

**Gallagher, Gabrielle**

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**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.

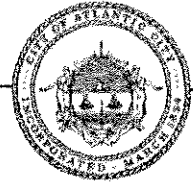
Thanks you in advance.

**Keith B. Mills, Director**  
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## CITY OF ATLANTIC CITY

### DEPARTMENT OF PLANNING & DEVELOPMENT

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Keith B. Mills, P.P.  
*Director*

March 18, 2013

Via Email: [Sandy.Recovery@dca.state.nj.us](mailto: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 Amodeo  
Assemblyman Chris Brown  
Lorenzo T. Langford, Mayor  
Ronald A. Cash, Business Administrator