



New Jersey State Legislature

March 31, 2014

The Honorable Robert Menendez
United States Senate

The Honorable Cory Booker
United State Senate

The Honorable Frank Pallone
The Honorable William Pascrell
The Honorable Jon Runyon
The Honorable Rush Holt
The Honorable Donald Payne
The Honorable Albio Sires

The Honorable Chris Smith
The Honorable Frank LoBiondo
The Honorable Leonard Lance
The Honorable Scott Garrett
The Honorable Rodney Frelinghuysen

RE: Sandy Disaster Recovery: Key Issues

Dear New Jersey Senators and Congressmen:

We are writing to ask for your assistance as local, state and the federal government work to coordinate disaster recovery in New Jersey. There are several issues we want to raise to you as our federal representatives in the hopes that you can help us to advocate for change or in some cases, provide us with insight.

1. HUD Community Development Block Grant Funding (CDBG) – New Jersey Getting Less

New Jersey has received roughly \$4 billion less than New York in CDBG dollars overall and in the second round of funding saw reduction from the initial \$1.8 billion to \$1.4 billion. What is the policy reason for HUD's decision to give us less when estimated damages for New York were around \$42 billion versus New Jersey's \$37 billion? The most important housing program we have -- the Rehabilitation, Reconstruction, Elevation and Mitigation (RREM) -- is oversubscribed and has a waiting list of 4,000 displaced homeowners so there is a real need for those funds.

2. HUD's Third Round for Community Development Block Grant Funding (CDBG) – No Funds for 4,000 Residents on RREM Waiting List

We are hearing that New Jersey may get less than \$1 billion in the third round and that there may be only a minimal, if any, funds allocated for the reconstruction of substantially damaged (and mostly unlivable) primary residences despite 4,000 eligible New Jersey residents being on the waiting list for RREM.

There is also discussion that the third round CDBG funds will be allocated solely by a panel of HUD folks for a ReDesign Rebuild competition and this will absorb the funds that should be allocated for residents that are currently without a home.

3. National Flood Insurance Program – Lower Reimbursement for New Jersey/New York Than Other States

It has been widely reported that our residents have received roughly 60% in flood insurance payouts compared to resident in other states. We hear have heard this complaint from the vast majority of residents affected by Hurricane Sandy. There rightfully is real anger that they paid flood insurance premiums for flood insurance policies that have failed to provide appropriate reimbursement.

4. HUD Refusing to Fund Repair Work Done While RREM Grant Is Pending

Both New York and New Jersey residents and public officials (from Mayor DeBlasio, Governor Cuomo and Governor Christie) have been vocal about HUD's rule prohibiting reimbursement on repair work done from the date the applications are submitted for housing grants (New York Rising, Build it Back in NYC and RREM in New Jersey) until the grant signing takes place.

HUD has stated that until historic and environmental reviews are complete they will prohibit homeowners from being reimbursed. These reviews are NOT taking two to six weeks according to our homeowners, but more like a minimum of two-three months. For larger affordable housing projects it is taking 70 to 120 days. HUD has confirmed that only one percent of all their reviews have resulted in finding either historic or environmental issues.

Lastly, HUD is allowing resident to be reimbursed for work done BEFORE they submit their RREM application. This fact defeats HUD's position that the environmental/historic review is critical.

New York and New Jersey need to stand together on this issue and advocate for change.

5. SBA Loans Supplant RREM Grants?

We have a number of cases where residents qualified for an SBA loan then at a later date qualified for the RREM grant, but have been told they must use the loan first toward their 'unmet need' per federal duplication of benefits regulations. Additionally, some have used a portion of the loan while waiting for the grants and HUD will not allow residents to use grant money to repay the SBA loan.

It is our understanding that this is a new requirement being imposed on New Jersey and New York and that in other states grant money was allowed to be used first and indeed to pay off SBA loans. We would like your help in getting confirmation that this assertion is accurate and if it is, help us advocate for a change.

6. **Hazardous Mitigation Grant Program for Home Elevation – Reimbursement Only**

The HMGP program, being overseen by FEMA, is presently moving forward with grant awards. FEMA runs this program as reimbursement only. We believe that many will not have the funds to front their home's elevation.

One suggestion that has been presented to us is that non-profit organizations and possibly even banks be authorized to front the money in return for FEMA allowing residents to sign over their HMGP check when the work is done. While it is not a perfect answer, it is at least a good place to begin the discussion with FEMA.

CONCLUSION

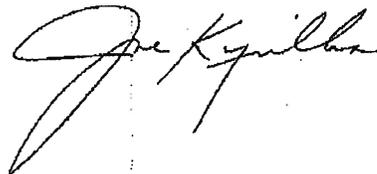
The many issues that we encounter as Sandy rebuilding continues should not be used as political fodder, but we should be able to ask reasonable questions and get reasonable resolutions when possible. The legacy of how we handle this will survive all of our political careers and our decisions will affect New Jersey families for many years to come.

We appreciate your time and consideration in these matters and I look forward to working with you as we continue to rebuild.

Respectfully yours,



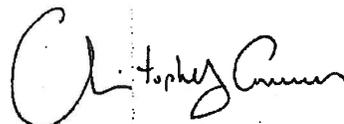
Senator Jennifer Beck
Monmouth – LD 11



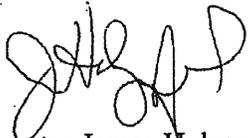
Senator Joseph M Kyrillos, Jr.
Monmouth – LD 13



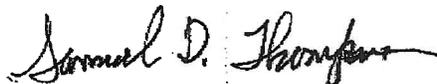
Senator Robert Singer
Ocean – LD 30



Senator Christopher Connors
Ocean – LD 9



Senator James Holzapfel
Ocean – LD 10



Senator Samuel Thompson
Middlesex – LD 12