housing depends not only on capital but also on rental vouchers. As stated in the **Home for all New Jerseyans** each month the Department of Community Affairs (DCA) reports that 250 vouchers are returned as families' situations change and the vouchers are no longer needed. If 20% of the returned vouchers were provided to housing developers to be used to make units affordable in existing or new developments, in a year 600 new families would be living in permanent homes they could afford;
5. If the number of existing vouchers is not adequate, New Jersey should provide funding for a special allocation of State Rental Assistance Program (SRAP) vouchers for the supportive housing units;
6. Supportive services are the other crucial component to ensure that supportive housing can be built. The first priority for the **Supportive Services Program** should be to provide services for the supportive housing units that will be developed by the SSNHF; and
7. As the supportive services in the Action Plan are only available for two years, New Jersey should commit to provide long-term funding for supportive services. For example, now that Medicaid coverage has been expanded, New Jersey must create benefit packages that allow tenants of supportive housing to have their service needs reimbursed by Medicaid.

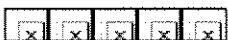
Several of the signers are members of local Continuums of Care and are in full support of the comments. In addition, they support the following additional comment; The local Continuum of Care (CoC) serves as the planning body for homeless and special needs populations in each County. Any state level application process for the distribution of SSNHF funds should include the approval/notification of the local CoC.

In closing, this is a positive first step but we all need to work together to implement a **Home for all New Jerseyans**.

Very truly yours,



Richard W. Brown CEO
Monarch Housing Associates
29 Alden Street, Suite 1B Cranford, NJ 07016
tel (908) 272-5363 x 225 mobile (908) 370-5249
[website](#) | [bio](#) | [vCard](#) | [map](#) | [email](#)



Building Homes, Transforming Lives

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Comments on New Jersey's Taking Action To Distribute The Necessary Resources For The Rebuilding Process

We the undersigned are pleased that the Department of Community Affairs Action Plan - **Taking Action To Distribute The Necessary Resources For The Rebuilding Process** - for the CDBG-DR funds includes resources for those with special needs and the homeless. As the report states:

- "Households with special needs are often times more vulnerable to natural disasters due to damaged or displaced support networks, accessibility issues or increased costs of living,"
- "Damage caused by Superstorm Sandy drastically limited housing options available for New Jersey's homeless population."

The inclusion of specific funding to provide supportive housing and the necessary supportive services along with the rental housing focus is a significant and positive step.

However, it is only a first step and more needs to be done to ensure that those with special needs and the homeless can have a place to call home. The **Home for all New Jerseyans: A Plan to Create Housing for Residents with Special Needs and to End Homelessness** remains the blueprint for both the short-term and long-term solution. A copy is attached.

We have the following comments on the Action Plan:

1. **The Sandy Special Needs Housing Fund (SSNHF)** needs to be implemented using the guidelines for the Special Needs Housing Trust Fund (SNHTF) which successfully leveraged resources and created 1,510 permanent supportive housing units;
2. Due to the more than two year delay since funding for the SNHTF ended, it is important to use not only the first round of funding but both of the next two phases to build an effective pipeline of projects. To achieve this goal we request that a commitment of funding for the next two rounds be stated now and that the funding levels should be:
 - a. \$25 million in the first round,
 - b. \$37.5 million in the second round and
 - c. \$50 million in the third round;
3. As the funding for each round has to be expended within two years, DCA needs to commit to identifying a permanent funding source to fully replenish the SNHTF;
4. Supportive housing depends not only on capital but also on rental vouchers. As stated in the **Home for all New Jerseyans** each month the Department of Community Affairs (DCA) reports that 250 vouchers are returned as families' situations change and the vouchers are no longer needed. If 20% of the returned vouchers were provided to housing developers to be used to make units affordable in existing or new developments, in a year 600 new families would be living in permanent homes they could afford;
5. If the number of existing vouchers is not adequate, New Jersey should provide funding for a special allocation of State Rental Assistance Program (SRAP) vouchers for the supportive housing units;
6. Supportive services are the other crucial component to ensure that supportive housing can be built. The first priority for the **Supportive Services Program** should be to provide services for the supportive housing units that will be developed by the SSNHF; and
7. As the supportive services in the Action Plan are only available for two years, New Jersey should commit to provide long-term funding for supportive services. For example, now that Medicaid coverage has been expanded, New Jersey must create benefit packages that allow tenants of supportive housing to have their service needs reimbursed by Medicaid.

In closing, this is a positive first step but we all need to work together to implement a **Home for all New Jerseyans**.

March 13, 2013

**Comments on New Jersey's
Taking Action To Distribute
The Necessary Resources For The Rebuilding Process
Endorsing Organizations**

1. AAH of Bergen County
2. Act-Cess USA, Inc.
3. Advance Housing
4. Anti-Poverty Network
5. Bergen County CoC
6. Burlington County Community Action Program
7. Cape May CoC
8. Catholic Charities of the Diocese of Trenton
9. Coalition for Affordable Housing and the Environment
10. Coming Home of Middlesex County
11. Community Planning & Advocacy Council
12. Corporation for Supportive Housing New Jersey
13. Easter Seals New Jersey
14. Family Promise of Sussex County
15. Family Resource Assoc., Inc.
16. Garden State Episcopal CDC
17. Habitat for Humanity Hudson County
18. Homeless Network Planning Committee
19. Housing and Community Development Network
20. Hunterdon Continuum of Care
21. Integrated Green Technologies, Inc.
22. Kitchen & Associates
23. Mental Health Association in New Jersey
24. Mercer Alliance to End Homelessness
25. Middlesex County Housing Continuum of Care Committee (MHC3)
26. Middlesex County Human Service Advisory Council
27. Monarch Housing Associates
28. NewBridge Services
29. Palisades Emergency Residence Corp. (PERC)
30. Project Live
31. Supportive Housing Association of NJ
32. Sussex Continuum of Care
33. The Affordable Homes Group
34. The Alliance for the Betterment of Citizens with Disabilities
35. The Arc of Cape May County, Inc.
36. The Consumer Provider Association in New Jersey
37. The Meadows at Oldwick
38. Tri-County Continuum of Care
39. Triple C Housing
40. United Way of Hunterdon County

March 13, 2013

**Comments on New Jersey's
Taking Action To Distribute
The Necessary Resources For The Rebuilding Process**

- 41. United Way of Northern New Jersey
- 42. Vantage Health System, Inc.
- 43. Warren Continuum of Care
- 44. YWCA Eastern Union County

March 13, 2013

A Plan for a HOME for all New Jerseyans
Creating Housing for Residents with Special Needs and to Ending Homelessness
Executive Summary

New Jersey has been among the national leaders in mandating affordable housing development in all our communities. NJ has taken the important step of requiring that housing be created for the very low-income population that is most vulnerable to homelessness including but not limited to establishing the Interagency Council on Homelessness.

Yet more must be done to address New Jersey's significant population of special needs and homeless residents in need of housing they can afford.

The first thing to do to end homelessness and create housing for all New Jersey residents with special needs, is to renew the Special Needs Housing Trust Fund. The program, under the auspices of the New Jersey Housing and Mortgage Finance Agency has helped create quality housing people can afford with needed supportive services for over 1,510 supportive housing units for a total of 1,753 persons with special needs throughout New Jersey.

Other things NJ needs to do are:

- 1. Redirecting current expenditures**
- 2. Using a portion of returned housing vouchers for project based housing**
- 3. Reinvesting returned Municipal Housing Trust Funds (MHTF) into new affordable housing**
- 4. Properly using federal foreclosure funds**
- 5. Maximizing health care reform to utilize Medicaid to pay for services that allow people to remain permanently housed**
- 6. Providing pre-development resources from trust funds and philanthropy**
- 7. Encouraging business and philanthropic support**

NEW LEGAL TOOL IS NEEDED: Right to Housing: The **right to housing** is the economic, social and cultural right to adequate housing and shelter. All New Jersey residents should have the right to housing. It is the responsibility of government to ensure that everyone who wants to has a safe decent place to sleep. No one should be forced to live on the streets or in any place not suitable for human habitation.

A POLICY SHIFT IS NEEDED: The Housing First Model: To the greatest extent possible people without a home should be given a permanent home over other forms of emergency shelter and other temporary housing.

To endorse the Plan go to: <http://www.snhtf.org/endorse-home-for-all-new-jerseyans/>

To view the Plan online go to:

<http://www.snhtf.org/wp-content/uploads/2012/09/SNHTFBlueprint.pdf>

To view a list of organizations that have endorsed this campaign go to:
<http://www.snhtf.org/endorsers-of-the-home-for-new-jerseyans-plan/>

For more information on the campaign go to: <http://www.snhtf.org>

Prepared by Renew NJ's Special Needs Housing Trust Fund Steering Committee
September 24, 2011

Gallagher, Gabrielle

From: Mark Mauriello [REDACTED]
Sent: Tuesday, March 19, 2013 4:43 PM
To: sandy.recovery
Subject: Comments on Community Development Block Grant Disaster Recovery Action Plan

Please accept these comments on the plan:

1. The proposed \$200 million resettlement fund should be used to support acquisition of flood and storm prone property, not to encourage residents to stay in areas that will suffer recurring damage in the future. Willing sellers who choose to move out of hazardous areas should have the financial support through CDBG funds to do so. Using these funds to encourage residents to stay in these hazardous areas will subject people to future harm, will increase taxpayer liability for future damage and recovery costs, will increase the burden on municipalities in the area of storm response and debris management, and is inconsistent with NJ long-established hazard mitigation and risk reduction goals.
2. The plan should include a more robust funding amount of at least \$500 million for acquisition of vulnerable property, both developed and undeveloped.
3. All reconstruction supported with public dollars must include mitigation, not as an option but as a requirement. Taxpayers are footing the bill for damage recovery and deserve to have that investment protected. We should not pay to rebuild a boardwalk unless towns build dunes to protect that investment. We should not pay to reconstruct infrastructure unless it incorporates mitigation and considers alternative locations and designs. Unfortunately, the DEP AO exempting this work from permit requirements ensures that mitigation will not be included and that the state will lose eligibility for Hazard Mitigation Grant Program funding...more lost Federal dollars.
4. All reconstruction should take place at a pace which allows and incorporates sensible planning. This should not be a race to finish by summer 2013. We need to do this right, not just quickly.
5. Stakeholder involvement in recovery planning has been largely absent. The administration has not reached out to the large number of knowledgeable professionals in NJ to assist in recovery planning. Most of the enhanced planning is taking place through outside forums where state agency presence has been lacking.
6. Too much funding is being retained by NJ state agencies for work that can be better accomplished through outside contracts that can be put out to bid from qualified consultants. For example, state agencies lack the expertise, the manpower and the political objectivity to accomplish many planning tasks that would better serve the long-term good of the people.
7. There needs to be more emphasis on providing rental housing for low and moderate income residents in coastal communities. These folks have been displaced and cannot return as properties are rebuilt and rental rates increase.
8. The NJ water Supply Plan needs to be updated as it continues to languish at DEP. The statutory plan update is years late and continued failure to update the plan puts out water supply infrastructure at risk. Funds should be dedicated to have this plan update completed by an outside consulting firm, based on qualified bidding procedures.
9. Standards for reconstruction should not be limited to implementation of energy efficiency and mitigation only "when applicable" as determined by a state agency. These efficiency and mitigation standards must be incorporated for all reconstruction to support long-term goals, not just short-term election year goals.

10. Recovery aid should not be first come first served, as many residents have less access to information and less capability to make application. Aid needs to be distributed based on need, and the state has an obligation to ensure that the most needy receive the aid, not just those that apply first.

11. The \$25 million CBDG funds proposed for tourism marketing should be redirected to direct aid to residents. Let the Chamber of Commerce and large commercial interests in coastal areas fund tourism marketing. Also, the Governor can do town halls all over the impacted areas to promote NJ tourism since that PR machine is already tried and true. The national Objective Statement included in the plan for this funding is absurd.

12. We need more funding for municipal code enforcement support, training, education and equipment. The proposed \$6 million for this work is insulting and not enough to make a positive difference in all impacted areas.

thank you

Mark Mauriello

Gallagher, Gabrielle

From: Kevin Walsh <kevinwalsh@fairsharehousing.org>
Sent: Tuesday, March 19, 2013 4:43 PM
To: sandy.recovery
Cc: Adam Gordon; Staci Berger; Diane Sterner
Subject: comments on DCA's Draft Action Plan
Attachments: 130319 Comments with Signon.pdf

Attached please find comments submitted on behalf of the signatories below. Please confirm receipt.

Housing & Community Development Network of
New Jersey
Diane Sterner, Executive Director
Staci Berger, Director of Policy & Advocacy

Fair Share Housing Center, Inc.
Kevin D. Walsh, Associate Director

NAACP, New Jersey
James E. Harris, President

Latino Action Network
Chris Estevez

The Affordable Housing Alliance
Donna Blaze, CEO

Monarch Housing Associates
Richard W. Brown, CEO

Catholic Charities, Diocese of Camden, Inc.
Kevin H. Hickey, Executive Director

NewBridge Services, Inc
Robert L. Parker, CEO

NAACP Legal Defense and Educational Fund, Inc.
ReNika Moore, Director Economic Justice Group

Lawyers Committee for Civil Rights Under
Law
Joe Rich

Corporation for Supportive Housing
Alison Recca-Ryan

The Affordable Homes Group, Inc.
The Salt and Light Company, Inc.
People First!
A.L.L.Y., Inc.
Homes of Hope, Inc.
Delta Real Estate
Kent R. Pipes, President

Poverty & Race Research Action Council Megan
Haberle, Policy Counsel

CWA Local 1081
David H Weiner, President

NJ Foundation for Aging
Grace Egan, MS, Executive Director

Episcopal Diocese of New Jersey
Keith R. Adams
Disaster Recovery Coordinator

Supportive Housing Association of NJ
Gail Levinson, Executive Director

New Jersey Future
Peter Kasabach, Executive Director

HomeFront
Connie Mercer, President and CEO

Anti-Poverty Network of NJ
Catholic Charities, Diocese of Trenton

	Joyce Campbell, MSW, LCSW Associate Executive Director for External Affairs
Second Baptist Church of Atlantic City Reverend Collins Days	Vantage Health System, Inc. Vicki Sidrow, MPA President and CEO
Project Live, Inc. Sangeeta Prasad Benbow , Director of Housing & Community Development	Black Ministers Council of New Jersey Keith Benson
Catholic Charities, Diocese of Trenton Marlene Laó-Collins	Fellowship of Churches in Atlantic City Reverend Eric McCoy
Lutheran Office of Governmental Ministry The Rev. Sara Lilja, Director	American Civil Liberties Union of New Jersey Udi Ofer, Executive Director
NJ APA Dean Boorman, PP/AICP	PlanSmart Lucy Vandenberg, Executive Director
The Alliance for the Betterment of Citizens with Disabilities Daniel J. Keating, PhD, Executive Director	National Housing Institute Shelterforce Magazine Harold Simon
Mercer Alliance to End Homelessness Herb Levine, Executive Director	Coalition for Affordable Housing and the Environment Barbara A. Walsh, PP/AICP Executive Director
Pilgrim Baptist Church Red Bank Affordable Housing Corporation Rev. Terrence K. Porter	Civic League of Greater New Brunswick Roy Epps
Paterson Habitat for Humanity Barbara Dunn, Executive Director	Unitarian Universalist Legislation Ministry of New Jersey Rev. Craig Hirshberg
Coalition of Mental Health Consumer Organizations of New Jersey Wayne Vivian	UAW Region Nine Housing Dan Antonellis
Planting Seeds of Hope Emilio Panasci	Kitchen and Associates
Abundant Life Worship Center	Habitat for Humanity Hudson County

Bishop John Gandy

Volunteers of America Delaware Valley
Kate Cruz, Public Policy Director

Catholic Charities Diocese of Metuchen
Joan Lorah, Assistant Executive Director

United Way of Northern New Jersey Housing
Alliance
Jodi Miciak, Community Impact Manager

QMANJ, Inc.
Eugenia Drobit, President & CEO

Saint Joseph's Carpenter Society
Felix Torres-Colon, Director of Operations

Family Promise of Monmouth County
Tracy Boyer, Executive Director

NJ Statewide Independent Living Council
Cliff Law, Chair

Build With Purpose
Keith Timko, Director & CEO

R.B. Coe Consulting
Rhonda Coe

Future City
Michelle Doran McBean, CEO

Monmouth A-Team
Linda Zucaro, Advocate

Ironbound Community Corporation
Joseph Della-Fave, Executive Director

Bayonne Family Community Center
Peggy Keohane, Executive Director

Occupy Sandy New Jersey
Dylana Dillon

Cynthia Del Rossi

James Cordingley, PP/AICP

Gregory Strid, Co-Executive Director

St. John's Lutheran Church
Reverend Bruce H. Davidson

Coastal Habitat for Humanity
Maureen Mulligan, Executive Director

United Vailsburg Services Organization
Robert M. Farley, Executive Director

Project Freedom
Tim Doherty, Executive Director

Faith Fellowship CDC
Rev. Clarence Bulluck, Vice President

La Casa de Don Pedro
Raymond Ocasio, Executive Director

Homeless Solutions
Dr. Elizabeth S. Hall, President

Elizabeth Coalition to House the Homeless
Linda M. Flores-Tober, Executive Director

Collaborative Support Programs of NJ Inc.
Jacob P. Bucher, Executive Director

Easter Seals New Jersey
Charles Parry, Vice President of Services

Monmouth Long Term Recovery Group

S.T.E.P.S.
Mike McNeil

Morris Habitat for Humanity
Blair Bravo

Cape Counseling Services
Greg Speed, CEO

Brad Kennedy

Steve Schoch

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, New Jersey 08002
P: 856-665-5444
F: 856-663-8182
kevinwalsh@fairsharehousing.org



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March 19, 2013

Via Email: Sandy.Recovery@dca.state.nj.us.

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

We are writing to submit comments on the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan (Draft Plan), which describes how the state proposes to spend the \$1.83 billion that is the first installment of federal funding for Sandy recovery. The following broad coalition of civil rights, community development, housing, labor, religious, special needs, smart growth, and other groups and individuals calls on the Department of Community Affairs (DCA) to amend the Draft Plan, prior to submission to HUD, to build upon the positive aspects of the plan and to address several significant concerns with the Plan in the following areas: (1) fairly analyzing housing needs and allocating of resources between renters and owners; (2) addressing barriers to fair housing; (3) fairly including people with special needs and supportive housing; (4) planning and building resilient and sustainable communities; (5) making sure lower-income people and communities have the resources they need to plan and rebuild; (6) ensuring everyone has a true choice about how and where to rebuild; and (7) ensuring transparency and public participation.

(1) Fairly analyzing housing needs and allocating resources between renters and owners. The Draft Plan severely underestimates the impact of Superstorm Sandy on renters, particularly lower-income renters and African-American and Latino renters, in New Jersey. It then uses that underestimate to justify allocating housing funds using those same percentages. The result is a Draft Plan that proposes programs that would assist only 5,000 renters while assisting 26,000 homeowners – significantly favoring helping homeowners over helping renters. This is based on a faulty analysis in the Draft Plan (pp. 2-3 to 2-5) that only considers the aggregate number of damage reports from FEMA, without explaining that many of the owners counted have all of their damage covered by insurance, or differentiating needs by income levels or geographies at all. That analysis contradicts another laudable analysis in the Draft Plan that describes the severe shortage of rental housing, but which does not factor that shortage into the Draft Plan's program funding allocation formula. The Draft Plan rightfully points out that many of the lowest-income people impacted by Sandy have been invisible in much of the media coverage of the storm, but should not make them invisible in how the Draft Plan allocates funds.

A recent study by Enterprise Community Partners found that 43% of New Jersey households registering for FEMA assistance as a result of Sandy are renters – and 80% of the most impacted

and vulnerable households, those earning less than \$30,000 per year, are renters. Also, according to this analysis, renters are much more likely to be African-American and Latino than homeowners.

The allocation of funds should be changed to recognize the needs of renters and serve all communities fairly. Rental programs should receive more funding than homeownership programs given the disproportionate number of the most vulnerable households who are renters. Specifically, the shortage of rental housing well-described in the Draft Plan suggests the highest priority should be construction of new rental housing that is affordable over the long term. The Fund for Large Multi-Family (4.2.1) should receive an allocation of at least \$450 million as the primary strategy for bolstering the housing stock. The Small Rental Properties allocation of \$70 million (4.2.2) is appropriate but the State should clarify that there will be a long-term affordability requirement of at least 30 years. Because the Incentives for Landlords program (4.2.4.1), only provides affordable housing for four years, it is an ineffective use of scarce funds and should be deemphasized.

More broadly, HUD's Notice on the CDBG-DR funding in response to Sandy also requires that "Grantees must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis (*e.g.*, race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed" and that "[i]mpacts must be described by type at the lowest geographic level practicable." (Notice p.13-14). The Draft Plan neither includes such a demographic analysis nor explains, for any of the proposed programs, how it will focus on serving these communities; in fact, for most of the programs, the eligibility criterion is "first come first served" without any sense that lower-income people, people with disabilities, seniors, particularly seniors who are lower-income, and people of color often may not have as much information or resources to quickly prepare applications. It is thus likely that most or all of the proposed programs will be carried out in a way that does not fairly address the needs across all communities, due to the lack of the required neighborhood-level analyses. The Draft Plan should be revised to include proper neighborhood-level assessments and show how they will be used in the various programs for targeted approaches to varied and specific recovery needs, in the funding targeted towards both impacted areas and elsewhere in the state.

(2) Furthering fair housing and addressing the historic pattern of the exclusion of lower-income families and persons of color from impacted communities. The HUD Notice requires that the State certify that it will "conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard ...[and] that agreements with subrecipients will meet all civil rights related requirements [of federal law]." (Notice p.69) In one of the most racially and economically segregated states in the union, such a certification must be matched, in the revised Action Plan, with concrete requirements and actions that make it clear to counties, municipalities, subgrantees and private contractors, that the State will do everything in its power to remove barriers to creating homes for all residents of our state. The only place the Draft Plan mentions a mix of incomes is in the context of gentrifying urban areas (4.2.3.2). The Draft Plan should be revised to

clarify how all of its housing programs will address exclusionary land use practices and patterns that have long been a challenge for similar housing programs in the impacted areas and how the State will ensure that all funding, including infrastructure funding, is connected to commitments to allow all of the housing to be funded by the Plan to be built. The Draft Plan needs to be revised to make it clear that racial and economic diversity should be a part of rebuilding in all communities. In accord with HUD guidance, the state should prioritize the list of impediments to fair housing choice identified in its post-disaster Analysis of Impediments and develop a set of measurable outcomes, containing specific milestones and timetables, against which success may be judged.

(3) Ensuring that the needs of people with special needs and the homeless are met. As the Draft Plan correctly states, “households with special needs are often times more vulnerable to natural disasters due to damaged or displaced support networks, accessibility issues or increased costs of living” and “damage caused by Superstorm Sandy drastically limited housing options available for New Jersey’s homeless population.” The inclusion of specific funding to provide supportive housing and the necessary supportive services along with the rental housing focus is a significant and positive step. However, it is only a first step and more needs to be done to ensure that those with special needs and the homeless can have a place to call home.

The Sandy Special Needs Housing Fund (SSNHF) needs to be implemented using the guidelines for the Special Needs Housing Trust Fund (SNHTF) which successfully leveraged resources and created 1,510 permanent supportive housing units, though the cap of \$100,000 per unit should be removed for hard-to-serve populations and to leverage funds immediately. Due to the more than two-year delay since funding for the SNHTF ended, it is important to use not only the first round of funding but both of the next two phases to build an effective pipeline of projects. To achieve this goal we request that a commitment of funding for the next two rounds be stated now in the revised Plan and that the funding levels should be: (a) \$25 million in the first round; (b) \$37.5 million in the second round; and (c) \$50 million in the third round.

Supportive services are the other crucial component to ensure that supportive housing can be built. The first priority for, and majority of the funding from, the Supportive Services Program should be to provide services for the supportive housing units that will be developed by the SSNHF.

Furthermore, these funds must augment, rather than replace, the funds already committed by the State to resolve Olmstead litigation. More generally, they should be part of a comprehensive, long-term strategy for supportive housing and services. (See 42 U.S.C. §5301).

(4) Emphasizing resiliency and sustainability. Both Congress (P.L. 113-2) and HUD (Notice pp.16-17) laudably are challenging grantees to think and act with vision, daring and commitment to building sustainable communities. The Draft Plan adopts positive green, energy efficient and storm resistant building standards, including incorporation of FEMA’s new advisory base flood elevation maps (6.1 and 6.2). But the Draft Plan lacks a vision and specific implementation programs that fully embrace truly sustainable and resilient planning and the

Livability Principles of the federal Partnership for Sustainable Communities, as stressed in the HUD Notice (Notice p.16).

The plan identifies no funding that will be dedicated to planning and makes no effort to identify local, nonprofit and for-profit partners that should be part of the process. The plan's only mention of local planning is the light commitment of some state planning staff to assist towns. Given the magnitude of the need, this is inadequate.

We ask that the State specify that its broad allocation of \$84 million on planning, oversight, and monitoring will direct at least 50% of that funding towards funds to impacted communities to help them identify, plan and implement programs that embrace resiliency and sustainability, will mitigate the hazard risk of future major storm surge, flooding and sea level rise, and that targets planning funds to a wide range of impacted communities with different needs and challenges. In this regard, particular attentions should be paid to the environmental impact on vulnerable communities.

We recommend that these funds be directed to local governments and not-for-profit assistance providers for local recovery managers with local knowledge and relevant skills and experience, particularly in towns that have minimal administrative and professional capacity. Such a program should be at the local level and not be consolidated at the state for additional staff or state-managed consultants. Similarly, while the Code Enforcement Grant Program is well intended and serves a pressing need, funds should primarily go to local municipalities to directly support building inspections, instead of going for internal state support and technical assistance.

The public infrastructure improvements funded by the EDA Neighborhood and Community Revitalization program should be required to demonstrate how they are incorporating resiliency and hazard mitigation measures, and not simply replacing infrastructure that will be destroyed again. Additionally, the community should demonstrate how the rebuilt infrastructure will improve the walkability and bikeability of the area for all potential users. The added transportation options are a measure of resiliency.

Finally, the plan does not adequately account for sea level rise. We recommend that the state incorporate sea level rise estimates and analysis into all of its mitigation efforts. The state university now has an on-line tool that makes this information highly accessible.

(5) Making sure lower-income people and communities have the resources they need in rebuilding. In addition to the general challenges in the lack of fair allocations to renters and detailed needs analysis discussed above, lower-income people face a number of particular challenges in rebuilding. The Draft Plan proposes several good programs for addressing those challenges but largely underfunds those programs and/or does not target them towards the greatest needs.

The homebuyer assistance (4.1.3), predevelopment fund (4.2.3.1), blight reduction pilot program (4.2.3.2), and neighborhood and community revitalization program (4.3.3) are all good programs that will help lower-income people and communities rebuild. However, the

predevelopment fund and neighborhood and community revitalization program funds should be increased by at least \$10,000,000 each, perhaps reallocated from the poorly designed incentives for landlords program discussed above. The homebuyer assistance program should also include funds to help build new homes, similar to the HMFA CHOICE program, in addition to existing homes. And all of the programs need further clarification on the processes for awarding funds and how they will respond to the needs in each impacted part of the state consistent with the full housing needs analysis described above.

The Draft Plan mentions housing counseling only once, as part of a long list of potential uses of the Continuation and Enhancement of Essential Public Services (4.4.2). A significant portion of these funds need to be targeted to housing counseling, which is critical to ensuring that lower-income people can address various challenges in finding financing and affording homes.

Finally, the Draft Plan rightfully decries the present and anticipated future of high unemployment in New Jersey. (2.4.2). In response, the Draft Plan needs to be revised to detail how it will operationalize the federal requirement that at a minimum, 30% of workers newly hired with CDBG-DR funding, be low-income residents of the area in which the work is being done and that they contract with local minority ("Section 3 obligations") and women-owned businesses. For the State to seriously address unemployment it must include specific, aggressive requirements in the Plan together with credible penalties to subgrantees and contractors who fail to comply.

(6) Allowing for choice about where and how to rebuild for everyone impacted. The Draft Plan's housing programs are largely targeted towards people who want to stay in the same home. The biggest amounts of money, the REM program and Homeowner Resettlement Program, are prioritized just to homeowners who want to rebuild on-site. The Resettlement Program may create a perverse dynamic creating an incentive for homeowners to remain in dangerous situations that may appear cost effective in the short-run, but disastrous in the long-run. People should have the opportunity to rebuild if that is what they want; but other people may want to move elsewhere, consistent with sustainable rebuilding, including moving out of harm's way or based on personal decisions related to such concerns as employment or education. These programs should also allow for those choices.

Meanwhile, the Draft Plan should also be revised to provide more guarantees to lower-income people that they will not be displaced. While the Draft Plan asserts that the State will minimize displacement and assist those displaced (6.4), the Notice requires "[a] description of how the grantee plans to minimize displacement of persons or entities, and assist any persons or entities displaced." (Notice p.20). We ask the State to detail how it will minimize involuntary displacement and allow everyone a real choice about how, where or whether to rebuild.

(7) Ensuring transparency, public participation, and expeditious use of funds. Last, but certainly not least, the HUD Notice requires that the State of New Jersey must make easily available, on its public website, its Plan, any amendments to the Draft Plan, the grantee quarterly progress reports and other important information. (Notice p.29) The draft Plan (6.9) specifically

proposes to publish only the Plan and substantial amendments and otherwise to make CDBG-DR information available. Full transparency, to facilitate pro-active public comment and participation, is an issue many of the below signatories raised with HUD and the State prior to the publication of the HUD Notice. We ask the State to comply with both the letter and spirit of the law in public engagement as the Draft Plan is developed, implemented and amended.

As part of this public process, the public should have a clearer understanding of how the State will accomplish its goal and spend the funds within the required two-year timetable. (Notice p.6) Other than in introductory remarks, the sole Draft Plan reference to this two-year limit is a requirement that developers of supportive housing demonstrate how they will spend the funds within that period. (4.5.1). The State should provide a clearer road map to the public on how all of the CDBG-DR funds will be expeditiously and wisely spent.

The Action Plan is our blueprint on how to move from a terrible destructive event to a better, more sustainable future for New Jersey. The CDBG-DR funding brings with it the opportunity and the obligation to properly plan for long-term as well as short-term recovery. We hope the State will use these comments to create an inclusive and effective rebuilding program for everyone impacted by, among other things, amending the proposed Action Plan along the lines urged in this letter.

Thank you for considering these comments.

Sincerely,

Housing & Community Development Network
of New Jersey
Diane Sterner, Executive Director
Staci Berger, Director of Policy & Advocacy

NAACP, New Jersey
James E. Harris, President

The Affordable Housing Alliance
Donna Blaze, CEO

Catholic Charities, Diocese of Camden, Inc.
Kevin H. Hickey, Executive Director

NAACP Legal Defense and Educational Fund,
Inc.
ReNika Moore, Director Economic Justice
Group

Fair Share Housing Center, Inc.
Kevin D. Walsh, Associate Director

Latino Action Network
Chris Estevez

Monarch Housing Associates
Richard W. Brown, CEO

NewBridge Services, Inc.
Robert L. Parker, CEO

Lawyers Committee for Civil Rights
Under Law
Joe Rich

Corporation for Supportive Housing
Alison Recca-Ryan

The Affordable Homes Group, Inc.
The Salt and Light Company, Inc.
People First!
A.L.L.Y., Inc.
Homes of Hope, Inc.
Delta Real Estate
Kent R. Pipes, President

Poverty & Race Research Action Council
Megan Haberle, Policy Counsel

CWA Local 1081
David H Weiner, President

NJ Foundation for Aging
Grace Egan, MS, Executive Director

Episcopal Diocese of New Jersey
Keith R. Adams
Disaster Recovery Coordinator

Supportive Housing Association of NJ
Gail Levinson, Executive Director

New Jersey Future
Peter Kasabach, Executive Director

HomeFront
Connie Mercer, President and CEO

Anti-Poverty Network of NJ
Catholic Charities, Diocese of Trenton
Joyce Campbell, MSW, LCSW
Associate Executive Director for
External Affairs

Second Baptist Church of Atlantic City
Reverend Collins Days

Vantage Health System, Inc.
Vicki Sidrow, MPA
President and CEO

Project Live, Inc.
Sangeeta Prasad Benbow , Director of Housing
& Community Development

Black Ministers Council of New Jersey
Keith Benson

Catholic Charities, Diocese of Trenton
Marlene Laó-Collins

Fellowship of Churches in Atlantic City
Reverend Eric McCoy

Lutheran Office of Governmental Ministry
The Rev. Sara Lilja, Director

American Civil Liberties Union of New
Jersey
Udi Ofer, Executive Director

NJ APA
Dean Boorman, PP/AICP

PlanSmart
Lucy Vandenberg, Executive Director

The Alliance for the Betterment of Citizens with Disabilities Daniel J. Keating, PhD, Executive Director	National Housing Institute Shelterforce Magazine Harold Simon
Mercer Alliance to End Homelessness Herb Levine, Executive Director	Coalition for Affordable Housing and the Environment Barbara A. Walsh, PP/AICP Executive Director
Pilgrim Baptist Church Red Bank Affordable Housing Corporation Rev. Terrence K. Porter	Civic League of Greater New Brunswick Roy Epps
Paterson Habitat for Humanity Barbara Dunn, Executive Director	Unitarian Universalist Legislation Ministry of New Jersey Rev. Craig Hirshberg
Coalition of Mental Health Consumer Organizations of New Jersey Wayne Vivian	UAW Region Nine Housing Dan Antonellis
Planting Seeds of Hope Emilio Panasci	Kitchen and Associates
Abundant Life Worship Center Bishop John Gandy	Habitat for Humanity Hudson County Gregory Strid, Co-Executive Director
Volunteers of America Delaware Valley Kate Cruz, Public Policy Director	St. John's Lutheran Church Reverend Bruce H. Davidson
Catholic Charities Diocese of Metuchen Joan Lorah, Assistant Executive Director	Coastal Habitat for Humanity Maureen Mulligan, Executive Director
United Way of Northern New Jersey Housing Alliance Jodi Miciak, Community Impact Manager	United Vailsburg Services Organization Robert M. Farley, Executive Director
QMANJ, Inc. Eugenia Drobot, President & CEO	Project Freedom Tim Doherty, Executive Director
Saint Joseph's Carpenter Society Felix Torres-Colon, Director of Operations	Faith Fellowship CDC Rev. Clarence Bulluck, Vice President

Family Promise of Monmouth County
Tracy Boyer, Executive Director

NJ Statewide Independent Living Council
Cliff Law, Chair

Build With Purpose
Keith Timko, Director & CEO

R.B. Coe Consulting
Rhonda Coe

Future City
Michelle Doran McBean, CEO

Monmouth A-Team
Linda Zucaro, Advocate

Ironbound Community Corporation
Joseph Della-Fave, Executive Director

Bayonne Family Community Center
Peggy Keohane, Executive Director

Occupy Sandy New Jersey
Dylana Dillon

Cynthia Del Rossi

James Cordingley, PP/AICP

La Casa de Don Pedro
Raymond Ocasio, Executive Director

Homeless Solutions
Dr. Elizabeth S. Hall, President

Elizabeth Coalition to House the
Homeless
Linda M. Flores-Tober, Executive
Director

Collaborative Support Programs of NJ
Inc.
Jacob P. Bucher, Executive Director

Easter Seals New Jersey
Charles Parry, Vice President of
Services

Monmouth Long Term Recovery Group

S.T.E.P.S.
Mike McNeil

Morris Habitat for Humanity
Blair Bravo

Cape Counseling Services
Greg Speed, CEO

Brad Kennedy

Steve Schoch

Gallagher, Gabrielle

From: Alexis Alamo <aalamo@jcha.us>
Sent: Tuesday, March 19, 2013 4:33 PM
To: sandy.recovery
Subject: Jersey City Housing Authority Comments to the CDBG-DR Action Plan
Attachments: 20130319163242759.pdf

Please see attached.

MEMO

DATE: March 19, 2013
TO: New Jersey Department of Community Affairs
RE: Comments to the CDBG – Disaster Recovery Action Plan

On behalf of the Jersey City Housing Authority, I would like to thank you for the opportunity to provide comments on the Community Development Block Grant – Disaster Recovery Action Plan published on March 13, 2013. The New Jersey Department of Community Affairs should be commended on their prompt publication of a very well thought out and comprehensive plan immediately following the publication of the amended CDBG rules in the March 5, 2013 Federal Register.

Background

The JCHA is the second largest PHA in New Jersey that oversees 2,500 units in its Public Housing Program, 4,000 Housing Choice Vouchers, and 125 units in its Non-Federal Affordable Housing Program. The JCHA has gained wide-spread recognition and garnered national accolades for its transformation of three obsolete Public Housing Developments into sustainable, mixed-income developments through HUD's HOPE VI and the State's Low Income Housing Tax Credit Programs. The JCHA is a strong advocate for ending homelessness and supportive housing for special needs populations through its partnerships with for-profit and non-profit organizations, including Project-Based Vouchers and Housing First Initiatives. Our Public Housing and Housing Choice Voucher Programs serve nearly 20,000 low and moderate income families with children, seniors, and persons with disabilities. Notwithstanding all of these efforts the JCHA has a waiting list of approximately 5,000 applicants for its Public Housing Program, and approximately 5,600 applicants for its Housing Choice Voucher Program. Both waiting lists have been effectively closed since May 1, 2007.

The already pressing need for Affordable Housing throughout the State was exacerbated in those counties most impacted and distressed by Hurricane Sandy, and we know that the JCHA is not unique among the six impacted Public Housing Authority throughout the State for whom the mounting list of unmet needs is staggering. The Jersey City Housing Authority alone sustained over \$3 million worth of damages in need of immediate repair, and an estimated \$26 million in items that need to be addressed in order to affect the long-term recovery of our Public Housing Developments and Administrative Offices by mitigating the effects of future extreme-weather events and flood-related damages.

To date, the funding received by the JCHA has fallen well below our current needs: of the \$1.8 million in wind-related insurance claims alone, the JCHA will receive a paltry \$186,000; and of the myriad of FEMA applications submitted by the JCHA for Disaster Relief and Hazard Mitigation, we have received just under \$75,000. Further impeding the recovery efforts of all Public Housing Authorities and our ability to address the long-term affordable housing needs of these affected communities are the Federal Budget cuts to the Public Housing and Housing Choice Voucher Programs due to the Sequestration measures adopted by Congress. Failure to reach a budget agreement has resulted in unprecedented financial cuts to Public Housing Authorities (including a 23% cut in Operating Subsidy for FY 2013) the effects of which will include staff reductions, an increased back-log of vacant units in need of repairs, and cuts to the Housing Assistance Payments made to private landlords who as a result, may be forced to evict low-income tenants because of their inability to pay the full rent. The consequences to the affected tenants are clear, however, the economic consequences to landlords must also not be understated.

It is clear in the Federal Register that HUD saw the CDBG-DR Allocation as a way to provide some relief to impacted Public Housing Authorities like the JCHA, specifically requiring that each grantee consult and work directly with impacted PHAs, stating that they “must identify how it will address the rehabilitation, mitigation, and new construction needs of each impacted Public Housing Authority”, and making a point of listing public housing first among the types of housing that need to be addressed. So it is in this current environment of the combined consequences of Sandy and Sequestration, that the Jersey City Housing Authority respectfully submits the following comments to the New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan:

Comment #1 – First and foremost, it is important to point out that although the DCA did consult with the Newark-Area Field Office of the U. S. Department of Housing and Urban Development, none of the impacted Public Housing Authorities most seriously affected by Sandy were consulted, including the Jersey City Housing Authority. We are encouraged that the DCA has reached out to a number of impacted PHAs in recent days to discuss the State Action Plan, but as this meeting is scheduled to take place after the public comment period has been closed, it is unclear whether or not an opportunity to revise the State Action Plan will still be in place. In both the stated goals of the State Action Plan, and in the objectives outlined in the Federal Register, the need to address the housing needs of low-income households and individuals is made explicit; and what better vehicle exists by which to address these needs than the Public Housing Authorities in these counties. Therefore, the JCHA recommends that the DCA establish an advisory board comprised of representatives from the six impacted PHAs to not only help further develop the State Action Plan, but also to be consulted throughout the recovery process.

Comment #2 – Although setting aside of funds in the State Action Plan specifically for Public Housing Authorities is an excellent first step, the allocation of \$5 million is woefully inadequate. As illustrated in the background section above, this amount wouldn’t come close to addressing

all of the needs of a single impacted Public Housing Authority, never mind six, and given the fiscal and environmental threats we all face, this allocation will do little to protect these Housing Authorities from future damage. Therefore, the JCHA recommends that the DCA increase this allocation to \$50 million.

Comment #3 – The JCHA, like many of our fellow impacted Public Housing Authorities with Housing Choice Voucher Programs, is widely familiar with various administrative functions called for in the State Action Plan, including conducting apartment inspections, calculating income for eligibility, etc. We are also intimately familiar with all of the CDBG Regulations, including Davis-Bacon Wage Rate Compliance, Section 3 participation, MBE/WBE hiring goals, and the newly-introduced FEMA Advisory Base Flood Elevations. Coupled with our intimate knowledge of the communities and neighborhoods hardest hit by Hurricane Sandy, this familiarity positions impacted Public Housing Authorities as excellent if not ideal providers of these various administrative services at a very localized scale with an intimate hands-on approach that allows us to maximize the overall effect of these services while simultaneously minimizing the administrative costs for oversight. Therefore, the JCHA recommends that impacted Public Housing Authorities be specifically designated as providers of these Administrative Services in our respective communities, allowing us to apply for these funds directly.

Comment #4 – The targeting of CDBG/DR funds for Immediate Housing Needs, specifically as a vehicle for the provision of affordable housing, is one of the most vital and direct facets of the State Action Plan. As such it is arguably underfunded with an allocation of only \$40 million, especially given the immediate strains on the Housing Choice Voucher Program which will undoubtedly result in the Immediate Housing Needs in the severely affected areas getting much worse (an estimated 400 households in Jersey City alone are presently at risk of becoming homeless due to the budget cuts necessitated by Sequestration). It is also worth noting that the JCHA is already granting preference to households and individuals displaced by Sandy. Therefore, the JCHA recommends that the Immediate Housing Needs allocation be doubled to \$80 million, with Housing Choice Voucher Programs being specifically designated as eligible for these funds.

Comment #5 – The allocation of \$25 million for a Special Needs Housing Fund is an excellent component of the State Action Plan, and the provision of special needs housing is something Public Housing Authorities like the JCHA have included as a key component of our mixed-income and mixed-unit type housing portfolios for decades. Much like our ability to provide housing to all of our constituents has been threatened, so too is our ability to adequately provide for Special Needs Housing. Therefore, the JCHA recommends that Public Housing Authorities be given a specific preference in applying for these funds.

Comment #6 – As described in the plan, the plan for using Hurricane Sandy funding to leverage 9% and 4% Low Income Housing Tax Credit syndication equity will be a welcome and much needed source of supplementary funding that could enable affordable housing projects that are otherwise stalled. It is our understanding that this funding will proceed sequentially, however,


March 19, 2013

with the initial Sandy allocations being tied to the competitive 9% LIHTC round scheduled for June 21st, 2013, and to the extent CDBG funds remain after the allocation round, they will be allocated to 4% deals. Under the current cycle, 9% LIHTC will not be awarded until September, 2013, unnecessarily causing even further delays for projects that are shovel-ready now. Therefore, the JCHA recommends that Hurricane Sandy CDBG funds should be awarded as gap financing immediately to 4% LIHTC deals as they come into the NJHMFA pipeline, with any remaining funds going to 9% LIHTC in September, 2013.

Finally, the JCHA appreciates that the Department of Community Affairs stated their commitment to retain sufficient flexibility throughout the plan and recovery process enabling the reallocation of funding to the extent required. This will become essential in the months ahead as the regulations and expenditure deadlines prove challenging to some, while the needs of others reveal themselves to be more severe calling for a more effective and impactful allocation of resources.

On behalf of the Jersey City Housing Authority, I would like to thank you in advance for your thoughtful review of our comments and please do not hesitate to contact me if I may provide any further assistance.

Very truly yours,



Maria T. Maio
Executive Director

xc: Sandra B. Henriquez, Assistant Secretary, HUD Office of Public and Indian Housing
Diane Johnson, Field Office Director, Newark Area Field Office
Jerramiah T. Healy, Mayor, City of Jersey City
Board of Commissioners

Gallagher, Gabrielle

From: Rosemary McFadden <RMcFadden@jcnj.org>
Sent: Tuesday, March 19, 2013 4:31 PM
To: sandy.recovery
Cc: Darice Toon; Carl Czaplicki
Subject: FW: Letter You Requested
Attachments: 3.19.13 Mr. Richard Constable, Commissioner RE.NJDCA CDBG DR.pdf

Letter from Mayor Jerramiah T. Healy

From: Sally Soulaine
Sent: Tuesday, March 19, 2013 4:23 PM
To: Rosemary McFadden
Subject: Letter You Requested

Sally Soulaine-Swanson
Assistant to the Chief-of-Staff
City Hall
280 Grove Street
Mayor's Office
2nd Fl. - Rm #223
Jersey City, NJ 07302
201-547-5200 - Direct
201-547-4288 - Fax
Ssoulaine@jcnj.org - e-mail



CITY OF JERSEY CITY

JERRAMIAH T. HEALY, MAYOR

March 19, 2013

Mr. Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, New Jersey 08625-0800

Re: Comments on the NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

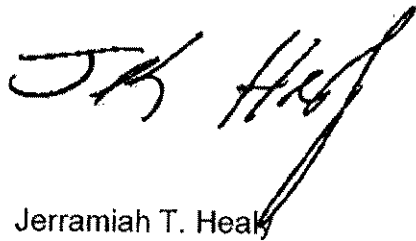
I am sending this correspondence to offer comments on the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) draft Action Plan. As Mayor of one of the nine (9) counties in New Jersey that was most impacted by Superstorm Sandy, I would like to take this opportunity to commend you on preparing a comprehensive plan to address the needs of New Jersey residents. The initial allocation of \$1,829,520,000 will allow communities, such as Jersey City, to address some of our critical Superstorm Sandy related needs.

However, one need in particular is not addressed in the New Jersey DCA CDBG-DR Action Plan. Specifically, Section 2.3.1 (Impact on Homeowners) should be amended to allow for providing buy out assistance for individual homeowners residing in ground floor condominiums where the ground floor condominium has been devalued due to significant increases in flood insurance premiums or changes to the flood map designation. This assistance is not covered by FEMA. Therefore, our only option for assisting individual homeowners facing this situation is CDBG-DR.

Given the time constraints associated with the expenditure of these funds, rest assured that Jersey City is prepared to move forward expeditiously to meet the needs of our residents. My staff looks forward to working with the NJDCA as you prepare to execute the plan.

Sincerely,

OFFICE OF THE MAYOR

A handwritten signature in black ink, appearing to read "JH Healy". The signature is fluid and cursive, with the first name "JH" and the last name "Healy" clearly distinguishable.

Jerramiah T. Healy
Mayor

Cc: Rosemary T. Mc Fadden, Chief of Staff
Carl Czaplicki, Director - HEDC
Darice Toon, Director - DCD

Gallagher, Gabrielle

From: Heather Saffert (Clean Ocean Action) <Science@cleanoceanaction.org>
Sent: Tuesday, March 19, 2013 4:19 PM
To: sandy.recovery
Cc: Cindy Zipf (Clean Ocean Action)
Subject: Emailing: 031913 COA comments NJ DCA Recovery Plan.pdf
Attachments: 031913 COA comments NJ DCA Recovery Plan.pdf

<<031913 COA comments NJ DCA Recovery Plan.pdf>> Please accept Clean Ocean Action's comments on NJ's Community Development Block Grant Disaster Recovery Action Plan.

Thank you,

Heather Saffert, Ph.D.
Staff Scientist
Clean Ocean Action
18 Hartshorne Dr., Suite 2
Highlands, NJ 07732
732.872.0111
www.cleanoceanaction.org

Alliance for a Living Ocean
 American Natural Society
 Arthur Kibb Foundation
 Astbury Park Fishing Club
 Bayberry Garden Club
 Regional Watershed Council
 Cape Fear Salmon Flyraddlers
 Belknap Seafood Coop
 Belmar Fishing Club



Ocean Advocacy
Since 1984

Clean Ocean Action

18 Hartshorne Drive
Highlands, NJ 07732-0505

www.CleanOceanAction.org

Telephone: 732-872-0111
Fax: 732-872-8041
Info@CleanOceanAction.org

Bergen State Bar Association
 Berkshire State Homeowners Civic Association
 Cape May Environmental Commission
 Central Jersey Audubon
 Citizens Association Council of Bergen County
 Clear Air Campaign
 Coalition Against Traffic
 Coalition for Peace & Justice/Unifying Salem
 Coast Alliance
 Coastal Jersey Pattern Head Club
 Connecticut & Workers of America, Local 1014
 Concerned Business of CCA
 Concerned Citizens of Bensenville
 Concerned Citizens of CCA
 Concerned Citizens of Monmouth
 Concerned Students and Educators of CCA
 Eastern Monmouth Chamber of Commerce
 Fishers Island Conservancy
 Fishermen's Conservation Association, NJ Chapter
 Fishermen's Conservation Association, NY Chapter
 Fishermen's Dock Corporation, Pt. Pleasant
 Friends of Liberty State Park, NJ
 Friends of the Boardwalk, NY
 Garden Club of Englewood
 Garden Club of Free Haven
 Garden Club of Long Beach Island
 Garden Club of R.I. Middlebury
 Garden Club of Monmouth
 Garden Club of Nassau
 Garden Club of New Jersey
 Garden Club of New Vernon
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 Garden Club of Shoreview
 Garden Club of Spring Lake
 Garden Club of Washington Valley
 Green Gap Club of Monmouth Association
 Green Party of Monmouth County
 Green Party of New Jersey
 Highlands Business Partnership
 Holly Club of Sea Girt
 Hudson River Fishermen's Association
 Jersey Shore Chapter
 Jersey Shore Pattern Head Club
 Jersey Shore Reading Club
 Jersey League of Monmouth County
 Keep our Environmental Commission
 Kew-Forest Club of Monmouth
 Kew-Forest Club of Shadeland Lake Village
 Kew-Forest Park & Pleasure Boat Association
 Leonardo Testa Papers Association
 Liberty State Museum
 Madaket Beach Environmental Commission
 Marine Land Conservancy of NJ
 Monmouth Conservation Foundation
 Monmouth County Association of Realtors
 Monmouth County Audubon Society
 Monmouth County Health Association
 National Children's Art Museum Association
 Natural Resources Protective Association, NY
 NJ Beach Birds Association
 NJ Commercial Fishermen's Association
 NJ Environmental Federation
 NJ Environmental Lobby
 NJ Man Step Owners Group
 NJ Marine Landowners Association
 NJ PERC Green Group Lobby
 Nottingham Hunting & Fishing Club, NJ
 NY's Sea Peoples
 NY Marine Marine Landowners Association
 NY/NJ Baykeeper
 Ocean West & Diver, NJ
 Paddler's Edge
 Pinelands National Scenic Preserve Club
 Point Pleasant
 Religious on Water
 Resource Users Association
 Rotary Club of Long Beach
 Rotary District #9345-Interact
 Silver Age Audubon of Bergen County
 Sandy Hook Bay Anglers
 Saw Beach Club
 Save the Bay, NJ
 SIFAN Monmouth
 Shoreview Garden Club
 Shark Research Institute
 Shark River Cleanup Coalition
 Shark River State Anglers
 Shore Adventure Club
 Sierra Club, NJ Shore Chapter
 Sisters of Charity, Mount Stella
 Sons of Ireland of Monmouth County
 Southwestern Club of Cape May County
 South Jersey River Club
 South Monmouth Board of Realtors
 South Olden Tuna Club
 Strathmore Fishing & Environmental Club
 Suffolk Environmental Alliance
 Sunders Foundation, Jersey Shore Chapter
 TACKS, MA
 Terra Nova Garden Club
 Three Horses Garden Club
 Unimproved Estates of Monmouth County
 United Boatmen of NJ/NJ
 Village Landers Club
 Volunteer Gardeners of Bergen, NJ
 W&S TRIPPER
 Women's Club of Brook Township
 Women's Club of Rejoice
 Women's Club of Rock Branch
 Women's Club of Merchantville
 Women's Club of Springfield
 Women's Gardeners of Ridgecroft
 Zen Society

New Jersey Department of Community Affairs
101 South Broad Street
PO Box 800
Trenton, NJ 08625-0800

RE: COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY ACTION PLAN

VIA: EMAIL

For CDBG-DR Disaster Recovery Funds
Disaster Relief Appropriations Act of 2013
(Public Law 113-2, January 29, 2013)

To Whom It May Concern:

The Christie Administration announced a proposed Community Development Block Grant Disaster Recovery Action Plan to use and distribute \$1,829,520,000 in federal funding for Superstorm Sandy disaster recovery through the Department of Community Affairs (DCA). This allocation represents the first phase of the initial \$5,400,000,000 provided by the U.S. Department of Housing and Urban Development under the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013). The proposed Action Plan “*focuses primarily on helping homeowners, renters, businesses and communities impacted by Superstorm Sandy.*”

Clean Ocean Action (COA) is a broad-based coalition of 135 conservation, environmental, fishing, boating, diving, student, surfing, women's, business, service, and community groups, with a mission to improve the degraded water quality of the marine waters off the New Jersey/New York coast. COA is submitting these comments today on the proposed disaster recovery action plan.

Through initiatives to help communities recover from the storm, COA has witnessed the devastation and the pressing needs of our coastal communities. COA appreciates the efforts that are being done to support the revitalization of the shore towns and homes, has some questions about the plan, and encourages more support for infrastructure and mitigation funding.

COA supports green building and energy efficiency efforts. The Action Plan's provisions which "require replacement and new construction to meet green building standards by requiring compliance with ENERGY STAR™" and "encourage green building practices throughout all other proposed programs" are excellent for guiding recovery. More efficient home and buildings will not only save citizens and businesses money over the long-term, but also will reduce pollution through energy and water conservation. This draft plan is not clear on implementation. How will the State inform citizens and businesses about the New Jersey Green Home Remodeling Guidelines and encourage citizens to follow them? Will tax incentives be created? Will any elements of this initiative be mandatory? Further, COA is

interested in learning more about the plan that was developed for *“community initiatives and implementing green building, energy efficiency and storm hazard mitigation measures”* and is wondering where and when it will be available.

Questions remain about how sea level rise is being incorporated in this plan. The proposed plan states that *“New Jersey’s Action Plan must account for and address sea level rise”* and that *“New Jersey will incorporate, where applicable, appropriate mitigation measures and floodplain management throughout proposed programs.”* It is not clear in the plan how this will be accomplished. The plan discusses mitigation measures in the floodplain, *“developing adequate, storm-resistant housing,” “wet floodproofing” for non-residential buildings,”* and *“housing elevations which may require construction to FEMA’s Advisory Base Flood Elevation [ABFE] maps.”* Yet, there is no mention of sea level rise other than the one sentence indicated above. Does the 1 foot requirement (above the ABFE) in the Permit by Rule account for sea level rise and, if it does account for sea level rise, how long will that single foot clearance suffice to keep buildings secure?

FEMA’s ABFE are based on a 1% annual chance flood event using current conditions and the North American Vertical Datum of 1988. How is the State communicating to the public that the ABFE’s will likely change over the next 20-50 years and that risks will likely increase given sea level predictions? Superstorm Sandy was a more extreme event than the 1% annual chance. How reliable is the 1% annual chance given ongoing climatic changes? How will the State communicate to the public that buildings constructed to ABFEs and areas outside of the 1% chance flooding area may be still vulnerable to effects of extreme events like Superstorm Sandy?

There are contradictions between the rush to rebuild (with permits by rule) and FEMA’s mitigation integration guidance that calls for addressing sea level rise while thinking holistically about recovery efforts.

To reduce storm surge and flooding risk as well as pollution from future storms, the following action items should be included in this plan, as well as in future recovery and rebuilding programs.

- 1) Reduce pollution risk by integrating measures into guidance, actions, and future storm and hazard mitigation planning. Support efforts to reduce and remove chemicals from homes and businesses prior to storm events and to require safer chemical storage, notably of fuel tanks in vulnerable areas. Support efforts to improve the removal of vehicles and boats from flood zones when storms are predicted. Reduce the number of buildings and chemical storage facilities in flood zones and/or require additional and more effective mitigation measures, notably for chemical storage and wastewater infrastructure.
- 2) Reduce stormwater and flooding risks through better watershed stormwater management, including more infiltration of stormwater into groundwater, protection and restoration of natural waterway corridors and buffers, and investment into green and natural infrastructure. Treating runoff near or at its source is most effective and can be done through multiple strategies, including: replacing pavement with pervious materials; using rain barrels and cisterns; directing runoff to vegetated areas such as bioretention and infiltration gardens, basins, wetlands, and swales; creating green roofs; and converting turf areas to meadow and wooded areas. Protecting, planting, and maintaining trees can also slow and reduce stormwater. By decreasing stormwater, costly pollution and flooding risks can be decreased.

- 3) Reduce storm (and high tide) surge risks through enhancement and restoration of natural shorelines and coastal wetland and shoreline protection. Hard structures such as jetties, bulkheads, and seawalls, often exacerbate erosion seaward of structures, result in loss of vital intertidal habitat, and require ongoing maintenance and repair. Soft, or non-structural stabilization measures, and hybrid methods using a combination of soft and hard approaches, creates a natural buffer, supports coastal habitats, and can filter pollution from reaching waterways. These should be promoted where appropriate instead of simply rebuilding hardened structures.

More funding is needed at the municipal and regional levels to repair, upgrade, and improve wastewater and stormwater infrastructure and management in Sandy-impacted regions. As stated in the plan:

"Water and wastewater infrastructure, which is largely owned by municipalities and other government entities, were not spared and suffered an estimated \$2.7 billion in direct damages. Sand infiltrated and blocked a number of sewer lines, and other lines were determined to be structurally damaged beyond repair. At the height of the storm, 94 wastewater treatment systems suffered failures or disruptions, including inadequate treatment, broken sewer mains, and other operational issues. The loss of electrical power rendered many water systems unable to maintain service."

Repair of structural wastewater and stormwater lines and systems are clearly needed. Even before the storm, many of these systems were already old and in need of repair. As identified in the plan, more mitigation measures are needed to reduce future risks and costs from wastewater infrastructure.

In addition to wastewater infrastructure damage, many storm drains and basins are still filled with sand and debris from the storm – making those systems inoperable – causing flooding in subsequent storms and during high tides. Municipalities appear to lack the needed resources to clean debris and sand out of stormwater systems now to restore and maintain operational stormwater management systems.

Funding for rebuilding should be designated to repair and maintain stormwater systems, improve stormwater management measures, and incorporate natural and/or green infrastructure to reduce future stormwater pollution and flooding risks.

More funding is also needed for hazard mitigation projects as mentioned in the plan, which includes debris removal from the marine and nearshore environments.

In conclusion, COA supports efficiency efforts and green approaches in rebuilding, has questions about addressing sea level rise in this plan, encourages environmental risk reduction, and calls for more infrastructure and mitigation funding. Opportunities to increase New Jersey's coastal resiliency should be welcomed and pursued. The funding in the plan is critical to restoring and improving the State's coastal communities.

Sincerely,



Heather Saffert Ph.D.
Staff Scientist

Gallagher, Gabrielle

From: Udi Ofer <uofer@aclu-nj.org>
Sent: Tuesday, March 19, 2013 3:59 PM
To: sandy.recovery
Cc: Ron Chen
Subject: ACLU and Rutgers Comments on CDBG-DR Draft Plan
Attachments: ACLU and Rutgers Comments on Sandy Recovery Plan FINAL.pdf

Dear Commissioner Constable,

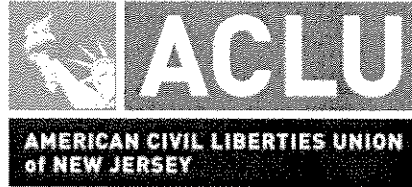
Attached please find comments on behalf of the American Civil Liberties Union of New Jersey and the Rutgers Constitutional Litigation Clinic regarding the draft New Jersey Community Development Block Grant Disaster Recovery Action Plan.

Sincerely,

Udi Ofer and Ron Chen

Udi Ofer
Executive Director
American Civil Liberties Union of New Jersey
P.O. Box 32159
Newark, NJ 07102
t 973.854.1716
f 973.642.6523
www.aclu-nj.org

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PO Box 32159

Newark, New Jersey 07102

973-642-2086

uofer@aclu-nj.org <http://www.aclu-nj.org>



CONSTITUTIONAL LITIGATION CLINIC

Center for Law and Justice

123 Washington St.

Newark, NJ 07102

973 353-5378 TEL

973 353 1445 FAX

ronchen@andromeda.rutgers.edu <http://www.law.newark.rutgers.edu>

Comments on the March 13, 2013, Community Development Block Grant Disaster Recovery Action Plan

March 19, 2013.

March 19, 2013

The Honorable Richard Constable
Commissioner
Department of Community Affairs
PO Box 800
Trenton, NJ 08625-0800

Via Email: Sandy.Recovery@dca.state.nj.us.

**Re: Comments on the March 13, 2013, Community
Development Block Grant Disaster Recovery
Action Plan**

Dear Commissioner Constable:

1. We respectfully submit the following comments on behalf of the American Civil Liberties Union of New Jersey and the Rutgers Constitutional Litigation Clinic (the "Commenters") regarding the draft State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan (Draft Plan). (For ease of reference, each paragraph in these comments is numbered sequentially).

2. The American Civil Liberties Union is the leading national organization dedicated to defending and extending civil liberties and civil rights for all people in this country. The ACLU of New Jersey, the state affiliate of the national ACLU, similarly advances the values enshrined in the Bill of Rights, as well as those protected in the New Jersey Constitution, and represents tens of thousands of New Jerseyans living in all corners of our state. The Rutgers Constitutional Litigation Clinic of Rutgers School of Law—Newark. The Constitutional Litigation Clinic has worked on cutting edge constitutional reform since its founding in 1970, and both educates law students and fulfills the public service mission of Rutgers University by litigating cases and providing public education in matters of public interest.

3. For purposes of these comments, the Commenters focus on two transcendent civil liberties concerns: (1) the public's interest in citizen participation and transparency in government processes, particularly with regard to distribution of funds in the amounts contemplated under the Disaster Relief Appropriations Act of 2013 (Pub. L. 113-2), and (2) the values of equal justice as guaranteed under both the United States and New Jersey Constitutions, with particular attention to the equitable allocation of recovery resources to, and consideration of the disproportionate hardship imposed upon, economically disadvantaged and racial and ethnic minority households and communities.

4. Particular requirements advancing both those values are further set forth in the Notice published by the federal Department of Housing and Urban Development, *Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving*

Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy, 78 Fed. Reg. 14329 (Mar. 5, 2013) (hereafter the "HUD Notice").

PUBLIC PARTICIPATION AND GOVERNMENT TRANSPARENCY

5. As our State Supreme Court has emphasized, "New Jersey has a strong, expressed policy in favor of open government" *Times of Trenton Pub. Co. v. Lafayette Yard Community Development Corp.*, 183 N.J. 519, 529 (2005). "The salutary goal, simply put, is to maximize public knowledge about public affairs in order to ensure an informed citizenry and to minimize the evils inherent in a secluded process." *Asbury Park Press v. Ocean County Prosecutor's Office*, 374 N.J. Super. 312, 329 (Law Div. 2004). As the Legislature itself has declared in the Open Public Meetings Act, "secrecy in public affairs undermines the faith of the public in government and the public's effectiveness in fulfilling its role in a democratic society." N.J.S.A. § 10:4-7.

6. The Draft Plan is the first stage of one of the most ambitious and resource intensive disaster recovery projects that New Jersey has ever undertaken. If adopted, therefore, it will have dramatic and long-lasting consequences not just for those residents whose homes or livelihood were damaged or destroyed by Hurricane Sandy, but indeed for *all* residents of the State, who will all bear a share of the collective social and financial responsibility for reconstruction and rehabilitation of the communities ravaged by natural disaster. Billions of taxpayer dollars will be expended. Although the funds are great, so too was the destruction, and hard policy choices necessarily must be made. For this reason, public participation is essential to lend legitimacy and proper perspective to those policy choices. Yet the Draft Plan has been promulgated with the bare minimum of public participation, and has not afforded equal access to all New Jerseyans.

7. The HUD Notice stresses the importance of public participation when it requires that each grantee certify that "it is following a *detailed citizen participation plan* that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant)." 78 Fed. Reg. at 14347 (emphasis added). While the HUD Notice waives certain pre-existing public participation requirements under 42 U.S.C. § 5304(a)(2) and (3), 42 U.S.C. § 12707, 24 C.F.R. §§ 570.486, 91.105(b) and (c), and 91.115(b) and (c), and thus does not mandate public hearings, it does require a grantee to provide a "reasonable opportunity (at least 7 days) for citizen comment." 78 Fed. Reg. at 14338.

8. The seven day period is an absolute minimum, however, not a suggested best practice, and is subject to the overall requirement that the opportunity to comment be "reasonable." Here, DCA has chosen to publish its plan only eight days after the HUD Notice prescribing the criteria upon which it is to be assessed, with no public hearings and with the minimum time period of seven days (March 13 to March 19) for public comment. While here DCA has allowed the bare minimum time period of seven days (March 13 to March 19) for public comment, under these particular circumstances, the Commenters have concerns about whether the opportunity for citizen comment is in fact reasonable. Given the complexity and length of both the Draft Plan itself, and the HUD Notice against which the Draft Plan is to be

assessed, it is doubtful that citizens or even advocacy groups who were not already poised for action in anticipation would have the ability to thoroughly review the Draft Plan and provide comment.

9. It is further unclear whether within the brief period of time between the publication of the HUD Notice (March 5) and the publication of the Draft Plan (5:00 pm on March 12, 2013), that even the New Jersey State Led Disaster Housing Task Force – formed by DCA on November 4, 2012, and comprised of federal, state and non-profit organizations and the private sector with the goal of developing a more long-term and comprehensive disaster housing strategy – was consulted or otherwise able to provide any significant input on formulation of the Draft Plan.

10. Moreover, the HUD Notice further states that ‘All grantees must include sufficient information so that *citizens*, UGLGs (where applicable), and other eligible subgrantees, subrecipients, or applicants *will be able to understand and comment on the Action Plan* and, if applicable, be able to prepare responsive applications to the grantee.’ 78 Fed. Reg. at 14336 (emphasis added). In identical language, both 24 C.F.R. § 91.105 (local government) and 24 C.F.R. § 91.115 (State), which are expressly incorporated into the HUD Notice, further provide:

These requirements are designed especially to encourage *participation by low- and moderate-income persons, particularly those living in slum and blighted areas* and in areas where CDBG funds are proposed to be used, and *by residents of predominantly low- and moderate-income neighborhoods*, as defined by the jurisdiction. A jurisdiction is also expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

(Emphasis added). Given the complexity of the Draft Plan, and the scant period of time permitted within which to comment, it cannot be stated with any conviction that the process followed thus far in submitting the Draft Plan for public comment has achieved the participation by vulnerable communities, as specifically required by the HUD Notice and the regulations expressly incorporated into the Notice. DCA must take immediate action to remedy that deficiency.

11. Moreover, a “plan” is not merely a recitation of past diary engagements, but is a method or procedure designed to achieve the end of encouraging public participation. Section 6.9.1 of the Draft Plan, however, does not describe any method or procedure to be used to promote public participation, and this cannot provide any assessment of why such a method or procedure would be effective in meeting the requirement of “reasonable opportunity” for public participation. Section 6.9.1 consists entirely of a recitation of past meetings and contacts that various state officials have had with available residents, local government officials, and some advocacy and trade organizations. While the fact these meetings took place is commendable, the Draft Plan does not reveal any conscious strategy or thoughtful approach, i.e. a *plan*, designed to best enhance public participation in any coordinated way.

12. The Commenters therefore respectfully suggest that the comment period be substantially extended to permit further thoughtful response from interested residents. While the Commenters acknowledge that time is of the essence in providing recovery relief to needy New Jerseyans, in the overall time frame of this immense undertaking, the additional time would not seriously impair that interest, and on balance would be more than offset by the enhanced public participation that it would permit.

13. Certainly, with regard to any later substantive amendments to the Plan, where the exigencies of time are not as compelling, the Commenters recommend that a more comprehensive Citizen Participation Plan be devised than is contained in the current Draft Plan. The HUD Notice requires that each Draft Plan include a list of criteria that would define a substantial amendment. The Draft Plan responds by repeating essentially verbatim the absolute minimum criteria specified in the HUD Notice itself, i.e. a change in program benefit or eligibility criteria; the allocation or re-allocation of more than \$ 1 million; or the addition or deletion of an activity. While apparently permitted under the HUD Notice, this definition appears on its face to restrict to the fewest instances permitted under the rules the occasions when a public comment period is required. If that is so, then, at the very least, the procedures for soliciting and receiving public participation during those few instances should be correspondingly expansive, and there is no need to limit comments to those that can be collected in a brief seven day window. The Commenters urge DCA to consider a more deliberate and deliberative *plan* for public participation as the inevitable amendments are proposed.

14. The HUD Notice makes clear that “Despite the expedited process, grantees are still responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). Each grantee must ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction.” 78 Fed. Reg. at 14338. The Draft Plan states that “The Action Plan and substantial amendments *will* be published in both English and Spanish,” but as of Tuesday, March 19 (the last day for public comment), the Commenters have been unable to locate the Spanish translation of the Draft Plan. Thus, members of the public proficient in Spanish but not English have been effectively excluded from participating in this accelerated comment period. Even the press release that summarizes the Draft Plan is made available in Spanish only by a menu option linking it to the free Google™ Translator function. Google™ Translator is no doubt a useful function for very casual or informal use, but like any computerized language algorithm, it can often lead to misleading or sometimes unintelligible translations, and can therefore hardly be relied upon to provide a reliable source of official government information. Moreover, the top 5 foreign languages spoken in New Jersey are: Spanish, Hindi, Mandarin Chinese, Haitian Creole and Portuguese. (Source: *American Community Survey, 2008, U.S. Census Bureau*). The Draft Plan does not explain why it limits translations to Spanish, and therefore does not discharge its obligation to “ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction.”

15. In creating and moving towards adopting this Draft Plan, DCA has chosen to do the bare minimum to meet, or in certain aspects been outright deficient in meeting, requirements of transparency and public participation. The ACLU-NJ urges DCA to take immediate steps to

remedy its actions to date. It further urges DCA to move forward with the understanding that public participation and transparency are not impediments to accomplishing government's goals; rather, they facilitate accomplishing those goals, by giving the government the opportunity to obtain meaningful comments from diverse constituencies and by ensuring a greater degree of public approval by giving the public a voice in the process.

EQUAL JUSTICE AND FUNDAMENTAL FAIRNESS

16. The Commenters take particular note of, and pride in, the principles of social justice and fairness embedded in the legal history and traditions of our State. Our state constitution has long been interpreted as imposing a standard of fundamental fairness in providing opportunities for affordable housing. "It is plain beyond dispute that proper provision for adequate housing of all categories of people is certainly an absolute essential in promotion of the general welfare required in all local land use regulation." *South Burlington County NAACP v. Mount Laurel*, 67 N.J. 151, 179 (1975) (*Mt. Laurel I*) (emphasis added). As Chief Justice Wilentz noted in the sequel case of *Southern Burlington County NAACP v. Mount Laurel*, 92 N.J. 158 (1983) (*Mount Laurel II*):

It would be useful to remind ourselves that the [*Mt. Laurel*] doctrine does not arise from some theoretical analysis of our Constitution, but rather from underlying concepts of fundamental fairness in the exercise of governmental power. The basis for the constitutional obligation is simple: the State controls the use of land, all of the land. In exercising that control it cannot favor rich over poor. It cannot legislatively set aside dilapidated housing in urban ghettos for the poor and decent housing elsewhere for everyone else. The government that controls this land represents everyone. While the State may not have the ability to eliminate poverty, it cannot use that condition as the basis for imposing further disadvantages. And the same applies to the municipality, to which this control over land has been constitutionally delegated.

Recent analysis of the impact of Hurricane Sandy on New Jersey residents has found that 44 percent of FEMA registrants have incomes of less than \$30,000 per year, indicating a serious need for providing opportunities for affordable housing for all New Jerseyans.¹

17. The HUD Notice requires that "Grantees must . . . assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster-related impacts." 78 Fed. Reg. at 14334. Such an assessment of possible unintended consequences of planning decisions is essential to avoid repetition of tragic mistakes of the past. The history of post-World War II "urban renewal" projects that shattered low-income communities is an unhappy reminder of the possible consequences of the indiscriminate exercise

¹ Enterprise Community Partners, Inc., *FEMA Assistance Analysis: New Jersey, New York City and Other Areas of New York*, available at <http://www.practitionerresources.org/cache/documents/678/67899.pdf>.

of sweeping government police powers for redevelopment and recovery.² The Draft Plan, however, does not contain such an assessment of the effect of planning decisions on racial, ethnic, and low-income concentrations. That omission is a critical flaw that ACLU-NJ urges DCA to rectify.

18. The HUD Notice also requires that:

Each grantee must develop a needs assessment to understand the type and location of community needs to enable it to target limited resources to areas with the greatest need. At a minimum, the needs assessment must evaluate three core aspects of recovery--housing, infrastructure, and the economy (e.g., estimated job losses). *The assessment of emergency shelter needs and housing needs must address interim and permanent; owner and rental; single family and multifamily; public, HUD-assisted, affordable, and market rate.*

78 Fed. Reg. 14332 (emphasis added). The distinctions articulated in the HUD Notice – such as owner and rental; single family and multifamily; public, HUD-assisted, affordable, and market rate – are critical to a full understanding of the particular impact of Hurricane Sandy on economically disadvantaged households who disproportionately reside in certain of those categories, and thereby identify the areas of “greatest need” to which limited resources should be directed. In numerous ways as further explained below, the Draft Plan either fails to adequately address the HUD mandates or fails to provide adequate explanations as to how those mandates have been met. Moreover, it fails to adequately explain how it will address any disparate impact of the devastation on low and moderate income households.

19. While the Draft Plan does generally address the issue of depleted rental stock (Section 2.3.2), the Commenters join in the concerns expressed in comments that are being filed by the Fair Share Housing Center and other organizations, that the Draft Plan severely underestimates the impact of Superstorm Sandy on renters and particularly lower-income renters and African-American and Latino renters, in New Jersey.

20. The Impact and Unmet Needs Assessment section of the Draft Plan does not appear to address, at least expressly, the impact and unmet housing needs for affordable or market rate housing, nor for single or multi-family dwellings. Such a particularized assessment of these types of housing is critical to a full understanding of the unmet needs of low and moderate income households, and must be separately articulated as required by the HUD Notice. While the Draft Plan does discuss the impact of Hurricane Sandy on several forms of *federally* owned public housing, including and Housing Choice Voucher (HCV) recipients (Section 2.3.2), it does not appear to address the impact on non-federal public housing, such as dwellings owned by the Atlantic City Housing Authority.

² For one of the most influential critiques of the “slum clearance” techniques of the 1950s and 1960s, see Jane Jacobs, *THE DEATH AND LIFE OF GREAT AMERICAN CITIES* (1961). In particular, Jacobs argued for urban revitalization programs that preserved the uniqueness inherent in individual neighborhoods, rather than clearance and attempts to create new communities.

21. The HUD Notice requires that “Grantees must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis (e.g., race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed.” 78 Fed. Reg. at 14333. While the Draft Plan contains in Appendix B overlay maps indicating coincidence between FEMA damaged structures and Low Income Census Tracts, and the text of the Draft Plan discusses briefly the disparate impact of Hurricane Sandy on low and moderate income households (Section 2.3.4), the Draft Plan does not indicate how or *if* the data reported in Appendix B was used to identify any special needs that would require attention. It is therefore unclear if the Draft Plan simply did not perform a correlation analysis between income level and special unmet needs, or whether it did perform such an analysis and found that no such special needs exist. In either case, greater transparency is necessary to understand the resulting allocation of resources recommended by the Plan.

22. While the State promises that “The State will also promote the availability of affordable housing in areas of opportunity where appropriate and support plans that are equitable to racial, ethnic and low-income concentrations” (Section 6.2.4), that promise is illusory unless enforceable by some metric or methodology by which results can be assessed. The HUD Notice requires “A description of the *connection* between identified unmet needs and the allocation of CDBG-DR resources by the grantee.” 78 Fed. Reg. at 14333 (emphasis added). Absent an express articulation of that connection, the Draft Plan does not meet the requirements of the HUD Notice.

23. The HUD Notice requires that a grantee shall provide a “description of how the grantee will encourage the provision of housing for *all* income groups that is disaster-resistant.” 78 Fed. Reg. at 14334 (emphasis added). The Notice then demands a description of the particular activities the grantee plans to undertake to address the housing needs of individuals and families that are homeless and at-risk of homelessness; the prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless, and the special needs of persons who are not homeless but require supportive housing such as the elderly or persons with disabilities. *Id.* In response, however, Section 6.2 of the Draft Plan notes the adoption of new construction standards that will encourage rebuilding stronger structures and presumably make structures more “disaster-resistant,” such as adoption of FEMA’s updated Advisory Base Flood Elevation (ABFE). The Draft Plan then lists existing *pre-Sandy* state programs that support the enumerated vulnerable and low income populations in an attempt to persuade that the State will encourage the provision of housing for all income groups (Sections 6.2.2 and 6.2.3). The Draft Plan therefore does not establish the nexus, as clearly demanded by the HUD Notice, between provision of housing that is both disaster-resistant, and that is *also* available for *all* income groups. Even if adequately funded, the existing state housing programs were obviously not designed to make affordable housing disaster-resistant. The Draft Plan therefore does not address the concern that obviously undergirds the HUD requirement that the cost of making homes disaster-resistant may also make them financially inaccessible to low income and other vulnerable populations.

24. The HUD Notice requires a description of how the grantee will identify and address the rehabilitation, reconstruction, and replacement of: public housing (including

administrative offices), HUD-assisted housing, McKinney-Vento funded shelters and housing for the homeless--including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. 78 Fed. Reg. at 14334. The Draft Plan, however, does not contain such a description.

25. The HUD Notice requires a “description of how the grantee plans to minimize displacement of persons or entities, and assist any persons or entities displaced.” 78 Fed. Reg. at 14334. The HUD Notice thus demands a description of *how* the State plans to minimize such displacement, not merely a conclusory assurance that it will do so. The response in the State Plan (Section 6.4) is essentially tautological, however, in that it merely repeats in close periphrasis the very question to be answered:

The State plans to minimize displacement of persons or entities and assist persons or entities displaced as a result of implementing a project with CDBG-DR funds. This is not intended to limit the ability of the State to conduct buyouts or acquisitions for destroyed and extensively damaged units or units in a floodplain.

The Draft Plan then recites the regular provisions of existing pre-Sandy law (the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), and Section 104(d) of the Housing and Community Development Act of 1974), and assumes that they will be sufficient to provide for minimization of the extraordinary displacement of persons caused by Hurricane Sandy. It cannot be gainsaid that Sandy was not a regular occurrence that was within the contemplation of existing legislation. A vacuous statement that amounts to “all will be well” is not sufficient to meet the requirement set forth in the HUD Notice.

26. The Commenters note that the Draft Plan does not provide any definition of “not suitable for rehabilitation,” and therefore presumably does not seek to invoke the waiver of the “one-for-one replacement” requirement for lower-income dwelling units provided in the HUD Notice. 78 Fed. Reg. at 14342. The Commenters support this decision not to invoke the waiver, and therefore assume that appropriate plans have been made to comply with the one-for-one replacement requirement of Section 104(d) of the Housing and Community Development Act of 1974 and 24 C.F.R. § 42.375.

27. The HUD Notice waives the requirement that the grantee use 30 percent of a low-income displaced person's household income in computing a rental assistance payment, if the person had been paying more than 30 percent of household income in rent/utilities without “demonstrable hardship” before the project. 78 Fed. Reg. at 14343. In order to invoke this waiver, however, the grantee must provide a definition of “demonstrable hardship,” and the Draft Plan currently does not do so. The Commenters do not advocate for creation of such a definition or invocation of the waiver, since the waiver could lead to the appearance of disparate treatment depending on the breadth of the definition, and the presumption that a renting household paying more than 30% of its income in rent and utilities is “rent burdened” should not easily be overcome.

28. In sum, the Draft Plan does not meet the HUD requirements pertaining to the housing needs of *all* New Jerseyans, regardless of economic status. The ACLU-NJ urges DCA to ensure the necessary and appropriate levels of analysis and specificity are publically provided during this process, and that changes are made to the Draft Plan to meet the needs of lower-income homeowners and renters.

REQUIRED CERTIFICATIONS

29. The HUD Notice requires that various certifications accompany the Action Plan. In particular, it requires that the grantee “certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.” 78 Fed. Reg. at 143467. Federal courts have interpreted this certification requirement as demanding that the grantee must analyze “the existence and impact of race discrimination on housing opportunities and choice in its jurisdiction.” *United States ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester Cty.*, 495 F. Supp. 2d 375, 376 (S.D.N.Y. 2007). In identifying impediments to fair housing choice, the grantee must analyze impediments erected by race discrimination or segregation, “and if such impediments exist, it must take appropriate action to overcome the effects of those impediments.” *Id.* at 387. *See also, United States ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County*, 2009 WL 455269, No. 06 Civ. 2860 (DLC) (S.D.N.Y. Feb. 24, 2009) (granting plaintiff partial summary judgment against local government under False Claims Act for intentionally submitting false certification that it was affirmatively furthering fair housing). “Fair” housing in this context is not coterminous with “affordable” housing, and requires an explicit inquiry into impediments caused not by economic disadvantage but by racial discrimination. While the time for engaging in that assessment may have not yet arisen with regard to the federal funds covered under the Draft Plan, ACLU-NJ obviously encourages DCA to comply strictly with the substantial obligations imposed by this certification requirement.

30. The HUD Notice further requires that a grantee certify that “the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families,” and that the aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.” Given that HUD has waived the usual requirement that 70 percent of CDBG funds be used for the benefit of low- and moderate-income families, the Commenters encourage and expect that DCA will conform to the 50 percent requirement, and note with approval that various components of the expenditures proposed in the Draft Plan (e.g. Homeowner Assistance Programs described in Section 4.1) dedicate funds to low and moderate income households in excess of the 50% requirement. Given the exigencies of time caused by the expedited comment period, however, the Commenters are unable to analyze the Draft Plan comprehensively to express an overall opinion on whether the proposed expenditures meet the requirement.

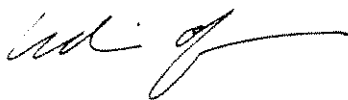
31. The HUD Notice requires that a grantee certify that it has adopted and enforces: “(1) a policy prohibiting the use of excessive force by law enforcement agencies within its

jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.” 78 Fed. Reg. at 14348. Although not related to the government transparency and equal justice interests that are the major concerns of this letter, since the ACLU is the leading advocate of civil liberties including the right of free speech, and since the Constitutional Litigation Clinic has a similar mission of promoting individual liberties, they would be remiss if they did not comment favorably on this certification requirement, and express their confidence that the State will comply willingly.

CONCLUSION

32. Because of the accelerated time frame, the Commenters have been able only to note its most basic concerns on government transparency and equal justice issues in these comments. The fact that these comments focused on those concerns should not be misinterpreted to undervalue the tremendous effort and resources that obviously went into preparing the Draft Plan. All New Jerseyans share the goal of developing a plan that will bring about the expeditious and long term recovery of our State and the return to prosperity for all its residents. These comments are therefore respectfully submitted with that goal in mind.

Respectfully submitted,



Udi Ofer
Executive Director
American Civil Liberties Union of NJ



Ronald K. Chen
Clinical Professor of Law and Judge Leonard I.
Garth Scholar
Rutgers Constitutional Litigation Clinic

Gallagher, Gabrielle

From: Pamela James <PJJames@atlanticcityha.org>
Sent: Tuesday, March 19, 2013 12:12 PM
To: sandy.recovery
Cc: Burgos, Sonia L; Ira Fonorow; Sabrena Brandon; Tom Hannon; Duaane Carrington
Subject: COMMENTS ON NEW JERSEY DCA CDBG-DR ACTION PLAN

To Whom It May Concern:

Listed below are the Atlantic City Housing Authority's comments for the NJ DCA CDBG-DR Action Plan:

1. The Atlantic City Housing Authority (ACHA) was not initially consulted per the information under the requirement of Docket No. FR-5696-N-01. However, we did receive contact from DCA on March 15th for a meeting to be held on March 20th, which is after the comment period ending March 19, 2013.
2. The ACHA will seek funding for the following:
 - A. Hazard Mitigation – 1) New construction of affordable rental housing; and 2) To elevate existing Scattered Site housing; and
 - B. Uncompensated loss from direct impact
3. Under 6.2.4 of the Action Plan, the State's Housing Program have given a priority with a \$5 million set aside to restore damaged public housing and other federally funded or owned housing as needed. We believe that this amount would not be sufficient considering all the damage sustained by PHA's in the impacted areas.

Please Note: On March 15th on a conference call with HUD on this subject matter, it was expressed by a PHA caller that they would not have a problem utilizing the entire \$5 million on their own damaged properties. Therefore, this amount needs to be increased in order to assist all affected PHA's.

Also, the \$5 million represents only .27 percent of the allocated &1.8 billion to be received by New Jersey.

Pamela T. James
Executive Director
Atlantic City Housing Authority
227 N. Vermont Ave. 17th Fl.
Atlantic City, NJ 08401

Phone: 609-344-1107
Fax: 609-344-1015
Email: pjames@atlanticcityha.org

Gallagher, Gabrielle

From: Miciak, Jodi <Jodi.Miciak@unitedwaynnj.org>
Sent: Tuesday, March 19, 2013 11:51 AM
To: sandy.recovery
Subject: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan
Attachments: DCA CDBG-DR Action Plan 2013.pdf

To Whom It May Concern:

Please find our comments attached.

Thank you,

Jodi Miciak

Community Impact Manager, Income

United Way of Northern New Jersey

PO Box 1948, Morristown, NJ 07962

Ph: 973.993.1160, x135 | Fax: 973.993.5807

www.UnitedWayNNJ.org

GIVE. ADVOCATE. VOLUNTEER. LIVE UNITED.

Aut: Jodi Miciak, Community Impact Manager
Tuesday, March 19, 2013 11:51 AM

United Way of Northern New Jersey

P.O. Box 1948 | Morristown, NJ 07962
tel: 973.993.1160 | fax: 973.993.5807 | UnitedWayNNJ.org



March 19th, 2013

Via Email: Sandy.Recovery@dca.state.nj.us

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

Housing options for those displaced by Hurricane Sandy has exposed the shortfall of affordable housing in New Jersey. Commissioner Constable was quoted as recognizing this crisis in an Asbury Park Press article published on 2.8.13. Even before Hurricane Sandy, finding and maintaining affordable housing in New Jersey is a constant struggle for its residents and employees. Be it from disasters or market forces, there has been a drastic decline in affordable housing during the past ten years.

Before Hurricane Sandy, the state used to have a 5% vacancy rate, making negotiations with landlords somewhat possible. We are now at a 1% vacancy rate, favoring the landlords, and making it even more difficult for employees to find housing. Since Hurricane Sandy, we are starting to see some people from the shore region migrating north to find housing. However, we have been struggling with our own shortage of affordable housing. Absorbing the overflow from the shore creates a greater crisis.

United Way's research shows that one-in-three New Jersey households or 1.1 million households can not keep up with the cost of basic necessities. Of that total, 770,000 are ALICE households -- Asset Limited, Income Constrained, yet Employed. These are residents working, paying taxes, and living paycheck to paycheck, just one broken transmission or health emergency at risk of tumbling into poverty. Costly housing is the number one item overwhelming ALICE's budget.

When comparing Census data from 2000 and 2010 for Morris, Somerset, Sussex, Warren, and Essex counties, we see that the number of total types of units that are affordable to ALICE declined from 324,000 to 156,000; a decline of 168,000 units or 52% in the past ten years. The number of affordably *owned* homes (valued at less than \$200,000) declined by 50% (66,000) units to less than 70,000. The number of affordable *rentals* meeting fair market (\$1,250 per month which is 30% of one's \$50,000 annual income) declined by 100,000 units, about 50%.

Finally, the number of renters paying more than 30% of their income on housing increased by 26,000 or 30%. According to the ALICE report, 45% of these households face a severe housing burden -- paying more than 50% of their income on housing (NLIHC, Housing Spotlight, 2012).

It is much more effective to help ALICE remain permanently housed, than to have them fall through the cracks into homelessness. According to the ALICE report, the annual cost of an emergency shelter bed is over \$8,000 more than the average annual cost of placing someone in permanent housing. Additionally, housing chronically homeless individuals has shown marked decreases in emergency room visits, incarceration, and detox use, often saving the public \$2,000+ monthly per individual housed.

You can find our ALICE report at: http://unitedwaynnj.org/documents/UWNNJ_ALICE%20Report_FINAL2_Ir.pdf.
While planning to rebuild the infrastructure of New Jersey from a holistic point of view, please also consider working with United Way and local HUD Continuums of Care to not just meet the our previous housing gaps, but to meet the needs of our state's new normal.

We are available to help. Please feel free to contact us.

Sincerely,

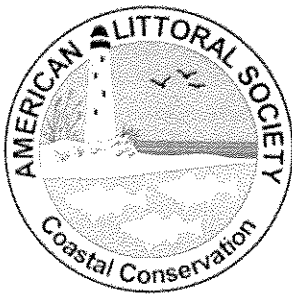


Jodi Miciak
Community Impact Manager, Income
United Way of Northern New Jersey
PO Box 1948, Morristown, NJ 07962
Ph: 973.993.1160, x135iFax: 973.993.5807
www.UnitedWayNNJ.org
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Gallagher, Gabrielle

From: form_engine@www.formsite.com
Sent: Tuesday, March 19, 2013 11:33 AM
To: sandy.recovery
Subject: CDBG – Disaster Recovery Action Plan Result #7371439

Questions	Values
<i>Reference #</i>	7371439
<i>Status</i>	Complete
<i>Your first name:</i>	Tim
<i>Your last name:</i>	Dillingham
<i>Phone Number:</i>	732-291-000
<i>Zip Code:</i>	07732
<i>Organization (if any):</i>	American Littoral Society
<i>Email:</i>	tim@littoralsociety.org
<i>If your response is extensive, you may attach a document:</i>	CommentsonCDBGDisasterRecoveryPlan.docx (59k)
<i>Comments/Questions:</i>	See attached
<i>Date</i>	2013-03-19 11:32:54
<i>Start Time</i>	2013-03-19 11:13:09
<i>Finish Time</i>	2013-03-19 11:32:54
<i>Duration</i>	19m 45s
<i>User</i>	173.61.181.5
<i>Browser</i>	IE 9
<i>OS</i>	Windows
<i>Referrer</i>	http://www.state.nj.us/dca/news/news/2013/20130312_CDBG.html



AMERICAN LITTORAL SOCIETY

18 Hartshorne Drive, Suite 1, Highlands, NJ 07732-4033

Phone: 732-291-0055 6 Fax: 732-291-3551 6 www.littoralsociety.org

March 19, 2013

New Jersey Department of Community Affairs

RE: Comments on CDBG Disaster Recovery Fund

The American Littoral Society is a membership based, coastal conservation organization based in Highlands, NJ. Many of our members live along the coast, and were affected by Hurricane Sandy. We ourselves were displaced from our offices due the storm, and members of our staff lost their homes and belongings.

Thank you for the opportunity to provide comments. The proposed Action Plan is detailed and complex, and the opportunity for public review short.

The Action Plan documents and quantifies the consequences of New Jersey's dangerous exposure and vulnerability to coastal hazards and severe weather events preceding Sandy, and exposes the risk and danger that coastal communities and the public faced as a result of inadequate and inappropriate overdevelopment of the coast, and a failure to adequately anticipate, plan for and manage development in light of potential hazards.

The Action Plan focuses on short-term recovery but presents approaches and strategies which could advance and strengthen the future protection of coastal communities and the environment. The Plan recognizes in several places that it will be modified as the recovery progresses, and new issues are uncovered. This presents an opportunity to continue to develop the initiatives currently ill-defined, as discussed below, and to advance additional strategies and approaches beyond those in this iteration of the plan.

Overall, the plan provides and emphasizes programs, tools and funding in areas where reconstruction and redevelopment has been determined to be appropriate, but it does not assess vulnerability or long term costs and benefits of reconstruction in high hazard areas. In failing to do so, it does not identify areas that may be inappropriate for redevelopment due to hazards, vulnerability or potential for repetitive damage or loss – and by extension, dangers to public health and safety. In such areas, it is inappropriate for HUD and the state to fund or subsidize reconstruction which may simply reestablish home and business owners in harm's way.

Tools to allow reevaluation of risk of redevelopment, and implementation of alternatives which might mitigate future risks beyond reconstruction standards and direct assistance for reconstruction are funded less robustly than program areas for redevelopment, or not funded at all, particularly the strategy of "buyouts" (which HUD recognizes as appropriate and useful mitigation approach as promoted in a recent HUD press release on model program release).

Action plan recognizes that current tools for assessing flood risk, primarily the ABFEs “do not adequately reflect flood risk”; action plan recognizes that 267,944 structures are within the 100 year flood plain, and that 33,000 of them were not recognized by BFE maps in force prior to the recent release of new ABFEs; while the adoption of the ABFEs as a rebuilding standard is appropriate, it is not only tool that should be utilized: the State should develop a vulnerability assessment which recognizes sea level rise and future conditions as an additional mitigation response.

Report recognizes storm caused significant ecological impacts by destroying or modifying natural habitats of many species: *Initial estimates place the cost to recover from environmental infrastructure and ecological damage relating to this industry at \$100 million.*

However, the Plan does not provide for any specific programs or funding in response to this identified, unmet need.

The plan articulates a vision that is centered around promoting economic opportunities and workforce development as a priority; it minimizes the strategy of reducing risk to the built community through the protection and acquisition of open space, only stating “efforts will be made to balance need to preserve open space and promote sustainable communities” – this needs to be strengthened in light of the acknowledged role that healthy coastal environmental features such as dunes and tidal wetlands played in mitigating and minimizing damage to the built community. The restoration and protection of this “green infrastructure” should be more strongly recognized in the action plan and resources dedicated appropriately. The American Littoral Society prepared a rapid assessment of impacts to coastal habitats that is being utilized by FEMA in the RSDF, and should be integrated into this action plan. Other studies have been developed which should also be used, including work by Rutgers University evaluating flooding and hazard creation under various sea level rise projections.

Section 4-3 which establishes the rehabilitation standard (RREM Program) states that it will incorporate “principles of sustainability....resilience and mitigating the impact of future disasters” but does not explicitly link the proposed programs and allocation of funding to these principles, nor articulate in detail what they are, beyond the proposed subsidies to homeowners and businesses for elevation and flood proofing. Again, these are appropriate strategies in certain circumstances, but not a comprehensive response: there is no evaluation of how the implementation of these strategies, and the omission of other approaches, reduces risk posed by future hazards, nor a comparison of relative values as regards protecting public health and safety, environmental quality or costs to the public for future storm response and recovery.

The proposed “Neighborhood and Community Revitalization” (Section 4.3.3) and “planning assistance” (Section 4.6) programs hold great potential for promoting resiliency and minimizing exposure to future hazards. We are supportive of their emphasis on assistance for local and regional planning aimed at promoting “activities for transformative projects” and the “greening of communities.” The State should utilize these programs to address the need for the development of the vulnerability study recommended above, perhaps on a regional or local level, in coordination with the hazard mitigation planning being undertaken as well as planning for “transformative projects” and actions.

Section 6.2.1 addressing Sea Level Rise is vague and undefined. While it proposes that “New Jersey will incorporate, where applicable, appropriate mitigation measures and floodplain management throughout proposed programs” it does not define the circumstances that the State believes the action

would be applicable, or what are appropriate mitigation measures and floodplain management. This lack of clarity, and lack of specific linkages to the funding programs proposed by the Action Plan undermine the integrity of the recommendation. FEMA has numerous publications on hazard mitigation approaches that could be drawn upon, as do other nongovernmental organizations and academic institutions. The failure to make these connections is tantamount to the action plan element having little or no value in guiding or influencing the State's actual response or use of CDBG funds.

Section 6.6.4 Floodplain Restrictions establishes appropriate policy, but doesn't not establish how the policy will be implemented: how will "activities...designed or modified to minimize harm to, or within the floodplain" be evaluated?

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Dillingham', with a stylized, flowing script.

Tim Dillingham
Executive Director

Gallagher, Gabrielle

From: Kate Millsaps <Kate.Millsaps@sierraclub.org>
Sent: Tuesday, March 19, 2013 10:37 AM
To: sandy.recovery
Cc: Jeff Tittel
Subject: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan
Attachments: 0319 CDBG-DR Action Plan.doc

Please see the attached comments on behalf of the Sierra Club, New Jersey Chapter.

Thanks,
Kate Millsaps

--
Kate Millsaps
Conservation Program Coordinator
NJ Chapter of the Sierra Club
609-656-7612



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NEW JERSEY CHAPTER

145 West Hanover St., Trenton, NJ 08618

TEL: [609] 656-7612 FAX: [609] 656-7618

www.SierraClub.org/NJ

March 19, 2013

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

Rebuilding our communities in a smarter and better way in the wake of Hurricane Sandy must be our number one priority. The New Jersey Sierra Club is concerned that the blue print outlined in the Governor's Community Development Block Grant Disaster Recovery Action Plan (CDBG DR Action Plan) will not achieve those goals. We agree with some points in the Action Plan but, several key components are missing such as steps to mitigate and adapt to future climate change and sea level rise impacts and standards to rebuild our coast more resiliently. We are concerned the plan does not adequately reflect President Obama's Executive Order on Sandy rebuilding or FEMA guidelines, and could jeopardize future funding. These issues must be addressed for this plan to protect our state's families, economy, and property from future storms. The plan is not only badly written with vague language and lax standards, but it does a disservice to the people of New Jersey when it comes to rebuilding our coast.

The Action Plan does not include funding for buyouts to move people out of harm's way. Instead the plan provides funding and incentives for people to stay in areas that have been devastated, offering up to \$10,000. We should not be investing tax payer money to keep people in harm's way for the next storm. These properties will get flooded again and it will cost us more money down the road.

Instead we should be following the example of New York State. The state has established a \$350 million buyout program and is offering incentives for neighborhood blocks to relocate.

We need a plan for the coast to identify the most vulnerable areas and where the buyout program should be focused. We also could set up a Transfer of Development program to move people from high hazard areas to other areas in the same community or local foreclosed housing.

Sierra Club: For Our Families, For Our Future



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145 West Hanover St., Trenton, NJ 08618

TEL: [609] 656-7612 FAX: [609] 656-7618

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The Action Plan does not outline planning for rebuilding or infrastructure. There is no mention to coordinate efforts between municipalities and government agencies on rebuilding shared infrastructure. As we rebuild, it is an opportune time for municipalities to look at consolidating services and key infrastructure and to do regional planning around key infrastructure such as sewer lines.

The Action Plan mentions \$21 billion in unmet need is required to rebuild or fix infrastructure on top of FEMA provided money but does not outline which projects and where that money would be spent. The Plan does not detail if that additional funding will be spent to retrofit our infrastructure against the future impacts of climate change.

There is no funding mechanism identified for needed infrastructure improvements. New York is setting up an infrastructure bank to pay for improvements. They have a plan to retrofit critical infrastructure for sea level rise.

The Action Plan needs to promote programs and mapping to deal with sea level rise, climate change, and adaptation and mitigation for those impacts. There is no planning for pulling back from environmentally sensitive areas. The report does not include plans for restoring natural systems and adding dunes along our coast. Land use decisions at the local level are critical to rebuilding our coast as well as proper protection of flood prone areas and flood plain management. We urge the DCA to only approve funding for municipalities that engage in hazard planning and have updated their municipal ordinances to address flooding, storm surges, and sea level rise.

Again we should be moving in the same direction as New York which is mapping sea level rise and climate change and putting in place programs for adaptation and mitigation. New Jersey needs to be implementing similar mapping and planning to protect our families and economy in the face of projected increased coastal flooding and sea level rise over the next decades. We must not let New Jersey make the mistakes of the past, it wastes tax payer money and puts people in harm's way.

Stronger standards are needed in the Action Plan. There is no accountability or matrix to report against and show results. The Plan has language stating certain things should be done but there are no standards or guidelines and waivers and loopholes are offered from the loose language that is provided. One such loophole applies to funding for construction in special flood hazard areas. The Plan no funding can be used for development in these areas under most current FEMA maps but a waiver is offered if the developer "minimizes harm" (there is no definition of what that entails). By offering such loopholes in high hazard areas we are allowing people to

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145 West Hanover St., Trenton, NJ 08618

TEL: [609] 656-7612 FAX: [609] 656-7618

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rebuild in some of the most dangerous and flood prone areas of the state. Things have to be "feasible and cost effective" which is not defined and could mean anything.

We are concerned that the implementation of this Action Plan lacks transparency and accountability. There is no public process and rebuilding will be overseen by the Governor-appointed Czar. The report itself was written behind closed doors with no input from the public or the environmental or housing communities. We should be implementing an open process similar to New York's which calls for community involvement in planning for rebuilding in impacted neighborhoods.

The Action Plan does not include standards for rebuilding using green building codes or improved energy efficiency. The Plan states in rebuilding existing codes should be followed but those codes do not include standards for improving energy efficiency or green building standards. There are no standards for including green or blue roofs or retrofitting stormwater basins. We urge the DCA to minimally require the adoption of the 2012 International IECC codes and the ICC Green Building Standards. The DCA must also require all buildings meet Energy Star tier three New Jersey Climate Choice Standards. Commercial buildings should meet LEED Silver standards and at least 20% above the ASHRAE 2010 rules, which would bring it in line with the 2013 rule that is coming out in September. Meeting these standards will save energy and save people money on energy and meeting bills and is more than cost effective. These programs will help make our shore more resilient. New York state is requiring green building and energy efficiency standards and their requirements could be used as a model here in New Jersey.

The Action Plan should be updated to include improvements to the grid including smart grid technology and distributive generation. Funding and priority should be given to projects using renewable energy.

There needs to be a prohibition against municipalities using eminent domain for a private purpose in rebuilding efforts. There needs to be an open bid system on contracts as well as restrictions on pay-to-play practices. We are concerned the action plan can be used to push out middle and working class families and gentrify our coast. We need reasonable limits placed on eminent domain to ensure our coastal communities are still affordable for families that have lived and vacationed here for generations.

We are further concerned that this plan rushes rebuilding before the science and mapping are in place to best protect our coast. The plan promotes Gov. Christie's Emergency Order on the FEMA maps that are in question due to their voluntary nature. It also promotes his ACO on

Sierra Club: For Our Families, For Our Future



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145 West Hanover St., Trenton, NJ 08618

TEL: [609] 656-7612 FAX: [609] 656-7618

www.SierraClub.org/NJ

rebuilding without permits in the same place which could jeopardize future FEMA funding and rebuilding by permit by rule without any proper review. New Jersey's Flood Hazard Area rules allow for building one foot above the 100 year flood line where FEMA recommends 2 feet above free board. We recommend implementing the FEMA standard since it is more protective and will help address potential mistakes in mapping.

Permitting and land use decisions at the state level have to reflect the most current and up to date science when it comes to flooding, sea level rise and storm surges. This has to be in all state programs including Water Quality Management Planning, CAFRA, Flood Hazard Areas, and Stream Encroachment. The regulations for these programs need to be updated to include the latest mapping.

Rebuilding our coast with so many different municipalities facing many of the same difficult problems needs to be done in a coordinated fashion so that the actions of one town do not impact the town next door. Rebuilding presents an opportunity for better regional planning and coordination between municipalities and this Plan does not promote that coordination or level of planning. At a minimum a council or taskforce should be established to help put the pieces back together for our coast and flood damaged areas.

Thank you for considering these comments.

Sincerely,

Jeff Tittel
Director, New Jersey Chapter of the Sierra Club

Gallagher, Gabrielle

From: Joel Silver [REDACTED]
Sent: Tuesday, March 19, 2013 10:34 AM
To: sandy.recovery@nj.gov
Cc: Ava Goldman; John O'Donnell; Sandy Cipollone; Ginger Dawson; Andrew Davenport; Karyntha Cadogan; Joan Pollock [REDACTED]; Morris Warner [REDACTED]; Meyer, Michael
Subject: FW: Michaels Development Company Comments NJDCA CDBG Disaster Recovery Action Plan
Attachments: Comments Hurricane Sandy Action to NJDCA 3-15-2013.doc

Let's try again. See below.

From: Joel Silver
Sent: Tuesday, March 19, 2013 10:32 AM
To: Recovery@dca.state.nj.us
Cc: Ava Goldman; John O'Donnell; Sandy Cipollone; Ginger Dawson; Andrew Davenport; Joan Pollock [REDACTED]; Morris Warner [REDACTED]; Meyer, Michael
Subject: Michaels Development Company Comments NJDCA CDBG Disaster Recovery Action Plan

March 19, 2013

To Whom it May Concern:

Please find attached the Comments of the Michaels Development Company to the NJDCA CDBG Disaster Recovery Action Plan.

Please do not hesitate to contact me if I may provide you any additional information.

Very truly yours,

Joel Silver

Joel Silver
Regional Vice President
Michaels Development Company
3 East Stow Road
Marlton, NJ 08053

(856)797-8415 (O)
(609)304-5310 (C)
jsilver@irmgmt.com



THE MICHAELS
DEVELOPMENT CO.

March 15, 2013

Public Comments
NJ Department of Community Affairs
Community Development Block Grant Disaster Recovery Action Plan
Submitted by the Michaels Development Company
March 15, 2013

TO: Whom it May Concern, Sandy Recovery@dca.state.nj.us

From: Joel Silver, Regional Vice President, Michaels Development Company

On behalf of the Michaels Development Company, I would like to thank you for the opportunity to provide comment on the Community Development Block Grant Disaster Recovery Action Plan published on March 13, 2013. The NJ Department of Community Affairs should be commended on their prompt publication of a very well thought out and comprehensive plan immediately following the publication of the amended CDBG rules in the March 5, 2013 Federal Register.

The Michaels Development Company is the largest owner of affordable housing in the country with well over 45,000 units in its nationwide portfolio. We are commenting primarily with respect to Action Plan Section 4.2-Rental Housing which in total has been allocated \$254,520,000 of Rental Production funds and \$50,000,000 of Supportive Service Program and Special Needs Housing Production funds. Our comments are from the perspective of a leading tax credit and HOPE VI developer who have spearheaded revitalization efforts with public housing authorities in urban areas and produced well over 1,500 affordable housing units in the State of New Jersey over the past ten years.

Comment 1. As described in the plan, the plan for using Hurricane Sandy funding to leverage 9% and 4% Low Income Housing Tax Credit syndication equity will proceed sequentially, with the initial Sandy allocations being tied to the competitive 9% LIHTC round scheduled for June 21st, 2013. It is my understanding that awards will be announced in September. To the extent CDBG funds remain after the allocation round, they will be allocated to 4% deals.

Recommendation: Hurricane Sandy CDBG funds should be awarded as gap financing immediately to 4% LIHTC deals as they come into the NJHMFA pipeline. Currently, Michaels has two deals pending at the Agency and within the next 60 days, we will submit four additional projects that will use conduit tax exempt financing and 4% LIHTCs. In total,

Joel Silver, Vice President
Michaels Development Company, Three East Stow Road, Marlton, NJ 08053
(856)596-3008 T. (856)797-8956
jsilver@irmgmt.com



THE MICHAELS
DEVELOPMENT CO.

the financing of these developments will yield approximately 700 units with construction costs in excess of \$100 million dollars. Total development costs are \$162,477,483. Our current pro-formas indicate that these projects could proceed with gap financing of approximately \$50,000 per unit. On this basis, the Hurricane Sandy CDBG funding would be leveraged almost 5:1.

Of greater significance is the fact that development could proceed immediately. We believe that if the processing of our NJHMFA financing applications proceeded without interruption, closings could occur in the third quarter of 2013 with ground breakings immediately thereafter. Construction would be complete by the end of 2014 well in advance of the April, 2015 expenditure deadline.

Under the allocation scheme set forth in the action plan, 9% tax credit awards will not occur until September of 2013. Under this scenario, full financial closings would take place by the end of year with construction starts taking place early in 2014. Construction completion would occur just prior to the April 2015 deadline for expenditure of the Hurricane Sandy Recovery funds.

It is undeniable, that greater leverage is realized when Hurricane Sandy funds are tied to 9% LIHTC awards, however, the magnitude of the leverage differential has decreased. Since the Agency will be allocating credits from 2014 and later State allocations, these allocations are not locked in at 9%. Credit percentages will be as low as 7.2%. In combination with the stringent cost caps imposed by the State of NJ in the competitive cycle, the equity raise incident to 9% and a 4% transactions are more similar than they have been in the past. We believe that the efficient allocation of funding outweighs the benefit of the greater equity raise and thus there is no justification in delaying the allocation of Hurricane Sandy funds as gap financing to create feasible 4% LIHTC multi-family affordable housing developments.

In the alternative, the New Jersey Housing and Mortgage Finance Agency could proceed in a fashion similar to how the State of Mississippi is allocating 9% LIHTCs and in a fashion that is similar to how New Jersey allocated TCAP funds. In each case, 9% LIHTCs allocations are proceeding immediately and summarily by referencing the last most recent competitive 9% allocation rounds and awarding 9% credits to applicants in the prior rounds that had not scored sufficient points to be successful. Awards would be targeted at the nine hurricane impacted counties. In each case applicants would be required to provide the NJHMFA with a project update demonstrating that the Projects were shovel ready and could be under construction by the end of the year.

Joel Silver, Vice President
Michaels Development Company, Three East Stow Road, Marlton, NJ 08053
(856)596-3008 T. (856)797-8956
jsilver@irmmgmt.com



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Comment 2. Due to the significant loss of housing units in the highly impacted counties, the Action Plan, may in fact understate the need for large scale rental redevelopment efforts targeted at low and moderate income households and those who have special needs. This loss may be understated because low and moderate income rental housing may be the only option for those who: a) previously owned homes in impacted communities who will be unable to re-build or to bear the burden of the increase cost of flood insurance even with assistance; b) resided in small rental buildings that are now infeasible to operate due to higher flood insurance costs or infeasible to renovate and make flood resistant. Marry these impacts to the daunting prospect of small landlords conforming to CDBG requirements such as: a) monitoring Davis Bacon Wage Compliance and the impact upon small landlords as they contract the work; b) securing HUD Part 58 environmental reviews especially with respect to flood hazard mitigation; c) surmounting the technical challenges incident to NJDEP's adoption of the proposed FEMA flood plain map that brings under its rubric vast areas that were not previously lying in hazardous flood zones. d) meeting federal Section 3 and MBE/WBE hiring goals and the impact upon small landlords as they contract the work.

Recommendation: Either re-allocate a portion of the \$70,000,000 Small Rental Properties fund immediately to the fund for large multi-family program or provide sufficient flexibility to do so in the near future if it becomes apparent that landlords with small rental portfolios cannot efficiently spend the funds.

To illustrate, in the recent NSP-2 round in Camden, the Housing Authority of the City of Camden received an allocation in excess of \$11 million dollars. In order to expend the funds in a timely fashion, the Authority allocated \$6.7 of that funding to Michaels to complete the 40 unit Morgan Village development. The Part 58 review incident to the expenditure of those funds was lengthy and complicated *and most significantly, this was despite the fact that we avoided bringing under ground lease a parcel that was in the flood plain.* The Housing Authority did spend the NSP-2 funds with the balance of their award being utilized for acquisition/rehabilitation of foreclosed properties however, in my opinion, it is unlikely they would have succeeded had they not allocated more than 50% of their funding to a large multi-family affordable rental housing developer who spearheaded the development effort. The City of Newark has allocated a significant portion of their NSP-2 funding for larger multi-family redevelopment efforts for very much the same reason.

In Jersey City, we are currently modifying our financing plan for the final phase of the HOPE VI Lafayette Gardens Revitalization effort because the two parcels that will house 64 units are significantly impacted by the adopted revised flood plain map. In one case, a

Joel Silver, Vice President

Michaels Development Company, Three East Stow Road, Marlton, NJ 08053

(856)596-3008 T. (856)797-8956

jsilver@irmgmt.com



THE MICHAELS
DEVELOPMENT CO.

parcel that was not previously in the flood plain, now is. In the other (which was in a flood plain) now requires that finish floors be built on higher elevations and due to anticipated wave impact, design changes to buildings in order to withstand the impact of more frequent flooding. With respect to this Property where an existing NJDEP development permit has been issued, we will have to review our mitigation efforts with the Department to determine that we still meet the requirements of the permit.

These examples illustrate the basis of our second recommendation which is that NSP-2 recipients already recognized that time constraint required allocation of significant funding to large multi-family property owners who could surmount the regulatory hurdles in a timeframe that allowed for compliance with program requirements. Further, these grantees are unique in their ability to surmount technical challenges that we did not face while qualifying to expend NSP-2 funds. As described, these challenges are prevalent in urban areas of impacted counties where adopted new flood plain regulations require additional grade change and complicated design revision to insure that new buildings can withstand the next Hurricane Sandy.

Finally, the Michaels Development Company recommends that the Department retain sufficient flexibility throughout the plan enabling it to re-allocate funding to the extent required. We believe this will become essential should it become apparent that individuals and small landlords cannot meet the expenditure deadlines for the reasons set forth in Recommendation #2.

On behalf of the Michaels Organization, I would like to thank you for your thoughtful review of our comments and please do not hesitate to contact me if I may provide any further assistance.

Very truly yours,

Joel Silver
Regional Vice President

Joel Silver, Vice President
Michaels Development Company, Three East Stow Road, Marlton, NJ 08053
(856)596-3008 T. (856)797-8956
jsilver@irmmgmt.com

Gallagher, Gabrielle

From: Barbara Walsh <cahe.ed@comcast.net>
Sent: Tuesday, March 19, 2013 9:58 AM
To: sandy.recovery
Subject: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan
Attachments: CAHE Comments on DCA CDBG-DR Action Plan.pdf

Attached are comments submitted by the Coalition for Affordable Housing and the Environment for consideration.

Barbara A. Walsh, PP/AICP
Executive Director
Coalition for Affordable Housing and the Environment
609-397-2506
609-529-3574 (cell)



CAHE

Coalition for Affordable Housing & the Environment

145 W. Hanover Street • Trenton, NJ 08618
ph: 609.278.5656 • fax: 609.393.9016 • e: info@cahenj.org
www.cahenj.org

March 19, 2013

Via Email: Sandy.Recovery@dca.state.nj.us.

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments on the March 13, 2013, NJDCA CDBG-DR Action Plan

Dear Commissioner Constable:

We are writing to submit comments on the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan (Draft Plan), which describes how the state proposes to spend the \$1.83 billion that is the first installment of federal funding for Sandy recovery.

1. The Federal guidelines for the Action Plan requires that "a description of how the grantee will promote (a) sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise...".

Regarding hazard mitigation planning the Action Plan provides the following:

Planning grant assistance is available on a local and/or regional basis in order to guide long-term recovery and redevelopment. Examples of planning studies include but are not limited to: comprehensive plans, economic development plans, recreation plans, zoning ordinances, and land development codes.

This does not reference either hazard mitigation planning or hazard mitigation planning for sea level rise. Nor is the importance of planning for housing identified.

Recommendation: The development of hazard mitigation plans and housing plans should be required as a pre-requisite for receiving infrastructure funds

Promoting sound planning, environmental protection and affordable housing opportunities.

and specific funds should be allocated for planning assistance to municipalities and counties.

2. The Action Plan ignores the future issue of sea level rise and only requires freeboarding of 1 foot. The 2005 edition of ASCE 24 is referenced by the 2006 edition of the IBC, and requires between 0 and 2 feet of freeboard and many communities are prudently requiring a minimum of 4 feet.

Recommendation: Require a minimum of 2 feet of freeboard.

3. "The first step in long-term community recovery is the recognition by the community of the need to organize and manage the recovery process as opposed to letting repairs and rebuilding occur without a cohesive, planned approach." (FEMA's Long-Term Community Recovery Planning Process A Self-Help Guide December 2005)
The Action Plan does not allocate funds for acquisition of properties. Municipalities should, after preparing a hazard mitigation plan and re-examination of its Master Plan, be able to identify areas where it would be in the best interest of the property owners and the community not to rebuild and recommend the acquisition of properties. An alternate to acquisition could be a transfer of development rights.

Recommendation: Allocate funds for acquisition of properties based on implementation of a community planning process. Allocate funds to establish a coastal credit bank for the transfer of development rights.

Sincerely,

Barbara A. Walsh

Barbara A. Walsh,
Executive Director

Gallagher, Gabrielle

From: Drew Curtis <dcurtis@ironboundcc.org>
Sent: Tuesday, March 19, 2013 9:17 AM
To: sandy.recovery
Cc: Joseph DELLA FAVE; Ana BAPTISTA; Mayra Ramirez
Subject: Ironbound Community Corporation Comments on CDBG-DR Draft Action Plan
Attachments: ICC Comments_DCA CDBG-DR Plan.pdf

Good morning,

I have attached Ironbound Community Corporation's comments on NJ's CDBG-DR draft action plan. Please do let us know if you received them.

Thank you in advance for your consideration and we look to working with you on the implementation of this plan.

--
Drew Curtis
Community Development Program Manager
Ironbound Community Corporation

317 Elm Street
Newark, New Jersey 07105
t: 973.817.7013 ext. 207
f: 973.465.9505
e: dcurtis@ironboundcc.org

<http://eastferryrevitalization.wordpress.com/>



[Find Us on Facebook](#)

March 19, 2013

Richard Constable
Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800
Via E-Mail: Sandy.Recovery@dca.state.nj.us

RE: Comments on the Community Development Block Grant Disaster Recovery Action Plan Draft

Dear Commissioner Constable:

We are writing to submit comments of the State of New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan Draft. Ironbound Community Corporation (ICC) is a multi-service, community based organization that has been serving the Ironbound section of Newark since 1969. Our mission is to engage and empower individuals, families and groups in realizing their aspirations and, together, work to create a just, vibrant and sustainable community. Today, ICC touches and impacts the lives of 800 people on average daily and thousands annually with programs and services ranging from early childhood care and education to parenting education and support services to medical transportation for senior citizens.

Since there were no Public Hearings on the Draft in Newark or Essex County, we want to ensure that you are familiar with the devastation that Sandy caused in Newark and in the Ironbound community in particular. Hurricane Sandy hit the Ironbound hard, but it particularly devastated the most eastern portion of the Ironbound that is commonly referred to as the "island", a distinct neighborhood on the bank of the Passaic that includes heavy industry, superfund sites, low-income housing projects, and working class homes. Here, surging waters from the Passaic River, a heavily contaminated superfund site on the north border, and Newark Bay, on the eastern border, flowed through and devastating the neighborhood. As a result, one worker was killed (drowned); numerous homes were severely damaged, and at least 10 homes were declared uninhabitable by the City; many businesses were damaged and their normal operations interrupted; and hundreds of people suffered lost wages. All of this occurred in a census tract with a per capita income of \$8,200.

Since Hurricane Sandy hit, ICC has helped over 800 residents and businesses restore some sense of normalcy and continues to work towards building a more



Administration & Community Organizing
179 Van Buren Street
Newark, NJ 07105
973.589.3353
fax 973.589.3637
www.ironboundcc.org
info@ironboundcc.org

Children's Center
1 New York Avenue
Newark, NJ 07105
973.589.6873
fax 973.589.2479

Community Center
432 Lafayette Street
Newark, NJ 07105
973.465.0947
fax 973.589.4668

Family Success Center West
317 Elm Street
Newark, NJ 07105
973.465.0555
fax 973.465.9505

Family Success Center East
29-31 Cortland Street
Newark, NJ 07105
973.344.5949
fax 973.344.0397

Early Head Start
366 East Kinney Street
Newark, NJ 07105
973.466.3053
fax 973.466.3190



resilient and equitable neighborhood in the long-term. With this in mind, ICC calls on the Department of Community Affairs (DCA) to amend the draft plan, prior to submission to the United States Department of Housing and Urban Development (HUD), to ensure that those who need help most are getting the help they need. In particular, ICC recommends:

- **Ensure Essex County, and Newark, are adequately represented in disaster recovery plans, receive their fair share of CDBG-DR funds.** In Section 6.9 of the plan where DCA describes their citizen participation plans and outlines its previous outreach and information sessions, no sessions were held in Essex County. Moving forward, Essex County must be included in DCA's outreach and recovery efforts.
- **Make the administration of recovery programs as local as possible.** Local organizations, like ICC, have been on the ground since the storm hit and have both the knowledge of what communities need and the experience and capacity to deliver programs, such as housing repairs, financial assistance, and other services. DCA should provide for sub-contracts to local nonprofit organizations to continue to do this work.
- **Provide better balance in housing recovery between homeowners and renters.** As currently constructed, the CDBG-DR plan estimates relief for 26,500 homeownership units and only 5,050 rental units, even though the plan itself describes the severe shortage of rental housing. Specifically, the plan can be altered to provide better balance by re-allocating a portion of the Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) Program and Housing Resettlement Program (Sections 4.1.1 and 4.1.2) towards rental housing.
- **Ensure public housing recovery is fully funded.** Currently, there is only a \$5 million set-aside for public housing, which is enough to repair one public housing development in the state. This is not enough as there are at least four municipalities with damaged public housing (Newark, Jersey City, Long Branch, and Hoboken). The Fund for Large Multi-Family (Section 4.2.1) should make public housing a priority to ensure that our state's most vulnerable residents have a complete recovery. To do this effectively, it should be increased with funding being re-allocated from the Incentives for Landlords Program (Section 4.2.4.1) that only provides for affordable housing in the short-term.
- **Allow for flexibility in how communities rebuild.** The vast majority of housing recovery funds goes to helping rehabilitate and repair existing housing stock; however, DCA should recognize that there are places that should not be rebuilt. Much like New York City's and New York State's CDBG-DR plans, funding should be provided for buy-outs to homeowners at pre-storm appraised values. This can be re-allocated from

- RREM and Resettlement Programs (Sections 4.1.1 and 4.1.2). This funding should mandate that it happen in a neighborhood context, where communities come together in mass rather than on a one-on-one basis and that the purchased lots be used as a buffer against future storms.
- **Help low income communities effectively rebuild.** DCA has created programs that will do just this, in the Sandy Home Buyer Assistance Program (Section 4.1.3), the Pre-Development Fund (Section 4.2.3.1), the Blight Reduction Pilot Program (Section 4.2.3.2), and the Neighborhood and Community Revitalization Program (Section 4.3.3). They can, however, be enhanced and augmented. The Home Buyer Assistance Program (Section 4.1.3) should be more flexible to both address demand-driven programs, such as down payment assistance grants, and supply-driven programs, such as a program modeled after the Housing and Mortgage Financing Agency's (HMFA) CHOICE program that results in new homeownership units being built. The other programs (Sections 4.2.3.1, 4.2.4.2, and 4.3.3) should all receive additional funding allocations to serve more low-income people and revitalize more low-income neighborhoods. In particular, the Pre-Development Fund should explicitly include funding for nonprofits to include their staff capacity for housing rehabilitation and development, as well as other pre-development costs.
- **Expand supportive services programs.** While it is admirable that DCA is making special needs populations a priority in the plan, every resident and small business owner affected by the storm is in need of additional services, ranging from housing counseling to case management to mental health services. The program (Section 4.5.2) should be augmented to include funding to address these needs.
- **Make resiliency and sustainability a central tenet of NJ's recovery efforts.** In all its programs, resiliency must be at the heart of our state's plans and programs. This is done to some extent in housing programs, with keeping FEMA flood elevation maps and green building standards in mind, but more can be done. In the Neighborhood and Community Revitalization Program (Section 4.3.3), infrastructure projects should mandate resiliency and hazard mitigation measures to help avoid future issues. As such, we strongly urge the funding of resiliency projects geared specifically to urban waterfronts and green infrastructure projects, where vulnerable populations exist. Also, in Section 4.6, planning efforts must entail New Jersey working hand and hand with counties, municipalities, and community nonprofits to develop long-term resiliency plans.

Richard Constable, Commissioner
March 19, 2013

Page 4

Thank you in advance for your attention to the above comments and recommendations. We look forward to seeing the final plan and working with you on helping our state recover in way that is equitable and resilient.

Sincerely,

A handwritten signature in cursive script, reading "Joseph Della Fave". The signature is written in dark ink and is positioned above the printed name and title.

Joseph Della Fave
Executive Director

Gallagher, Gabrielle

From: Debbie Mans <debbie@nynjbaykeeper.org>
Sent: Monday, March 18, 2013 4:00 PM
To: sandy.recovery
Cc: debbie@nynjbaykeeper.org
Subject: NY/NJ Baykeeper Comments on Action Plan

Dear Governor Christie:

We write to request that New Jersey develop and adopt a more comprehensive buy-out strategy for property owners repeatedly devastated by flooding, especially along our urban waterfront and tidal rivers and that funding requests for the implementation of this strategy be in the next Action Plan submitted by New Jersey.

For over 20 years, NY/NJ Baykeeper has worked to protect, preserve and restore the NY-NJ Harbor and Estuary. Baykeeper is one of the leading nonprofits preserving and restoring land along the Raritan Bayshore, Passaic, Hackensack and Raritan Rivers, and New Jersey Meadowlands. Because of this role, our office has received numerous calls from local residents in areas ranging Union Beach to Old Tappan, requesting information on buy-outs after Superstorm Sandy. Unfortunately, we have to tell them that there is little to no money left in the Blue Acres Program for this type of open space purchase.

We ask that the State adopt a comprehensive buy-out strategy that:

- Allocates federal Sandy supplemental monies
- Allows for the purchase of homes at pre-storm values
- Allows for the purchase of individual lots or homes and pays a premium for clusters of homes or neighborhoods
- Is available for willing sellers
- Requires the permanent preservation of purchased lots as natural areas/public use areas so that they can be used as buffers for future storms

By more fully placing this option on the table, Baykeeper believes it will bring more homeowners forward and allow the Administration to develop a strategic and comprehensive buy-out program that targets neighborhoods prone to destruction.

Baykeeper has developed a list of interested homeowners, particularly in the Union Beach area, and would be willing to work with the Administration and Task Force to more fully develop this program. We are scheduled to meet with Mr. Marc Ferzan in April and we appreciate the opportunity to more fully discuss this issue.

Sincerely,

Deborah Mans, Baykeeper & Executive Director

Greg Remaud, Deputy Director

Deborah A. Mans, Baykeeper & Executive Director
NY/NJ Baykeeper
52 W. Front Street

Gallagher, Gabrielle

From: Save Our Brick Communities <saveourcommunity2013@gmail.com>
Sent: Monday, March 18, 2013 11:53 AM
To: sandy.recovery
Subject: comments to proposed CDBG Sandy action plan
Attachments: Comments State Plan 3-17-13.doc; Senators to HUD.jpg; Senators to HUD 2.jpg

Attached please find comments on behalf of Save Our Communities 2013.

Thank you,
Ron Jampel

SAVE OUR COMMUNITIES 2013

Our Mission:

We are an advocacy group seeking fair and sensible flood standards set for our communities. Our goal is to avoid the crisis of homelessness, mortgage default, tax increases and community collapse

Saveourcommunity2013@gmail.com

www.facebook.com/saveourNJCommunities

March 18, 2013

On behalf of Save Our Communities 2013 consisting of approximately 5100+ members and supporters, this shall serve as our response to New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan.

<http://www.nj.gov/dca/announcements/pdf/CDBG-DisasterRecoveryActionPlan.pdf>

This plan does not satisfy Congressional intent and more important the needs of Sandy victims. Thus far, only 11% (\$600 million / \$5.4 billion = 11%) of funds are proposed to be allocated to fixing and elevating homes when Congressional intent was for the majority of these funds to go to homeowners for this purpose. In furtherance of Congressional intent and the views supported by the victims, please see attached letter from Senators Lautenberg and Menendez supporting this fact. The State appears to be utilizing the broad interpretation of latitude given under the CDBG program. What Congressional intent was should be considered first (majority should be going to homeowners affected by Sandy) and only how to disburse those funds is where latitude clearly lays. In addition, as noted below, there have been inadequate hearings on the plan itself. Clearly the State is attempting to take CDBG funding which was to go to support victims of Sandy and proposing to utilize for potentially worthwhile projects that the State needs to fund through the State budget process if they find them imperative and not through Sandy victim CDBG funds.

Here are our comments:

Page i

1. Over 37,000 primary residences impacted..understated
2. Speaks only of those substantially damaged to be elevated. Neglects the cost of elevation for those without substantial damage who without elevating will have to pay in excess of \$20,000/year for flood insurance which will more than double the 37,000 estimate. By not elevating those, future flooding remediation will well exceed the cost of elevations now especially when considering the hit to the insurance fund. The hit to the insurance fund will then cause premiums to sky rocket once again to make-up for loss coverage on those that did

not elevate because could not afford to pay for elevation up front (denied SBA loan, etc.) yet were forced to maintain flood insurance because of mortgage requirements.

Page iii

1. \$25,000,000 going for advertisement. Most shore business is obtained from the tri-State area. Everyone from the tri-State area will see through news media the progress of the NJ shore rebuilding efforts. This funding will be better spent if tied in with business recovery by allowing funding to go to secondary homeowners (again tied to small business recovery) since these are the "bread and butter" lifeline to all small businesses other than the boardwalk although they also contribute heavily to that segment of business also.

Section 2

1. Page 2-2...Table 2-1..grossly understated regarding housing. As an example, deadline to file for SBA loan is subsequent to this plan announcement (April 1, 2013). In addition, speaking with neighbors, everyday more folks with non substantial damage come forward as being unaware of the effect of not raising their homes on flood mitigation and future flood premiums. A reserve for say 2 years should be established for those families.
2. State suggests 37,700 primary homeowners received substantial damage and another 39,740 receive sustained non substantial damage. Those 39,740 more than likely are either in A or V zones and are below the ABFEs adopted by the Governor. Therefore, those homes need to be raised which will in of in itself be more than double the current under estimated \$600,000,000 need.
3. Page 2-3...State admits number of substantially damaged is currently underestimated "...and is expected to increase substantially". "These figures only scratch the surface in examining extent of damage..."
4. Page 2-3..Using the States estimate of 67,977 of homes sustaining damage caused by Superstorm Sandy and the low estimate of \$50,000 average cost claimed by the State to elevate a home after applying the \$30,000 of ICC for the half that received "substantial damage", the cost to only elevate these homes would be \$3.385 billion ($67,977 \times \$50,000 = \3.385 billion). Even just doing those 37,700 Primary Residents with substantial damage would be \$1.885 billion ($37,700 \times \$50,000 = \1.885 billion).

Section 4

1. Page 4-1..."Based on...and input from impacted communities the State has prioritized a number of program." Based upon the prioritization as presented in the plan nothing can be further from the truth. We ask the State to provide evidence of input from the communities that we asked for such scarce resources to be diverted from helping **directly affected** homeowners and small businesses. We have been to and read about many meetings in affected communities and we have never seen a recommendation that any money be utilized that did not go directly to pay for direct Superstorm Sandy damages or to help remediate future flood storms. Therefore, it is

our contention there was little to no consideration given to the affected communities input when prioritizing how much and where the money should be allocated.

2. Page 4-3...State says they will satisfy 6,000 homeowner needs when earlier they recognize the need of 67,977 households (see "Section 2, # 4" above).
3. Page 4-3...Section 4.1...\$600 million homeowners..we accept program but object as not enough money being allocated
4. Page 4-4...Section 4.1.2...\$200 million stay in place..we accept program
5. Page 4-6...Section 4.1.3...\$25 million homebuyer assistance..we object unless it is changed to be restricted to people who have been displaced due to Sandy and cannot return to their original homes
6. Page 4-8...Section 4.2.1...\$104,520,000 rental housing..we object as this is clearly just a supplement to an existing underfunded State housing program and does not have a direct correlation (far reach at best) to Sandy victims.
7. Page 4-9...Section 4.2.2...\$70 million small rental program..we accept program
8. Page 4-10...Section 4.2.3.1...\$10 million predevelopment planning...we object as funds are needed for more important priorities such as getting homeowners who are currently homeless back in their homes (see "3." directly above) not to mention the wording in "Eligibility Criteria"...."Projects must help to revitalize a community that has been directly or indirectly impacted by Superstorm Sandy." What does "indirectly" mean? In any case, there are more pressing needs for the money to get those of us homeless back in our homes.
9. Page 4-11...Section 4.2.3.2...\$30 million blight removal...we object as the money can go to non affected Sandy locations within the 9 counties. Money can be used within any of the affected nine(9) counties wherever a developer wishes and does not have to include any homes or areas that were directly affected by Sandy. Clearly another misuse of where the CDBG money was intended to go and is rather a diversion to a much needed State program that has little to nothing to do with Sandy.
10. Page 4-12...Section 4.2.4.1...\$40 million rental program..we object. Another example of where money is being used for a State program that has little or nothing to do or tie to Sandy victims.
11. Page 4-14...Section 4.3.1...\$300 million small business..we object as it allows the NJEDA to divert the funds to other businesses NOT effected by Superstorm Sandy.."Other priority areas may be determined by the NJEDA as relevant to economic recovery." We do not object to helping small businesses that were damaged directly by Sandy and who can demonstrate through tax returns and other means that they otherwise cannot afford to stay in business and prove they did not have adequate insurance coverage or could not have obtained insurance coverage.
12. Page 4-15...Section 4.3.2...\$100 million 0% loans...we accept so long as it is only going to those who sustained direct substantial damage from Sandy and who can demonstrate through tax returns and other means that they otherwise cannot afford to stay in business and prove they did not have adequate insurance coverage or could not have obtained insurance coverage.
13. Page 4-16...Section 4.3.3...\$75 million small business & infrastructure grants/loans up to \$10 million per project..we object as another clear indication of State trying to utilize scarce resources of Sandy victims for underfunded State programs. There is not even a limitation for this \$75,000,000 to go to directly affected Sandy sites.

14. Page 4-17...Section 4.3.4...\$25 million for advertising...we object as there will be plenty of free advertising through newspapers, television, etc. for the tri-State area from which the majority of visitors come. In fact, rentals for shore homes are ahead of schedule due to the lack of inventory. This money is better spent to assist businesses by allocating to 2nd homeowners who support the local economy from early spring through late fall. There will be a shortage of rentals this year. Therefore, other than day trippers who will be coming from the tri-state area and will know through the media, social media and word of mouth that the shore is open for business where are those outside the tri-State area to stay if we do not fix up 2nd homes? We need these funds (and more) for our homes to be fixed up to eliminate the blight and not given to another underfunded State program.
15. Page 4-19...Section 4.4.1...\$50 million town 25% match...we object unless the wording "lack resources" is eliminated or better clarified so we can comment upon.
16. Page 4-19...Section 4.4.2...\$60 million towns for critical services...we object until we see the States "process" in determining which towns can get the grants. It is unfair for us to not be able to comment on \$60 million without seeing criteria first.
17. Page 4-20...Section 4.4.3...\$6 million code enforcement...we accept
18. Page 4-21...Section 4.5.1...\$25 million special needs...we object. Although we whole heartedly support the program, the program needs to be funded by the State as it has nothing to do with Sandy. We encourage the Governor to include in the State budget but not from this scarce CDBG funding that is to come to those directly affected by Sandy.
19. Page 4-22...Section 4.5.2... \$25 million supportive services...we object. Although we whole heartedly support the program, the program needs to be funded by the State as it has nothing to do with Sandy. We encourage the Governor to include in the State budget but not from this scarce CDBG funding that is to come to those directly affected by Sandy.
20. Page 4-23...Section 4.6...\$84 million Planning, Oversight and Monitoring... Where every other category gives detailed criteria on use which is much appreciated, this criteria only says "Allocation for Activity \$84,000,000". Before we can give full comment to this area, we need for the State to make available a detailed budget along with disclosing any conversations or written communications with outside companies or individuals of companies or those representing companies/individuals who may or may not perform this work in lieu of State/County/Local employees and what was discussed in order to better understand this category of spending.
21. Page 4-24...Section 4.7...\$??? Pre-Agreement costs...we object...until we receive the details and amounts to analyze there is nothing to comment upon. In addition, there is no money left from the \$1.829 billion as it has been allocated to all other activities.
22. Page 6-8...Section 6.9.. we object. Adequate time has not been given for public comment. In every other HUD program, affected people (such as tenants) require 30 days notice and then give affected people (such as tenants) 30 days to comment. In this case, the plan was released and on the same day the public was given 7 days to comment. In addition, under HUD programs (such as those affecting tenants), a public meeting is to be held and comments recorded and written answers given. Both comments and written responses are to be given to HUD. As indicated in the plan, the State will not hold any public hearings. The "hearings" they refer to did not in any way have discussion or reveal the "plan" as now under review. We respectfully

request that those items marked as "we accept" with no disclaimers other than noting there should be more money allocated be allowed to go forward but for all other items noted as "we object" or noted that further information and/or clarification and/or limitations be placed that public hearings be mandated. It is clear that the true intent of Congress are not being fully adhered to and public meetings need to be held so that we Sandy victims can be heard and not have money diverted for State responsible programs that otherwise could go to direct Sandy victims.

23. Page 6-8...Section 6.9.1...we object. We would like to see the minutes of those meetings whereby those directly affected by Sandy or local elected officials wished to see money diverted from those directly affected by Sandy and to go instead to other parts and programs of the Counties or State not directly affected by Sandy. We know of no person directly affected by Sandy or town elected officials who asked for these diversions of scarce Congressional funding to go elsewhere other than to direct victims. In fact, just the opposite has occurred with town(s) asking for 100% of all affected home elevations be paid for through the federal government. Clearly the State is not following the wishes of the people directly affected by Sandy as required by CDBG and Congress.
24. In summary, we respectfully request the following to be the only items funded currently (i) as noted in "we accept" with caveats (if any) as noted above, and ii) for only those who sustained direct physical Sandy damage:
 - a. Primary Residences and their occupants including but not limited to elevations and fixing due to insufficient insurance;
 - b. Small business including but not limited to elevations and fixing of secondary homes that are the main supporters of small businesses from Spring through Fall. Although we recognize direct secondary homes are excluded from CDBG grants they certainly can be considered as part of the small business category as the \$25,000,000 for advertising was approvable;
 - c. Rental Properties and their occupants
 - d. Towns 25% matching portions
25. We request a public hearing on all other items.

Respectfully submitted on behalf of Save Our Communities 2013,

Ron Jampel

Gallagher, Gabrielle

From: Phil Welch [REDACTED]
Sent: Monday, March 18, 2013 9:43 AM
To: sandy.recovery
Cc: Linda Zúcaro; JJ. Mistretta; George Lavigne; Donna M. Blaze
Subject: Comments on NJ DCA CDBG Disaster Recovery Action Plan
Attachments: Comments on NJ DCA CDBG Disaster Recovery Action Plan.docx

To Whom It May Concern:

I have attached and inserted below my comments on the aforementioned Action Plan.

I would appreciate receiving an acknowledgment of your receiving these comments.

Thank you for the opportunity to comment on this.

Peace,
Phil Welch, Jr.

[REDACTED]

+++++
Comments on NJ DCA's CDBG Disaster Recovery Action Plan of 3/12/13

With a few rare exceptions, it seems that the Sandy recovery programs are focused on home-owners rather than home renters. Unfortunately, this is also true of the NJ DCA Community Development Block Grant Disaster Recovery Action Plan, released March 12, 2013.

This point was raised by Kevin Walsh, Associate Director of the Fair Share Housing Center, in a press release also on March 12. He said, "80 percent of the lowest income people impacted by Sandy are renters. Yet only 20 percent of the people covered by the State's proposed plan are renters."

The March 14 editorial in the Asbury Park Press added: "The rental market in New Jersey has always been tough, even before Sandy. The crunch is even greater now as displaced homeowners scramble to put a roof over their heads." The editorial concluded: "HUD should insist on a more equitable distribution of funds to assist the renters in our state."

FEMA reports that among the households with annual incomes below \$30,000 that registered with them, 45% were renters.

I know from personal experience that many of the disaster response agencies, including Habitat for Humanity and the Greater NJ United Methodist Conference, are concentrated on homeowners needing help with rebuilding to the exclusion of home renters.

The few organizations which are trying to help renters, too, are struggling to find needed resources. Two examples are the disaster case managers of Family Promise of Monmouth County's New Beginnings program, and the housing counselors of the Affordable Housing Alliance and their Volunteer Project Assistance program. These case managers

and counselors need access to sufficient funds to help renters and landlords to reestablish themselves in the communities where renters' children go to school and play sports, and where the renters shop, worship and commute to their service jobs.

If a disproportionate share of disaster aid continues to be aimed at home-owners rather than home renters, this will perpetuate the lack of safe, sanitary and affordable rentals in the NJ counties hardest hit by Sandy. Further, we can expect a series of disastrous short- and long-term impacts on renters, including such issues as:

- Increased sicknesses from unhealthy rental homes and a corresponding increase in absences from work and school, as well as a spike in demands on medical facilities and personnel;
- A significant decrease in reliable, experienced workers for many service jobs, as households are forced to move to states which have an adequate supply of safe, sanitary and affordable rentals;
- Greatly increased demands on the services of a host of local social service agencies, including the Monmouth County Dept. of Human Services.

Instead, with a more equitable portion of disaster recovery CDBG funds targeting home renters and rental home providers, i.e., landlords, this could be a great opportunity to make a real difference in many of NJ counties' push to eliminate chronic homelessness. Unfortunately, under the proposed allocation of CDBG funding, the crisis in the lack of affordable rentals for low-income households (which existed even before Sandy) will worsen.

In summary, I understand and agree that NJ's action plan for disaster recovery CDBG funds needs to be on a fast track. However, the state should take the time needed to provide for a more equitable division of funding between home-owners and home renters/landlords needing help. If NJ leaders don't remedy this, HUD should raise objections on the basis of federal fair housing laws and practices, and make sure the allocation of funds is fair and equitable.

Respectfully submitted,

Phil Welch, Jr.

Volunteer, Family Promise of Monmouth County

Volunteer, Habitat for Humanity of NE Monmouth County

Volunteer, Greater NJ United Methodist Conference

Volunteer, New Creations in Christ

Member, Middletown United Methodist Church

Member, Monmouth Advocacy Team

Gallagher, Gabrielle

From: Dean Marchetto <[REDACTED]>
Sent: Thursday, March 14, 2013 4:35 PM
To: Sandy.Recovery
Subject: Sandy Recovery Plan comments

Provide an opportunity for funding to promote and encourage design solutions for future flooding in urban areas like Hoboken and Jersey City.

Dean Marchetto AIA, PP



www.MHSarchitects.com

1225 Willow Avenue

Hoboken, NJ 07030

201.795.1505 tel.

201.795.0171 fax.

Connie M. Pascale
[REDACTED]
[REDACTED]
[REDACTED]

March 18, 2013

Via Email: Sandy.Recovery@dca.state.nj.us.

Richard Constable, Commissioner
Department of Community Affairs
State of New Jersey
PO Box 800
Trenton, NJ 08625-0800

Re: Comments concerning NJ DCA CDBG-Disaster Recovery Action Plan

Dear Commissioner Constable:

Please accept the following comments concerning the NJ CDBG-Disaster Recovery Action Plan. While it represents a commendable start, the Action Plan nevertheless requires significant amendment in order to accurately identify and address the most pressing problems and needs, comply with HUD mandates, and insure that CDBG-DR funds are properly, fairly and effectively allocated.

Comment I: Existing evidence demonstrates that lower-income tenants were the most disadvantaged victims of Sandy. More than 40% of FEMA applicants were renters. Given that fact, the share of CDBG-DR funds apportioned to programs which assist tenants - 13% of the \$1.8 billion initial CDBG-DR disbursement to NJ - is far too low. The amount allocated to renter programs must be substantially increased in order to achieve a more just and accurate distribution of funds, and insure that those displaced can return to and remain in or near their home communities if they choose to do so.

A recent report by Enterprise Community Partners states that 43% of those seeking FEMA assistance were renters, with nearly 70% of the tenant claimants being low-income. ("FEMA Assistance Analysis: Measuring the Response to Hurricane Sandy," March, 2013.) In light of that data, the State's proposed allocation of only 13% of the initial CDBG-DR disbursement to rental housing programs is disproportionately and unacceptably low. Even more problematic, NJ calculates that this sum will assist only 5,000 tenants, while 26,000 homeowners will be helped through the homeowner programs established with CDBG-DR funds.

To correct this imbalance, the share of funds assigned to rental housing programs should be increased by at least \$250 million dollars, in order to more closely approximate the proportion of Sandy victims who were tenants. [HUD's Notice governing the distribution of funds in fact

requires proportionate allocations. HUD Notice sec. VI(A)(1)(a)(2).] In addition to providing for the generation of a much larger number of affordable rental units, the Action Plan should also provide that the replacement/additional units are constructed in such a way as to enable those displaced to obtain safe, affordable apartments in or near their home communities if they so choose.

Even the Enterprise/FEMA numbers, however, underestimate the actual extent and impact of Sandy on tenants and homeless people, not only in the affected areas but throughout the entire state. The severe shortage of affordable rental housing that pre-dated the storm by decades has grown exponentially worse because of it. As a result, decent, affordable housing is much harder to find, and rents are increasing at a steady pace.

The state recognized this possibility as early as the November 26, 2012 report issued by the NJ State Led Disaster Housing Task Force. (See "Hurricane Sandy Disaster Housing Strategic Plan," at page 24.) The current draft Action Plan also highlights this problem:

"As a result of the storm, there is a significant shortage of rental housing in the State, particularly in the most impacted communities. Local officials and realtors in some of those communities have described rentals stocks as non-existent. . . . [R]ental prices will likely increase throughout the State and particularly in the most impacted communities. This potentially would make rental units unaffordable for many low and moderate income families." (Action Plan, page 2-5.)

The Action Plan then goes on to produce CHAS data compiled by HUD which quantifies the serious to severe cost burden experienced by large numbers of tenant households in New Jersey.

The plight of the displaced low-income tenants described in a front page article in the March 17, 2013 Asbury Park Press ("Forced South: Sandy family moves to Florida for lack of aid") dramatically illustrates the impact of the housing crisis in human terms. Some households displaced by the storm became and remain homeless. Others are precariously housed, either in short term dwellings or doubled-up with friends or family. Lower-income tenants without some form of subsidy are at risk of having to move, due to unaffordable rent increases or changed circumstances, at a time when there is nowhere to go. For those homeless before the storm, including the hundreds living in tent cities, the already bleak prospects of finding a permanent, affordable place to live have become bleaker still. To make matters worse, the daunting difficulties generated by the absolute housing shortage and rising rents are compounded by the credit problems that all too frequently afflict low-wage workers, the disabled, and others with low-incomes, leaving even those with adequate earnings unable to compete with the many other applicants for any vacant apartments. The Action Plan's finding that "[h]igher than average unemployment rates are presently expected to continue over the next three years as a result of the

storm” (see Action Plan, sec. 2.4.2), when added to the already historically high unemployment caused by the Great Recession, further darken the rental housing landscape for those of limited means.

The governing HUD Notice requires consideration of these “indirect,” “economic” and “non-physical” impacts, not merely those directly caused by damage or destruction. [See HUD Notice, sec. VI(A)(1)(d) and (d)(5).] The needs assessment in the Action Plan, however, makes no attempt to quantify the indirect/economic impact on tenant households of storm-generated housing shortages and corresponding rent increases. The state must revisit the relevant sections of the Action Plan and attempt to do so before the Plan is submitted to HUD for approval. This calculation can be accomplished using various existing reports and studies, including the CHAS data referred to above, supplemented with information derived from realtors, landlords, housing advocacy organizations, and other available sources. (As a starting point, the Center on Budget and Policy Priorities and the National Low Income Housing Coalition have published recent reports that include state-by-state data analyses of rental housing need and rent/income gaps.)

It is likely that this reassessment will demonstrate that a much larger number of lower-income tenants throughout New Jersey, especially in the most impacted communities, are Sandy victims. It is also likely to demonstrate that extremely-low (less than 30% or median) and very-low (less than 50% of median) tenants, as well as those who were homeless before the storm, are the most vulnerable and disadvantaged of all those affected by the storm.

This conclusion mandates a proportionate increase in the CDBG-DR funds allocated to tenants. It also requires a significant infusion of funds into the “Programs for Immediate Housing Needs” identified at section 4.2.4 of the draft Action Plan. With HUD’s concurrence, this could be accomplished by allocating at least \$200 million dollars to the deep-subsidy State Rental Assistance Program (SRAP), in order to produce additional thousands of rental assistance vouchers for those most in need. Doing so will not only enable the most vulnerable households bridge the rent/income gap, but will also prevent the homelessness or continuing homelessness of many families and individuals, including those with special needs. [The HUD Notice mandates a description of how the State will alleviate existing homelessness, as well as prevent the incipient homelessness of lower-income households. See HUD Notice, sec. VI(A)(1)(a)(7).]

Comment II: The draft Action Plan does not include an analysis of how the allocation and expenditure of CDBG-DR funds will affirmatively further fair housing (AFFH). Federal funds (and all other public monies) must only be used to facilitate an inclusionary rebuilding effort, not one that perpetuates the existence of exclusionary residential housing patterns. This deficiency must be remedied before the Plan is submitted to HUD.

The governing HUD Notice mandates that the State “must assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate in response to disaster-related impacts.” [HUD Notice, sec. VI(A)(1)(a)(7). The State must also certify that it is AFFH - see HUD Notice, sec. VI(E) - and that it will update its Analysis of Impediments (AI) by no later than 2015. HUD Notice, sec. VI(A)(5).]

The absence of this analysis represents a serious deficiency. In the wake of the court decision and settlement in U.S. ex rel Anti-Discrimination Center of Metro New York, Inc. v. Westchester County, NY, 668 F. Supp. 2d 548 (S.D.N.Y. 2009), HUD has made enforcing the AFFH and AI requirements a major part of its fair housing effort. It has prominently rejected the AIs, and threatened the federal funding, of Houston, TX, Danville, IL, and several other major jurisdictions for failing to acknowledge and address the perpetuation of housing segregation.

Exclusionary housing patterns in Westchester and some of the jurisdictions referred to above are nearly identical to those that prevail in the counties most impacted by Superstorm Sandy, such as Ocean and Monmouth. The number of minority households – especially African-Americans – residing in these communities is well below the statewide averages. (For example, African-Americans make up less than 3.5% of the population of Ocean County.) Moreover, census data clearly indicates that patterns of residential segregation within the counties in question are stark and persistent, reflective of historical trends that remain largely unaddressed. For these reasons, required revisions to the AIs of Ocean and Monmouth Counties – as well as the revised AI submitted by the State itself - have been challenged as perpetuating segregation by housing advocates and civil rights groups. The AIs in question remain under review and unapproved by HUD.

Consequently, before the Action Plan is submitted to HUD, the State must conduct the assessment mandated by the HUD Notice and demonstrate that CDBG-DR funds will be used to rebuild in ways that affirmatively further fair housing, remedy not perpetuate residential segregation and exclusion, and “promote the availability of affordable housing in low-poverty, non-minority areas.”

For instance, the Action Plan should mandate that the hundreds of storm-damaged seasonal/winter rentals and motel/hotel units in coastal communities be replaced and supplemented through the construction of affordable rental housing in low-poverty, non-minority inland areas and neighborhoods. This would not only address fair housing issues, but would enhance critical disaster prevention and mitigation efforts as well, since coastal communities such as Seaside Heights, in which hundreds of these dwellings were located, remain at heightened risk from future storms and sea level rise. [See HUD Notice secs. VI(A)(1)(a)(3) and (5).]

In sum, Sandy has been a disaster that should not be compounded by a discriminatory recovery. The draft Action Plan must be amended to conduct the fair housing analysis required by HUD. DCA should immediately convene an inclusive, broad-based Task Force to help it undertake this effort. Once that is accomplished, the programs described in the "Method of Distribution" section of the Plan must be correspondingly modified in order to accomplish the goal of AFFH. Only then should the Action Plan be submitted to HUD for approval.

Comment III: Modifications and additions must be made to several of the programs outlined in the "Method of Distribution" section of the draft Action Plan to enable them to address the needs and concerns identified above and/or accomplish their stated goals.

A. **Section 4.1.1. Homeownership RREM Program.** This program must be modified as follows:

1. Using "first come, first served" as the criteria for selection is likely to cause unacceptable hardships for distressed homeowners with disabilities, single-parent households, people with limited English proficiency, low-wage workers, some seniors, and other vulnerable groups. A lottery system, giving people ample time to learn about the program and apply, is less likely to produce an unfair or discriminatory result, and should be adopted instead. [Cf. HUD PIH-2012-34(HA): "Waiting List Administration."] A lottery is also the only method that will insure that 70% of the funds allocated to this program actually go to low/moderate income homeowners, satisfying the objective expressly stated in the Plan.
2. Low-income homeowners may not be able to repair/elevate their homes without additional financing. Credit-related or income issues (especially in the case of lower-income seniors or the disabled on fixed incomes) may preclude them from obtaining the market-based financing needed to fill the gap between the \$150,000 maximum grant and the actual cost. An additional pool of loan/grant funds should be established, with appropriately adjusted credit requirements designed to facilitate optimum use of this program by the most disadvantaged homeowners.

B. **Sec. 4.1.2. Homeowner Resettlement Program.** For the reasons articulated in paragraph A(1) of the preceding comment, a lottery system should be substituted for "first come, first served" with regard to the selection criteria for this program.

C. Sec. 4.2.1. Fund for Restoration of Multi-Family Housing.

1. As was noted in Comment 1 above, the total amount allocated to renter programs must be substantially increased so as to more closely approximate the proportion of Sandy victims who are tenants. Toward that end, the amount designated for this housing production program should be increased by at least \$100,000,000. Doing so will nearly double the estimated number of tenant households – currently assessed at 1,000 – who will benefit from the new, rehabilitated and supportive housing units generated by the program.
2. Units constructed or rehabilitated through this program must be deed restricted for at least 30 years.
3. While addressing the need to affirmatively furthering fair housing (see Comment II above), rental units produced under this program should also be sited in such a way as to enable people to live as close as possible to their home communities, if they so desire.

D. Sec. 4.2.2. Fund for Rehabilitation of Small Rental Properties.

1. Allowing landlords to set rents as high as 30% income for a household earning 80% of AMI will make these units unaffordable for most low-income renters. Maximum rents for half the units should be limited to 30% of income for a household earning 50% of AMI, with rents for the remaining units being limited to 30% of income for a household earning 30% of AMI.
2. Units constructed or rehabilitated through this program must also be deed restricted for at least 30 years.

E. Sec. 4.2.4. Programs for Immediate Housing Needs.

1. For the reasons advanced in Comment 1 above, the most effective way to accomplish the immediate assistance contemplated by this program would be to allocate \$200 million dollars to the State Rental Assistance Program (SRAP). (To the extent a HUD approval/waiver is required, it should be pursued expeditiously.) Thousands of new vouchers could be issued and on the street in short order, since the administrative system needed to operate the program is already in place. Payment standards could be adjusted in such a way as to maximize the number of vouchers while minimizing the impact on the low-income households who would be the primary beneficiaries of the program.
2. For the reasons articulated in the “Homeownership RREM” comment above, a lottery system should be substituted for “first come, first served” with

regard to the selection criteria for this program. This is especially so since the population served is likely to include a higher percentage of extremely low income people, many of whom will be disabled.

3. **At least 40% of the households eligible for this program should have incomes below 30% of AMI, with another 40% being limited to those with incomes less than 50% of AMI. A portion of the total voucher allocation should also be set aside for chronically homeless individuals.** These are the households with the greatest need for assistance, the most disadvantaged of all the storm's victims.

F. Sec. 4.5. Supportive Services Programs

1. **Given that the existing need for supportive housing was greatly exacerbated by the storm, funding for these programs should be substantially increased.**
2. **With regard to the Supportive Services Program (Sec. 4.5.2), it should be allowable to use program funds not only for homeless shelter replacement, but for creation of new homeless shelters in areas where none currently exist.** The homeless living in tent cities, automobiles, and similar situations were seriously at risk and greatly affected by the storm. Using CDBG-DR funds for shelter construction is an appropriate way to mitigate the possibility of future harm and prevent unnecessary hardship and injury.

Thank you for the opportunity to submit these comments. Please feel free to contact me at your convenience if you have any questions or would like to discuss them further.

Sincerely,

Connie M. Pascale

Gallagher, Gabrielle

From: occupysandyjersey@gmail.com on behalf of Occupy Sandy New Jersey
<occupysandynj@interoccupy.net>
Sent: Tuesday, March 19, 2013 3:09 PM
To: sandy.recovery
Cc: OSNJ
Subject: Public Comment from Occupy Sandy New Jersey on CDBGDR Action Plan

[This statement was agreed to on 3/18/13 by the consensus decision of Occupy Sandy New Jersey's weekly organizers' call through InterOccupy.net. Calls happen each Monday at 9pm EST and are open to public participation.]

March 18, 2013

To whom it may concern,

We are writing to express our serious concerns in response to the proposed Community Development Block Grant Disaster Recovery Action Plan compiled by the New Jersey Department of Community Affairs for the disbursement of \$1.8 billion in federal funds. The action plan makes mention of some admirable intentions, but it also reveals and highlights the State's lack of real action in many critical arenas. We recognize that this particular action plan is limited to only the initial dose of federal funding and is thus focused on federally mandated requirements, but we nevertheless are troubled by certain items and the general lack of specifics in this plan, the most thorough explanation of New Jersey's long-term recovery goals yet to be released to the public.

First and foremost, the plan makes plain the utter failure of the State to include adequate input from the people of New Jersey. Leaving aside the federally-mandated 7-day public comment period (and the lack of public meetings around this plan during the comment period), simply by detailing the level of "citizen participation" to date (section 6.9.1), the plan makes clear that the voices of New Jersey residents themselves have been largely absent from the discussion, although those of the private sector, various lobbyist associations, universities, and other elite voices have been heard. As a case in point, the only way for residents to have their voice heard on this plan is to send comments to an e-mail address, excluding those without ready access to the Internet. Where are the State-sponsored public assemblies, town hall meetings, or educational workshops? Where is the outreach? How can the State claim to have been "in constant communication with its residents" when our organizers encounter storm survivors every day who say they have been left out in the cold, without so much as a knock on the door?

Beyond the lack of input from storm survivors themselves, the plan also fails to create any avenues for local decision-making about long-term recovery priorities or practices. The proposal outlines a top-down approach that is sure to continue ignoring the voices of countless New Jerseyans (including immigrant residents, both legal and undocumented, who are absent from the "Citizen Participation Plan" from word one). We believe that the State should be encouraging local municipalities to create their own detailed "Action Plans," and facilitating the process, so that the hardest hit communities themselves can drive their own recovery, not Trenton bureaucrats and private developers.

We are also troubled by the lack of any clear plan to rebuild sustainably or to use any federal funds to focus on the most important mitigation effort above all: putting an end to global climate change. Section 6.3 notes that the State "has had several meetings" with various organizations "to develop a plan for encouraging sustainable community initiatives and implementing green building, energy efficiency and storm hazard mitigation measures," but there is no timetable laid out for the development of said plan, nor any clear path forward. Also, mentions of "sustainability" in the plan are limited to housing construction, which ignores the need for rebuilding a public infrastructure—including a decentralized alternative

energy system—more sustainable than that which was destroyed, or for prioritizing more sustainable development over less sustainable projects (since funds are generally to be doled out on a “first-come, first-served basis, the first applicants will be prioritized, not those with the best, most sustainable development plans). Millions of dollars are already earmarked for public relations campaigns urging visitors to come to New Jersey and encouraging residents to “Buy Local,” both of which are indeed important to the economic future of the State, especially in the short term, but why will there be no public relations campaign detailing the links between human behavior—in New Jersey and elsewhere—and the increased intensity of storms caused by climate change? The plan itself is supposed to “account for and address sea level rise” (section 6.2.1), but how can this be done without addressing the root causes of sea level rise?

Furthermore, as a group of activists committed to social justice, we are especially worried about how people with low incomes, homeless people, people with disabilities, people of color, and immigrants will fare once this plan is put into effect. We are concerned that the “Blight Reduction Pilot Program” (section 4.2.3.2) could be selectively used to help developers push low-income individuals and families out of certain neighborhoods. We are also particularly concerned about the lack of due consideration in the plan for people who rent their homes, who are not to be provided with compensation for lost property (even as business owners are to be compensated for lost income [section 2.4.5]) and for whom there will be far less housing assistance provided (in comparison to homeowners). Renters begin the process with many disadvantages, so their needs should be given priority, not minimized, by any governmental recovery plan. The same “first-come, first-served” basis mentioned above is very likely to result in the further marginalization of people who come to the process with disadvantages, since people who are well-connected (both literally and figuratively) will be in a much better position to know about these programs and to know how to apply.

The plan rightly acknowledges that the bulk of the data used in the State's assessments is incomplete, yet no concerted effort is to be made by the state to solve this problem. There will be no door-to-door canvassing, nor even a statewide program to encourage municipalities to gather and pool their own data. Since so much of the data used by both the federal and state governments has been gleaned by loan applications to the Small Business Administration, and tens of thousands of storm survivors never applied to for the SBA loan, nor ever will, this main source of data is fundamentally flawed. When it comes to the unmet needs of individuals and families—from much-needed home repairs to trauma counseling—the State's analysis is woefully incomplete and inaccurate. New Jersey must do a far better job of determining the true extent of the damage caused by Sandy if it is ever to begin to repair it.

Finally, from working in the communities hardest hit by the storm, we have come to realize just how hazardous this storm has been to so many residents in terms of both physical and mental health, and yet the section (2.5.4) on public health and mold—which remains a hazard not just in moldy homes but on the streets of many communities, especially in low-income neighborhoods with a high concentration of still-unremediated bank-owned properties—is incredibly superficial, with just a few paragraphs acknowledging these problems. Unmet mental and emotional health needs are not mentioned at all. There is also no mention of food sovereignty, which is especially important given the lack of access to healthy, organic, local food in many communities. Most of the donated food distributed to communities throughout the recovery is highly processed and of poor quality. We call on the State to develop a comprehensive plan to support residents' health and well-being, with special attention paid to food sovereignty, mental health support, improving air quality and combatting mold.

Overall, we believe that the plan falls short in a number of areas. It focuses on traditional “economic revitalization,” including support for tourism and small businesses, but it leaves out home-based businesses and takes no steps to build a green economy. It pays lip-service to the public health disaster caused by the storm, but offers no real public health plan and ignores mental health. It deals with housing, but focuses on property owners while leaving renters and the traditionally marginalized on the sidelines. Unfortunately, given the lack of public input throughout the recovery process, none of this is too surprising.

We call on the State of New Jersey not only to amend this plan, but to redouble its recovery efforts across the board with a renewed focus on traditionally marginalized people, sustainable development, and local decision-making. Working together we can build a better, stronger New Jersey in the wake of the disaster, but only if we set the right priorities—and those must come from the people themselves.

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For more information, please contact one of these OSNJ organizers:

Dylana Dillon, [REDACTED] or dylana.occupy@gmail.com

Nate Kleinman, [REDACTED] or nate@interoccupy.net

Dawn DeLuca, [REDACTED] or dawndelucaosnj@gmail.com

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