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DEAN, NEW JERSEY DELEGATION

U.S. Rep. Chris Smith (NJ-04)
Excerpts of Remarks
Meeting with U.S. HUD Secretary Donovan
May 8, 2014

Secretary Donovan:

In the best interest of serving our constituents, each of us have serious questions and serious recommendations we hope you will consider.

Please know that our delegation has pulled together in a bipartisan manner in the past, and that was especially true in pushing to enact the Sandy Supplemental. And we've done it other times as well. Back in 2003, I pulled together a delegation just like this one in order to request an immediate reevaluation of the formula employed by Homeland Security for dispersing the Urban Area Security Initiative program (UASI) funds. Based on the formula put in place by the Bush Administration—which we felt was wrong and misguided because it emphasized a flawed understanding of population and municipal boundaries over threat assessment—urban areas in our state, especially those in proximity to New York lost millions. Homeland Security Undersecretary Asa Hutchinson listened—and then acted—by reforming the criteria resulting in an immediate bump up of over \$20 million in UASI funds to north Jersey within a month—followed by millions more each year.

It is in that spirit that we meet today.

Last Monday, I had my umpteenth meeting with a family devastated by Sandy. Despite the fact that the Gwin family of Toms River—now renting in Lakewood—faithfully followed all the rules, they remain out of their home and waitlisted—like approximately 6,300 other applicants in New Jersey who remain on the waitlist for the Reconstruction, Rehabilitation, Elevation and Mitigation program (RREM). In my district alone, 1,058 people remain waitlisted.

After getting a preliminary approval letter nine months ago to the day—July 8th, 2013—Joanne Gwin believes her family is still months away from actually receiving a RREM grant to demolish their home in Toms River.

And even if they get a \$150,000 RREM grant, when combined with the \$100,000 flood insurance payment they received, the Gwin's calculate they are still out of pocket approximately \$150,000!

Making matters worse, they were told they couldn't initiate either repair or demolition without total loss of eligibility for their RREM grant and that delay has resulted in an explosion of black mold throughout their home. Adding insult to injury, they continue to pay a monthly mortgage on a dead property, plus \$1,300 a month rent with cancellation of their flood insurance policy required by their mortgage holder set for May.

Our delegation hopes you will hear our concerns. The fact that you agreed to meet with us this week is very encouraging. Like with the UASI Homeland Security funding a decade ago, there is no partisan divide.

Some of the key requests and questions include:

- It has been reported that out of the \$3.6 billion remaining in the HUD Sandy Supplemental left to be allocated, you are contemplating spending \$1 billion or more on a national resiliency competition. We respectfully ask you not to go down that road. New Jersey still has 6,300 families on the RREM waitlist—over a thousand from my district alone—awaiting assistance. (Even after the second tranche of funding, New Jersey will face over \$17 billion in unmet needs.) Know that we are opposed to using the remaining funds for any nationwide resiliency competition or similar program while there are thousands backlogged with severe unmet housing needs. Have you made a decision on the funding of a national resiliency competition? **Can you assure us that critical housing needs in New Jersey will be met in the third tranche?** How much can New Jersey expect to receive in the third tranche of funding? Do you expect a fourth tranche?
- Assuming that a homeowner has satisfied the requirements of environmental and historical reviews, will you eliminate the current regulatory barriers that deny reimbursement for post-application, pre-award repair or demolition costs—like the dilemma faced by the Gwins and thousands of other families?
- It was reported in the Asbury Park Press on March 26, that you told Governor Christie that you believe it will take an act of Congress to allow such costs to be covered by a RREM grant? If you lack the legal authority, will you then support legislation I've drafted that would provide you with the legal authority to do this?
- Of the roughly 76% of HUD Sandy Supplemental funds distributed so far, 28% or \$3.3 billion has gone to New Jersey while over \$7 billion or 61% has gone to New York.
 - Can you provide us a detailed breakdown that justifies such an apparent disparity?
 - And can you explain why the maximum RREM grant for New Jersey is \$150,000, while New Yorkers, under their program, can receive approximately \$300,000?